

**Year-End Tool Kit**

**Director Independence, Audit Committee and Compensation Committee Matters Questionnaire for Nasdaq Companies**

**2022-2023**

***Updated January 3, 2023***

**PREPARER NOTES:**

This document is provided with the understanding that it does not constitute the rendering of legal or other professional advice by Goodwin Procter LLP or its attorneys. This document (which is in Microsoft Word® format) may be saved and edited so that it can be modified for a specific company (for example, name of the company, name of the contact person, etc.). This document may also require other revisions to render it suitable for a specific company’s circumstances. In the event this document is substantively modified (for example, to shorten or simplify), the preparer should verify that the questionnaire, as modified, will still gather the information necessary to assist the Board of Directors in considering and making its independence and other determinations.

Please note that this questionnaire does not address independence-related matters other than those required by the Nasdaq Stock Market (including the Nasdaq Global Select Market, the Nasdaq Global Market and the Nasdaq Capital Market) and SEC rules, such as independence criteria used by institutional investor advisory or corporate governance ratings services. A separate questionnaire that reflects the objective director independence standards of Institutional Shareholder Services Inc. and the Council of Institutional Investors is available to supplement this questionnaire. Companies that are seeking to monitor director independence under the ISS and/or CII ratings should consider circulating that questionnaire to outside directors.

Additional separate questionnaires addressing the following matters are also available in our Year-End Tool Kit to supplement this questionnaire:

1. information required with respect to directors, officers and control persons;
2. independence standards of Institutional Shareholder Services Inc. and the Council of Institutional Investors;
3. Iran Threat Reduction and Syria Human Rights Act matters;
4. Foreign Corrupt Practices Act matters;
5. annual Form 5 reporting and disclosure under Section 16; and
6. Rule 506(d) and Rule 506(e) “bad actor” events.

This document has been prepared for use by domestic public companies with common stock listed on the Nasdaq Stock Market, and is not appropriate for companies subject to different SEC or stock exchange requirements, including but not limited to asset backed issuers, foreign private issuers or investment companies, nor does it reflect SEC rules applicable to smaller reporting companies or emerging growth companies.

**Please note especially that Question 17, relating to the diversity of the Company’s directors, is not suitable for use by any company that is a “foreign private issuer” as defined by the rules of the Securities and Exchange Commission, a “foreign issuer” under Nasdaq rules, or any other company if the company may be subject to, or any of its directors may be protected by, any legal or regulatory requirements related to the privacy or confidentiality of any personal information about the company’s directors in any jurisdiction or if the company has its principal executive offices located outside the United States. These companies should not use Question 17 or otherwise solicit or disclose any information about director self-identification without first obtaining qualified legal advice concerning compliance with any laws, rules and regulations that may apply to solicitation or disclosure of this information. Please review the cautionary notes and instructions in Section 6 carefully.**

This questionnaire is intended to be used in connection with preparation of the company’s Annual Report on Form 10-K and its proxy statement and should not be used in connection with preparation of registration statements without further review and revision. This document is not a substitute for advice of qualified attorneys. We recommend that you consult with your regular Goodwin Procter LLP attorney prior to using this document.

**\* \* \***

NAME:

**[EDIT – Insert Company Name]**

**Questionnaire for Non-Employee Members of the Board of Directors  
for  
Director Independence, Audit Committee and Compensation Committee Matters**

IN CONNECTION WITH THE   
PROXY STATEMENT FOR THE 2023 ANNUAL STOCKHOLDERS MEETING AND  
FORM 10-K ANNUAL REPORT FOR FISCAL 2022

This questionnaire is being circulated to the non-employee directors of **[EDIT – Insert Company Name]** (the “Company”) to assist the Board of Directors in making determinations concerning the qualifications of non-employee members of the Company’s Board of Directors and Audit Committee that are required by Nasdaq Stock Market listing standards and Securities and Exchange Commission rules. This questionnaire will also be used to assist the Board of Directors in determining whether members of the Compensation Committee qualify as “non-employee directors” under SEC rules and as “outside directors” under the Internal Revenue Code of 1986 and the related regulations of the Internal Revenue Service. This questionnaire supplements the separate questionnaire that we are circulating to all directors and executive officers of the Company. The purpose of this questionnaire is to enable the Board of Directors to evaluate the Company’s compliance with the following requirements:

***Independence of Non-Employee Directors (Questions 1-7)***. Nasdaq rules require that a majority of the Company’s directors must qualify as “independent” under Nasdaq rules. In order for a director to qualify as an “independent director” under Nasdaq rules, the Board of Directors must affirmatively determine that the director has no relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. These rules also include a list of relationships that would prevent the Board of Directors from determining that a director is independent. The Company must disclose in its proxy statement the identity of its independent directors and any transactions, relationships or arrangements considered by the Board of Directors in determining that its independent directors are independent.[[1]](#footnote-1)

