

Governance Update

Nasdaq Board Diversity Listing Rule Approved

As we described in our *Governance Round-up* in February 2021 (available [here](#)), Nasdaq had proposed new listing rules that would require all companies listed on Nasdaq's U.S. exchange to publicly disclose diversity statistics regarding their boards of directors and would also require most Nasdaq-listed companies to have, or explain why they do not have, at least two diverse directors, including one who self-identifies as female and one who self-identifies as either an "underrepresented minority" or "LGBTQ+". These proposed rules were adopted by the SEC on August 6, 2021.

For a company listed on Nasdaq prior to August 6, 2021, it must provide the initial board matrix by August 8, 2022 or the date that the company files its 2022 proxy statement, whichever is later. If a company files its 2022 proxy before August 8, 2022 and does not include the board diversity matrix, then the company has until August 8, 2022 to provide the matrix in its Form 10-K or on its website. Nasdaq has provided examples of acceptable disclosures [here](#). We expect that many companies will seek to comply with the board diversity disclosure in their 2022 proxy statement, even if filed prior to August 8, 2022.

In addition to the required disclosures, by August 7, 2023, each Nasdaq listed company must have at least one diverse director or provide an explanation of why it does not have such a director. For a company listed on the Nasdaq Global Select or Global Markets, it must have two diverse directors by August 6, 2025 or provide the requisite explanation.

If you have any questions regarding these new listing rules, please contact a member of the Debevoise Capital Markets Group.



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