

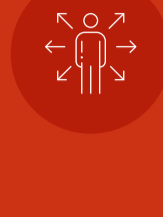
Board Monitor Australia and New Zealand 2022

As society and business are reconciling the events of the past three years, a new corporate license to operate is taking shape in many countries. Companies require a new, bolder type of leadership that is focused on organizational purpose, factors in the new demands from their workforce, and has "doing good while doing well" as a mantra. Boards must consider what new skills and experiences are necessary to future-proof themselves to lead companies in an increasingly uncertain environment.

To understand how the ASX 200 and NZ 10 board composition is changing to meet these new societal demands we analyzed the backgrounds of the new directors appointed each year since 2016. These are the key findings:



There is a decreased appetite in new appointments: there were 165 appointments in 2021, which is the second-lowest figure in six years



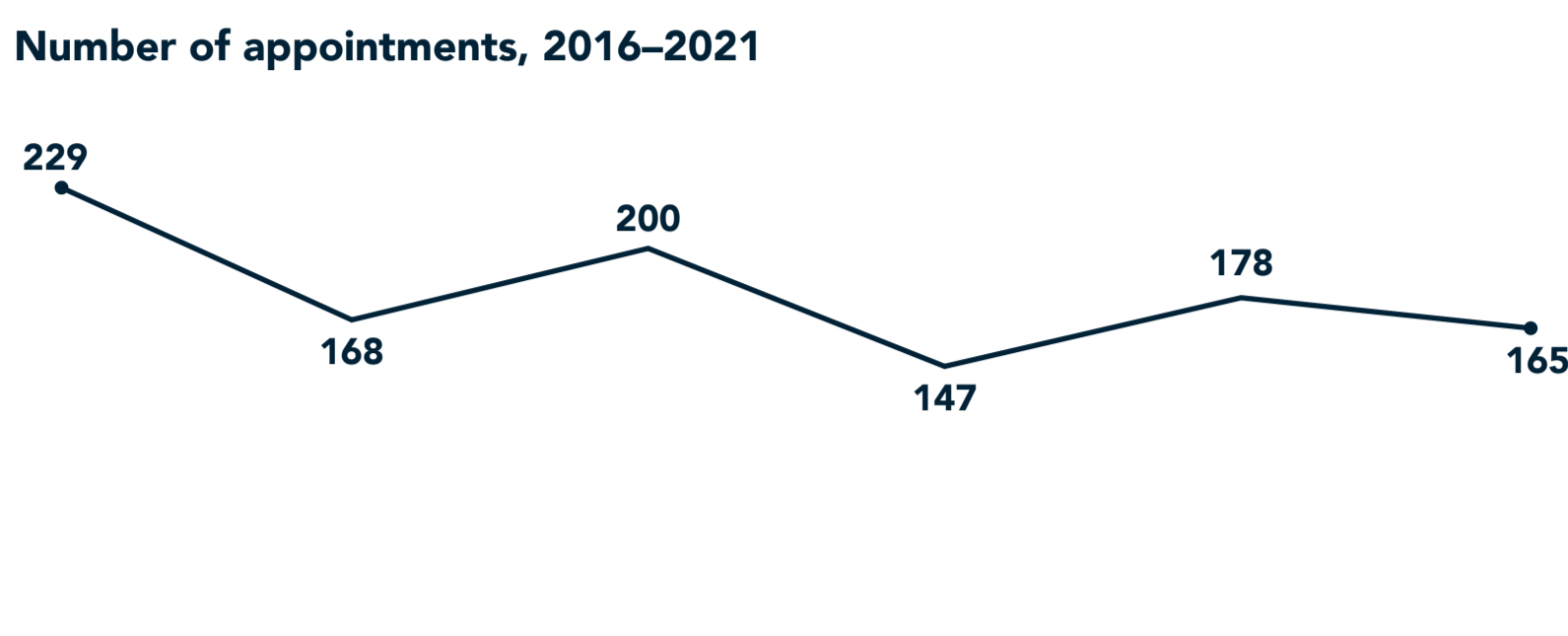
While there was an increase of seats going to directors who are still in active executive roles, that is still the lowest figure in all markets we analyzed



