

Board composition, director pay and 'skin in the game' in the ASX300



OWNERSHIP
MATTERS

1. Methodology and Summary Findings

1.1 Methodology

This study reports on entities in the S&P/ASX 300 Index whose financial year-end was in the calendar 2022 year and that conducted an AGM for the 2022 year. Some ASX300 entities, for example stapled securities, are not required to hold an AGM so were excluded.

Board composition in this report is based on board membership as at the date of the AGM which for some entities is in calendar 2023. A large portion of the entities within the sample have financial years ending 30 June with most of the remaining entities having financial years ending 31 March, 30 September or 31 December.

Included in the sample were 99 companies drawn from the ASX100 a further 93 drawn from the ASX200 and a further 98 drawn from the ASX300. References to ASX100, ASX200 and ASX300 groups in this report are to those three specific groups of 99, 93 and 98 entities respectively.

1.2 Summary findings

This study provides an overview of the composition of ASX100, ASX200 and ASX300 company boards, including director roles, independence, gender, remuneration, tenure, age and directors' shareholdings – their 'skin in the game'. The focus of this study is on non-executive directors, however some analysis of their executive colleagues is also provided.

Some of the key findings from the 2022 data are as follows:

GENDER DIVERSITY

- Across the ASX300, female directors now hold a record 34.2% of positions (717 of 2,098) after a net 40 new female roles were added over the past 2 years. However only 33 of the sampled 290 companies had a female chair;
- There are no all male boards remaining in the ASX200 after the 2 remaining outliers from the ASX200 (Core Lithium and De Grey Mining) both appointed their first female director in 2023. There are now only 3 remaining in the ASX300 – Icanx Healthcare, Sayona Mining and Capricorn Metals and there are two (Macquarie Group and Woolworths) which have an ongoing majority of female directors;
- Female leadership remains significantly under-represented with only 4 of 290 sampled entities across the ASX300 having a female chair and CEO. They were AMP, Bendigo & Adelaide Bank, Lynas and Spark New Zealand;

INDEPENDENT DIRECTORS

- The independent director cohort has never been higher, now comprising 93.1% of all ASX100 directors, but reducing to 82.4% in the ASX200 cohort, which is still a record high;
- The dominant reason for directors not being classified independent now relates to substantial shareholder board representation with 88 of the ASX100 and ASX200 companies having such a director on their board;

1. Methodology and Summary Findings

- There has been a dramatic long term reduction in non-executive directors losing their independent status through holding options or other management-style equity exposures;

OVERBOARDING

- Over-boarding has reduced with no individual director sitting on more than 4 ASX300 boards at the conclusion of calendar 2022, although in the 13 examples of that happening, 10 are female;
- Conversely, in 2022 there were only 15 professional directors earning more than \$1 million in board fees and only one of them was female (see table 6.5), suggesting that while more women are taking multiple board seats, the highest paying chair roles are still dominated by male directors;

CEO SUCCESSION INCREASINGLY INTERNAL AMONGST BIG CAPS

- Overwhelmingly majority independent boards of large cap companies are getting better at senior executive talent management and succession planning with 10 of the 12 new ASX100 CEO appointments in 2022 being sourced internally (table 2.15 and 2.16), although it fell away to 1 of 6 in the ASX200 cohort and 3 of 14 in the ASX300;

MALE DIRECTORS CLEARLY OLDER, SERVING LONGER

- Whilst not all directors disclose their age, the Ownership Matters data tracks the precise age of 609 of the 837 ASX100 directors with 78% of the male directors being over the age of 60 (Graph 13). By way of contrast, 46% of the ASX100 female directors (Graph 14) tracked are under the age of 60;
- Across the full 290 sampled companies the average male NED had served 6.5 years up until the 2022 AGM and the equivalent figure for female directors was 4.2 years. These figures are skewed by men dominating the category of tenure above 20 years. None of the 15 directors in the middle ASX200 cohort who had served above 20 years were female;

NED PAY EDGING HIGHER

- The 290 sampled companies from across the ASX300 paid their NEDs \$355.7 million in 2022 with the average pay of an ASX100 non-executive chairman rising marginally from \$510,444 in 2021 to \$511,746 and remaining relatively flat since 2018. However, the average ASX100 non-chair NED fee rose by 8.7% to \$274,936 over the past 5 years;
- Investors in large caps are paying the largest premium for chairing services relative to regular NEDs with the chair pay multiple in 2022 being 186.2% for ASX100 chairs, 157.7% in the ASX200 and 152.6% in the ASX300. Sayona Mining was the only sampled company with a first amongst equals policy of rotating the chair;
- The average pay of chairs in the ASX300 cohort had the largest increase, rising from \$190,278 in 2021 to \$207,192 in 2022;

1. Methodology and Summary Findings

NED SKIN IN THE GAME RISING

- Investors broadly support the concept of NEDs having some “skin in the game” through personal investments in ordinary shares which provide alignment with shareholders. Disappointingly, at sample date there were still 50 ASX100, 72 ASX200 and 86 ASX300 NEDs with no skin in the game, the longest serving being Michael Harvey (son of executive chairman Gerald Harvey), who has served 29 years on the Harvey Norman board but who owns no HVN shares; and
- The frequency of NEDs holding skin in the game of less than one years' fees was most prevalent in the ASX100 group. In the ASX100 group just under 44% of directorships were held by directors who had skin in the game of less than one years' fees (Graph 23). Less than one-quarter of ASX100 NED directorships were held by NEDs who had skin in the game of more than 2 years' fees.

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2. Aggregate board statistics

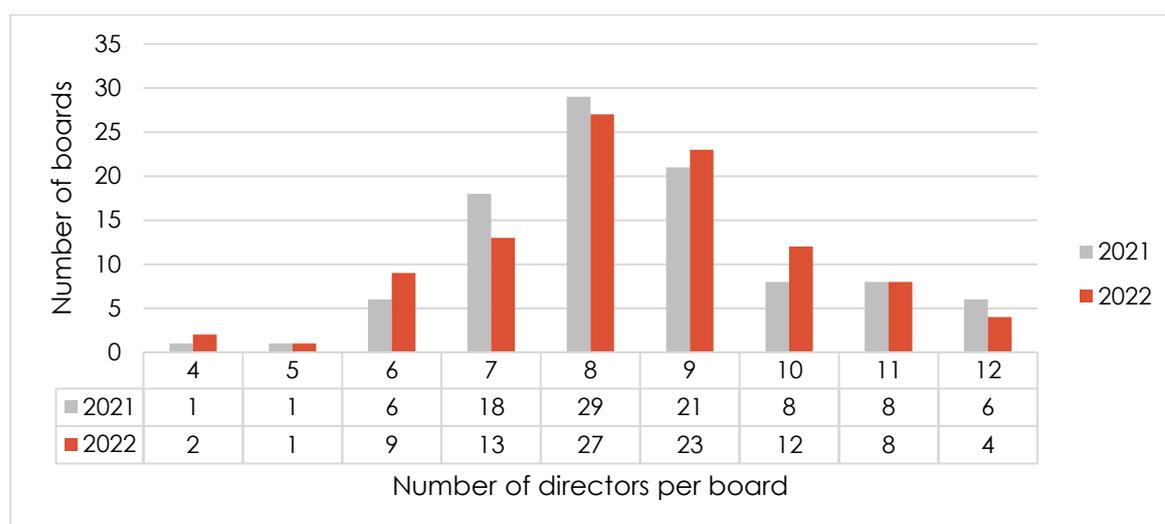
2.1 Aggregate board statistics: ASX100, ASX200 and ASX300

2.1.1 ASX 100 Board size

The ASX100 sample included 699 individuals (in 2021 there were 692) holding 837 board seats (2021: 845).

Across the 99 companies in the ASX100 sample, board sizes ranged from four to 12 members, with the average remaining consistent with the prior year at 8.5 members.

Graph 1: ASX100 board sizes



The four largest boards in the ASX100 were **BHP Group**, **Rio Tinto**, **Worley** and **Woodside Energy**, whose board increased to 12 members from the 11 recorded in 2021. Each of **IAG**, **James Hardie** and **Transurban** saw their board sizes reduce from 12 in 2021 to 11 in 2022. The two boards with four members in this group were The Star Entertainment Group (which has since increased to a five member board) and recently demerged The Lottery Corporation (which has since increased in size to a seven member board).

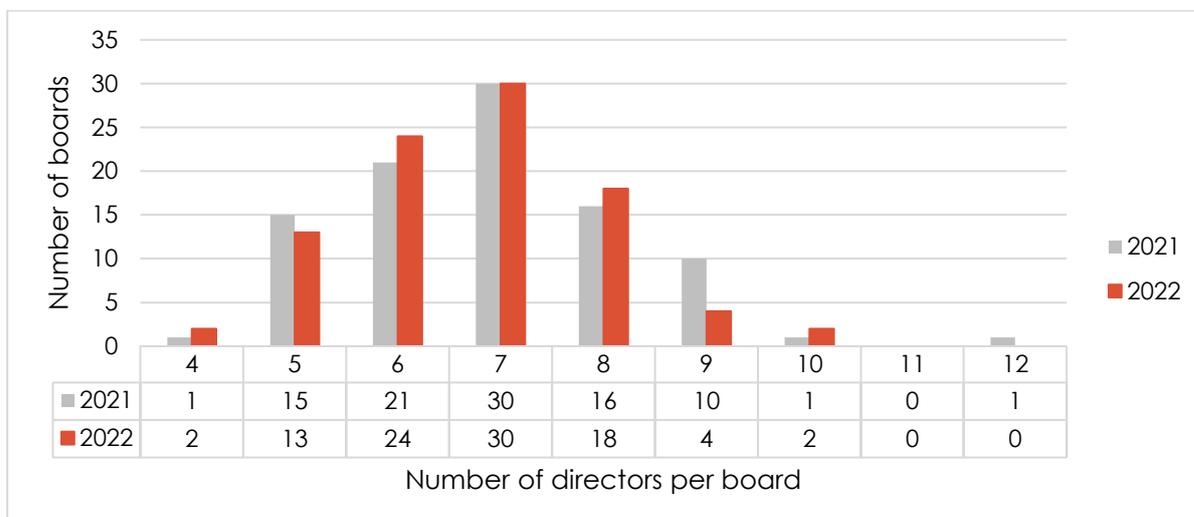
2.1.2 ASX 200 Board size

The ASX200 group included 584 individuals (down from 610 in 2021) holding 627 board seats (2021:655).

Across the 93 companies in the ASX200 sample the average board size was 6.7 members which was down from an average of 6.9 members in 2021. Board sizes amongst this cohort ranged from four to 10 members.

2. Aggregate board statistics

Graph 2: ASX200 board sizes



The largest boards in the ASX200 sample, with 10 members, were **Nickel Industries** (up from eight in the prior year) and **TPG Telecom** (which also had a board of 10 in 2021).

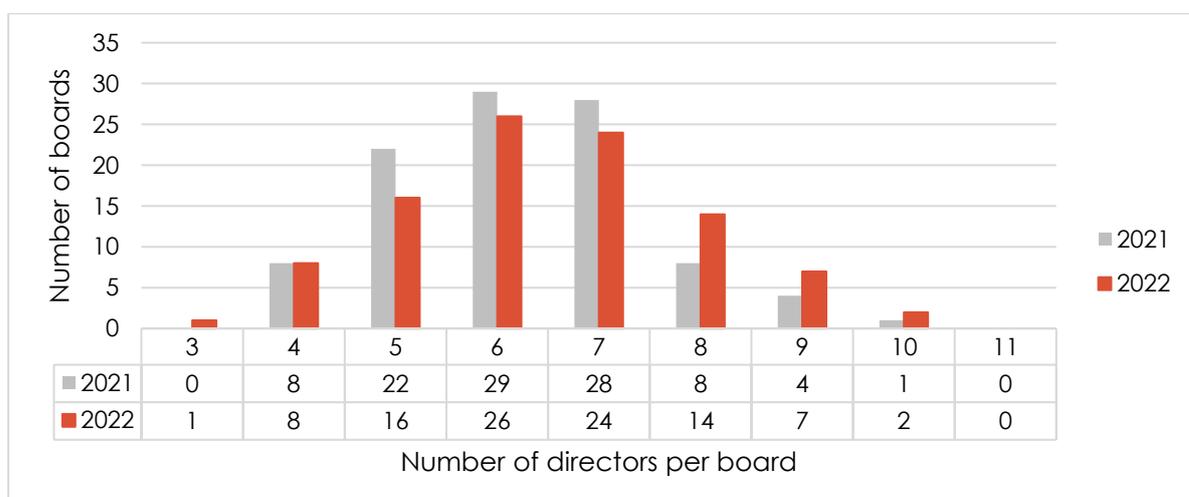
The smallest boards in the ASX200 sample consisted of four members of which there were two being **Core Lithium** and **Silver Lake Resources**.

2.1.3 ASX 300 Board size

The ASX300 group included 606 individuals (up from 602 in 2021) holding 634 board seats (2021:622).

Within the ASX300 cohort, which was a sample of 98 companies, the average board size was 6.5 members which was up from 6.2 members in 2021 and board sizes ranged from three to 10 members.

Graph 3: ASX300 board sizes



The largest board in the ASX300 group with 10 members was **Janus Henderson Group** which was down from 12 in 2021 following a year of substantial board renewal which saw seven

2. Aggregate board statistics

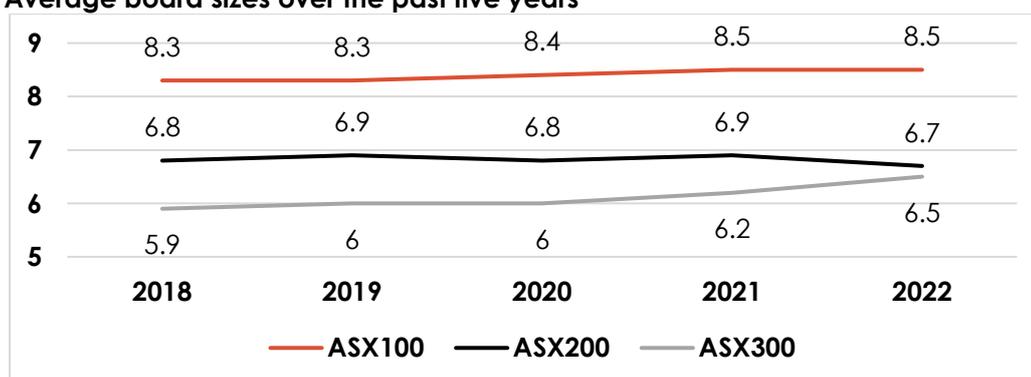
departures and six appointments (including the CEO role) with another appointment in June 2023 which took the board back up to 11 in number.

The smallest board in the ASX300 group was that of **Hotel Property Investments** which had a three member board at the time of its 2022 AGM but has since expanded to four with a director appointment in December 2022. There were eight four member boards in the ASX300 sample in 2022 including **Argosy Minerals, Australian Strategic Materials, Capricorn Metals, Jumbo Interactive, Mincor Resources** (which was taken over in July 2023), **PWR Holdings, Sayona Minerals** and **Solvar Limited**.

2.1.4 Average board sizes

While the ASX100 board has increased in sized over the past five years from 8.3 to 8.5, the average ASX200 group board size has declined marginally from 6.8 to 6.7 (it was 6.9 in 2019 and in 2021). The largest increase in average board size over the five years to 2022 was attributable to the ASX300 group cohort where average board size has steadily increased from 5.9 in 2018 to 6.5 in 2022.

Graph 4: Average board sizes over the past five years



2.2 Executive and Non-Executive Directors

The proportion of board seats held by non-executive directors has remained static over the past five years and in 2022 NEDs held 86.6% of ASX100 board seats (the number has ranged between 86.4% and 86.8% over the past five years).

In 2022, the average ASX100 board had NED representation of 86.2% which was up slightly from the 2021 average of 86.0%. The ASX100 board with the lowest level of NED representation remained **Harvey Norman** with a 50/50 split between executives and NEDs (**Harvey Norman** was in the ASX100 for 2022 and 2021 but was in the ASX200 index in 2020).

Table 2.1: ASX100 proportion of board seats held by non-executive directors

Year	Average	Lowest NED representation	Highest NED representation
2022	86.6%	50%	100%
2021	86.4%	50%	100%
2020	86.8%	60%	100%

2. Aggregate board statistics

ASX200 group boards have on average had NED representation of just over 83% in each of the past two years and there has been no board that has had NED representation below 57% (note that **Harvey Norman** is included in the ASX100 group as opposed to the ASX200 group in each of the past two years). In 2020 there was one board, **Megaport**, that had a 50% NED representation with two of four board members being executives (the chair/founder Bevan Slattery and the CEO).

Table 2.2: ASX200 group proportion of board seats held by Non-Executive Directors

Year	Average	Lowest NED representation	Highest NED representation
2022	83.4%	57%	100%
2021	83.2%	57%	100%
2020	82.9%	50%	100%

As is evident from tables 2.1, 2.2 and 2.3, average NED representation declines as market cap declines. Average NED representation in the ASX300 cohort was just over 81% for 2020 and 2021 and rose to 81.8% in 2022. Amongst the ASX300 group for each of the past three years was **Dicker Data** whose board of seven has three NEDs and the highest proportion of executive director participation. In 2021 **PPK Group** had a board comprised of four directors only one of whom was a NED. PPK Group was removed from the ASX300 index as part of the September 2022 rebalance. Generally amongst the ASX300 constituents the board includes at least three NEDs as the ASX Listing Rules (LR12.7) prescribe that the audit committee of an ASX300 company is to be comprised of at least three members, a majority of whom are independent. A grace period applies for issuers who have recently entered into the ASX300 index.

Table 2.3: ASX300 group proportion of board seats held by non-executive directors

Year	Average	Lowest NED representation	Highest NED representation
2022	81.2%	43%	100%
2021	80.1%	25%	100%
2020	80.1%	43%	100%

AGL Energy and **Xero** both had boards with no executive director representation at the time of their 2022 AGMs. However, **AGL Energy** appointed interim CEO Damien Nicks as managing director in January 2023. Of the 23 companies without an executive director on the board, two – **AGL Energy** and **Xero** – were within the ASX100. A further 12 were in the ASX200: **Adbri, Auckland International Airport, Beach Energy, Chorus, Credit Corp, Fletcher Building, Kelsian Group, New Hope Corporation, Novonix, Paladin Energy, Sandfire Resources** and **Technology One**. **Credit Corp** and **Sandfire Resources** have since appointed managing directors (in March 2023 and April 2023 respectively). There were a further eight entities within the ASX300 group which had no executive director representation on the board: **Australian Finance Group, Australian Strategic Materials, FleetPartners Group, Imdex, Judo Capital Holdings, Polynovo, SkyCity Entertainment Group** and **Unibail-Rodamco-Westfield** (the supervisory board is captured in the data). **Australian Strategic Materials** and **FleetPartners Group** have since appointed managing directors (in March 2023 and February 2023 respectively).

2. Aggregate board statistics

The two entities with the highest number of executives on the board at five were **Harvey Norman Holdings** and **Johns Lyng Group**, although two executives departed the Johns Lyng Group board in March 2023.

