

**SUBMISSION FOR THE ASX CORPORATE GOVERNANCE PRINCIPLES AND  
RECOMMENDATIONS, 5<sup>TH</sup> EDITION**

05/05/2024

To,

Members of the ASX Corporate Governance Council

Dear Council Members,

I write to participate in the consultation process for the 5<sup>th</sup> edition. Specifically, my submission addresses two significant issues that are of current and future importance: diversity, and technology.

Best,

Akshaya

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## SUBMISSION FOR THE CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS, 5<sup>TH</sup> EDITION

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The fifth discussion point for consultation is as follows:

5. Recommendation 2.3(c): The Council already recommends disclosure of a board's approach and progress on gender diversity. Do you support the proposed disclosure of any other relevant diversity characteristics (in addition to gender) which are being considered for the board's membership?

I would submit that different facets of diversity are important to ensure that a range of perspectives are available at the board, and further, to ensure that access to board positions is available to all qualified candidates. Apart from demographic characteristics like gender, allowing companies to disclose other diversity metrics they consider relevant to their circumstances will be helpful. Having said that, if demographic characteristics are a focus, the emphasis should go beyond gender and address issues of race and ethnicity, which are areas where improvement is needed in Australia.

**Experiential diversity, age diversity, diversity of nationalities** are some examples of relevant metrics which would ensure that there is genuine diversity of perspectives on the board of directors.<sup>1</sup> It is heartening to see that the consultation draft already refers to 'age, race, background, and personal circumstances' as facets of diversity which help overcome groupthink. This is in line with what I had recommended in 2017 during the consultation process for the 4<sup>th</sup> edition.<sup>2</sup> However, it is important to specify experiential backgrounds and skill-sets as facets of diversity as well. These facets are extremely important to ensure that there are diverse perspectives on the table.

At present, as the use of AI in different corporate operations is coming into question, and cybersecurity issues are becoming more and more important, board members with relevant **technological expertise** will be essential.<sup>3</sup> While recommendation 2.2 deals with board skills, this is also important from a diversity perspective. Tech expertise on boards will ensure that tech related risks are appropriately addressed in board decision-making.

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<sup>1</sup> Akshaya Kamalnath, *The Corporate Diversity Jigsaw* (CUP, 2022) 9 - 33.

<sup>2</sup> Akshaya Kamalnath, Submission for The Corporate Governance Principles and Recommendations, 4th Edition (27 June 2018).

<sup>3</sup> Lynn Warneke has argued that 'having multiple 'digitally savvy' board members creates the greatest benefit (specifically, a minimum of three)' i.e. a critical mass of directors with tech expertise is necessary. Lynn Warneke, (LinkedIn, January 2024) [https://www.linkedin.com/posts/lwarneke\\_techdiversity-diversity-inclusionmatters-activity-7127537443884437504-a9cp?utm\\_source=share&utm\\_medium=member\\_desktop](https://www.linkedin.com/posts/lwarneke_techdiversity-diversity-inclusionmatters-activity-7127537443884437504-a9cp?utm_source=share&utm_medium=member_desktop).