***Qualifications of Audit Committee Members (Questions 8-12)***. Nasdaq and SEC rules impose additional qualifications on members of the Audit Committee. SEC rules require Audit Committee members to satisfy two supplemental independence standards not required for directors who are not members of the Audit Committee: (1) no Audit Committee member may accept any direct or indirect consulting, advisory or other compensatory fee from the Company or any of its subsidiaries other than normal compensation for service on the Board of Directors or a committee of the Company or a subsidiary, and (2) no person who is an “**affiliate**” of the Company may serve on the Audit Committee. In addition to the requirements of SEC rules, Nasdaq rules also require that (1) each member of the Audit Committee shall not have participated in the preparation of the financial statements of the Company at any time during the past three years and must be able to read and understand financial statements and (2) at least one member of the Audit Committee must have accounting or related financial management experience; this requirement is separate from status as an “audit committee financial expert” discussed below, but a director who is qualified in that capacity will satisfy this Nasdaq requirement.

***Qualifications of Compensation Committee Members (Questions 8-10)***. As required by SEC rules, Nasdaq has adopted rules that impose additional qualifications on members of the Compensation Committee. **[EDIT – revise this section if the Company is a smaller reporting company or is otherwise exempt from compliance with the Nasdaq rules]** Nasdaq rules require the Company’s Board of Directors to consider additional factors when making independence determinations for Compensation Committee members. Under recently amended Nasdaq rules, the Board of Directors must consider all factors specifically relevant to determining whether a director has a relationship to the Company that is material to that director’s ability to be independent from management in connection with the duties of a member of the Compensation Committee, including but not limited to the following two factors: (1) the source of compensation of the director, including any consulting, advisory or other compensatory fees paid by the Company to the director, and whether the source of any such compensation would impair the director’s ability to make independent judgments about the Company’s executive compensation, and (2) whether the director is an **affiliate** of the Company, any of its subsidiaries, or any of its subsidiaries’ affiliates, including whether the **affiliate** relationship places the director directly or indirectly under the control of the Company or its senior management, or creates a relationship between the director and members of the Company’s senior management, in either case in a manner that would impair the director’s ability to make independent judgments about the Company’s executive compensation.

***“Audit Committee Financial Expert” Status (Questions 13-14)***. SEC rules require the Company to disclose in its Form 10-K or proxy statement whether there is at least one “audit committee financial expert” serving on the Audit Committee. The Board of Directors must determine whether one or more members of the Audit Committee qualifies as an audit committee financial expert. This determination requires the Board of Directors to review the qualifications of potential experts under SEC rules. Questions 13 and 14 summarize the elements of the audit committee financial expert definition.

***Compensation Committee “Outside Director” and “Non-Employee Director” Status (Questions 15-16)***. Members of the Compensation Committee should, in addition to qualifying as “independent” directors under Nasdaq rules, satisfy the requirements for certain exemptions under SEC and IRS rules. In order for certain compensatory transactions involving the Company’s securities to qualify for the exemption from “short swing” profits recapture under Section 16(b) of the Securities Exchange Act of 1934 that is provided by SEC Rule 16b-3, members of the Compensation Committee must qualify as “non-employee directors” under SEC rules. In addition, in order to preserve the deductibility of certain compensation paid to executive officers, Compensation Committee members must qualify as “outside directors” under Section 162(m) of the Internal Revenue Code. Questions 15 and 16 are intended to assist the Board of Directors in determining whether members of the Compensation Committee satisfy these requirements.

**[INSTRUCTION TO BE DELETED – Question 17 in Section 6, “Nasdaq Board Diversity Matrix,” is not suitable for use by any company that is a “foreign private issuer” as defined by the rules of the Securities and Exchange Commission, a “foreign issuer” under Nasdaq rules, or any other company if the company may be subject to, or any of its directors may be protected by, any legal or regulatory requirements related to the privacy or confidentiality of any personal information about the company’s directors in any jurisdiction or if the company has its principal executive offices located outside the United States. These companies should not use Question 17 or otherwise solicit or disclose any information about director self-identification without first obtaining qualified legal advice concerning compliance with any laws, rules and regulations that may apply to solicitation or disclosure of this information. Please review the cautionary notes and instructions in Section 6 carefully. Please review the cautionary notes and instructions in Section 6 carefully.]**

**[INSTRUCTION TO BE DELETED – Revise the following paragraph as appropriate to reflect (1) how the Company expects to comply with Nasdaq rules that require disclosure of the Nasdaq Board Diversity Matrix, (2) whether the Company will be subject to Nasdaq rules that a require Nasdaq-listed company to have a specified number of diverse directors serving as members of its board of directors or explain why it does not, (3) whether or not the Company intends to disclose publicly any personally identifiable information about director diversity, (4) whether or not the Company is subject to California laws regarding director diversity and (5) any other revision or modification of Question 17.]**