Table 2.3: Commonality of Executive Directors in 2022

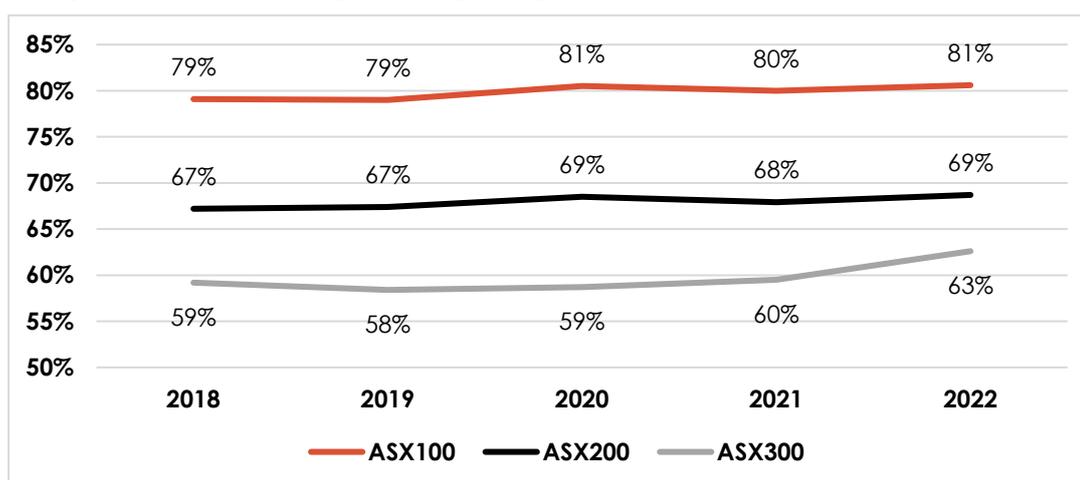
Number of executive directors on the board	0	1	2	3	4	5
ASX100	2	85	10	1	0	1
ASX200	12	61	18	2	0	0
ASX300	8	71	12	5	1	1

2.3 Proportion of board seats held by Independent Directors

The study classifies directors based on the OM's board independence assessment which is largely drawn from the independence guidelines of the ASX Corporate Governance Council and the Financial Services Council's Blue Book (OM notes that the FSC repealed the Blue Book 2018). There is a unanimous recommendation across the major governance groups in Australia including the Australian Council of Superannuation Investors (ACSI) and the ASX Corporate Governance Council, for boards to be majority independent.

A trend toward an increasing proportion of non-executive directorships held by independent directors is observable particularly at the lower end of the sample within the ASX300.

Graph 5: Proportion of directorships held by independent directors



In the ASX100 a far greater proportion of the NED director cohort is made up of independent directors which increased to 93.1% of NED directorships (80.6% of all directorships) which was up from 92.6% of NED directorships (80.6% of all directorships) in the prior year. Within the ASX200 cohort the portion of NED directors who were independent directors rose to 82.4% of NED directorships (68.7% of all directorships) which was up from 81.7% of NED directorships (67.9% of all directorships).

2. Aggregate board statistics

Table 2.4: Top 100 proportion of board seats held by independent non-executive directors

Year	Number of directorships (board seats)	Number of non-executive directorships	Proportion of independent directors
2022	837	725 (86.6%)	93.1% (80.6% of all directorships)
2021	845	730 (86.4%)	92.6% (80.0% of all directorships)
2020	806	700 (86.8%)	92.7% (80.5% of all directorships)

Within the ASX200 cohort the portion of NED directors who were independent directors rose to 82.4% (68.7% of all directorships) which was up from the 2021 result of 81.7% of NED directorships (67.9% of all directorships).

Table 2.5: ASX200 proportion of board seats held by independent non-executive directors

Year	Number of directorships (board seats)	Number of non-executive directorships	Proportion of independent directors
2022	627	523 (83.4%)	82.4% (68.7% of all directorships)
2021	655	545 (83.2%)	81.7% (67.9% of all directorships)
2020	685	568 (82.9%)	82.6% (68.5% of all directorships)

The highest rate of growth in the proportion of non-executive directorships held by independent directors is observable in the ASX300 group with the proportion of NED directors being independent directors increasing to 77.1% (62.6% of all directorships) which was up from 74.3% (59.5% of all directorships) in 2021 and from 73.3% (58.7% of all directorships) in 2020.

Table 2.6: ASX300 proportion of board seats held by independent non-executive directors

Year	Number of directorships (board seats)	Number of non-executive directorships	Proportion of independent directors
2022	634	515 (81.2%)	77.1% (62.6% of all directorships)
2021	622	498 (80.1%)	74.3% (59.5% of all directorships)
2020	623	499 (80.1%)	73.3% (58.7% of all directorships)

2. Aggregate board statistics

2.4 Reasons for classifying Non-Executive Directors as 'affiliated'

OM's classification of directors differed from that of the company in 49 cases where the company identified the director as independent but OM classified the individual as affiliated, as opposed to independent. Most differences were within the ASX300 cohort where there were 39 directors identified as independent by the company and where OM classified the individual as affiliated. In the ASX200 cohort there were eight differences and in the ASX100 there were two.

The two differences in the ASX100 were at:

- **Bendigo & Adelaide Bank:** where David Matthews was affiliated by OM due to his long-standing involvement with the group's 'Community Banks' franchise model and given that he remains a director of a community bank; and
- **Block, Inc:** where Randy Garutti was affiliated by OM due to his role as CEO of Shake Shack with Block, Inc noting that Mr Garutti "may be deemed to have an indirect material interest in [certain] Shake Shack Transactions".

Reasons for classifying an individual director as affiliated (ie not independent) vary depending on the circumstances of the individual and the company but broadly fall into the following categories where the individual:

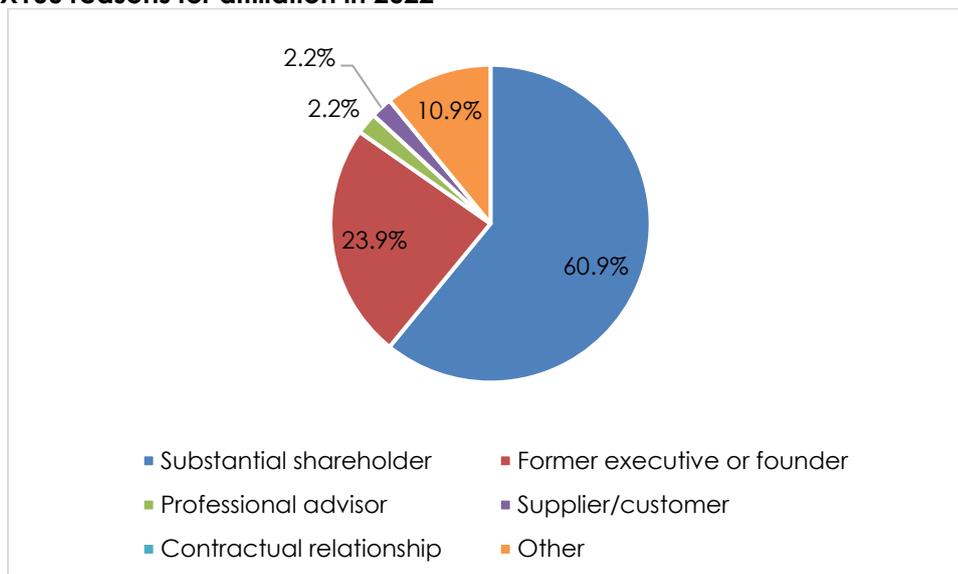
- is a substantial shareholder or a representative of a substantial shareholder;
- has been an executive in the past three years or was a founder;
- has provided a material professional service or has been an advisor to the company;
- has been a material supplier or customer;
- has material contractual relationships with the company; and
- has any interest or business or other relationship which could, or could be perceived to, materially interfere with their ability to act in the best interests of the company (for example the individual holds options in the company, has extended tenure with the company, is related to an executive etc).

OM does not remove independent status based on years of service unless service is in excess of 20 years. The classification relates to a board seat, rather than an individual director, as an individual could be an independent director on one board yet be considered affiliated on another.

Amongst the ASX100 and ASX200 groups the largest affiliation reason is due to a substantial shareholding in the company. In the ASX100 there were 28 NEDs affiliated due to a substantial shareholding and in the ASX200 group where were a further 60 NEDs affiliated for that reason.

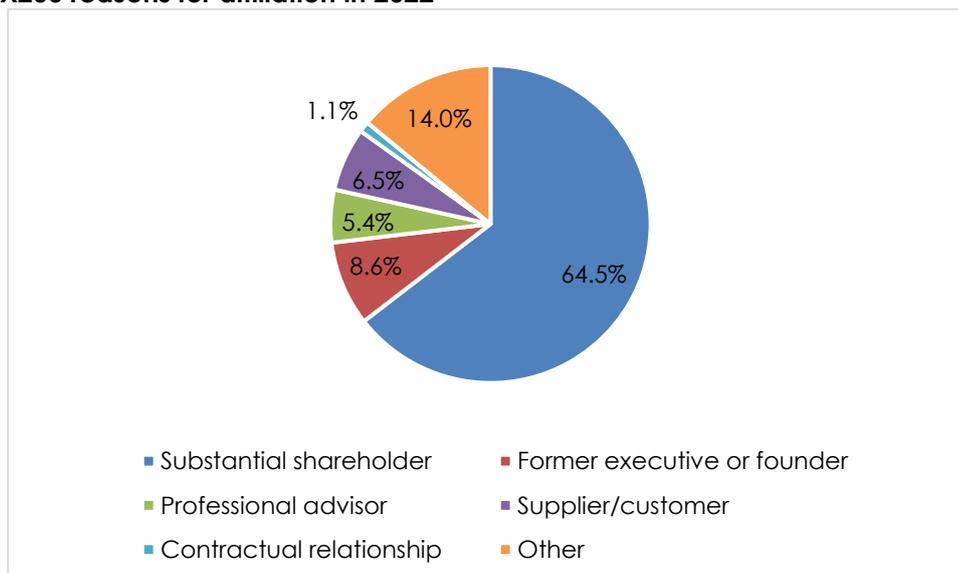
2. Aggregate board statistics

Graph 5: ASX100 reasons for affiliation in 2022



Note: No directors in the ASX100 were classified as affiliated for reason of contractual relationship.

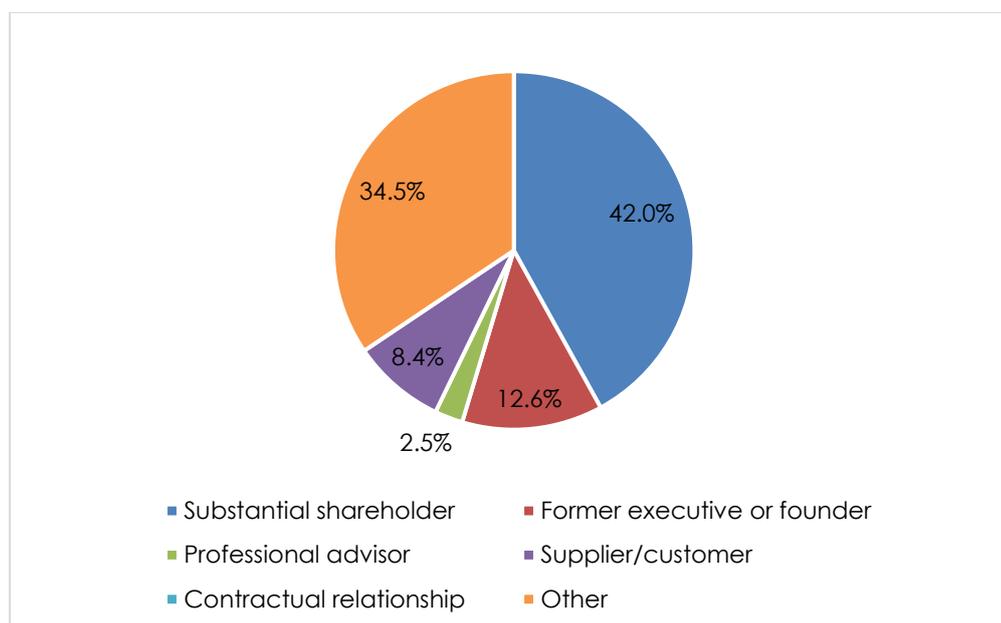
Graph 6: ASX200 reasons for affiliation in 2022



In the ASX300 group, while the most frequent affiliation reason remained due to a substantial shareholding (42% of the sample), there “other” affiliation reason was significantly higher at 34.5% than in the ASX100 (10.9%) and ASX200 groups (14.9%). This was largely due to a larger number of NEDs in the ASX300 group holding options with 30 of the 38 NEDs who were affiliated as “other” being due to holding options (in one case performance rights) in the company. In the ASX100 there were no NEDs classified as affiliated due to options holdings and in the ASX200 group there were only eight.

2. Aggregate board statistics

Graph 7: ASX300 reasons for affiliation in 2022



Note: No directors in the ASX300 group were classified as affiliated for reason of contractual relationship.

2.5 Board composition by gender

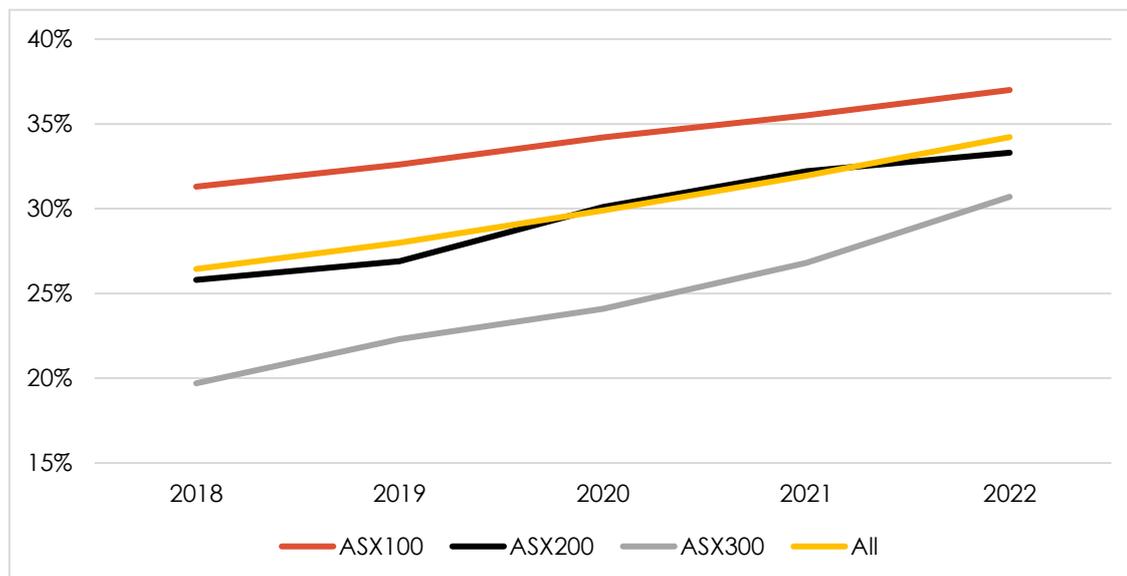
Gender diversity on boards has been a focus area for some time now and since 2012 female directors as a proportion of the ASX100 pool has increased from 15.8% to 37% in 2022. Of the ASX100 cohort of 837 board roles 310 were held by females. Female board representation declines through the ASX200 group to one-third (209 of 627 board roles) and declines again through the ASX300 group to 31% (199 of 634 board roles). The rate of increase in female board representation is most significant amongst the ASX300 cohort with the year on year to 2022 being 17.2% (the ASX100 increase was 4.2% and the ASX200 increase was 3.4%).

There has been a substantial increase in female board representation (both in number and diversity) in the lower end of the ASX 300 over the past three years. In the ASX300 group in 2020 there were 150 female board roles held by 135 individual women whereas in 2022 there were 199 female board roles held by 186 individual women.

Across the entire sample for 2022 there were 2,098 board roles of which 717 were held by women which resulted in a female participation rate of 34.2%. That was an increase from the 2021 female participation rate of 32.0% based on the 2,122 board roles of which 677 were held by women.

2. Aggregate board statistics

Graph 8: Proportion of board roles held by women



There is evidence that the increase in female board representation is a result of additional women being added to the director pool. For example in 2022 within the ASX100 there were 310 female board positions held by 236 women for a unique female percentage of 76.1%. That was an increase from 2021 when there were 300 female board positions held by 223 women for a unique female participation rate of 74.3%. In the ASX200 group the unique female participation rate was 89.5% which was up from 89.1% in 2021 and in the ASX300 group the unique female participation rate was 93.5% which was up marginally from 93.4% in 2021. In each group the unique female participation rate is lower the overall (ie male and female) unique participation rate indicating that a higher portion of multiple board roles are attributable to women.

Table 2.7: ASX100 Female participation on boards

Yr	Number of directorships	Individual directors	Unique Participation	Female directorships	Individual females	Female unique participation
2022	837	699	83.5%	310	236	76.1%
2021	845	692	81.9%	300	223	74.3%
2020	806	649	80.5%	276	195	70.7%

Table 2.8: ASX200 Female participation on boards

Yr	Number of directorships	Individual directors	Unique Participation	Female directorships	Individual females	Female unique participation
2022	627	584	93.1%	209	187	89.5%
2021	655	610	93.1%	211	188	89.1%
2020	685	625	91.2%	206	175	85.0%

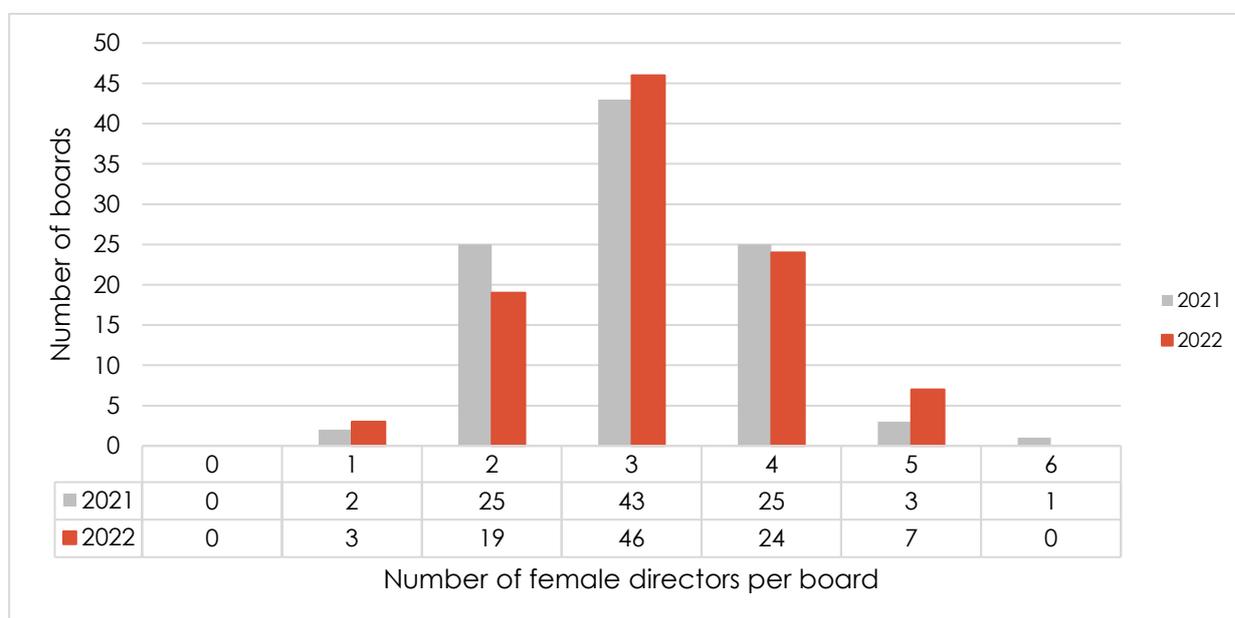
2. Aggregate board statistics

Table 2.9: ASX300 Female participation on boards

Yr	Number of directorships	Individual directors	Unique Participation	Female directorships	Individual females	Female unique participation
2022	634	606	95.6%	199	186	93.5%
2021	622	602	96.8%	167	156	93.4%
2020	623	596	95.7%	150	135	90.0%

In the ASX100 group there were 77 companies where female board representation was three or more and 22 where female representation was two or one (there were no ASX100 boards with no female representation). There were three entities with only one female on the board – **Vicinity Centres** (where female board representation rose to three on the day of the 2022 AGM on the election of Tiffany Fuller and Georgina Lynch at the AGM), **Reece** (where female board representation has remained at one since October 2020) and **The Star Entertainment Group** (where female board representation rose to two in March 2023). The entities with five female directors in 2022 were **Bluescope Steel**, **Fortescue Metals**, **Sonic Healthcare** (where female representation declined to four following the AGM), **Woolworths Group**, **ASX**, **Commonwealth Bank** and **Macquarie Group** (where female board representation rose to six in March 2023). Majority female boards were at **Fortescue Metals**, **Sonic Healthcare** (no longer majority female), **Woolworths Group** and **Macquarie Group**, which is now up to 6 female directors with the addition of former Mirvac CEO Susan Lloyd-Hurwitz in June 2023.