2021 appointments have kept the gender balance established since 2018, with 49% of the seats going to women

The number of appointments to ASX 200 and NZ 10 boards is the second-lowest in the past six years

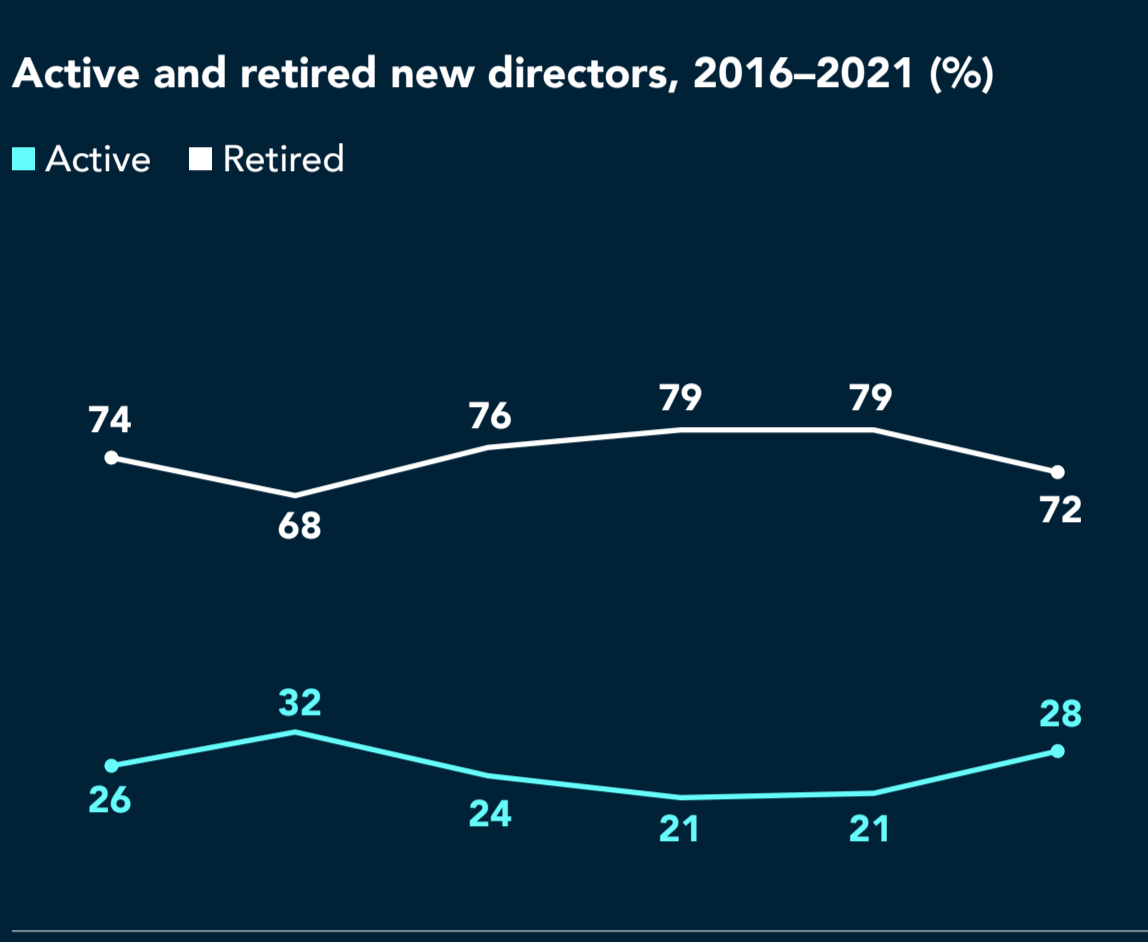
Number of appointments, 2016–2021



Seeking C-suite and board experience

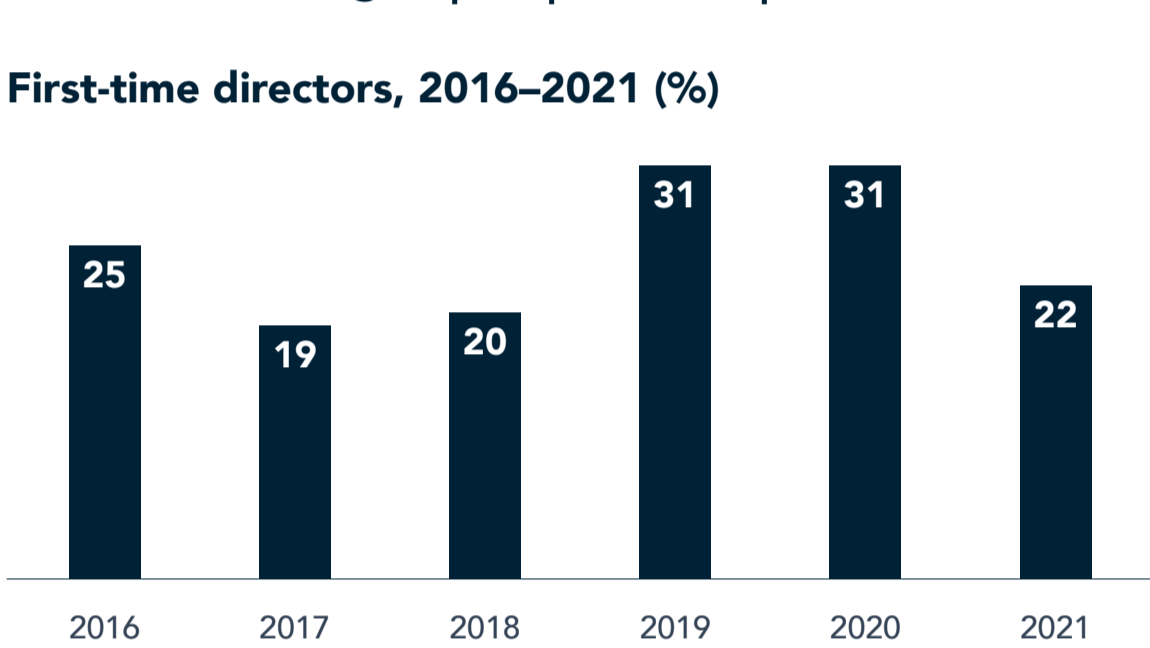
There was a rise in the share of seats going to directors who are still active in an executive role, but still the lowest share in any market we study

Active and retired new directors, 2016–2021 (%)