***Director Diversity (Question 17).*** Nasdaq rules require the Company **[to have specified numbers of directors who satisfy the gender and demographic diversity requirements serving as members of the Board of Directors or explain why it has not satisfied these requirements, as required by Nasdaq rules, and]** to disclose information about the gender and demographic diversity of the company’s directors. **[The Company intends to comply with the Nasdaq disclosure requirement by [disclosing this information in its proxy statement for the next annual meeting of shareholders.] [disclosing this information on its website.] [disclosing this information in its Annual Report on Form 10-K.] ]** **[In addition, Question 17 will assist the Company in determining whether it is in compliance with California laws that require the Company to have specified minimum numbers of directors who satisfy gender and demographic diversity requirements under California law.] [The Company [also] intends to use the information provided in response to Question 17 as the basis for disclosure regarding the gender and demographic diversity of the members of the Board of Directors in its [proxy statement] for the next annual meeting of shareholders.]** Please review the information that precedes Question 17 before responding to Question 17.

————

**Please note that Nasdaq listing standards and SEC rules effectively require the Company to monitor the independence of directors and members of the Audit Committee, Compensation Committee and Nominating/Corporate Governance Committee throughout the year**. As a result, if there is any change or proposed change in the facts on which your answers to this questionnaire are based, it is important that you to notify \_\_\_\_\_\_\_\_\_\_\_\_\_ at the Company by telephone (\_\_\_-\_\_\_-\_\_\_\_), telecopier (\_\_\_-\_\_\_-\_\_\_\_) or by email (\_\_\_\_\_\_\_\_\_\_@\_\_\_\_\_\_\_\_) at the earliest possible time.

Please complete the following questionnaire, date and sign it on page Q-1, and return it to me by [\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_]. Please note that it may be necessary to supplement this questionnaire with in-person interviews in order to allow the Board of Directors to make the determinations referred to above. Please call me at (\_\_\_) \_\_\_\_\_\_\_\_\_\_\_, [or our outside counsel, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of Goodwin Procter LLP by email at [\_\_\_\_\_\_\_\_\_@goodwinlaw.com](mailto:_________@goodwinlaw.com) or by telephone at \_\_\_-\_\_\_-\_\_\_\_,] if you have any questions about the questionnaire.

**NON-EMPLOYEE DIRECTOR INDEPENDENCE AND   
AUDIT COMMITTEE AND COMPENSATION COMMITTEE QUALIFICATION QUESTIONNAIRE**

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Director’s name:

**I have completed the following questionnaire to the best of my knowledge as of the date below and understand that the Company and the Board of Directors will rely upon this information in complying with requirements of the federal securities laws, federal tax regulations, Nasdaq Stock Market listing standards, preparation and filing of SEC disclosure documents and disclosure on the Company’s website. I will promptly notify the Company if any of this information changes or becomes incorrect at any time after the date below.**

|  |  |
| --- | --- |
| Date: \_\_\_\_\_\_\_\_, 20\_\_ |  |
|  | Signature |
|  |  |
|  | Name: Please print or type |

Definitions and General Instructions

Please review the terms below before answering this questionnaire. These terms are indicated in this questionnaire in **bold** **underscored** **text**.

“***Affiliate***” means, with respect to any person, a person who directly, or indirectly through one or more intermediaries, **controls**, or is **controlled** by, or is under common **control** with, that other person.

“***Beneficial ownership***” is determined under SEC Rule 13d-3, which generally means having or sharing any direct or indirect voting or investment power over a company’s equity securities through any contract, arrangement, understanding, relationship, trust, proxy or otherwise (including the right to acquire equity securities within 60 days through the exercise of any option, warrant, conversion right, revocation right or other right).

“***Control***” means, for purposes of the definition of **affiliate** above, having direct or indirect power to direct or cause the direction of the management and policies of the Company, whether through the ownership of voting securities, by contract, or otherwise. A person will be deemed not to **control** another person for this purpose if the person is not an executive officer or director of the other person and is not a **beneficial** **owner**, directly or indirectly, of more than 10% of any class of equity securities of the other person.

Any majority-owned subsidiary, or less-than-majority owned business entity which is in fact **controlled** by a person, is an **affiliate** of the person owning the majority interest or **controlling** the business entity. Directors who are also employees, executive officers, general partners and managing members of an **affiliate** of another person will also be deemed to be **affiliates** of that other person.

“***Family*** ***member***” or “***member*** ***of*** ***your*** ***family***” are used interchangeably in this questionnaire and include your spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and also includes anyone (other than domestic employees) who shares your home.