Graph 9: ASX100 number of female directors per board

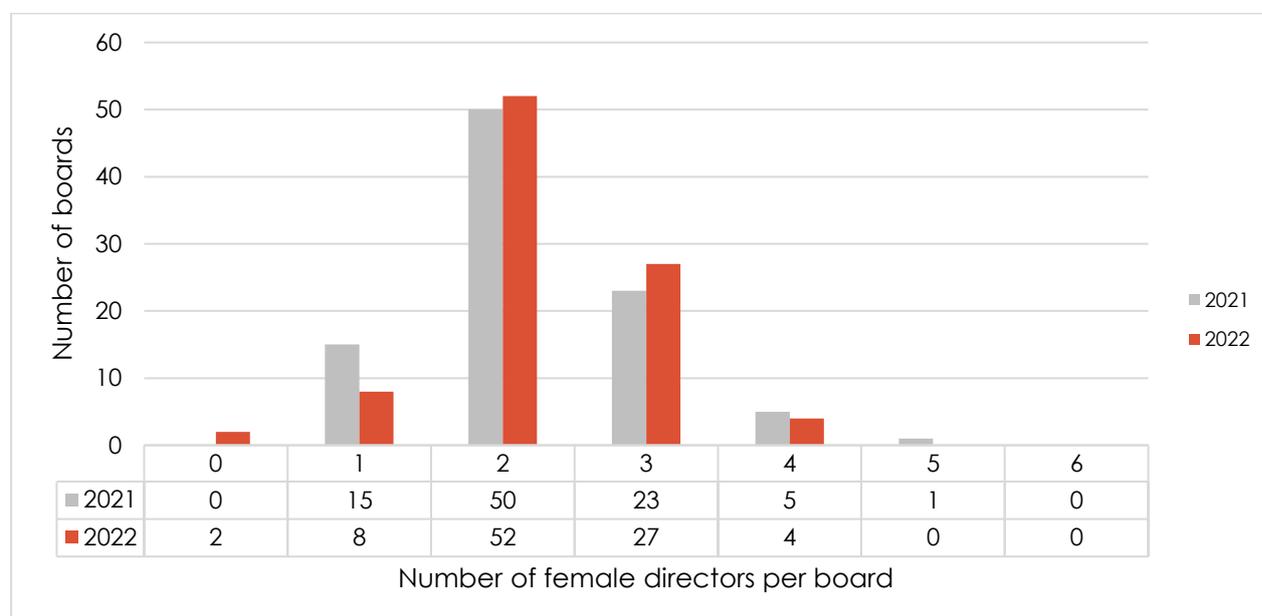


In the ASX200 group there were 32 companies where female board representation was three or more and 60 where female representation was two or one. There were two entities where there was no female board representation. The two entities were **Core Lithium** (where a female board appointment was made in May 2023) and **De Grey Mining** (where a female board appointment was made in January 2023). The highest number of female directors within this cohort was four at **Blackmores** (which reduced to three before it ceased ASX

2. Aggregate board statistics

trading on July 21), **Auckland International Airport**, **Inghams** and **Sims** (which has also since reduced to three).

Graph 10: ASX200 number of female directors per board

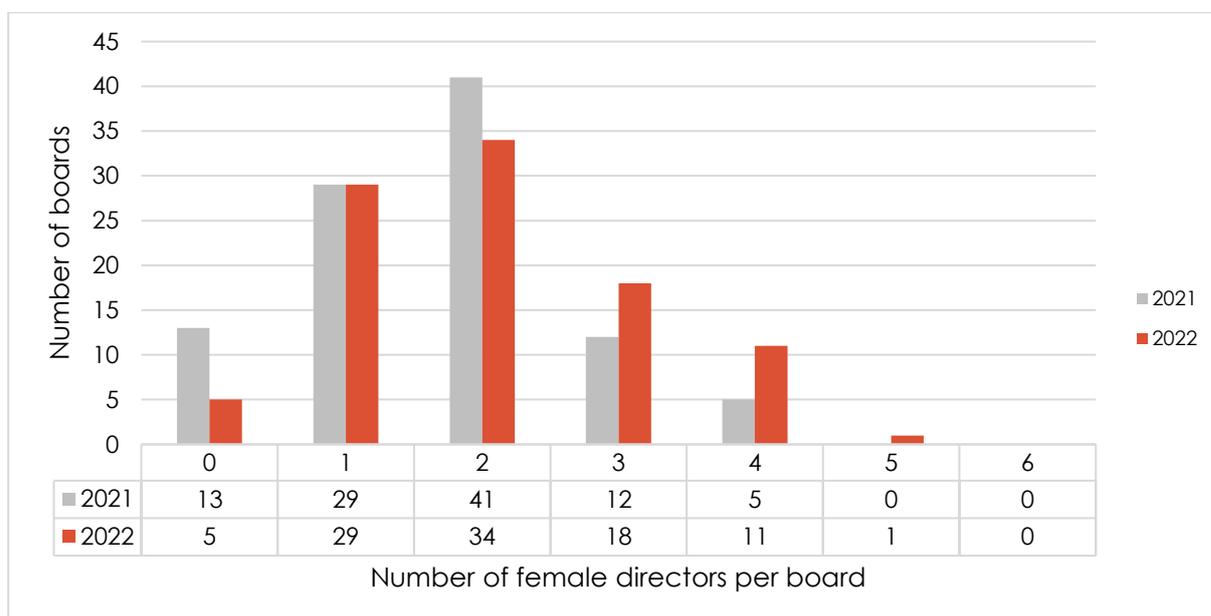


The highest female representation in the ASX300 group was attributable to **Unibail-Rodamco-Westfield** where there were five female non-executive directors on the board of ten (that has since increased to six of 11). In the ASX300 group there were eleven entities where female board representation numbered four which was up from five in the prior year. The entities with four female directors included **Appen**, **Dexus Industria REIT**, **Dicker Data**, **FleetPartners**, **G8 Education**, **Helia Group**, **Janus Henderson Group**, **SkyCity Entertainment** (now down to three following a departure in March 2023), **Spark New Zealand**, **Tyro Payments** and **Vulcan Energy**. Majority female boards in the group were **Dexus Industria REIT** (a board of six), **Dicker Data** (a board of seven), **FleetPartners** (a board of six at the time of its AGM but now a board of seven), **G8 Education** (a board of seven) and **Tyro Payments** (a board of six).

In the ASX300 group there were five entities with no female representation which was down from 13 in 2021. They were **Incannex Healthcare**, **Sayona Mining**, **Capricorn Metals**, **Argosy Minerals** and **5EA Advance Materials** (where Susan Brennan was appointed as CEO and MD in June 2023).

2. Aggregate board statistics

Graph 11: ASX300 Number of female directors per board



While female representation on boards continues to increase, that has not necessarily translated to the number of women holding leadership positions as chair or CEO. In the ASX100 group there were 10 female chairs, the ASX200 group there were nine female chairs and in the ASX300 group there were 14 female chairs. There were 13 female CEOs in the ASX100 group, three in the ASX200 group and five in the ASX300 group. Of the entire sample of 290 entities there were only four where both chair and CEO roles were held by women, they were **AMP, Bendigo & Adelaide Bank, Lynas** and **Spark New Zealand**.

Table 2.9: Distribution of male and female directors in leadership roles

Board member type	ASX100		ASX200		ASX300	
	Male	Female	Male	Female	Male	Female
Chairperson	89 (89.9%)	10 (10.1%)	84 (90.3%)	9 (9.7%)	83 (85.6%)	14 (14.4%)
CEO	84 (87.5%)	12 (12.5%)	77 (96.2%)	3 (3.8%)	81 (94.2%)	5 (5.8%)
Other Exec directors	13 (86.6%)	2 (13.3%)	12 (75.0%)	4 (25%)	17 (73.9%)	6 (26.1%)

Note: one ASX300 entity, Sayona Mining, has no chairperson.

2.6 "Professional" Non-Executive Directors

A 'professional non-executive director (NED)' is defined in this report as an individual holding more than one board seat on a sample group company. In the entire sample of the ASX 300 there were 1,381 individual NEDs and 287 or 20.8% were professional NEDs who held 669 board seats which was 37.9% of all non-executive board seats. In 2021 there were 1,364

2. Aggregate board statistics

individual NEDs of whom 302 (22.1%) were professional NEDs who held 711 board seats which was 40.1% of all non-executive board seats in 2021.

Table 2.10: Concentration of directorships among professional NEDs

Year	Number of NEDs	Number of professional NEDs	Number of professional NED directorships
2022	1,381	287 (20.8%)	669 (37.9%)
2021	1,364	302 (22.1%)	711 (40.1%)

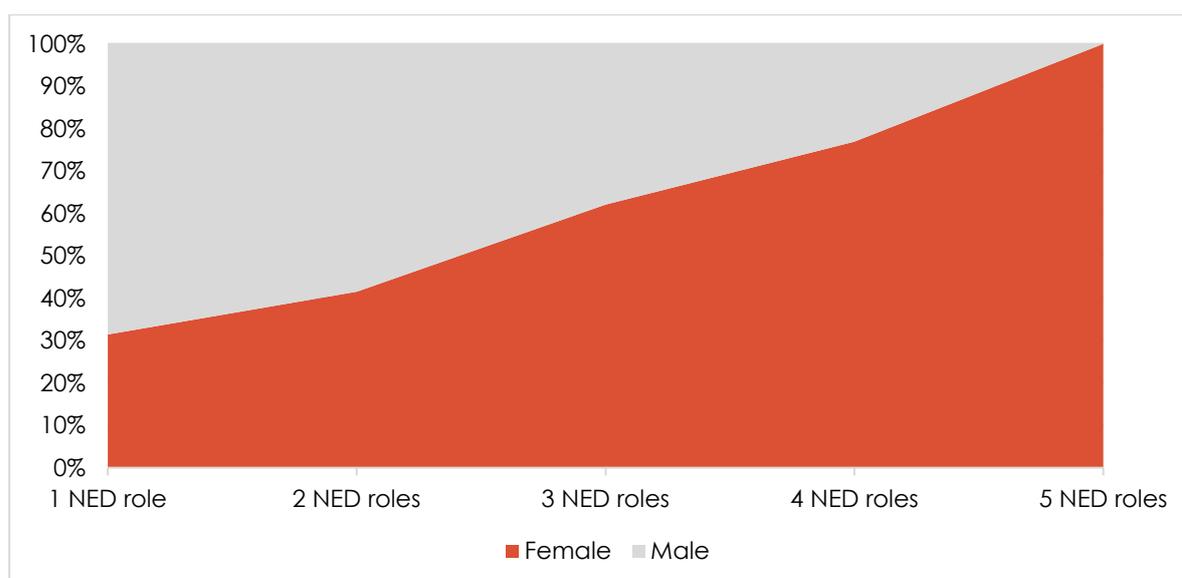
Professional non-executive directors took \$147.3m in fees which was 41.4% of the total NED fee pool of the ASX 300 of \$355.7m.

Table 2.11: Professional NEDs by gender 2022

	Professional NEDs	Professional NED seats	Average number of NED seats held
Female	138 (48.1%)	340 (50.8%)	2.5
Male	149 (51.9%)	329 (49.3%)	2.2

In the case of NEDs who hold only one board seat (ie those who are not defined as professional NEDs in this study) men substantially outnumber women. There are 750 NED men who held one board seat in 2022 whereas there were only 344 NED women who held one board seat. As the frequency of NED seats increases so too does the level of female participation in that cohort.

Graph 12: Gender participation rate by number of roles held by an individual NED



2. Aggregate board statistics

Table 2.12: Distribution of non-executive board seats held by individual NEDs

Number of board seats held by an individual NED	1	2	3	4	5
2022 (female participation rate)	1,094 (31.4%)	207 (41.5%)	66 (62.1%)	13 (76.9%)	1 (100%)
2021 (female participation rate)	1,062 (29.0%)	213 (37.0%)	71 (59.2%)	18 (77.8%)	N/A

Across the sample, of the 287 individual professional NEDs in 2022:

- 207 held two board seats which represented 23.5% of all NED directorships;
- 66 held three board seats which represented 11.2% of all NED directorships;
- 13 held four board seats which represented 2.9% of all NED directorships – of that group ten were women NEDs (see table 2.12 below); and
- One professional NED, Raelene Murphy, held five board seats. Ms Murphy held directorships at **Altium** (where she resigned following the 2022 AGM reducing her directorship list to four), **Bega Cheese**, **Elders**, **Integral Diagnostics**, and **Tabcorp**.

Table 2.13: Professional NEDs holding five board seats

Professional NED	Entities				
Raelene Murphy	ALU*	BGA	ELD	IDX	SDR

Table 2.14: Professional NEDs holding four board seats

Professional NED	Entities			
Kim Anderson	CAR	IFM	IVC	SDR
Yasmin Allen	ASX	COH	STO	QBE
Maxine Brenner	ORG	ORI*	QAN	WOW
Jacqueline Chow	BLD	CHC	COL	NHF
Stephen Goddard	AX1	GWA	JBH	NCK
Sally-Anne Laymen	BPT	IMD	NCM	PLS
Jane McAloon	BSL	HMC*	NCM	UMG*
Jacqueline McArthur	CWY	ING	QUB	TGR*
Robert Millner	BKW	NHC	SOL	TPG
Peter Nash	ASX	JLG	MGR	WBC
Karen Penrose	BOQ	COH	EHE	RHC
Nora Scheinkestel	BXB*	ORG	TLS*	WBC
Sharon Warburton	BKL	NST	WES	WOR

Note: *indicates that the NED has since departed that board.

2. Aggregate board statistics

2.7 New entrants to the director pool

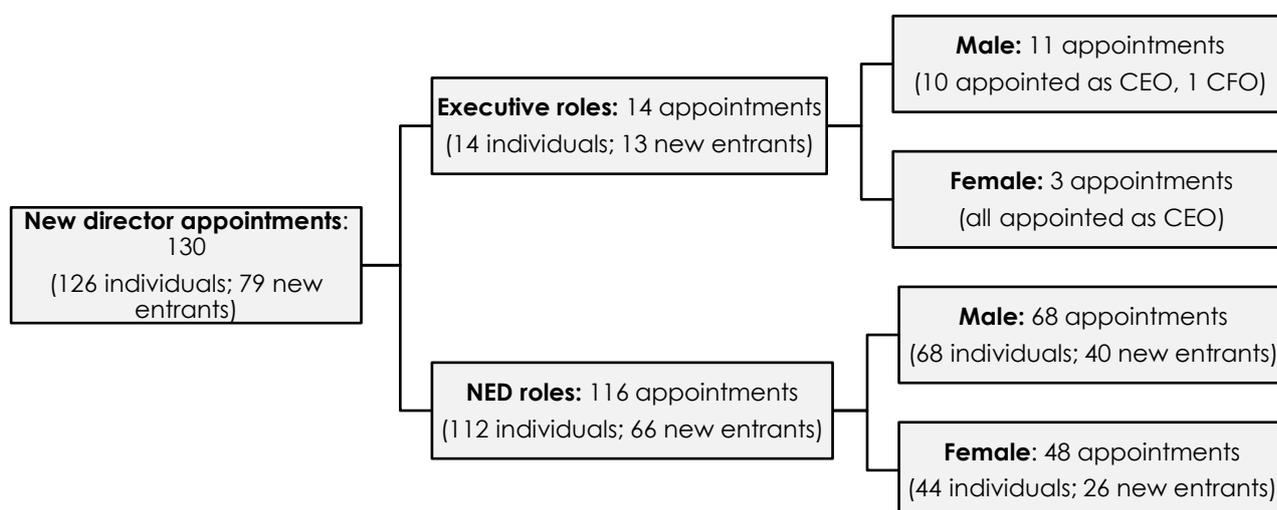
OM analysed the new entrants to the director pool and also compiled CEO appointments during the sample period, including the circumstances of new appointments and whether appointments were internal or external.

In 2022 there were 423 new board roles added to the sample which were filled by 412 individual directors. Of those new board roles 116 were due to index inclusion (ie due to the company being ASX300 index) and 14 were due to corporate activity (Block, Inc directors were added when that company acquired Afterpay and The Lottery Corporation directors were added when it demerged from Tabcorp). There were 307 new director appointments made during the year when the index inclusions and corporate activity additions are removed. There were 329 new entrants to the director pool with a new entrant being defined as an individual who had not held a directorship of an entity listed in the ASX300 index in the past. There were 143 female board roles added (of which 30 due to index inclusion or corporate activity) and 70 of the board roles were executive director appointments (of which 25 were due to index inclusion or corporate activity).

2.7.1 ASX 100 new entrants

During the period there were 130 new director roles added to the ASX100 group which were filled by 126 individuals which was down marginally from the 133 appointments filled by 128 individuals in 2021. Included in the director appointments for 2022 were the 11 Block, Inc directors who were added to the group when **Block, Inc** acquired **Afterpay** – for the purpose of this study all are “new entrants” who had not held an ASX300 board position before.

Chart 1: ASX100 - new director appointments



Of the 126 new individuals who joined the boards of ASX100 entities in 2022, 79 were new to the director pool. In terms of executive director appointments all were new entrants other than **JB Hi-Fi** CEO Terry Smart who had been CEO (and executive director) of JB Hi-Fi in the past (between May 2010 and June 2014). There were a further 12 CEO appointments made during the period amongst the ASX100 with three women appointed as CEOs – they were

2. Aggregate board statistics

Vicky Brady at **Telstra**, Sue van der Merwe at **The Lottery Corporation** and Helen Lofthouse at **ASX**.

Table 2.15: ASX100 Group CEO appointments during sample period

Company	Individual	Internal / External	Reason for departure of outgoing CEO
ASX	Helen Lofthouse	Internal	Retirement
Block, Inc	Jack Dorsey	N/A	N/A
Challenger	Nick Hamilton	Internal	Retirement
Cleanaway Waste Management	Mark Schubert	External	"Orderly transition"
James Hardie Industries	Aaron Erter	External	"Need for strategic transformation"
JB HiFi	Terry Smart	Internal	Poached
Lendlease Group	Tony Lombardo	Internal	Retirement
Metcash	Doug Jones	Internal	Retirement
Pilbara Minerals	Dale Henderson	Internal	Retirement
Scentre Group	Elliott Rusanow	Internal	Retirement
Tabcorp Holdings	Adam Rytenskild	Internal	Retirement/demerger
Telstra Group	Vicki Brady	Internal	Retirement
The Lottery Corporation	Sue van der Merwe	Internal	Retirement/demerger

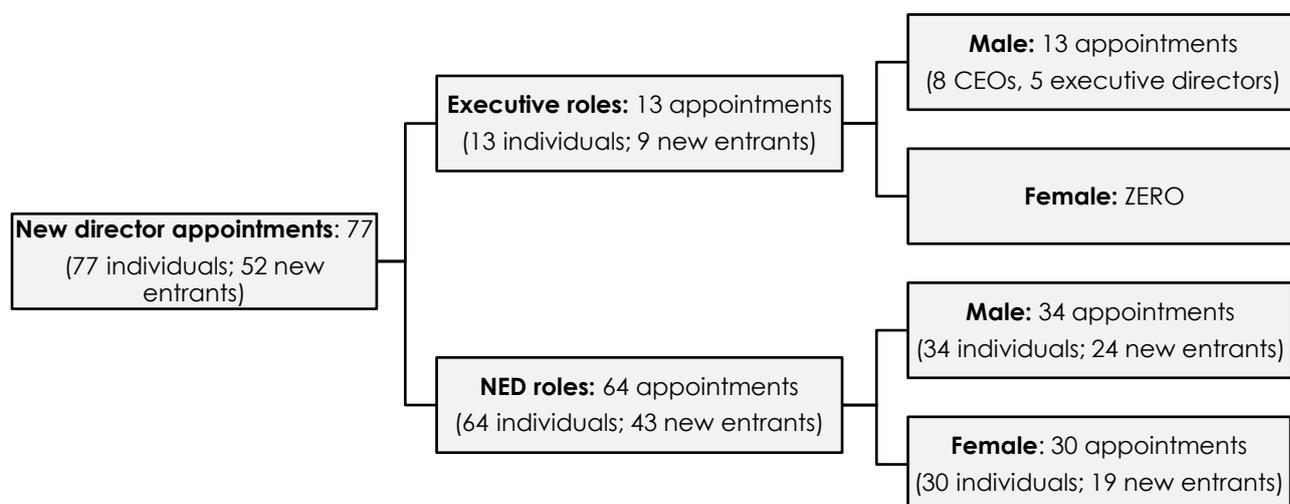
In the case of NED appointments there were 116 appointments and 112 individuals appointed. The three individuals appointed to more than one board were all women with Anne Brennan appointed to **Endeavour Group**, **GPT** and **The Lottery Corporation**; Michelle Hinchcliffe appointed **BHP** and **Macquarie Group** (appointed to both boards on the same day); and Alison Watkins appointed **CSL** and **Wesfarmers**. None of those three directors were new entrants as all had held an ASX300 NED role in the past.

