

Voting Policy – Gender Diversity in the ASX200

Background

For many years the Australian Council of Superannuation Investors (ACSI) has been a strong supporter of greater gender diversity in ASX-listed company boardrooms. This approach to board gender diversity in listed entities is based on the belief that skilled and suitably diverse boards make for better-governed companies and, as such, higher value investments for our members.

Taking into account the necessary improvement required in the Australian market, ACSI adopted a new target in 2015 – for women to comprise 30% of ASX200 board seats by the end of calendar year 2017.

This position was integrated into the *ACSI Governance Guidelines* in October 2015 which state that:

On a case-by-case basis, ACSI may recommend to vote against the re-election of directors in those companies which perform poorly in terms of board gender diversity, where:

- a) Attempts by ACSI to engage at a senior level have been ignored.*
- b) The board cannot articulate a strategy to address board gender diversity in the near term.*

As we approach the 2017 deadline, ACSI members have considered how these issues will impact their voting on director elections in the minority of companies that have made no progress since 2015.

ACSI voting policy for ASX200 companies with poor gender diversity in 2017

Applying the *ACSI Governance Guidelines*, ACSI will recommend its members vote against the boards of ASX200 companies with poor gender diversity, on a case-by-case basis.

A discretionary approach is necessary due to the three-year election cycle in ASX-listed companies. Typically, only one third of board members seek re-election at each company AGM. It is intended that recommendations focus on individual directors most accountable for board succession and composition.

For ASX200 boards with zero women directors, ACSI will recommend a vote against one of the following (in order of preference):

1. The Chairperson;
2. The Chair of the Nominations Committee;
3. A member of the Nominations Committee; or
4. The longest-serving director seeking re-election.

ACSI may make recommendations to vote against newly-appointed male directors on ASX200 boards with zero women directors.

New entrants to the ASX200 will be given one year's grace to allow for engagement and explanation of ACSI's policy expectation. As always, ACSI will combine this approach to voting recommendations with direct company engagement. This policy be reviewed by ACSI members in late 2017, as we approach ACSI 30% diversity policy deadline.