**As used in this questionnaire, any reference to the “Company” includes any parent or subsidiary whose financial statements are consolidated with the Company as filed with the SEC (but not if the Company reflects such entity solely as an investment in its financial statements), unless otherwise stated.**

Section 1: Independence Standards for Non-Employee Directors

**All non-employee directors and nominees for director should answer questions 1-7 below**. Questions 1-6 are required by Nasdaq rules and relate to circumstances that would prevent the Board of Directors from determining that a director is “independent” under Nasdaq listing standards. If you answer “no” to each of these questions, the Board of Directors must still consider any information provided in response to question 7 in making a determination that you are independent.

1. Are you now, or have you been at any time during the past three years, employed **in any capacity** by the Company, other than prior employment as an executive officer on an interim basis, provided that such interim employment did not last longer than one year?

☐ Yes ☐ No

1. Have you, or any **member** **of** **your** **family**, received during the past three years any compensation from the Company other than:

* compensation for service on the Board of Directors or any of its committees;
* compensation paid to a **member** **of** **your** **family** who is an employee (other than an executive officer) of the Company;
* compensation received for former service as an interim executive officer, provided that such interim employment did not last longer than one year; or
* benefits under a tax-qualified retirement plan, or non-discretionary compensation?

☐ Yes ☐ No

If you answered “yes” above, please describe the compensation received, including who received the compensation, what it was received for, the amount of any such compensation and when it was paid:

*Please note that the receipt by you or a member of your* ***immediate******family*** *of more than $120,000 in direct compensation (not including any amounts in the four categories of exempt compensation above) during any 12-month period within the last three years will automatically disqualify you from being considered independent.*

Please note that under Nasdaq rules political contributions to you or a **family** **member** would be considered indirect compensation. In addition, non-preferential payments made in the ordinary course of providing business services (such as payments of interest or proceeds related to banking services or loans by a company that is a financial institution or payment of claims on a policy by a company that is an insurance company), payments arising solely from investments in the Company’s securities and loans permitted under Section 13(k) of the Securities Exchange Act of 1934 will not preclude a finding of director independence as long as the payments are non-compensatory in nature. Depending on the circumstances, a loan or payment could be compensatory if, for example, it is not on terms generally available to the public. Accordingly, please list any payments or loans from the Company to you or any **family** **member** that were received at any time during the preceding three years below or, if none, check “None”:

☐ None

☐ I am disclosing the following payments and loans:

1. Is any **member** **of** **your** **family** now, or has any **member** **of** **your** **family** been at any time during the past three years, an executive officer of the Company?

☐ Yes ☐ No

1. Are you, or is any **member** **of** **your** **family**, now employed as an executive officer of another company for which any of the Company’s executive officers serve or served, at any time during the past three years, on the other company’s compensation committee?

☐ Yes ☐ No

1. Are you or any **member** **of** **your** **family** a partner in, or a controlling shareholder or an executive officer of, any organization to which the Company made, or from which the Company received, payments for property or services during the current year or any of the past three fiscal years? Please list each of these organizations and the dollar amount(s) of any such payments in the table below, indicating whether each payment was made or received by the Company.

To your knowledge, do any of such payments in any such year or period exceed the greater of (a) $200,000 or (b) 5% of the recipient’s consolidated gross revenues for such year or period? If yes, please place a check mark in the cell(s) on the far right side of the relevant row in the table below.

*Please note that under Nasdaq rules the following need not be included in the amounts referred to in question 5: (1) payments arising solely from investments in the Company’s securities and (2) payments under non-discretionary charitable contribution matching programs.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Name of Organization** | **Amount of payment (please indicate whether by or to the Company)** | **Year or period in which payment was made or received** | **Indicate by check mark if payment exceeded greater of (a) $200,000 or (b) 5% of the recipient’s consolidated gross revenues for the relevant year or period** |
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*Please note that under Nasdaq rules you will be automatically disqualified from being considered independent if the Company has made payments to, or received payments from, any of the organizations listed above for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of $200,000 or 5% of the recipient’s consolidated gross revenues for the relevant year.*

1. Are you, or is any **member** **of** **your** **family**, now a current partner of the Company’s outside auditors, or did you or any **member** **of** **your** **family** at any time during the past three years work on the Company’s audit as a partner or employee of the Company’s outside auditors?

☐ Yes ☐ No

1. Under Nasdaq rules, in order for a director to be classified as independent, the Board of Directors must make an affirmative determination that the director has no relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Accordingly, the Board of Directors must evaluate – in addition to the answers to questions 1-6 above – the **materiality of all existing and proposed relationships** and all prior relationships involving any director who is to be determined independent under Nasdaq rules (other than service on the Board of Directors or its committees).

Please list below **all direct and indirect relationships** (including, for example, relationships involving any business, nonprofit or other entity in which you serve as a partner, manager, director, trustee, officer, or significant stockholder or investor, or in which you have any significant financial interest) which the Board of Directors should consider in evaluating your independence.