2.7.2 ASX200 group new entrants

During the period there were 77 new director appointments to the ASX200 group which were filled by 77 individuals and of the new additions 10 were due to new entities entering into the sample due to index inclusion (**Core Lithium**, **Lake Resources**, **Nickel Industries** and **Novonix**).

2. Aggregate board statistics

Chart 2: ASX200 group - new director appointments



There were no female executive appointments made in this cohort in 2022 with all nine new executive appointments being men.

Table 2.16: ASX200 Group CEO appointments during sample period

Company	Individual	Internal / External	Reason for departure of outgoing CEO
Bapcor	Noel Meehan	Internal	Terminated
Boral	Vik Bansal	External	Mutual agreement
Cromwell Property	Jonathan Callaghan	External	Retirement
Iress	Marcus Price	External	Retirement
Lake Resources	David Dickson	External	Mutual agreement
Magellan Financial Group	David George	External	Resignation (ill health)
Premier Investments	Richard Murray	External (poached)	Retirement

Amongst the NED appointments, men outnumbered women appointments in 2022 in the ASX200 group with 34 men appointed (24 of whom were new entrants) and 30 women appointed (19 new entrants).

2.7.3 ASX300 group new entrants

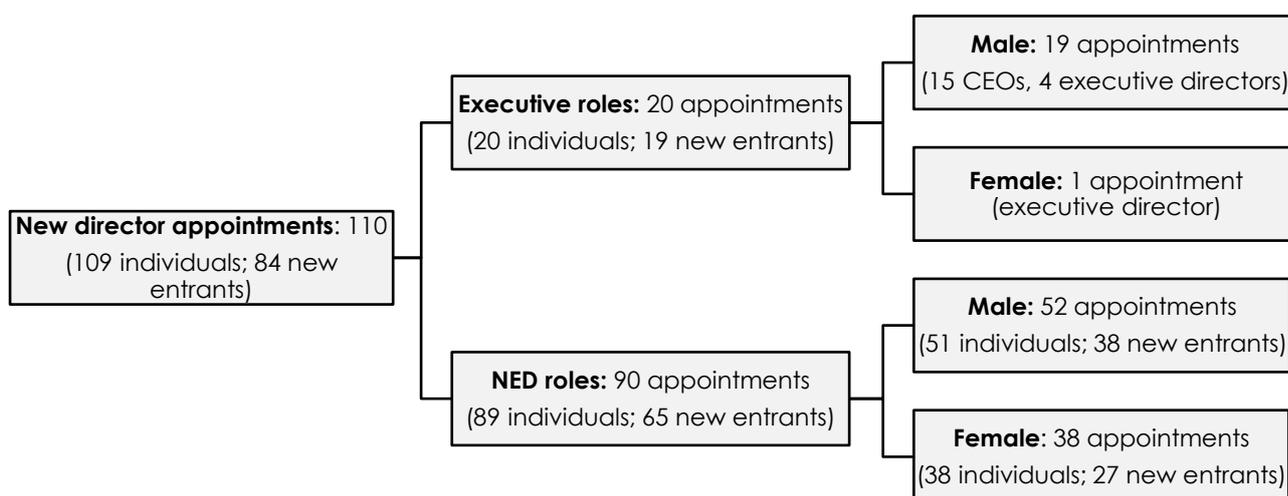
During the period there were 216 directorships added to the ASX300 group and of these 106 were new additions due to entities entering into the sample due to index inclusion (**29 Metals, APM Human Services International, Argosy Minerals, Aussie Broadband, Australian Clinical Labs, Boss Energy, Calix, Deep Yellow, Grange Resources, Incannex Healthcare, Judo Capital Holdings, Leo Lithium, MAAS Group, Mincor Resources, Neometals, Neuren Pharmaceuticals, PEXA Group, PWR Holdings, Sayona Mining, SiteMinder and Ventia Services Group**). Of the additions due to index inclusion 28 were female directorships (two were executive directorships) and 18 were new entrants. There were 79 male directorships

2. Aggregate board statistics

added due to index inclusion in the ASX300 group of which 50 were new inclusions and 21 were executive roles (17 were CEOs).

There were 110 new director appointments made to the group including following IPOs within the ASX300 (**5EA Advanced Materials** and **Leo Lithium**).

Chart 3: ASX300 group - new director appointments (excluding additions due to index inclusion)



There was one female executive appointment made in this cohort in 2022 which was the appointment of Tanya Gale as executive director corporate development at **MAAS Group** in October 2022.

Table 2.17: ASX300 Group CEO appointments during sample period

Company	Individual	Internal / External	Reason for departure of outgoing CEO
5EA Advanced Materials	Henri Tausch (since resigned)	Internal	N/A (IPO)
Appen	Armughan Ahmad	External	Mutual agreement
Codan	Alfonzo Ianniello	External	Retirement
Estia	Sean Bilton	Internal	Retirement
G8 Education	Pejman Okhovat	External	Mutual agreement
Infomedia	Jens Monsees	External	Resignation
Janus Henderson Group	Ali Dibadj	External	Resignation
Leo Lithium	Simon Hay	External	N/A (IPO)
Lovisa Holdings	Victor Herrero	External	Mutual agreement
MAAS Group	Wesley Maas	Founder	N/A (IPO)
Mayne Pharma Group	Shawn O'Brien	External	Retirement
McMillan Shakespeare	Rob De Luca	External	Retirement

2. Aggregate board statistics

MyState	Brett Morgan	External	Retirement
Resolute Mining	Terrence Holohan	Internal	Resignation
Ventia Services	Dean Banks	External	N/A (IPO)

Amongst the NED appointments in the ASX300 group, men outnumbered women in 2022 with the appointment of 51 men to 52 board seats (Jeffrey Forbes was appointed to both **PWR Holdings** and **Ventia**) with 38 being new entrants. There were 38 female appointments with 27 being new entrants.

2.8 Incidence of Executive Directors holding multiple directorships

There were eight individuals (2021: also eight) who served as an executive director on one sample board and as a non-executive director on at least one other. Most were as a result of the entity of which they are an executive holding an interest in the other entity. The relevant individuals were:

- Todd Barlow who is CEO of **Washington H Soul Pattinson & Company** and who is also a NED on **New Hope Corporation** (where Washington H Soul Pattinson & Company has a ~38% interest);
- Vivek Bhatia who is CEO of **Link Administration Holdings** and who is also a NED at **PEXA Group** (where Link Administration Holdings recently sold down its ~38% equity interest).
- Wayne Bramwell who is CEO of **Westgold Resources** and was also a NED of another gold miner **Deep Yellow** (he stepped down from Deep Yellow in late January 2023 due to his "increasing executive responsibilities");
- Harry Debney who is interim CEO of **Costa Group** and also a NED of **Kogan.com**;
- David Harrison who is CEO of **Charter Hall Group** and also a NED on Charter Hall managed entities **Charter Hall Retail REIT** and **Charter Hall Long WALE REIT**;
- Robert Kelly who is CEO of **Steadfast Group** and a NED of **Johns Lyng Group**;
- Mike Sneesby who is CEO of **Nine Entertainment Group** and also a NED of **Domain Holdings** (where Nine has a controlling interest); and
- Ryan Stokes who is CEO of **Seven Group** and also a NED of **Boral** and **Seven West Media** which **Seven Group** has equity investments (a controlling interest in the case of Boral).

3. Board Leadership

3 Board Chairs

Corporate governance guidelines in Australia recommend that listed company boards have an independent chairperson and also that the roles of CEO and chairperson ought not to be combined.

Non-independent chairs continued to be more common in the lower end of the ASX300 list rather than in the ASX100 or ASX200 groups. On OM's assessment of independence, in the ASX100 group 89 chairs were independent, in the ASX200 group there were 68 independent chairs and in the ASX300 group there were 66 independent chairs. The board of **Sayona Mining** has no chairperson with the company stating in its corporate governance statement that "At this point in the Company's development, it is not considered necessary to have a permanent board chairman, with the role at board meetings being rotated."

Table 3.1: Boards without an independent chair

	Executive Chair (with separate CEO)	Combined Chair/ CEO	Chair classified as affiliated by OM and the company	Chair classified as affiliated by OM and independent by the company
ASX 100 group	2	2	6	0
ASX 200 group	5 ¹	1	18	2
ASX300 group	4 ²	1	14	10

In the ASX100 group there were no companies where OM's classification differed from that of the company. In the ASX200 group there were two: **Novonix** (where the chair was a former executive and held 1.5m options in the company) and **BrainChip Holdings** (where the chair is also engaged by the company to provide business development consultancy services).

In the ASX300 group, the majority of the instances of a different classification of the chair's independence by OM were due to options held by the chair (**Bellevue Gold, Boss Energy, Jervois Global, Leo Lithium, Temple & Webster** and **Tyro Payments**). Other differences in classification were at **Polynovo** (where the chair is MD of Kidder Williams which has provided corporate advisory services in the past and due to cross boarding with other **Polynovo** NEDs), **Dexus Industria REIT** (where the chair is a director of the external manager and also a director of another Dexus managed REIT), **Dalrymple Bay Infrastructure** (where the chair is also a NED of an entity associated with the company's 49% shareholder) and **oOh!Media** (where the chair had been a consultant to an entity acquired by the company. **oOh!Media** formerly classified him as affiliated on that basis but re-classified him as independent given that the consultancy expired in December 2020).

¹ Includes Bega Cheese which has a separate CEO who does not sit on the board.

² Includes Capricorn Metals which has a separate CEO who does not sit on the board.

4. Director Age

4 Director age

Companies are under no obligation to publicly disclose the age of directors in market announcements. Some voluntarily disclose director ages in the directors' report where biographical information is provided about directors. OM captures director ages where possible from the information disclosed, however, notes that age data is not held for all directors in the sample. For example, age data is held for 609 of the 837 ASX100 board seats in the 2022 sample. There has been little variation in the ages of the director pools over the past three years, with non-executives continuing to be older than executives across the sample and female non-executive directors continuing to be, on average, substantially younger than male non-executive directors.

In the ASX100 female non-executive directors are on average five years younger than their male colleagues which is a trend that has persisted. The youngest director amongst the ASX100 cohort is Bridget Loudon who is a non-executive director of **Telstra** (appointed in August 2020) and is 34 years old.

Table 4.1: ASX 100 director ages 2020 – 2022

	Executive Directors			Non-Executive Directors		
	2020	2021	2022	2020	2021	2022
Men	56.9	56.5	57.0	64.4	64.3	64.7
Women	53.1	56.4	56.5	59.7	59.6	59.6
Combined	56.8	56.5	56.9	62.6	62.5	62.6

In the ASX200 group the gap between the average age of female non-executive directors is 5.5 years.

Table 4.2: ASX 200 group director ages in 2020 -2022

	Executive Directors			Non-Executive Directors		
	2020	2021	2022	2020	2021	2022
Men	59.1	56.5	56.2	65.1	63.9	63.4
Women	54.6	50.8	50.1	58.6	57.6	57.9
Combined	58.7	56.2	55.7	63.1	61.6	62.6

In the ASX300 group the gap between the average age of female non-executive directors is greater again at just over eight years.

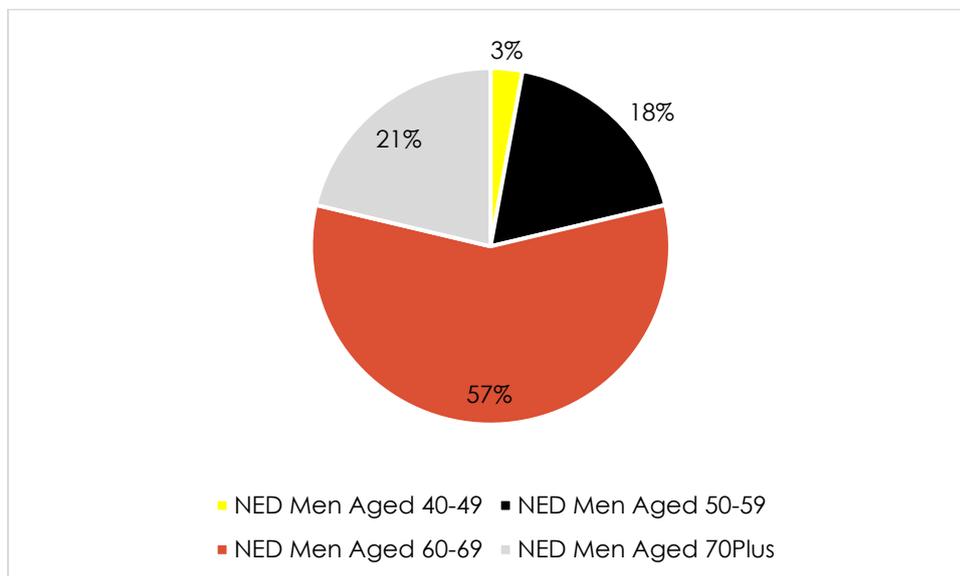
Table 4.3: ASX 300 group director ages in 2020 -2022

	Executive Directors			Non-Executive Directors		
	2020	2021	2022	2020	2021	2022
Men	56.7	54.5	52.3	65.5	63.5	63.2
Women	51.0	50.9	52.8	57.5	55.1	55.1
Combined	56.4	54.1	52.4	63.7	61.0	60.2

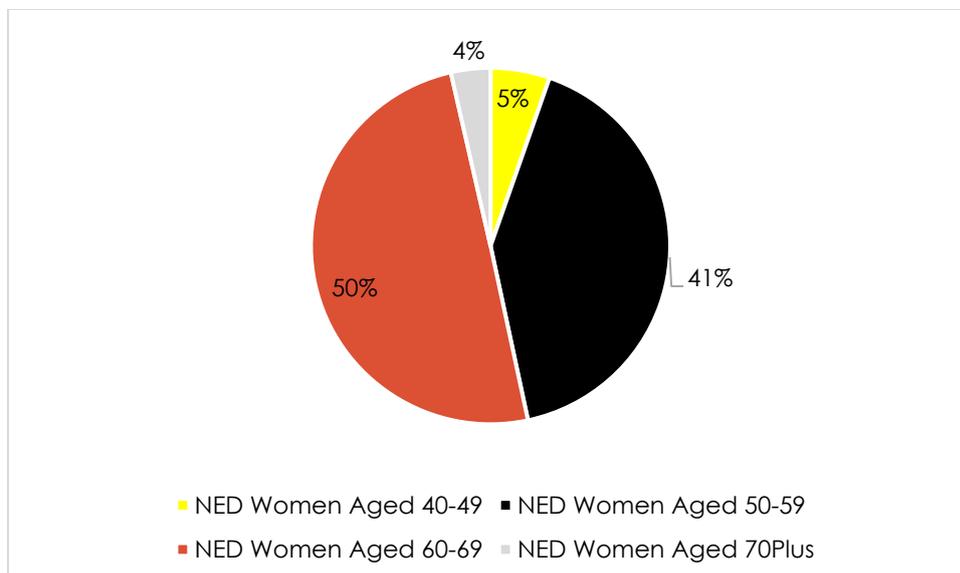
4. Director Age

There is lack of diversity of ages amongst the NED cohort in the sample with ages tending to concentrate in the 60 to 69 age bracket for male NEDs and the 40 to 49 and 50 to 59 brackets for female NEDs.

