

## Issuer Alert 2024-1

In February 2023, the SEC issued a [final rule](#), requiring the securities industry to shorten the standard settlement cycle for most broker-dealer transactions from two business days after the trade date (“T+2”) to one business day after the trade date (“T+1”), effective Tuesday, May 28, 2024.

Nasdaq recently [adopted](#) a rule to implement this change, which adjusts the timeline with respect to certain actions for distributions with a record date after May 28th.

### Regular Distributions

Among the rules and processes that are impacted by this change is [Nasdaq Rule 11140\(b\)\(1\)](#), which establishes the “ex-dividend date” for most distributions of cash, stock or warrants. The ex-dividend date is the date on which a security is first traded without the right to receive that distribution. While previously the ex-dividend date was generally one business day before the record date, that will change for distributions with a record date after Tuesday, May 28, 2024, and the ex-dividend date after that will generally be the same date as the record date. In addition, Nasdaq and the other Self-Regulatory Organizations have agreed with the DTCC, which processes distributions for publicly traded securities, that no securities will be ex-divided on May 28, 2024, to avoid confusion about the proper settlement.

***Issuers should be aware that the first RECORD DATE to which the new ex-dividend date ruling rationale will be applied will be Wednesday, May 29, 2024.*** The chart below describes the anticipated “regular” ex-dividend date rulings over the conversion time:

Record Date	Ex-date
May 24, 2024	May 23, 2024
May 28, 2024	May 24, 2024
May 29, 2024	May 29, 2024

Please note that Monday, May 27, 2024 is a US Holiday (Memorial Day) and not a business day.

### Large Distributions

Nasdaq [Rule 11140\(b\)\(2\)](#) establishes the ex-dividend date for cash dividends or distributions, stock dividends and/or splits, and the distribution of warrants, which are 25% or greater of the value of the subject security. These distributions are declared ex-dividend on the first business day following the payable date for the distribution. While Nasdaq did not amend Rule 11140(b)(2), in order to avoid an ex-dividend date of May 28, 2024 under this rule, ***issuers are advised to NOT set May 24, 2024 as the***

***payment date for any dividend or distribution that may exceed 25% of the value of the subject security.***

Questions regarding this notice should be directed to Nasdaq Corporate Data Operations at 1- 877-308-0523.