* Please consider current and past relationships as well as any that are proposed.
* Please consider for this purpose any kind of relationship, such as commercial, industrial, banking, investment, consulting, legal, accounting and charitable relationships.
* Please consider any current, past or proposed relationships that may be attributable to you indirectly as a result of a relationship or transaction that involves any member of your family.
* Please consider for this purpose any passive investments in any privately held or publicly traded companies.

Please list any such relationships below or, if none, check “none.”

☐ None

☐ I am disclosing the following relationships:

Section 2: Additional Independence Standards for Audit Committee and Compensation Committee Members

**Please answer questions 8-10 only if you are a member of or nominee for the Audit Committee or the Compensation Committee**. Members of the Audit Committee and Compensation Committee must meet the independence standards set forth in Section 1 and the additional independence standards set forth below. *For Audit Committee*: if you answer “yes” to any of questions 8, 9 or 10, or “yes” to the first part of question 11, or “no” to the second part of question 11, in Section 3 below, it is unlikely that you will be able to serve on the Audit Committee. Under Nasdaq rules, at least one member of the Audit Committee must be able to answer “yes” to question 12. *For Compensation Committee*: if you answer “yes” to any of questions 8, 9 or 10, or “yes” to any of questions 15 or 16 in Section 5 below, it is unlikely that you will be able to serve on the Compensation Committee.

For purposes of questions 8, 9 and 10, please note that references to the “Company” include any parent or subsidiary of the Company.

1. Do you directly or indirectly **beneficially** **own** more than 10% of any class of the Company’s voting equity securities?

☐ Yes ☐ No

Please note that under SEC rules, **beneficial** **ownership** of 10% or less of any class of the Company’s voting equity securities is deemed not to result in **affiliate** status. If your **beneficial** **ownership** exceeds 10%, your status as an **affiliate** of the Company will depend on facts and circumstances to be evaluated by the Board of Directors.

1. Are you an “**affiliate**” of the Company, any subsidiary of the Company or any **affiliate** of any subsidiary of the Company, other than because of your service as a member of the Board of Directors or any of its committees? Please review the definition of “**affiliate**” when answering this question.

☐ Yes ☐ No

If yes, please describe the affiliation:

1. Have you accepted payments, or are you a party to any existing or proposed written or oral contract or other arrangement that provides for payments, directly or indirectly, to you from the Company or any of its subsidiaries of any accounting, consulting, advisory, legal, investment banking or financial advisory or any other compensatory fee (excluding fixed payments under retirement plans and deferred compensation for prior service to the Company, provided that such compensation is not contingent in any way on continued service), other than compensation for service as a member of the Board of Directors or any of its committees (or the board of directors or committees of a subsidiary of the Company)?[[2]](#footnote-2)

☐ Yes ☐ No

Has your spouse, any minor child or stepchild of yours, or any child or stepchild of yours who shares your home, accepted payments, or is any such person a party to any existing or proposed written or oral contract or any other arrangement that provides for payments, directly or indirectly, of any accounting, consulting, advisory, legal, investment banking or financial advisory or any other compensatory fee from the Company or any of its subsidiaries to that individual? Please note that the **family** **members** included in this question differ from those defined as your “**family** **member**” for purposes of answering questions 1-7 above.

☐ Yes ☐ No

Has any entity (1) in which you are a partner, member, managing director or executive officer, or in which you occupy a similar position, and (2) which provides accounting, consulting, advisory, legal, investment banking, financial advisory or any similar services, accepted payments, or is such entity a party to any existing or proposed written or oral contract or any other arrangement which provides for payments, directly or indirectly, to that entity of any accounting, consulting, advisory, legal, investment banking or financial advisory or any other compensatory fee from the Company or any of its subsidiaries?

☐ Yes ☐ No

If you answered “yes” to any of the questions above, please provide details of such payments or arrangements in the space below.

***Audit Committee members and nominees should also complete Section 3 (and Section 4 if they may be designated as an “audit committee financial expert”).***

***Compensation Committee members and nominees should also complete Section 5.***

Section 3: Section 3: Additional Qualifications for Audit Committee Members

**Please answer questions 11-12 only if you are a member of or nominee for the Audit Committee.**

1. Have you participated in the preparation of the financial statements of the Company at any time during the past three years?

☐ Yes ☐ No

Do you believe that you are able to read and understand fundamental financial statements, including a company’s balance sheet, income statement and cash flow statement?

☐ Yes ☐ No

If you answered “yes” to this part of question 11, please provide a brief description of your background and/or the circumstances that support your answer:

1. Nasdaq rules require that at least one member of the Audit Committee must have employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background which results in the individual’s financial sophistication. This may include being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. This requirement is separate from status as an “audit committee financial expert,” which is the subject of Section 3 of this questionnaire. Do you believe that you have employment experience, professional certification or comparable experience or background required by this Nasdaq rule?