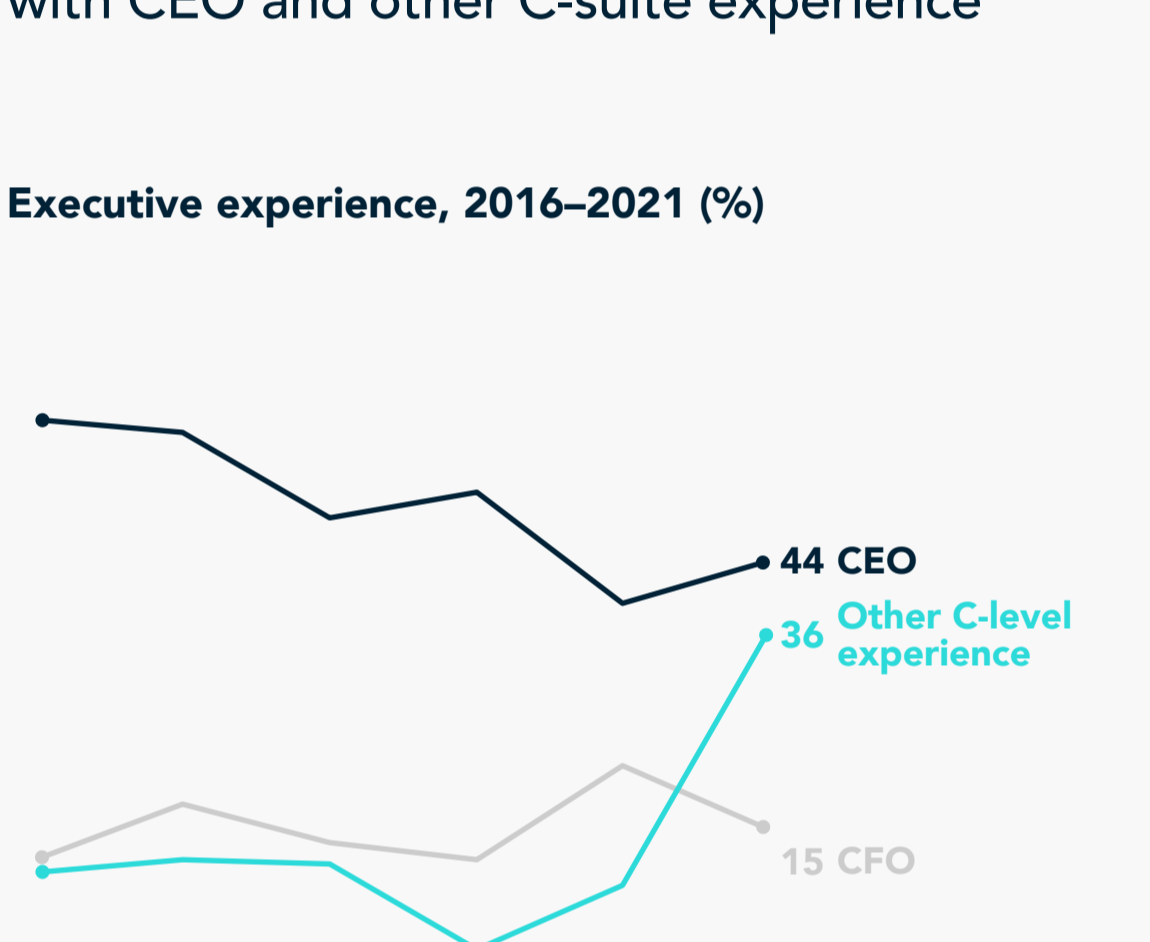
The share of seats going to first time directors dropped as boards sought people with prior director experience

First-time directors, 2016–2021 (%)



Boards also more often sought directors with CEO and other C-suite experience

Executive experience, 2016–2021 (%)