Graph 13: ASX100 male NED distribution by age

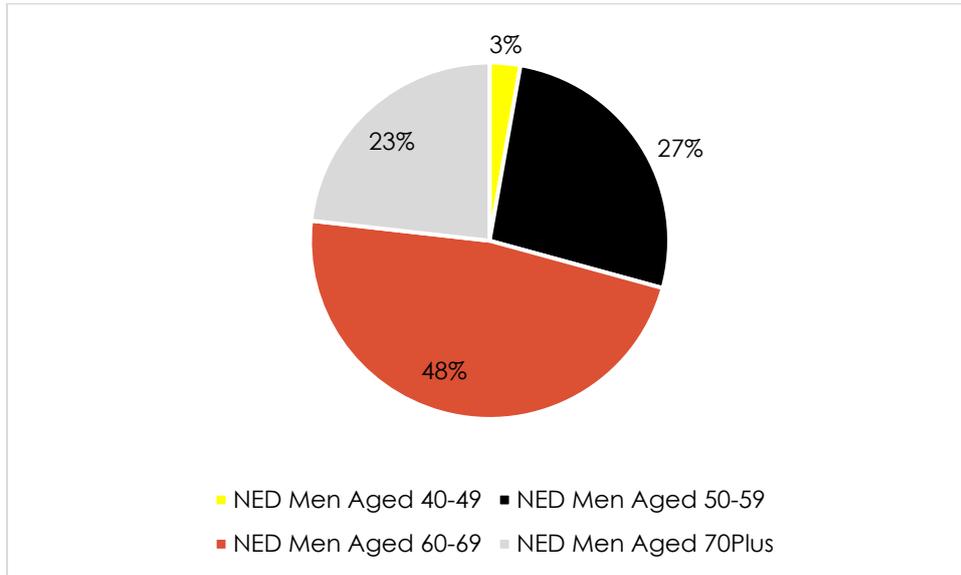


Graph 14: ASX100 female NED distribution by age

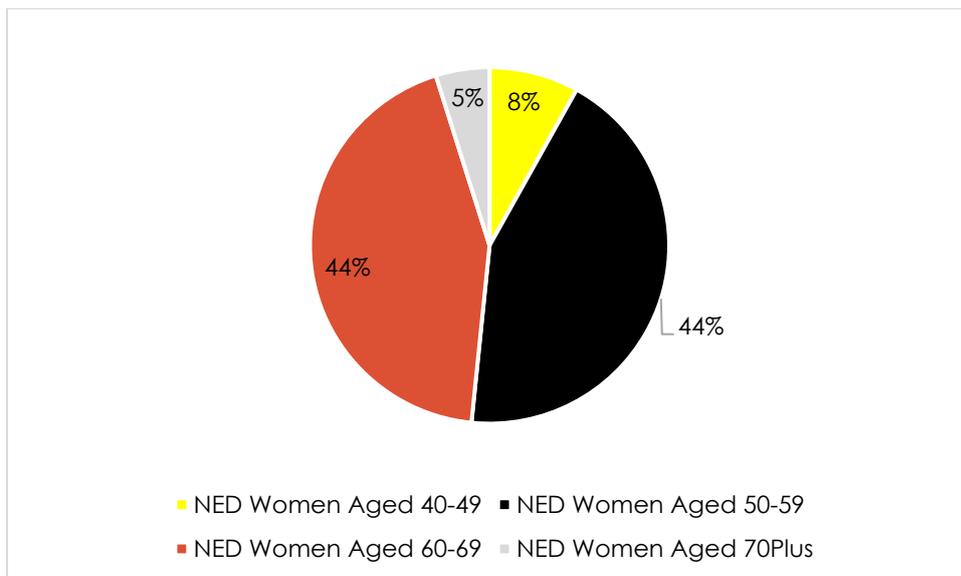


4. Director Age

Graph 15: ASX200 Group male NED distribution by age

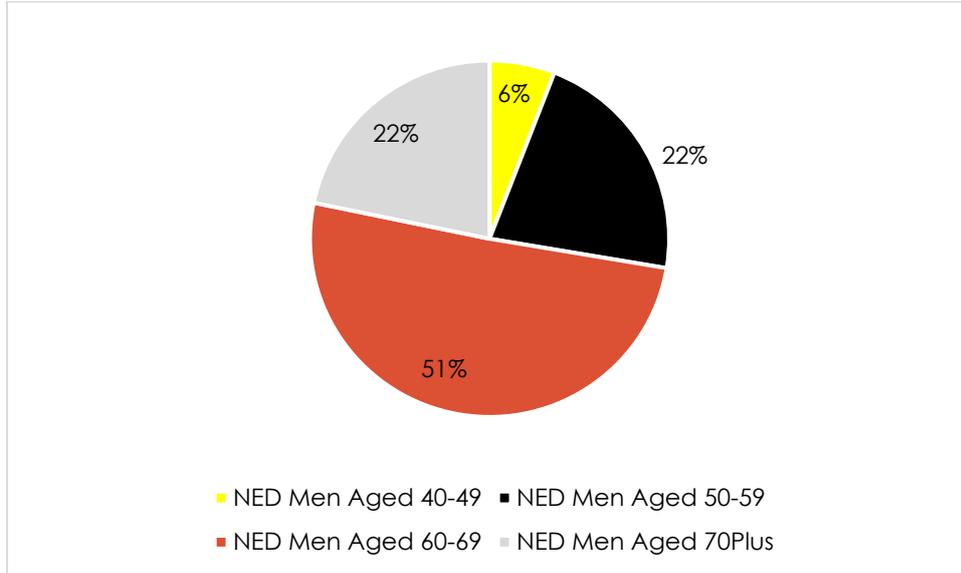


Graph 16: ASX200 Group female NED distribution by age

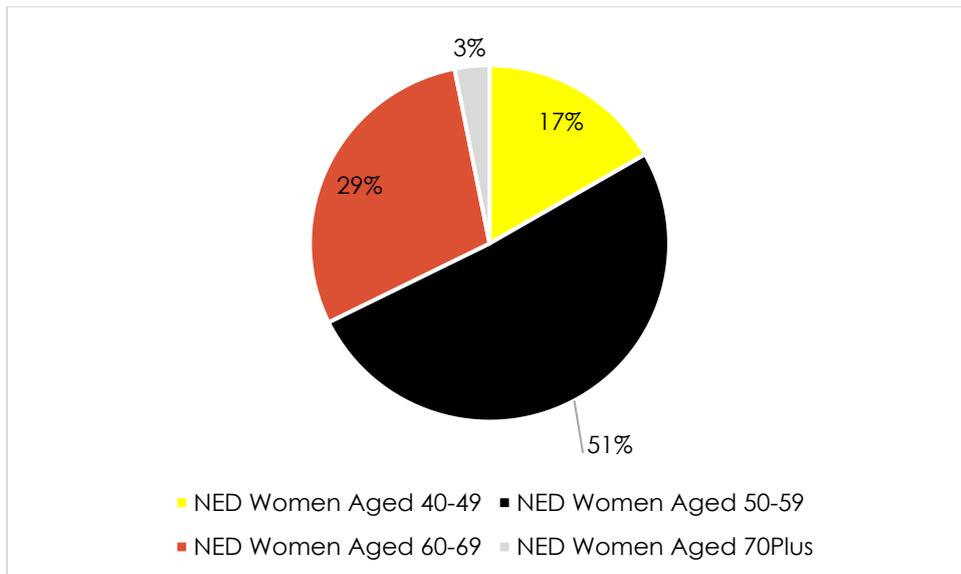


4. Director Age

Graph 17: ASX300 Group male NED distribution by age



Graph 18: ASX300 Group female NED distribution by age



5. Tenure

5.1 NED Tenure

Across the entire sample the average tenure for NEDs was 5.6 years with male NEDs having average tenure of 6.5 years and average female NED tenure was 4.2 years. Tenure for the purposes of this study is the date of appointment to the day of the AGM.

In the ASX100 group the average tenure for NEDs was also 5.6 years with male NEDs also having average tenure of 6.5 years and average female NED tenure was 4.5 years. In the ASX100 sample there were 12 NEDs who had been in office for more than 20 years. The longest serving NED in this cohort was **Ramsay Health Care** chair Michael Siddle who was appointed as a director in May 1975. In June 2023 **Ramsay Health Care** announced that Michael Siddle would step down as chair at the 2023 AGM (in November 2023) but would remain as a NED and seek re-election at the AGM. Other ASX100 NEDs with tenure of more than 30 years included Robert Millner at **Washington H Soul Pattinson & Company** (38 years), Chris Brown at **Harvey Norman** (35 years), Roger Brown at **ARB Corporation** (also 35 years) and Peter Farrell at **Resmed** (33 years).

Table 5.1: ASX 100 average and median tenure at 2022 AGM date

	Executive Directors		Non-Executive Directors	
	Average	Median	Average	Median
Men	8.6	5.6	6.5	4.9
Women	8.1	4.8	4.5	4.0
Combined	8.5	5.4	5.6	4.5

In the ASX200 group the average NED tenure was 5.9 years. For male NEDs average tenure was 7.0 years and the average tenure of female NEDs was 4.0 years.

In the ASX200 group there were 15 NEDs (all of whom are men) who had been in office for more than 20 years. The longest serving NED in this cohort was **EVT** chair Alan Rydge (who was former CEO and who, with associates, remains a substantial shareholder holding approximately 45% of EVT) who was appointed as a director in January 1978. Other ASX200 group NEDs with tenure of more than 30 years were **Super Retail** director Reg Rowe who founded the business in 1972 (Reg Rowe retired as a director in April 2023) and **Technology One** director John Mactaggart who was a founding shareholder of the business in 1987.

Table 5.2: ASX 200 average and median tenure at 2022 AGM date

	Executive Directors		Non-Executive Directors	
	Average	Median	Average	Median
Men	7.8	5.4	7.1	5.7
Women	4.2	5.3	4.0	3.2
Combined	7.5	5.3	5.9	4.7

5. Tenure

In the ASX300 group average NED tenure was 5.9 years with the average tenure of male NEDs being 7.1 years and the average tenure of female NEDs was 4.0 years.

In the ASX300 sample there were eight NEDs who had been in office for more than 20 years. The longest serving NED in this cohort was **Dicker Data** director Fiona Brown who co-founded the business with executive chair (David Dicker, her former husband) in 1978. The only other ASX300 group NED with tenure of more than 30 years was **Austal's** John Rothwell who was founding MD of that business in 1988.

Table 5.3: ASX 300 average and median tenure at 2022 AGM date

	Executive Directors		Non-Executive Directors	
	Average	Median	Average	Median
Men	7.7	5.4	6.0	4.7
Women	5.9 ³	2.8	3.9	3.2
Combined	7.5	5.2	5.2	4.0

5.2 Executive Director Tenure

Average executive director tenure in the ASX100 increased from 7.4 years in 2021 to 8.6 years in 2022 in part due the inclusion of **ARB Corporation** and **Steadfast** into the ASX100 group for 2022 with both of those companies having long tenured CEOs (35 years and 26 years respectively). There were 18 executive directors with tenure of less than one year in 2021 whereas in 2022 there were six executive directors whose tenure was less than one years.

In the ASX100 sample there were 12 executives in office for over 20 years (11 were men), with the longest serving executive being Reece executive chair (now executive director) Alan Wilson at 53 years followed by **ARB Corporation's** CEO Andrew Brown at 35 years and **Harvey Norman's** Kay Page and Gerald Harvey (CEO and executive chair respectively) also at 35 years.

In the ASX200 group there were five executives whose tenure exceeded 20 years (all were men) with the longest serving being **Pro Medicus** co-founders Sam Hupert (CEO) and Anthony Hall (executive director) whose tenure was almost 39 years. The only other executives with tenure exceeding 30 years were **Flight Centre** CEO (and founder) Graham Turner whose tenure was 35 years and **Bega Cheese Group** executive chair Barry Irvin who joined the Bega Co-operative board in 1991.

In the ASX300 group there were eight executives whose tenure exceeded 20 years with the longest serving being **Dicker Data** executive chair David Dicker who, as noted above, co-founded the business in 1978 with Fiona Brown. There were two other executives who had tenure of more than 30 years including **Nick Scali** CEO Anthony Scali whose tenure as a

³ This high average (relative to median) is partly attributable to APM executive chair and founder Megan Wynne who founded APM in 1994. She was one of 13 female executives in the group. There were nine women in the group whose tenure was three years or less.

5. Tenure

director was almost 39 years followed by **Monadelphous Group** executive chair John Rubino whose tenure was 31 years.

5.3 Average Board Tenure

Across the entire sample, the board with the highest average tenure was **Harvey Norman** at 21 years, closely followed by **Reece** where average tenure was 16.5 years and **ARB Corporation** where average tenure was 16.3 years, which is unsurprising given executives and/or NEDs on these boards were among the longest serving across the sample.

There were 18 companies where average board tenure was more than 10 years, most of which still have founders in leadership positions.

Table 5.4: Entities with average director tenure of > 10 years as at 2022 AGM date

Entity	Average director tenure (yrs)	Group
Harvey Norman	21.1	ASX100
Reece	16.5	ASX100
ARB Corporation	16.3	ASX100
Dicker Data	16.0	ASX300
EVT	15.1	ASX200
Pro Medicus	15.1	ASX200
Brickworks	15.0	ASX200
Monadelphous	14.1	ASX300
Sonic Healthcare	12.6	ASX100
Flight Centre	12.0	ASX200
Hansen Technologies	11.3	ASX300
Wisetech Global	11.2	ASX100
Sayona Mining	10.8	ASX300
Premier Investments	10.7	ASX200
Steadfast Group	10.5	ASX100
Carsales.com	10.2	ASX100
Washington H Soul Pattinson & Company	10.2	ASX100
Bega Cheese	10.0	ASX200

Conversely, the boards in the ASX100 with the lowest tenure (excluding companies which listed on the ASX during the past three years) and with an average of less than three years included **AGL** (1.2 years), **AMP** (2.3 years) and **Northern Star Resources** (2.2 years). In the

5. Tenure

ASX200 group they were **Blackmores** (1.4 years), **Cromwell Property Group** (1.7 years), **Sandfire Resources** (1.7 years), **Chalice Mining** (2.0 years), **Paladin Energy** (2.0 years), **Brainchip Holdings** (2.2 years) and **Lake Resources** (2.8 years). In the ASX300 group there were four entities where average director tenure was less than three years including **Westgold Resources** (1.6 years), **Mayne Pharma** (2.1 years), **Dexus Industria REIT** (2.1 years) and **Capricorn Metals** (2.5 years).

Table 5.3: Average board tenure as at 2022 AGM

Group	Average tenure	< 5 years	5 to 10 years	10 to 15 years	>15 years
ASX100	5.7	50 companies ⁴	41 companies	5 companies	3 companies
ASX 200	5.8	44 companies ⁵	42 companies	7 companies	Nil
ASX300	5.2	52 companies ⁶	41 companies	4 companies	1 company

⁴ Includes three companies that listed on the ASX during the past three years.

⁵ Includes three companies that listed on the ASX during the past three years.

⁶ Includes nine companies that listed on the ASX during the past three years.

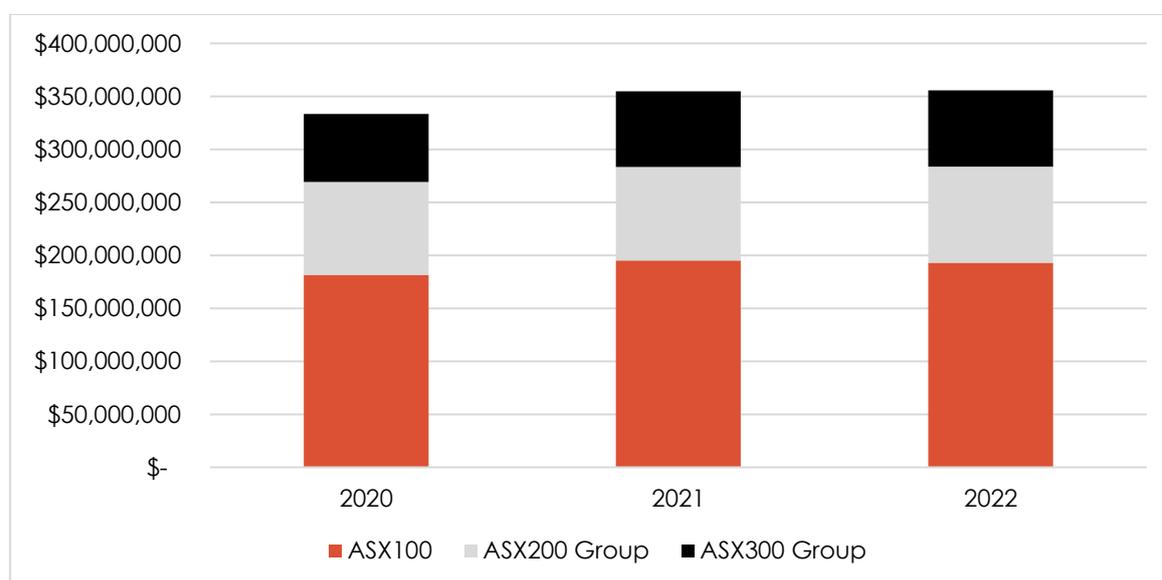
6. Non-executive director pay

This section contains data on average pay of non-executive directors and remuneration awarded to professional non-executive directors holding multiple Top 100 board seats. The data used is the disclosed statutory remuneration for non-executive directors which includes fees, travel allowances, non-monetary benefits, as well as 'special exertion' fees and the disclosed accounting value of equity granted (which may be larger or smaller than the actual value received from the exercise of equity grants).

6.1 NED pay

Aggregate fees payable to NEDs across the entire ASX300 sample in 2022 amounted to \$355.7m. Of that amount \$193m was the expense attributable to the ASX100 cohort, \$90.7m was the ASX200 group expense and \$71.9m was the ASX300 group expense. Just over \$1b in fees have been to NEDs of ASX300 entities over the past three years.

Graph 19: Aggregate fees paid to NEDs over the three years to 2022



Consistent with executive remuneration, NED remuneration tends to increase as market cap increases so fees payable to chairs and NEDs of ASX100 companies are generally higher than those in the ASX200 or ASX300 groups.

Table 6.1: Remuneration for non-executive directors 2022; figures for 2021 in italics ⁷

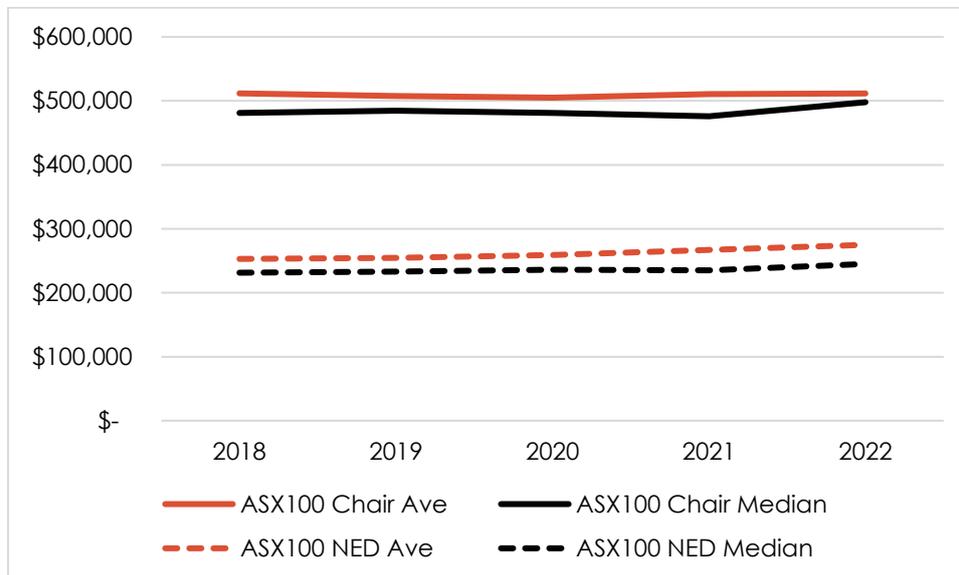
	Non-Executive Director	Non-Executive Chairperson
ASX 100 average	\$274,936 (<i>\$267,933</i>)	\$511,746 (<i>\$510,444</i>)
ASX 100 median	\$245,000 (<i>\$234,851</i>)	\$497,933 (<i>\$475,933</i>)
ASX 200 group average	\$172,625 (<i>\$162,001</i>)	\$272,037 (<i>\$274,450</i>)
ASX 200 group median	\$153,502 (<i>\$145,258</i>)	\$242,500 (<i>\$238,038</i>)
ASX 300 group average	\$139,642 (<i>\$143,596</i>)	\$212,950 (<i>\$238,687</i>)
ASX 300 group median	\$127,710 (<i>\$120,145</i>)	\$207,192 (<i>\$190,278</i>)

⁷ Remuneration figures disclosed in foreign currencies were converted using the average exchange rate for the relevant 12 month period.

6. Non-executive director pay

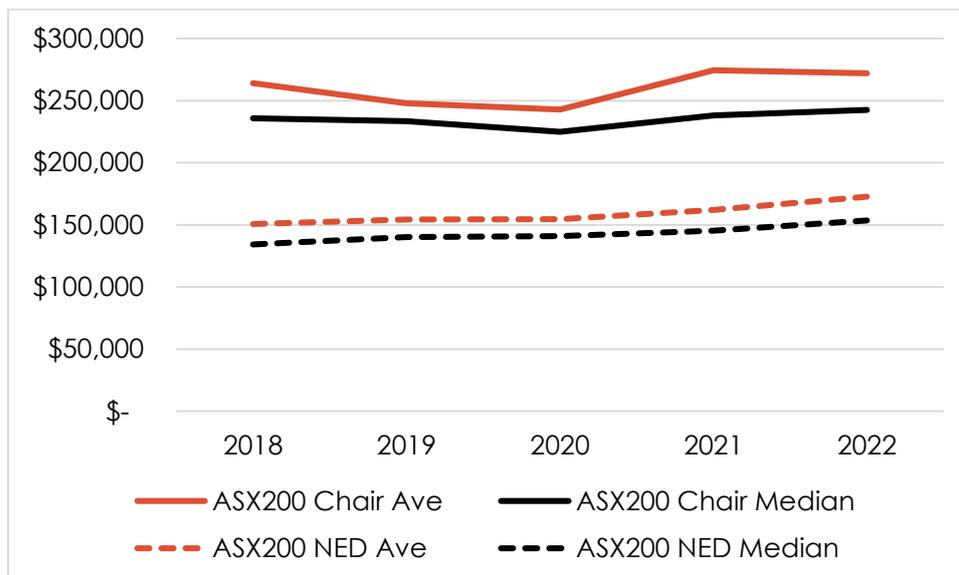
Amongst the ASX100 group average Chair fees have remained relatively consistent over the past five years at around \$511,000 and median chair fees have risen from \$484,500 in 2018 to \$497,933 in 2022. Average NED fees have risen by 8.7% from \$252,935 in 2018 to \$274,936.

Graph 20: ASX100 Group NED fees over five years



Amongst the ASX200 group average Chair fees declined from \$247,872 in 2018 to a low point in 2020 of \$242,813 and have risen since to \$272,037 in 2022. There was no significant decline in NED fees, however, which have risen by 14.6% from an average of \$150,641 in 2018 to \$172,625 in 2022.

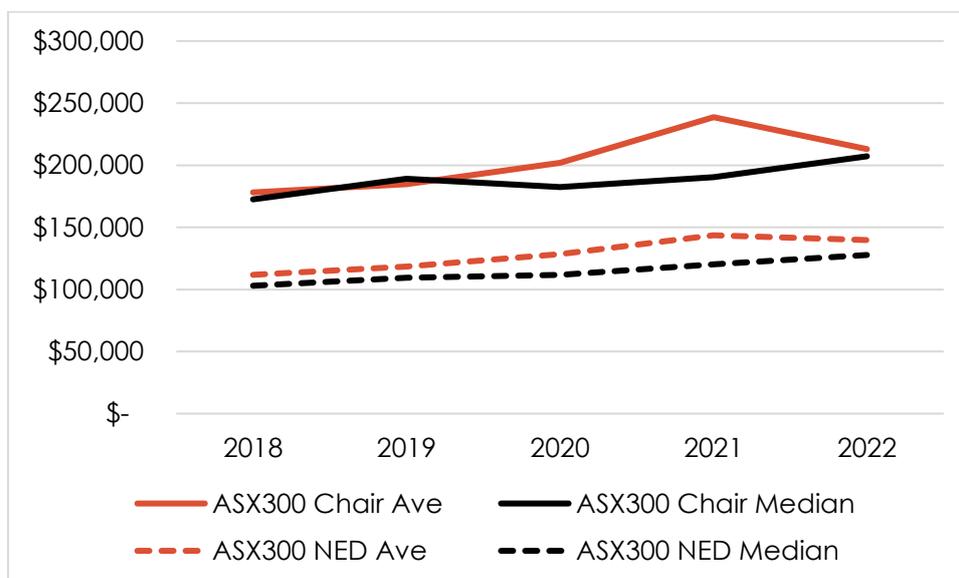
Graph 21: ASX200 Group NED fees over five years



Amongst the ASX300 group average Chair fees rose substantially in 2021 to \$238,687 however declined in 2022 to \$207,192 which was in line with the 2022 median chair fee. Median chair fees have increased in each of the past two years after declining slightly in 2020. Over the past five years average NED fees have increase by 25% from \$111,753 in 2018 to \$139,642 in 2022.