☐ Yes ☐ No

If you answered “yes” to question 12, please provide a brief description of your education, experience and/or any other factors that support your answer:

Section 4: “Audit Committee Financial Expert” Status

**Please answer questions 13-14 only if you have been asked to do so in connection with possible designation as an “audit committee financial expert” as defined in the SEC rules summarized below.**

1. **Audit Committee Financial Expert Status**
2. *Expertise Criteria*. Do you have each of the following measures of financial expertise (to qualify, each item in (a) must be “yes”):

* an understanding of U.S. generally accepted accounting principles and financial statements;

☐ Yes ☐ No

* the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;

☐ Yes ☐ No

* experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, or experience actively supervising one or more persons engaged in such activities;

☐ Yes ☐ No

* an understanding of internal control over financial reporting; and

☐ Yes ☐ No

* an understanding of audit committee functions?

☐ Yes ☐ No

1. *Experience Criteria*. Have you acquired the above financial expertise through one or more of the following outside of and/or prior to serving on the Audit Committee? Please note that an audit committee financial expert must have acquired the attributes listed in subsection (a) above in at least one of the ways listed below.

* Do you have education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions?

☐ Yes ☐ No

If you answered “yes” to the preceding question, please list applicable education and experience:

* Do you have experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions? For purposes of this question, “actively supervising” means a person who participates in, and contributes to, the process of addressing, although at a supervisory level, the same general types of issues regarding preparation, auditing, analysis or evaluation of financial statements as those addressed by the person or persons being supervised, and the person with active supervisory experience should have experience that has contributed to the general expertise necessary to prepare, audit, analyze or evaluate financial statements that is at least comparable to the general expertise of those being supervised. Note that the SEC has stated that “[a] principal executive officer should not be presumed to qualify” as an active supervisor, and the SEC has further stated that “[a] principal executive officer with considerable operations involvement, but little financial or accounting involvement, likely would not be exercising the necessary active supervision.”

☐ Yes ☐ No

If you answered “yes” to the preceding question, please list applicable supervisory positions:

* Do you have experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements?

☐ Yes ☐ No

If you answered “yes” to the preceding question, please list applicable oversight or assessment positions:

* Do you have other relevant experience that you believe is equivalent to the experience listed in any of the three bullet points above?

☐ Yes ☐ No

If you answered “yes” to the preceding question, please describe the relevant experience:

Please note that if the Board of Directors determines that you qualify as an audit committee financial expert under the factors listed in the last question above, the Company is required to disclose the relevant experience that is the basis for its determination in the Company’s proxy statement.

1. **Board Review of Financial Expert Status:**

If you answered “yes” to all items in question 13(a) and at least one item in question 13(b), SEC guidelines provide that the Board of Directors will consider all available facts and circumstances in making its determination whether you qualify as an “audit committee financial expert,” including your answers to the following questions:

* Please describe the level of your accounting or financial education, including whether you earned an advanced degree in finance or accounting:
* Are you a certified public accountant, or the equivalent, in good standing?

☐ Yes ☐ No

If “Yes,” please state the length of time that you actively have practiced as a certified public accountant, or the equivalent:

* Are you certified or otherwise identified as having accounting or financial experience by a recognized private body that establishes and administers standards with respect to such expertise, and are you in good standing with the recognized private body?

☐ Yes ☐ No

If you answered “yes” to the preceding question, please state the length of time that you have been actively certified or identified as having this expertise:

* Have you served as a principal financial officer, controller or principal accounting officer of a company that, at the time you held such position, was required by law to file periodic reports with the SEC?

☐ Yes ☐ No

If you answered “yes” to the preceding question, please state for how long:

* Describe your specific duties while serving as a public accountant, auditor, principal financial officer, controller, principal accounting officer or position involving the performance of similar functions:
* Describe your level of familiarity and experience with all applicable laws and regulations regarding the preparation of financial statements that must be included in reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934:
* Describe the level and amount of your direct experience reviewing, preparing, auditing or analyzing financial statements that must be included in reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934:
* Describe your past or current membership on audit committees of companies that, at the time you held such membership, were required to file reports pursuant to section 13(a) or 15(d) of the Securities Exchange Act of 1934:
* Describe your level of familiarity and experience with the use and analysis of financial statements of public companies:
* Describe any other relevant qualifications or experience you have that would assist you in understanding and evaluating the Company’s financial statements and other financial information and to make knowledgeable and thorough inquiries whether:
* the financial statements fairly present the financial condition, results of operations and cash flows of the Company in accordance with generally accepted accounting principles; and
* the financial statements and other financial information, taken together, fairly present the financial condition, results of operations and cash flows of the Company (i.e., whether or not technically compliant with GAAP).

Section 5: Additional Qualifications for Compensation Committee Members

**Please answer questions 15-16 only if you are a member of or nominee for the Compensation Committee.**

1. *Non-Employee Director Status under SEC Rule 16b-3*. This rule provides an exemption from short swing profit recovery under Section 16(b) of the Securities Exchange Act of 1934 for certain transactions under the Company’s equity incentive plans if approved in advance by the Company’s Board of Directors or by a committee composed solely of two or more “non-employee directors.”
2. Since the beginning of the Company’s last fiscal year, have you or any **member** **of** **your** **family** received payments of more than $120,000 from the Company, directly or indirectly, other than for service as a director of the Company?

