

Summary of Key Differences between Nasdaq’s Board Diversity Rule Proposal and California’s Diversity Law

	Nasdaq Proposal	California’s Diversity Law
Definition of Diverse	<ul style="list-style-type: none"> Includes a director who self-identifies as (i) Female, (ii) an Underrepresented Minority, or (iii) LGBTQ+. 	<ul style="list-style-type: none"> Substantially similar (<i>California does not specifically include the queer community or a director identifying with two or more races</i>)
Requirement	<ul style="list-style-type: none"> Must include at least one female and one director who self-identifies as either an underrepresented minority or LGBTQ+. Two directors regardless of board size. 	<ul style="list-style-type: none"> Must include at least one female and one director from an underrepresented community. Increases with board size Law does not specify that they need to be different individuals.
Timing	<ul style="list-style-type: none"> One director within two years of SEC approval of the rule and two directors within four years of SEC approval for companies listed on Nasdaq Global Select/Global Market and within five years of SEC approval for companies listed on Capital Market. 	<ul style="list-style-type: none"> One female director by end of 2019 and one director from an underrepresented community by end of 2021. Larger boards must have additional female directors by end of 2021 and additional directors from underrepresented communities by end of 2022.
Flexibility	<ul style="list-style-type: none"> Provided for smaller reporting and foreign companies. One year transition period after listing for newly public companies, SPACs and switches. 	<ul style="list-style-type: none"> No flexibility provided. Applies to any U.S. public company with its principal executive offices in California. Immediately effective.