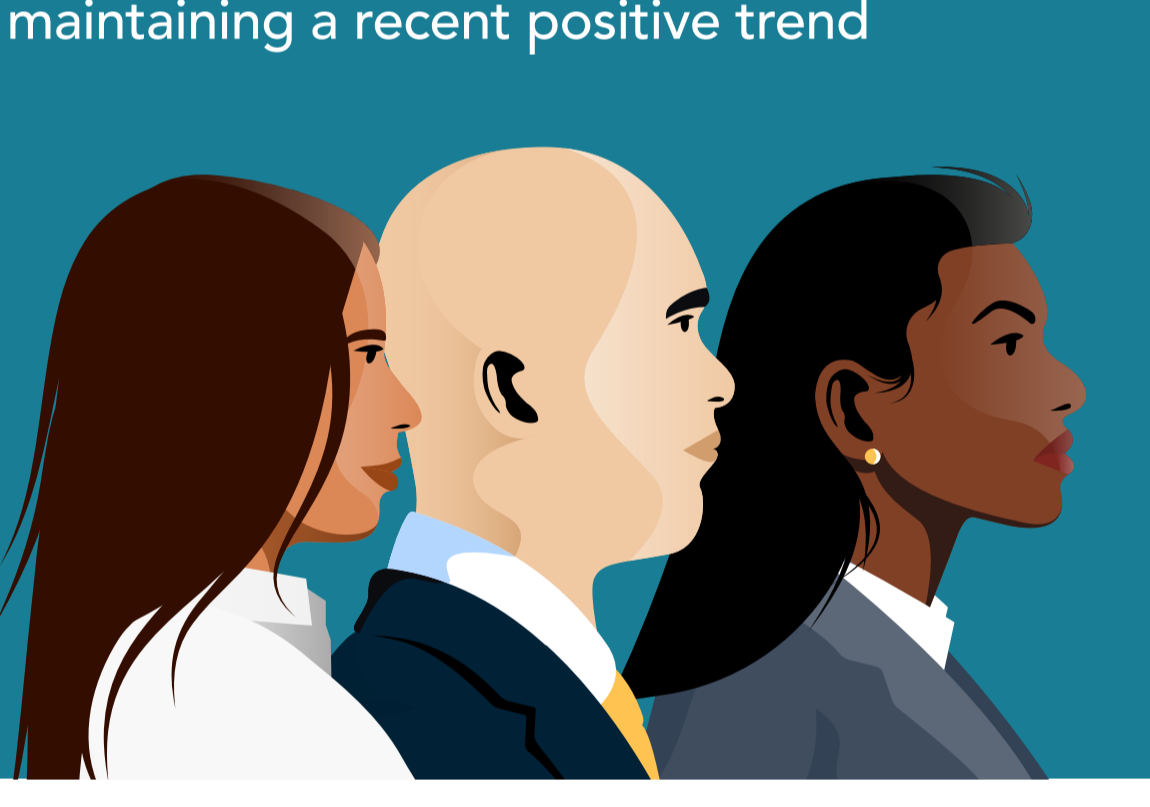


International experience was less often sought, while financial risk and compliance and