☐ Yes ☐ No

1. Is there any currently proposed transaction or relationship involving you or any **member** **of** **your** **family** that would potentially result in you or a **family** **member** receiving payments of more than $120,000 from the Company, directly or indirectly, other than for service as a director of the Company?

☐ Yes ☐ No

*Please note that although a “yes” answer to any of part of this question 15 will not necessarily disqualify you from serving as a “non-employee director,” additional review will be required to determine whether you satisfy the SEC requirements for service in that capacity.*

1. *Section 162(m) Outside Director Status*. **[Note: the Company should review with counsel whether it has any performance-based compensation to which Section 162(m) could still apply. If it does not, question 16 may be deleted.]** The Internal Revenue Code limits the Company’s ability to deduct certain grandfathered performance-based compensation paid to certain officers if, among many other conditions, a committee of “outside directors” (as defined in the tax regulations) has not approved the compensatory arrangement and certified achievement of the relevant performance criteria.
2. Are you a former employee of the Company receiving, or who has received in the previous taxable year, compensation from the Company for past services (other than tax-qualified retirement plan benefits)?

☐ Yes ☐ No

1. Have you ever been an officer of the Company?

☐ Yes ☐ No

1. Either:

* Do you receive or have you received from the Company, in the Company’s current or previous taxable year, any direct or indirect payments, or is the Company now contractually obligated to pay you directly or indirectly, for goods or services in any capacity other than as a director?

*or*

* Does the Company make or has the Company made in the Company’s current or previous taxable year, or is the Company now contractually obligated to make, any payments for goods or services to any business, professional or other entity (1) that employs you, (2) to which you render any substantial services, or (3) in which you have at least a 5% ownership interest?

☐ Yes ☐ No

*Note: This section (c) does not set forth the full, complex remuneration test of the income tax regulations under Section 162(m). If you answer “yes,” further review will be required in order to determine whether you qualify as an “outside director” under Treas. Reg. Section 1.162-27(e)(3). There are “de minimis” and timing exceptions that may or may not permit service on the committee depending on an analysis of the applicable facts (including your percentage ownership of an entity, amount of payments, amount of gross revenues of the entity, timing and other factors).*

