Rest Super Submission to ASX Consultation on Corporate Governance Principles and Recommendations (5th Edition)

September 2026

Rest welcomes the opportunity to provide views to ASX during its consultation on the draft 5th Edition of the ASX Corporate Governance Principles and Recommendations.

Rest is one of Australia's largest profit-to-member superannuation funds, with more than two million members – or around one-in-seven working Australians – and around $112 billion in assets under management[1].

We represent around one million members under the age of 30, who are decades from retirement. An overwhelming majority of our members will retire into a post-2050 world. Many of our members work in part-time or casual jobs, which can make it harder to build super consistently over their working lives. We put our members needs at the centre of everything we do, and we are deeply committed to maximising the retirement outcomes of our members.

As a universal asset owner and long-term institutional investor, and consistent with our responsible investment approach, we believe that good corporate governance adds value, minimises risk and results in long-term sustainable value creation, to protect and grow our members' retirement savings.

Response to consultation

We recognise that the Principles and Recommendations are important in ensuring that Australia remains an attractive market for the responsible deployment of capital, on behalf of our members. We are supportive of the ASX and its Advisory Group on Corporate Governance updating and simplifying the Principles and Recommendations. While we support many of the changes proposed in the draft, we also believe that the updated Principles and Recommendations should support greater corporate ambition.

Regarding proposed updated **Recommendation 2.3**, research demonstrates that having gender-balanced boards and senior executive teams improves performance and innovation and increases entity value[2]. We support the measurable objective for board gender diversity being 40% men, 40% women, 20% of any gender, rather than retaining the current percentage of not less than 30% men and 30% women. The current share of female directorships on ASX 200 boards is 37.6%[3]. A more ambitious objective would demonstrate a more contemporary level of ambition than the objective included by ASX in the draft and would continue to drive positive change in both ASX Board composition as well as within senior executive ranks. We also consider that cognitive and cultural diversity is important in Board composition.

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[1] As at 30 June 2026.
[2] Realindex (2022). Beyond lip service: tracking the impact of the gender diversity gap.
[3] AICD (2026). AICD Gender Diversity Snapshot. As at 4 August 2026.

We also highlight the following matters regarding the proposed updated recommendations:

- **Recommendation 2.2** – We note that the proposed Recommendation suggests that boards determine the skills, knowledge and experience they need and disclose the outcome of that assessment. However, the recommendation no longer includes a requirement for a skills matrix. Effective use of a matrix can help investors and stakeholders gain increased transparency and insight into a board's skills mix and capabilities to oversee a company's strategic priorities. We believe that the Recommendation would be enhanced by retaining disclosure of a skills matrix as it would give investors even greater insights.

- **Recommendation 3.1** – We support boards of listed companies having regard to security holders and other stakeholders, and disclosing their processes for engaging with them. We agree that the creation of long-term value typically requires an entity to be valued, trusted and respected by its security holders and other stakeholders including employees, suppliers, customers, contractors and the communities in which it operates. We would support in the Explanatory Materials including language to encourage engagement with First Nations peoples as key stakeholders, as well as engagement with company workforces and unions.

- **Recommendation 7.4** – We note this recommendation now requires that a listed entity should disclose its 'material risks' rather than its 'material exposure to environmental and social risks'. Rest supports a continued focus on environmental and social risks, as not including these risks could downplay companies' important focus on material sustainability risks. While the ASX notes regulatory guidance under ASIC Regulatory Guidance 247 and 280 touches on these issues, we do not believe that sustainability reporting is embedded sufficiently across listed entities to warrant this change.

Conclusion

We thank the ASX for the opportunity to provide our views. We would welcome the opportunity to further discuss any matters outlined in this submission.