sustainability experience have been on a steady rise

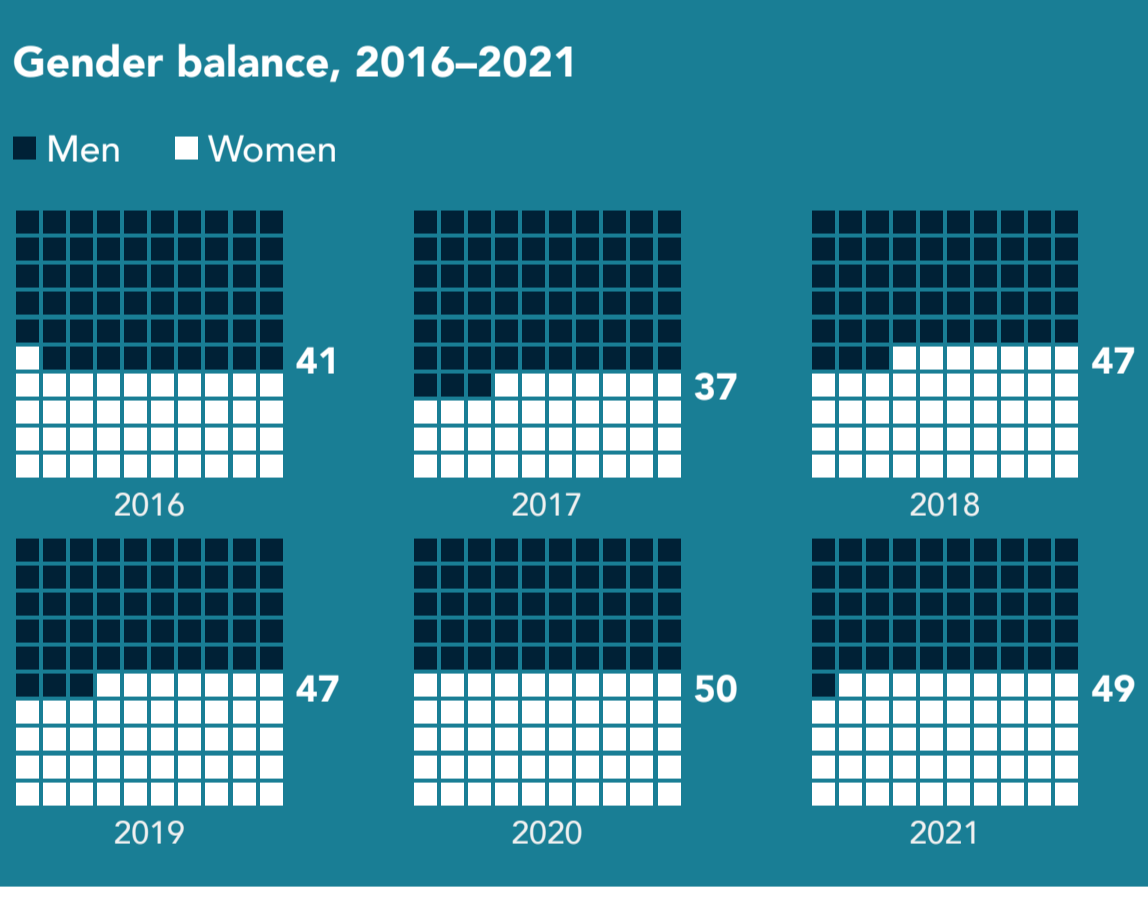
Other professional expertise (%)