6. Non-executive director pay

Graph 22: ASX300 Group NED fees over five years



The highest paid ASX100 non-executive chair was **BHP Group's** Ken McKenzie who received \$1.26m (2021: \$1.18m). **Rio Tinto's** Dominic Barton, who was appointed as chair from May 2022 having been appointed as a NED in April 2022, received fees of \$1.14m. **Fortescue Metals'** deputy chair Mark Barnaba received fees of \$1.11m for 2022.

In the ASX200 group the highest paid NED was **Brainchip Holdings'** chair Antonio Viana whose disclosed remuneration was \$2.14m when translated from US to Australian dollars of which \$1.98m was an equity valuation as he was granted 3m restricted stock units in 2022 of which 916,666 vested during the year.

In the ASX300 group the highest paid NED was **Incannex Healthcare** chair Troy Valentine whose statutory remuneration was \$654,563 for 2022 which included an equity value of \$312,538 (he held 7.1m options at the start of 2022 and exercised 4.3m options during the year) and a consulting fee of \$240,000.

6.2 Remuneration of NEDs holding five directorships

As discussed above one professional NED, Raelene Murphy, held five board seats in 2022 (which reduced to four following her resignation from **Altium** after the 2022 AGM). Raelene Murphy's NED portfolio fees for 2022 were \$664,216 for her directorships at **Altium, Bega Cheese, Elders, Integral Diagnostics, and Tabcorp.**

6.3 Remuneration of NEDs holding four ASX100 directorships

There were three NEDs who held four directorships at ASX100 companies in 2022 and their average portfolio remuneration was just over \$1m. The three were:

- Maxine Brenner who received fees of \$1.2m for her directorships at **Orica, Origin Energy, Qantas Airways** and **Woolworths**;
- Yasmin Allen who received fees of \$993,134 for her directorships at **ASX, Cochlear, QBE Insurance** and **Santos**; and

6. Non-executive director pay

- Nora Scheinkestel who received fees of \$972,641 for her directorships at **Brambles**, **Origin Energy** (where she was appointed in March 2022 so was not a full year of fees), **Telstra Group** and **Westpac**.

6.4 Portfolio remuneration of NEDs holding four directorships across the sample

As discussed above there were 13 professional NEDs who held four directorships across the sample (including the three professional NEDs who held four ASX100 directorships discussed in section 6.3 above). Collectively this group of professional NEDs received just over \$11m in fees for 2022 and average portfolio fees for a professional director holding four roles was \$852,055.

There were three professional NEDs who held four directorships whose fees exceeded \$1m including Maxine Brenner (discussed above), Robert Millner and Peter Nash.

Table 6.4: Portfolio remuneration of professional NEDs holding four board seats⁸

Professional NED	Entities	Aggregate Fees
Kim Anderson	CAR, IFM, IVC, SDR	\$492,343
Yasmin Allen	ASX, COH, STO, QBE	\$993,134
Maxine Brenner	ORG, ORI*, QAN, WOW	\$1,204,598
Jacqueline Chow	BLD, CHC, COL, NHF	\$736,510
Stephen Goddard	AX1, GWA, JBH, NCK	\$722,460
Sally-Anne Laymen	BPT, IMD, NCM, PLS	\$693,537
Jane McAloon	BSL, HMC*, NCM, UMG*	\$554,140
Jacqueline McArthur	CWY, ING, QUB, TGR*	\$503,941
Robert Millner	BKW, NHC, SOL, TPG	\$1,388,097
Peter Nash	ASX, JLG, MGR, WBC	\$1,038,096
Karen Penrose	BOQ, COH, EHE, RHC	\$797,919
Nora Scheinkestel	BXB*, ORG, TLS*, WBC	\$972,212
Sharon Warburton	BKL, NST, WES, WOR	\$979,212

Note: *indicates that the NED has since departed that board.

⁸ Remuneration figures disclosed in foreign currencies were converted using the average exchange rate for the relevant 12 month period.

6. Non-executive director pay

6.5 Portfolio remuneration of NEDs holding three directorships across the sample

There were 68 professional NEDs who held three directorships across the sample. Collectively this group of professional NEDs received just over \$45m in fees for 2022 and average portfolio fees for a professional director holding three roles was \$668,062.

Included in this group is the professional NED who has the highest portfolio fees – Michael Wilkins whose portfolio fees for 2022 were just over \$1.5m.

There were 16 professional NEDs who held two board roles who collected portfolio fees of more than \$750,000 in 2022.

Table 6.5: Portfolio remuneration of professional NEDs holding three board seats⁹

Professional NED	Entities	Aggregate Fees
Ilana Atlas	ANZ, ORG, SCG	\$849,163
John Bevan	AWC, ANN, BSL*	\$1,183,045
Mark Chellew	ALD, CWY*, DOW*	\$1,117,818
Kathleen Conlon	ALL, BSL, LYC*	\$875,033
Steve Gregg	ALD*, CGF, TLC*	\$881,575
Jenn Morris	FMG, LTR, SFR	\$858,568
John Mulcahy	ALQ, GWA, MGR*	\$800,451
Christine O'Reilly	ANZ, BHP, SGP	\$983,886
Scott Perkins	BXB, ORG*, WOW	\$1,342,419
Sarah Ryan	AZJ, VEA, WDS	\$756,056
Rob Sindel	BLD, MGR, ORA*	\$887,774
Anne Templeman-Jones	BKL*, CBA, WOR	\$900,604
David Thodey	RHC, TYR*, XRO*	\$921,324
Nicola Wakefield-Evans	LLC, MQG, VEA	\$940,375
John Whitfield	CBA, GPT, TCL	\$843,677
Michael Wilkins	MPL, QBE, SCG	\$1,503,096

Note: * denotes chair role.

⁹ Remuneration figures disclosed in foreign currencies were converted using the average exchange rate for the relevant 12 month period.

6. Non-executive director pay

6.6 Portfolio remuneration of NEDs holding two directorships across the sample

There were 213 professional NEDs who held three directorships across the sample. Collectively this group of professional NEDs received \$90m in fees for 2022 and the average portfolio fees for a professional director holding three roles was \$437,328.

Included in this group of professional NEDS are the NEDs with the next three highest portfolio fees after Michael Wilkins including Richard Goyder, Michael Chaney and John Mullen.

There were 14 professional NEDs who held three board roles who collected portfolio fees of more than \$750,000 in 2022, six of whom collected portfolio fees exceeding \$1m.

Table 6.6: Portfolio remuneration of professional NEDs holding two board seats¹⁰

Professional NED	Entities	Aggregate Fees
Malcolm Broomhead	ORI*, BHP	\$822,250
Michael Chaney	WES*, NST	\$1,459,445
Neil Chatfield	ALL*, CGC*	\$948,777
Philip Chronican	NAB*, WOW	\$1,094,272
Alison Deans	COH*, RHC	\$803,852
John Gillam	CSR*, NUF	\$796,169
Richard Goyder	WDS*, QAN*	\$1,465,550
Peter Hearl	EDV*, STO	\$785,512
Graeme Liebelt	AMC*, ANZ	\$1,097,558
Doug McKay	NAB, FBU	\$764,485
Christine McLoughlin	SUN*, COH	\$918,776
John Mullen	TLS*, BXB*	\$1,418,001
Thomas Pockett	IAG*, SGP*	\$1,115,000
Peter Polson	CGF*, IEL*	\$918,896

Note: * denotes chair role.

¹⁰ Remuneration figures disclosed in foreign currencies were converted using the average exchange rate for the relevant 12 month period.

6. Non-executive director pay

6.7 Highest remunerated NEDs

The fifteen NEDs who had the highest portfolio remuneration in 2022 are listed in table 6.7 below. All fifteen had portfolio remuneration of in excess of \$1 million in FY22.

Table 6.7: Portfolio remuneration of fifteen highest remunerated NEDS¹¹

	Professional NED	Entities	Portfolio remuneration
1	Michael Wilkins	QBE*, SCG, MPL*	\$1,503,096
2	Richard Goyder	WDS*, QAN*	\$1,465,550
3	Michael Chaney	WES*, NST*	\$1,459,445
4	John Mullen	TLS*, BXB*	\$1,418,001
5	Robert Millner	SOL*, BKW*, NHC*, TPG	\$1,388,185
6	Scott Perkins	ORG*, WOW, BXB	\$1,342,419
7	Ken MacKenzie	BHP*	\$1,261,236
7	Maxine Brenner	WOW, ORG, QAN, ORI	\$1,204,598
8	John Bevan	BSL*, ANN*, AWC	\$1,183,045
9	Dominic Barton	RIO*	\$1,142,198
10	Mark Chellew	CWY*, DOW*, ALD	\$1,117,818
12	Thomas Pockett	IAG*, SGP*	\$1,115,000
13	Mark Barnaba	FMG	\$1,113,750
14	Philip Chronican	NAB*, WOW	\$1,094,272
15	Peter Nash	ASX, JLG*, MGR, WBC	\$1,038,096

Note: * denotes chair role.

The TSR performance of each director's portfolio as at 31 March 2023 for each professional NED who had portfolio fees of in excess of \$1m is detailed in the charts below.

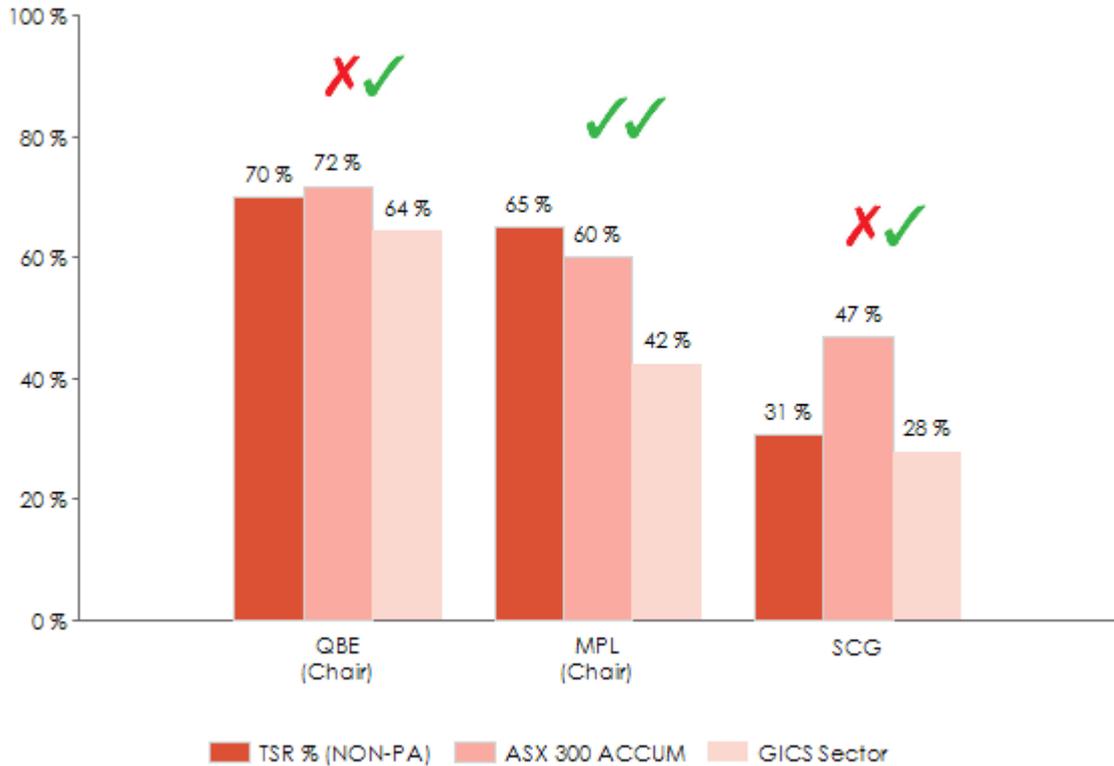
¹¹ Remuneration figures disclosed in foreign currencies were converted using the average exchange rate for the relevant 12 month period.

6. Non-executive director pay

Michael Wilkins TSR performance (total portfolio remuneration of \$1,503,096)

Michael (Mike) John Wilkins (as at: Jun-23)

ASX Code	Company Name	Position	Date Appointed	Date Resigned	Years	GICS Sector
QBE	QBE Insurance Group Limited	NED, Chair	Nov-16	-	6.6	Insurance
MPL	Medibank Private Limited	NED, Chair	May-17	-	6.1	Insurance
SCG	Scentre Group	NED	Apr-20	-	3.2	Real Estate

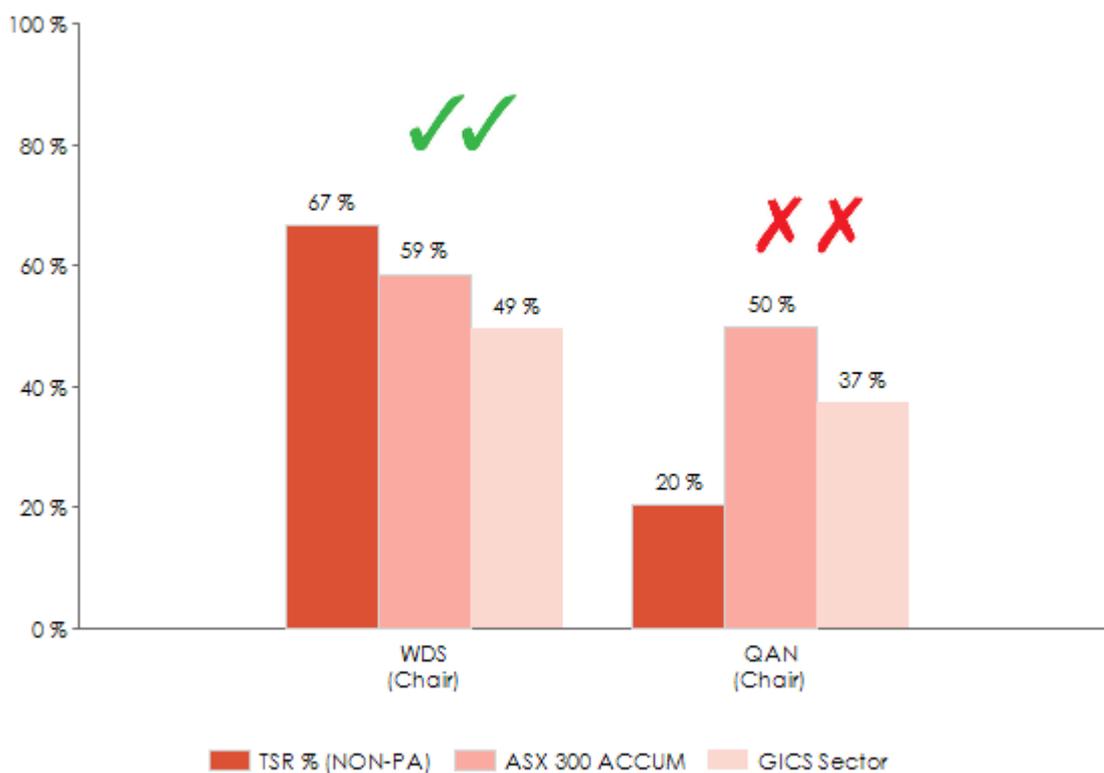


6. Non-executive director pay

Richard Goyder TSR performance (total portfolio remuneration of \$1,465,550)

Richard James Barr Goyder (as at: Jun-23)

ASX Code	Company Name	Position	Date Appointed	Date Resigned	Years	GICS Sector
WDS	Woodside Energy Group Ltd	Non-Exec Chair, NED	Aug-17	-	5.8	Energy
QAN	Qantas Airways Limited	Non-Exec Chair, NED	Nov-17	-	5.6	Transport

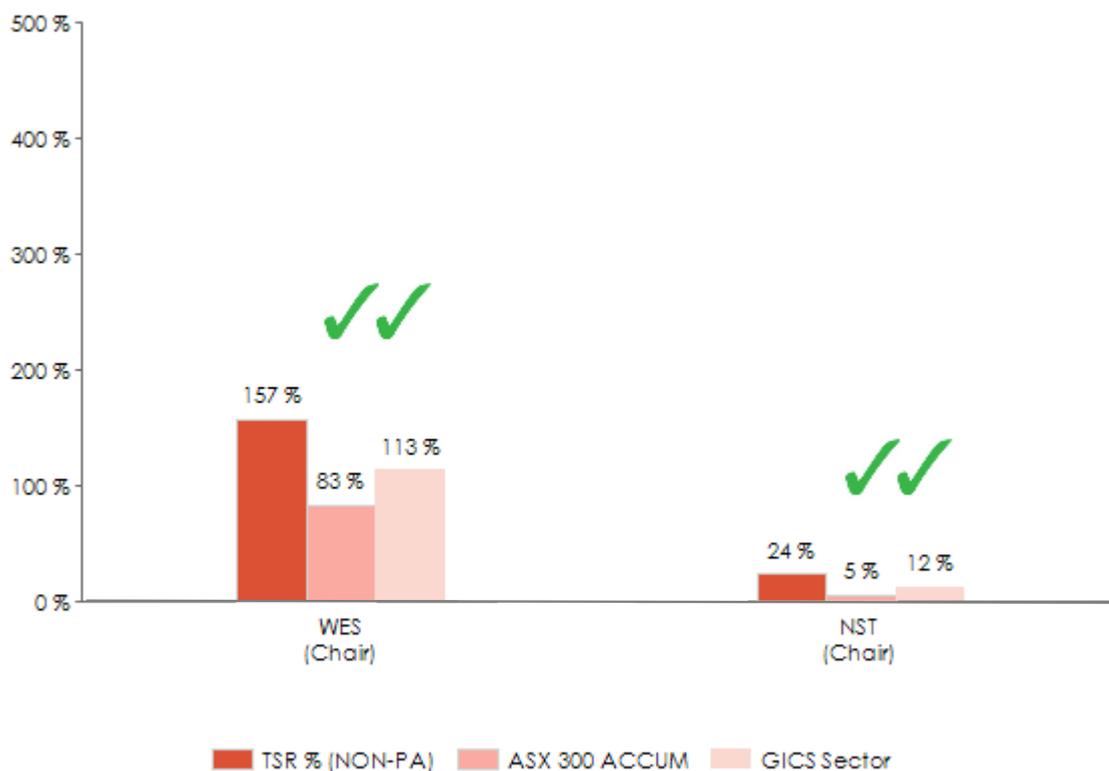


6. Non-executive director pay

Michael Chaney TSR performance (total portfolio remuneration of \$1,459,445)

Michael Alfred Chaney (as at: Jun-23)

ASX Code	Company Name	Position	Date Appointed	Date Resigned	Years	GICS Sector
WES	Wesfarmers Limited	NED, Chair	Jun-15	-	8.0	Retail
NST	Northern Star Resources Ltd	Non-Exec Chair	Jul-21	-	1.9	Mining