Almost half the seats went to women, maintaining a recent positive trend

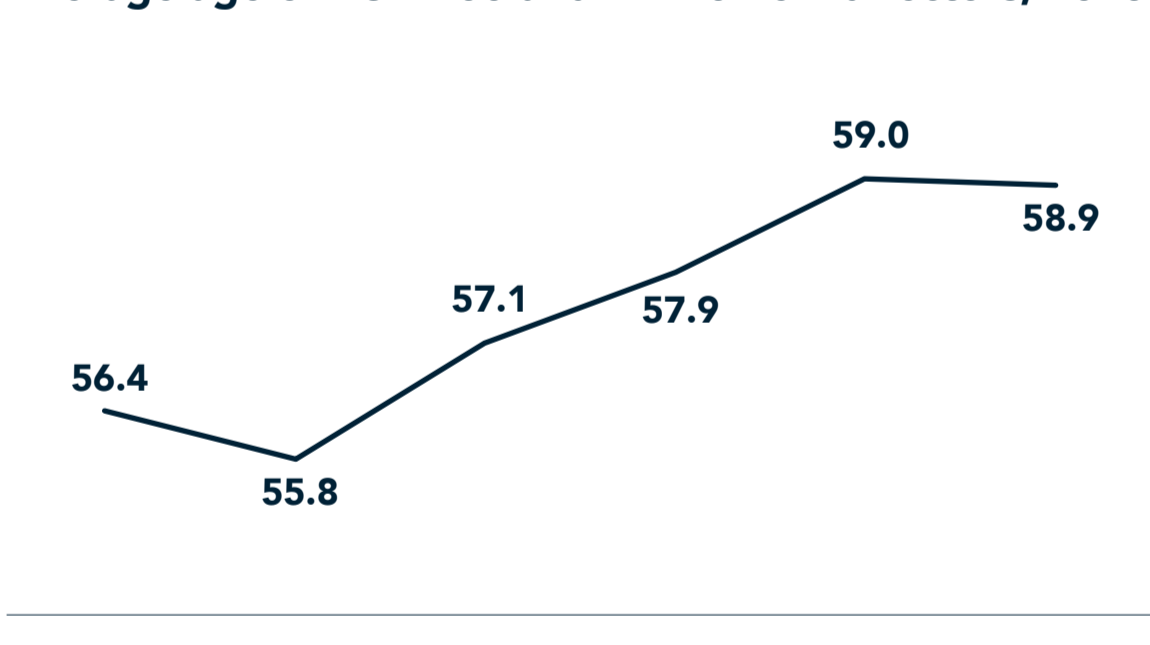


Gender balance, 2016–2021



The average age of directors has increased since 2016

Average age of ASX 200 and NZ 10 new directors, 2016–2021



What are best-in-class boards doing?

- Seeking new directors whose backgrounds go beyond CEO, such as CFO and COO
- Being open to first-time board members
- Bolstering sustainability and social responsibility capabilities
- Bringing younger directors onto boards
- Staying tightly focused on diversity and fresh perspectives
- Seeking new members who have the ability to take on a leadership role, either that of a chair, senior independent director, or committee leader
- Thinking of succession planning as an ongoing exercise rather than an exercise undertaken in reaction to an annual deadline
- Creating a space for temporary seats at the table or bringing in voices from outside

CEO & Board Practice

Heidrick & Struggles' CEO & Board Practice has been built on our ability to execute top-level assignments and counsel CEOs and board members on the complex issues directly affecting their businesses.

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