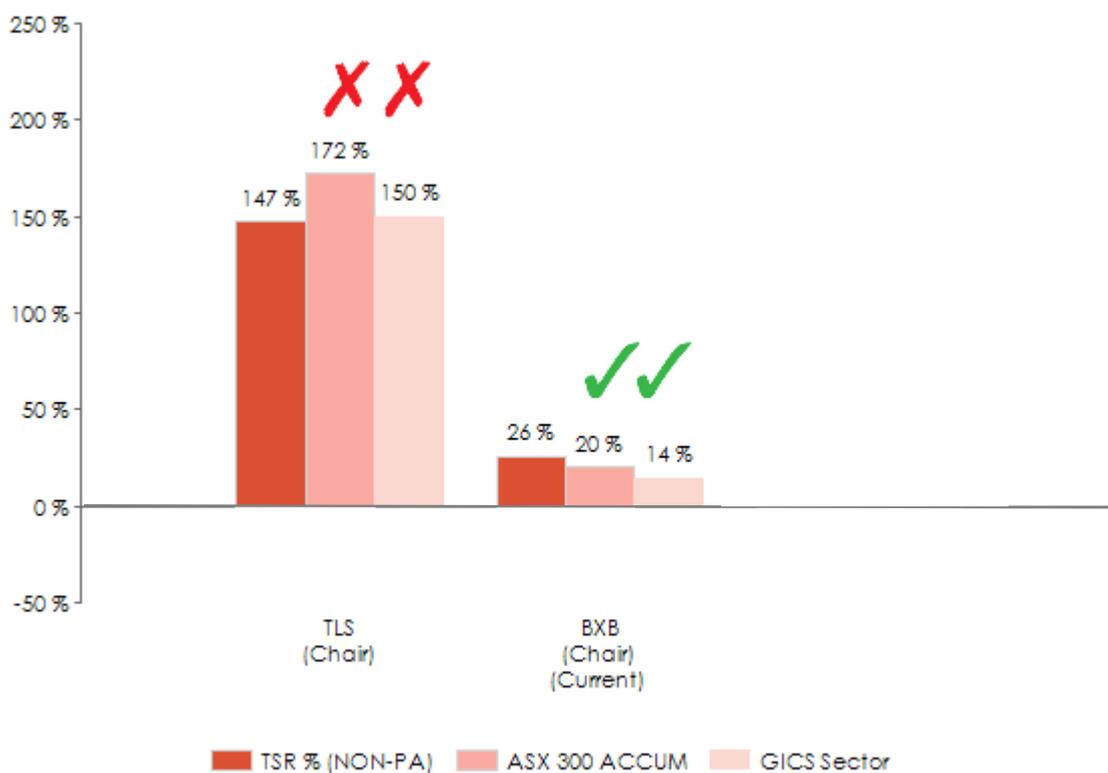


6. Non-executive director pay

John Mullen TSR performance (total portfolio remuneration of \$1,418,001)

John Patrick Mullen (as at: Jun-23)

ASX Code	Company Name	Position	Date Appointed	Date Resigned	Years	GICS Sector
TLS	Telstra Group Limited	NED, Non-Exec Chair	Jul-08	-	14.9	Telco
BXB	Brambles Limited	NED, Non-Exec Chair	Nov-19	-	3.6	Comm & Prof Serv

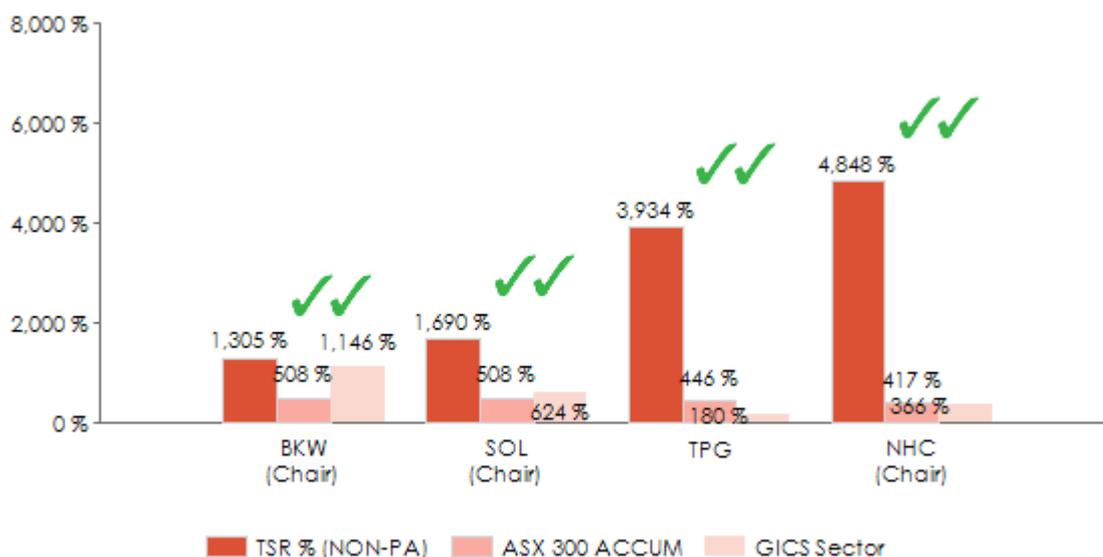


6. Non-executive director pay

Robert Millner TSR performance (total portfolio remuneration of \$1,388,185)

Robert Dobson Millner (as at: Jun-23)

ASX Code	Company Name	Position	Date Appointed	Date Resigned	Years	GICS Sector
BKW	Brickworks Limited	Non-Exec Chair	Pre-99	-	23.5	Materials
SOL	Washington H. Soul Pattinson and Co. Limited	Non-Exec Chair	Pre-99	-	23.5	Energy
TPG	TPG Telecom Limited	NED	Apr-01	-	22.2	Telco
NHC	New Hope Corporation Limited	Non-Exec Chair	Aug-03	-	19.8	Energy

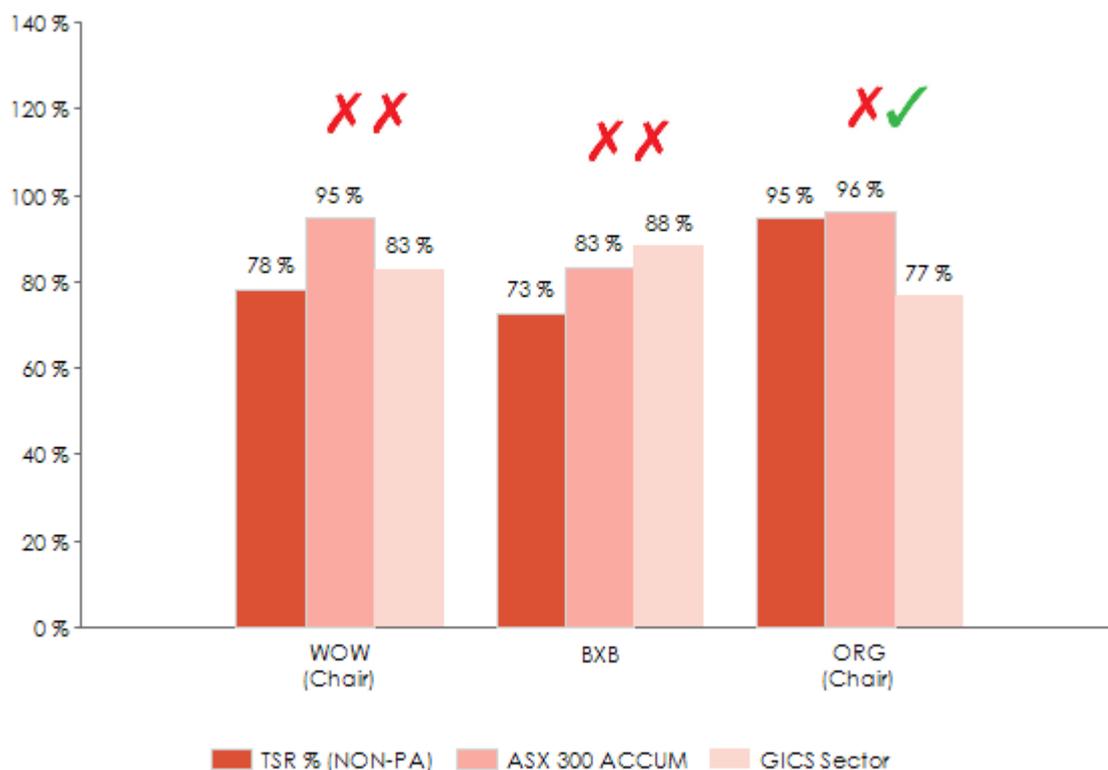


6. Non-executive director pay

Scott Perkins TSR performance (total portfolio remuneration of \$1,342,419)

Scott Perkins (as at: Jun-23)

ASX Code	Company Name	Position	Date Appointed	Date Resigned	Years	GICS Sector
WOW	Woolworths Group Limited	NED, Chair	Sep-14	-	8.8	Staples
BXB	Brambles Limited	NED	Jun-15	-	8.0	Comm & Prof Serv
ORG	Origin Energy Limited	NED, Chair	Sep-15	-	7.8	Energy

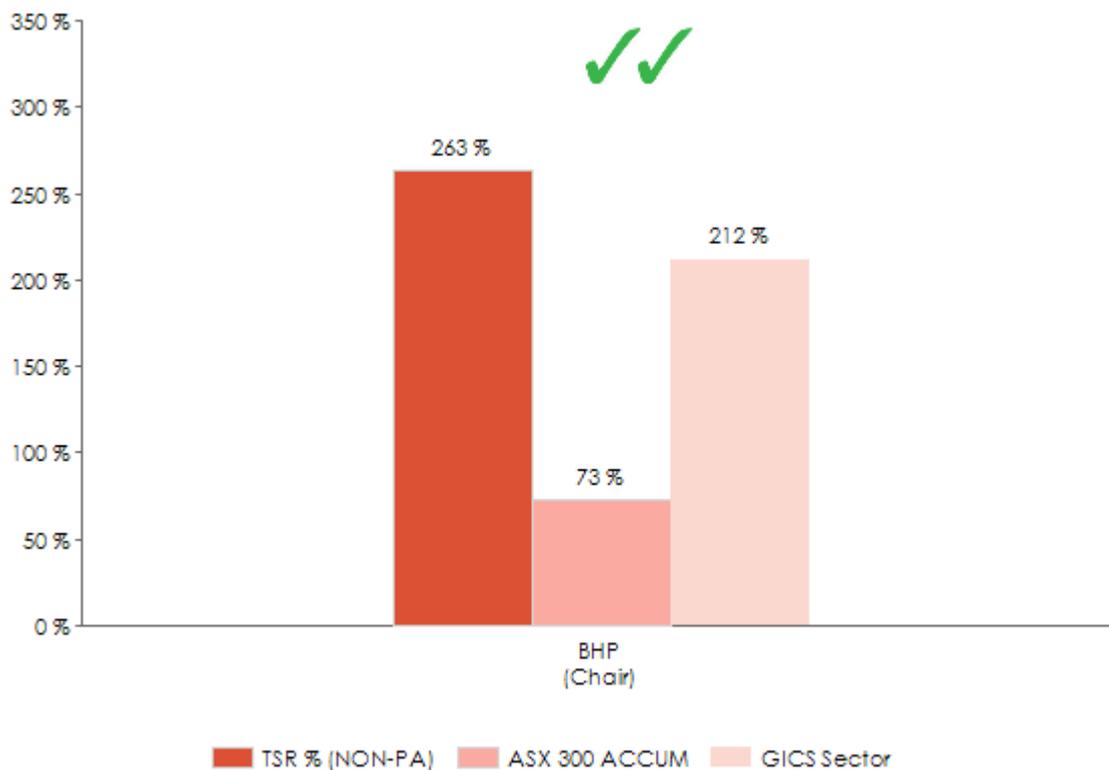


6. Non-executive director pay

Ken MacKenzie TSR performance (total portfolio remuneration of \$1,261,236)

Kenneth Norman MacKenzie (as at: Jun-23)

ASX Code	Company Name	Position	Date Appointed	Date Resigned	Years	GICS Sector
BHP	BHP Group Limited	NED, Non-Exec Chair	Sep-16	-	6.8	Mining

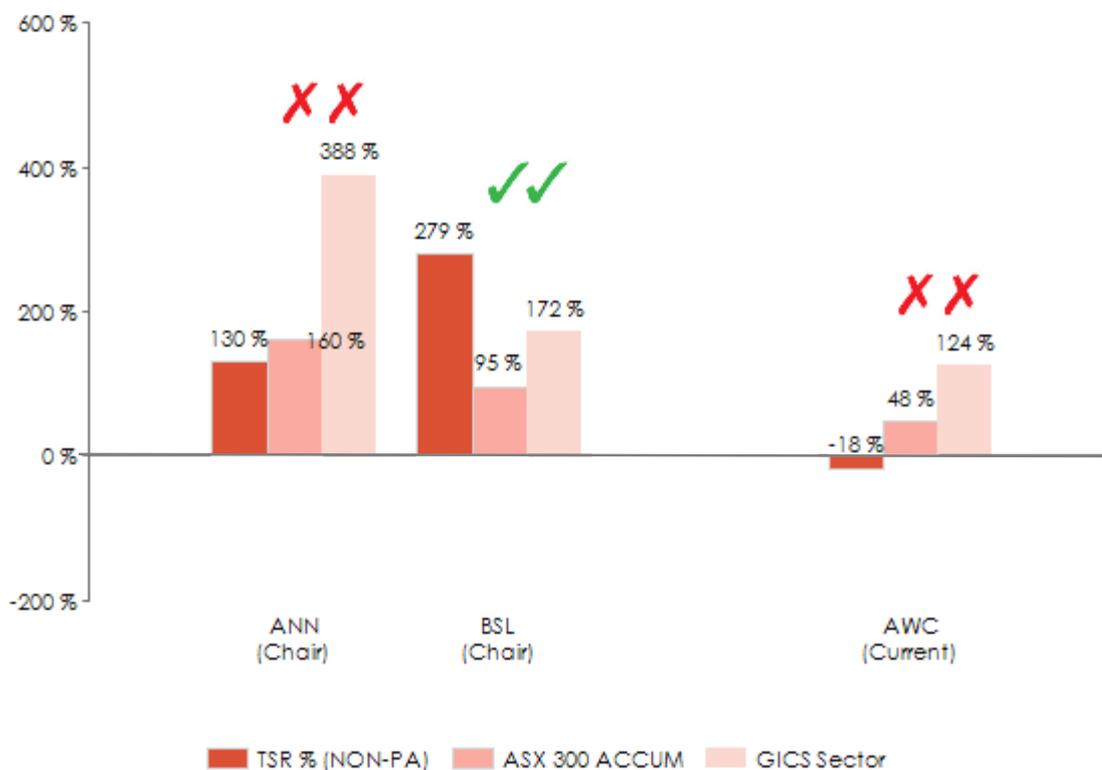


6. Non-executive director pay

John Bevan TSR performance (total portfolio remuneration of \$1,183,045)

John Andrew Bevan (as at: Jun-23)

ASX Code	Company Name	Position	Date Appointed	Date Resigned	Years	GICS Sector
ANN	Ansell Limited	NED, Non-Exec Chair	Aug-12	-	10.8	Health
BSL	BlueScope Steel Limited	NED, Non-Exec Chair	Mar-14	-	9.3	Materials
AWC	Alumina Limited	NED	Jan-18	-	5.4	Mining

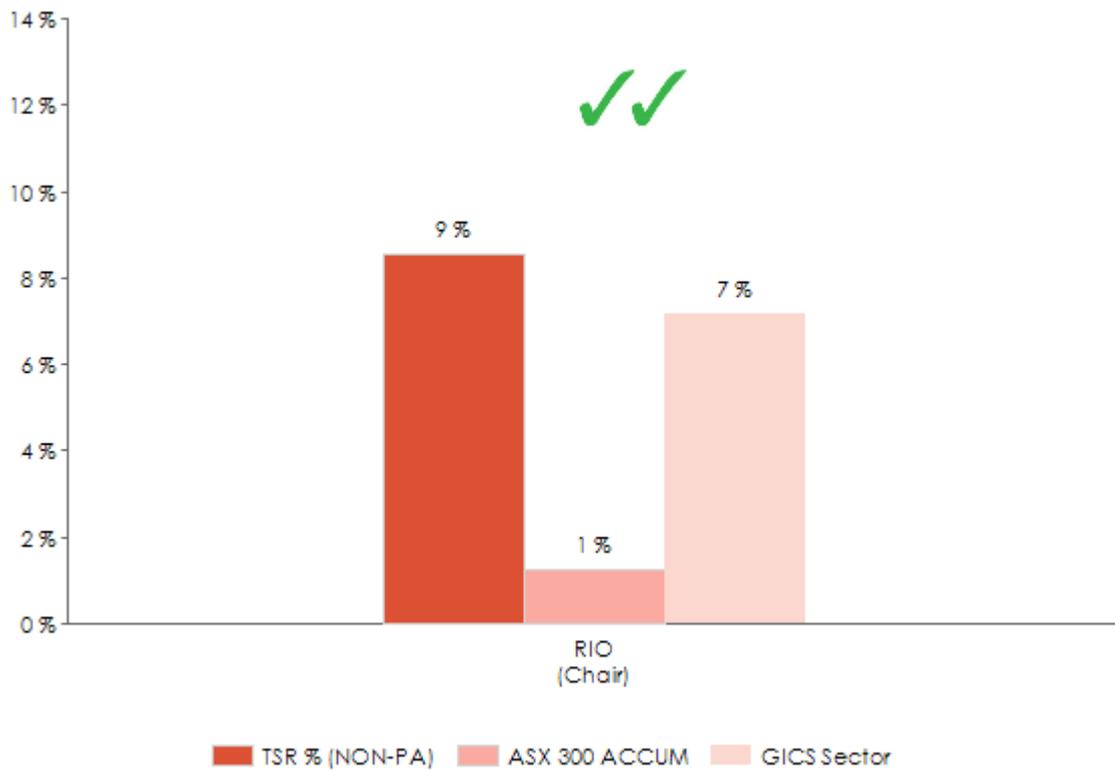


6. Non-executive director pay

Dominic Barton TSR performance (total portfolio remuneration of \$1,114,198)

Dominic Barton (as at: Jun-23)

ASX Code	Company Name	Position	Date Appointed	Date Resigned	Years	GICS Sector
RIO	Rio Tinto Limited	NED, Non-Exec Chair	Apr-22	-	1.2	Mining

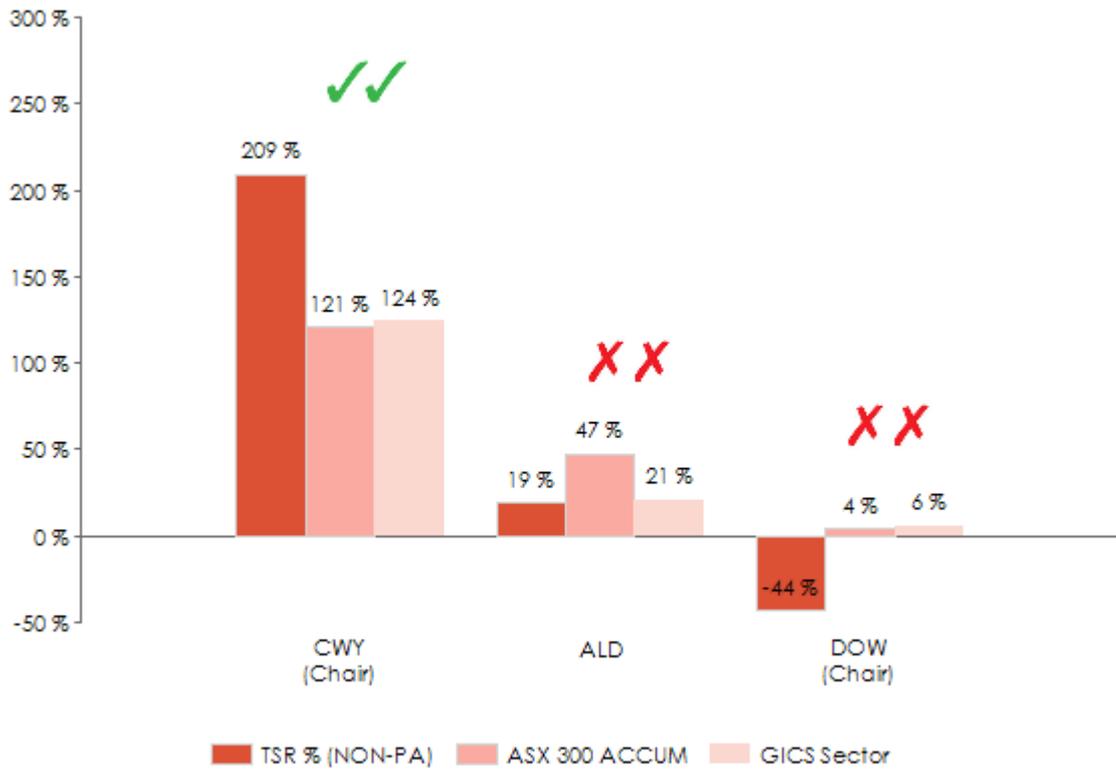


6. Non-executive director pay

Mark Chellew TSR performance (total portfolio remuneration of \$1,117,818)

Mark Peter Chellew (as at: Jun-23)

ASX Code	Company Name	Position	Date Appointed	Date Resigned	Years	GICS Sector
CWY	Cleanaway Waste Management Limited	NED, Chair	Mar-13	-	10.3	Comm & Prof Serv
ALD	Ampol Limited	NED	Apr-18	-	5.2	Energy
DOW	Downer EDI Limited	Non-Exec Chair	Sep-21	Mar-23	1.5	Comm & Prof Serv



6. Non-executive director pay

Thomas Pockett TSR performance (total portfolio remuneration of \$1,115,000)

Thomas (Tom) William Pockett (as at: Jun-23)

ASX Code	Company Name	Position	Date Appointed	Date Resigned	Years	GICS Sector
SGP	Stockland	NED, Chair	Sep-14	-	8.8	Real Estate
IAG	Insurance Australia Group Limited	NED, Chair	Jan-15	-	8.4	Insurance

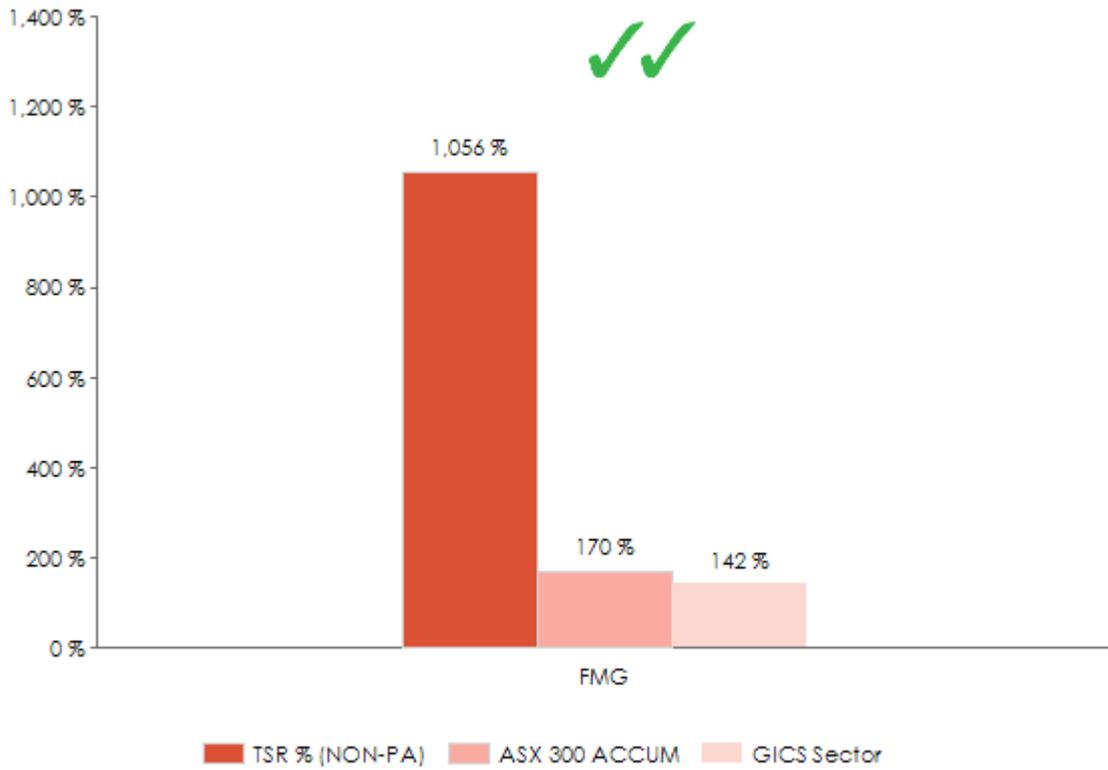


6. Non-executive director pay

Mark Barnaba TSR performance (total portfolio remuneration of \$1,113,750)

Mark Bradley Barnaba (as at: Jun-23)

ASX Code	Company Name	Position	Date Appointed	Date Resigned	Years	GICS Sector
FMG	Fortescue Metals Group Ltd	NED, Lead Independent, Deputy Chair	Feb-10	-	13.3	Mining

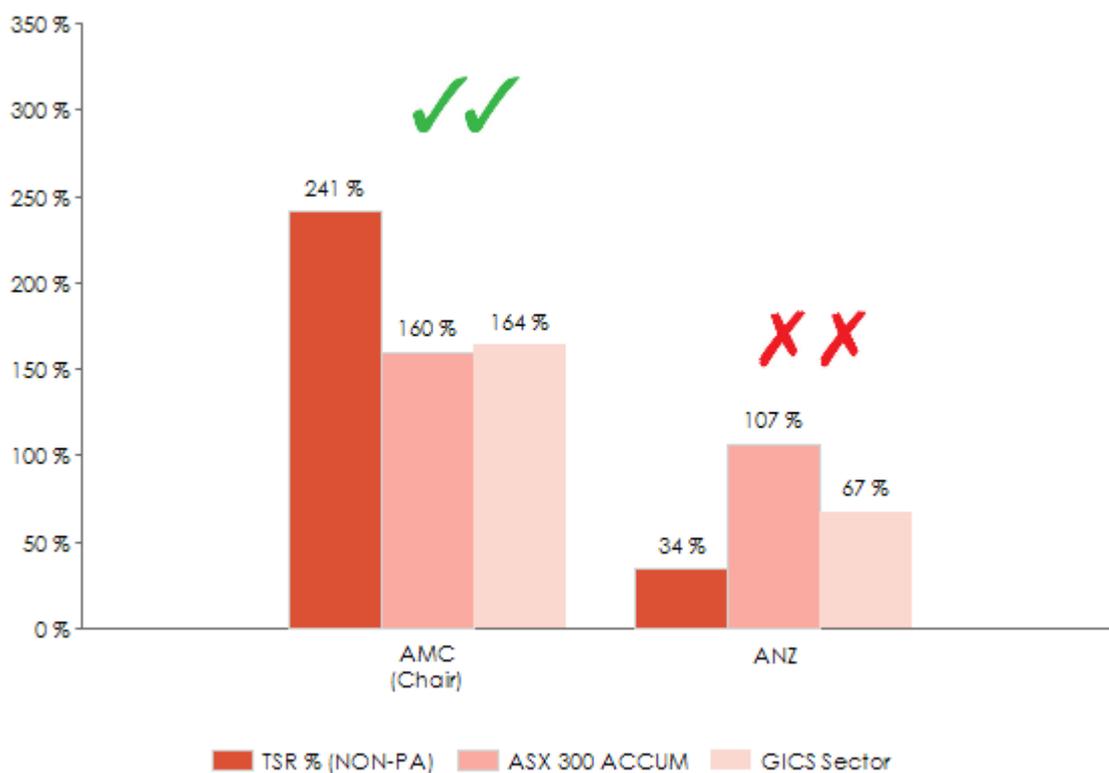


6. Non-executive director pay

Graeme Liebelt TSR performance (total portfolio remuneration of \$1,097,557)

Graeme Richard Liebelt (as at: Jun-23)

ASX Code	Company Name	Position	Date Appointed	Date Resigned	Years	GICS Sector
AMC	Ancor Plc	Non-Exec Chair	Apr-12	-	11.2	Materials
ANZ	Australia & New Zealand Banking Group Ltd	NED	Jul-13	Dec-22	9.4	Banks

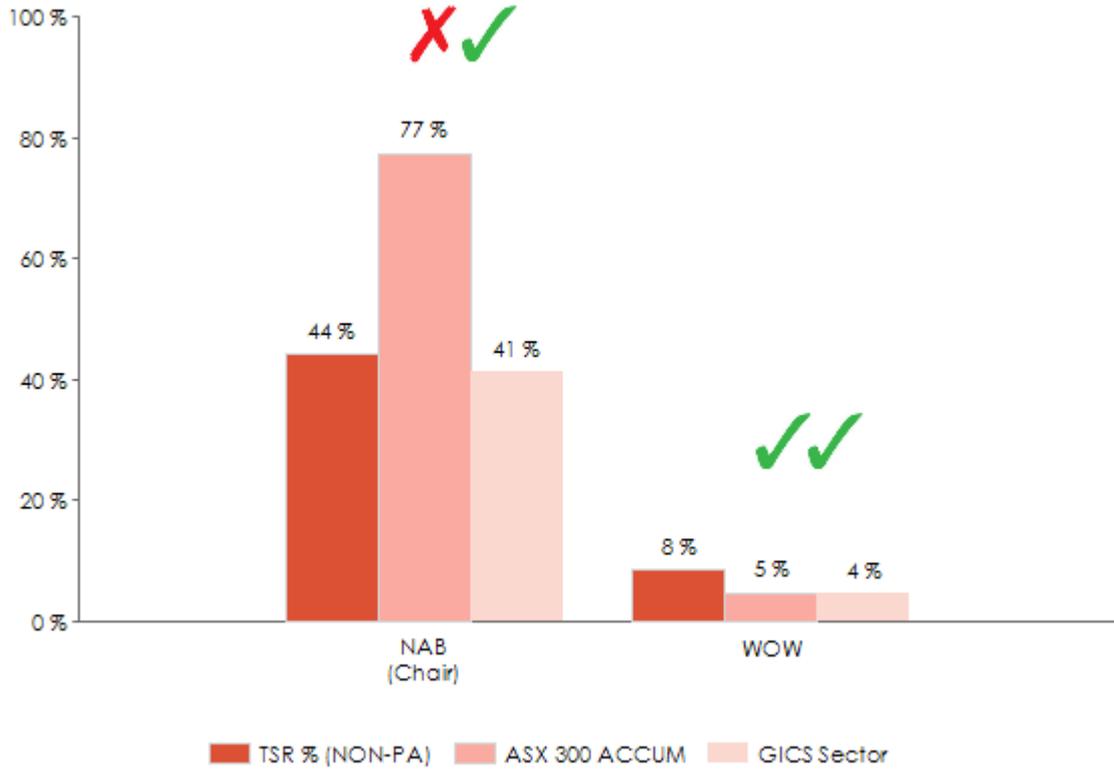


6. Non-executive director pay

Philip Chronican TSR performance (total portfolio remuneration of \$1,094,272)

Philip Wayne Chronican (as at: Jun-23)

ASX Code	Company Name	Position	Date Appointed	Date Resigned	Years	GICS Sector
NAB	National Australia Bank Limited	NED, Chair	May-16	-	7.1	Banks
WOW	Woolworths Group Limited	NED	Oct-21	-	1.7	Staples

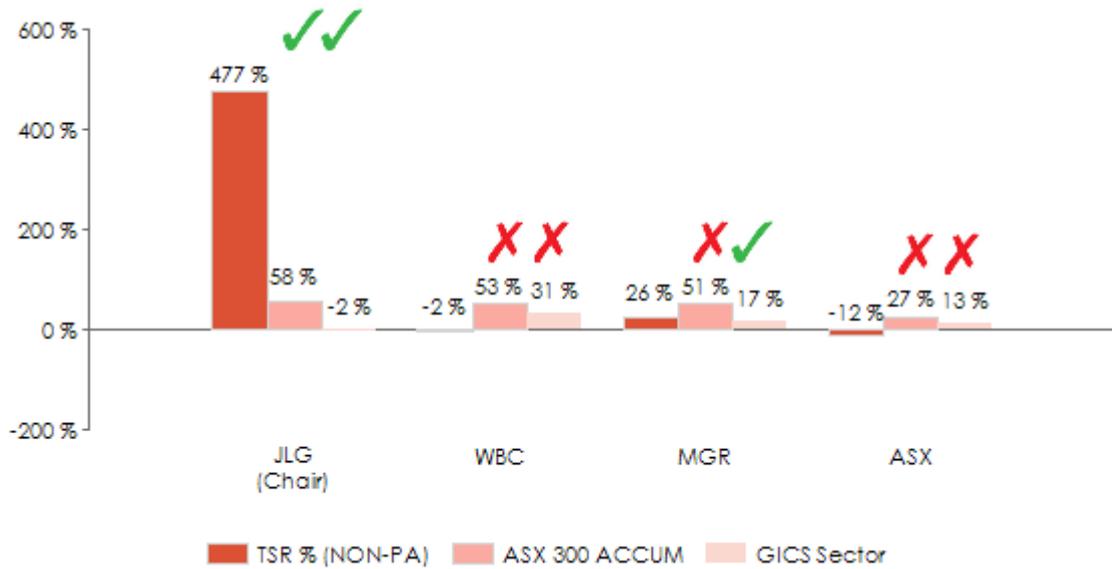


6. Non-executive director pay

Peter Nash TSR performance (total portfolio remuneration of \$1,038,096)

Peter Stanley Nash (as at: Jun-23)

ASX Code	Company Name	Position	Date Appointed	Date Resigned	Years	GICS Sector
JLG	Johns Lyng Group Limited	Non-Exec Chair	Sep-17	-	5.8	Cap Goods
WBC	Westpac Banking Corporation	NED	Mar-18	-	5.3	Banks
MGR	Mirvac Group	NED	Nov-18	-	4.6	Real Estate
ASX	ASX Limited	NED	Jun-19	-	4.0	Div Fin



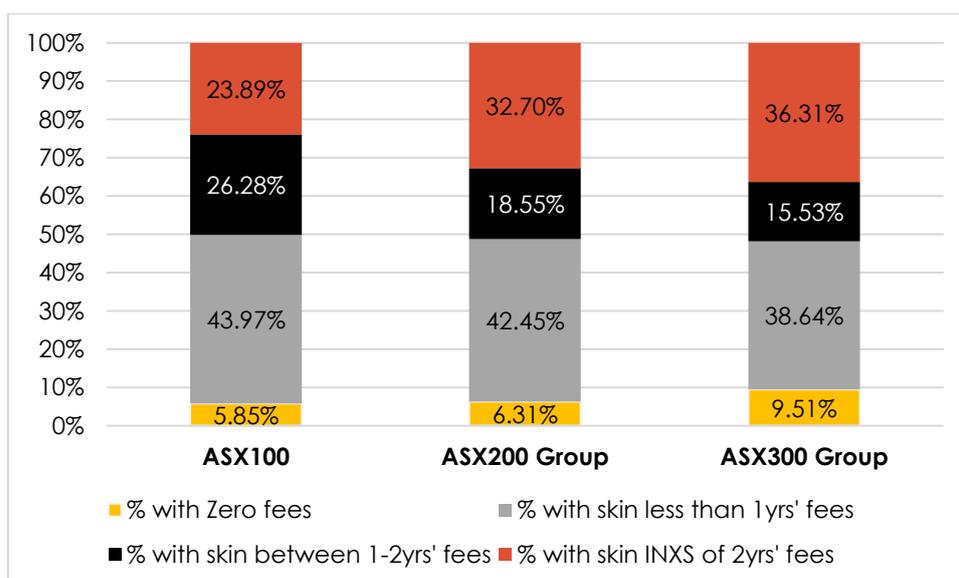
7. Non-executive director skin in the game

7.1 NED skin in the game

OM also analysed each non-executive director's skin in the game - their personal ownership in each of the companies they govern. This has been calculated for each directorship included in the sample by taking each directors' shareholding as at the snapshot date (using the data collected from the annual reports and ASX announcements), multiplied by the company's year-end closing share price. There is a general view among investors that all directors should have some skin in the game to provide alignment between both directors and investors interests, although the preferred level of shareholding varies across investors.

Graph 23 below shows the level of NED skin in the game relative to board fees for each group (the ASX100, the ASX200 group and the ASX300 group) relative to fees. In some cases NEDs did not collect fees for the FY22 year (either due to voluntarily foregoing fees or because they were appointed post year-end). The frequency of NEDs holding skin in the game of less than one years' fees was most prevalent in the ASX100 group. In the ASX100 group just under 44% of directorships were held by directors who had skin in the game of less than one years' fees. Just under 24% of the ASX100 NED directorships were held by NEDs who had skin in the game of more than 2 years' fees. The ASX300 group had the most number of directorships held by NEDs who had skin in the game of more than 2 years' fees at 36.3% and only 38.6% of ASX300 group directorships were held by NEDs who had skin in the game of less than one years' fees.

Graph 23: NED skin in the game relative to director fees



7.2 ASX100 NED skin in the game

Across the ASX100 aggregate skin in the game for all NEDs was \$32.17 billion of which \$19.8 billion was held by one NED – **Fortescue Metals'** chair Andrew Forrest. In June 2023 Mr Forrest and his wife donated 220m Fortescue Metals shares (which were valued at around \$5b at the time) to the Minderoo Foundation, however, his director interest notice indicated that he continued to hold an interest in 1.13 billion Fortescue Metals shares.

7. Non-executive director skin in the game

The ten NEDs with the largest skin in the game, typically company founders, represented 88% (\$28 billion) of the skin in the game of the ASX100. Median skin in the game for the ASX100 cohort was \$320,401.

There were 50 directorships in the ASX100 where NEDs held no shares and 15 of those directorships were held by directors who had been on the board for more than one year. The longest serving director in this cohort who had no skin in the game was Michael Harvey of **Harvey Norman** whose tenure was 29 years. He is one of the lowest paid NEDs in the sample receiving just \$60,000 in 2022 and is the son of executive chair Gerald Harvey.

7.3 ASX200 group NED skin in the game

In the ASX200 group aggregate skin in the game for all NEDs was \$5.91 billion with ten NEDs with the largest skin in the game holding 73% (\$4.32 billion). The NED with the largest skin in the game in the ASX200 group was EVT chair and founder Alan Rydge whose shareholding (held through associate entities) was valued at \$957 million as at the end of June 2022. Median skin in the game for the ASX200 group cohort was \$204,365.

There were 72 NED directorships within the ASX200 group where NEDs held no skin in the game and 46 of those were where the NED had been on the board for more than one year. The longest serving director in this cohort who had no skin in the game was Frank Sixt of **TPG Telecom** who has been a director of the company for 22 years.

7.4 ASX300 group NED skin in the game

In the ASX300 group aggregate skin in the game for all NEDs was \$7.39 billion with ten NEDs with the largest skin in the game holding 86% (\$6.35 billion). The NED with the largest skin in the game in the ASX300 group was Xavier Niel of **Unibail-Rodamco-Westfield** whose beneficial shareholding was valued at \$2.79 billion as at the end of December 2022. Median skin in the game for the ASX300 group cohort was \$175,134.

There were 86 NED directorships within this group where the director held no shares and 51 of those were where the NED had been on the board for more than one year. The longest serving director in this cohort who had no skin in the game was Ken Moelis of **MA Financial Group** who has been a director on that board for 12 years. Mr Moelis is the founder chair and CEO of Moelis & Company which holds 13% of MA Financial Group.

Table 7: NED skin in the game

	Aggregate NED skin	Top ten NED skin	Median skin	ZERO skin directorships
ASX100	\$32.17b	\$28.37b	\$320,401	50
ASX200 group	\$5.91b	\$4.31b	\$204,635	46
ASX300 group	\$7.39b	\$6.35b	\$175,134	51

7. Non-executive director skin in the game

7.5 Professional NED skin in the game

In the case of professional NEDs (ie those NEDs holding two or more directorships) aggregate skin in the game was \$2.4 billion. However, \$2.07 billion of that was held by just three of those professional NEDs: Thomas Millner (director of Washington H Soul Pattinson & Company and New Hope Corporation), Robert Millner (chair of Washington H Soul Pattinson & Company, Brickworks and New Hope Corporation and director of TPG Telecom) and Brett Blundy (chair of Accent Group and Lovisa Holdings).

When those three professional NEDs are removed from the professional NED group aggregate skin in the game was \$366.5m which was 3% higher than the \$355.7m in fees paid to the professional NED cohort for the 2022 year.