Section 6: Nasdaq Board Diversity Matrix

*Updated January 3, 2023*

|  |  |
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| **Nasdaq Board Diversity Matrix**  **General Instructions**  **[Delete this box and the instructions in this box before distributing this questionnaire. Review and delete also “Instructions for Nasdaq Board Diversity Matrix” in the box below before distributing this questionnaire.]**   |  | | --- | | **Companies that are “foreign private issuers” as defined by the rules of the Securities and Exchange Commission or “foreign issuers” under Nasdaq rules may be subject to legal restrictions or prohibitions that apply to solicitation and/or disclosure of information about the self-identification of directors. These companies, and any other company if the company may be subject to, or any of its directors may protected by, any legal or regulatory requirements related to the privacy or confidentiality of any information about the company’s directors in any jurisdiction or if the company has its principal executive offices located outside the United States, should not use Question 17** **or otherwise solicit or disclose information about director self-identification without first obtaining qualified legal advice concerning compliance with any laws, rules and regulations that may apply to solicitation and disclosure of this information.** |   **Important Note: The instructions and information in this section discuss public disclosure of directors’ gender and demographic diversity, including the requirements of Nasdaq rules and related instructions and guidance and the requirements of California law, among others. These instructions and discussions and Question 17, like all of the other instructions, discussions and questions in this document, are not intended as legal advice and must not be relied upon as such. You are urged to obtain legal advice on these and any other matters that relate to this questionnaire and the legal matters upon which this questionnaire is based.**  **Introduction**  Question 17 is intended to assist Nasdaq-listed companies to comply with Nasdaq rules that require these companies (1) to have at least the number of directors who satisfy the gender and demographic diversity requirements of Nasdaq rules serving as members of the board of directors or explain why they do not and (2) to disclose the gender and demographic diversity of the company’s directors using the Board Diversity Matrix required by Nasdaq rules.  An alternate version of Question 17 (version 2) is intended, in addition, to assist California-based companies that are Nasdaq-listed to comply with California laws that require these companies to report to the California Secretary of State with respect to whether the company has the numbers of directors who satisfy California gender and demographic diversity requirements. “California-based” means a company that lists a California address as the address of its principal executive offices on the company’s Form 10-K annual report for that year. Companies that are subject to these California laws must have at least the minimum number of female directors and directors from underrepresented communities, as defined by the applicable California laws, and must report information about the composition of the Board of Directors to the California Secretary of State annually. As used in this questionnaire, “assist” is limited to assistance with soliciting gender and demographic information from the company’s directors and does not include legal advice about compliance with Nasdaq rules or California laws.  Nasdaq-listed companies that satisfy the definition of “smaller reporting company,” “emerging growth company” or “foreign private issuer” under the rules of the Securities and Exchange Commission, and Nasdaq-listed companies with their principal executive offices outside the U.S. that qualify as a “foreign issuer” under Nasdaq rules, may be subject to modified versions of the Nasdaq diversity rules. In addition, companies listed on the Nasdaq stock market on or after August 6, 2021 may be subject to transitional relief that permits deferred compliance. In these cases, companies should consult with their Goodwin contact.  Neither Nasdaq rules nor applicable California laws require disclosure of information about director diversity on an individual basis. The Nasdaq Board Diversity Matrix presents information about director diversity on an aggregated basis, and this information is also provided to the California Secretary of State on an aggregated basis. If a company proposes to disclose gender, demographic or other information on an individually identifiable basis, the company should consider making that clear to directors in this questionnaire. In particular, the statement highlighted in yellow in the second paragraph of the introduction to Version 1 and Version 2 of Question 17 should be reviewed and revised as necessary.  Note that the Nasdaq rules and the California laws that require disclosure of the gender and demographic diversity of a company’s directors are subject to legal challenges that could affect the validity of these requirements. Companies should confirm the current status of these challenges before distributing a questionnaire that includes this section of the questionnaire. Update (September 30, 2022): Earlier in 2022, California trial courts ruled that S.B. 826, relating to directors who self-identify as female, and A.B. 979, relating to directors who self-identify as a member of specified under-represented minorities, violate the California constitution and issued orders that prohibit any use of taxpayer funds to administer or enforce the law. California has appealed these rulings and a court has issued an order prohibiting enforcement of the orders of the trial courts. The timing of decisions on these appeals is uncertain. Until the litigation involving S.B. 826 and A.B. 979 is resolved, we recommend that companies consult with counsel regarding compliance with S.B. 826 and A.B. 979.  **Discussion of Nasdaq Board Diversity Matrix Requirements**  **Nasdaq 2021 Amendments.** On August 6, 2021, the SEC approved amendments to Nasdaq rules that require companies listed on the Nasdaq U.S. stock exchanges (1) to have or explain why they do not have at least two diverse directors and (2) to publicly disclose board-level diversity statistics each year using a standardized template (the “Board Diversity Matrix”). Nasdaq-listed companies should review “Instructions for Nasdaq Board Diversity Matrix” below. **Failure to do so may result in a violation of Nasdaq rules.**  **The Board Diversity Matrix must include two years of diversity disclosure after the year of the Company’s initial disclosure.** Nasdaq Rule 5606 requires that “[f]ollowing the first year of disclosure, all companies must disclose the current year and immediately prior year diversity statistics using the Board Diversity Matrix.” The requirement to disclose the Board Diversity Matrix for the preceding year is satisfied if the Board Diversity Matrix for the preceding year is publicly available. As an example, the Board Diversity Matrix would be publicly available if the company’s proxy or information statement for the preceding year included the Board Diversity Matrix and was filed with the SEC and is available on the SEC’s EDGAR system. As another example, the Board Diversity Matrix would be publicly available if it was posted and is still available on the company’s website.  **Amended Compliance Dates.** Nasdaq submitted [proposed amendments](https://listingcenter.nasdaq.com/assets/rulebook/nasdaq/filings/SR-NASDAQ-2022-075.pdf) to the compliance dates for the director diversity objective (Rule 5605(f)) and the Nasdaq Board Diversity Matrix disclosure requirement (Rule 5606) for SEC approval on December 12, 2022 (the “2023 Amendments”). The SEC [approved](https://www.sec.gov/rules/sro/nasdaq/2022/34-96500.pdf) these amendments, which became effective immediately, on December 14, 2022. The amendments generally change the prior compliance dates from anniversaries of the August 6, 2021 effective date of the Nasdaq diversity rules to December 31 of the relevant year. The amendments also permit companies that make the disclosures required by Rule 5605(f) and Rule 5606 by a method other than in the company’s proxy or information statement to submit the URL for the disclosure by email to [drivingdiversity@nasdaq.com](mailto:drivingdiversity@nasdaq.com) as an alternative to submitting the URL through the Nasdaq Listing Center. The specific compliance dates for the Nasdaq diversity objective disclosure, as amended, are:   * Each company listed on the Nasdaq Global Select Market, the Nasdaq Global Market, and the Nasdaq Capital Market (including a company with a smaller board under Rule 5606(f)(2)(D)) must have, or explain why it does not have, at least one director who self-identifies as female or as a member of an underrepresented minority or the LGBTQ+ community by December 31, 2023. * Each company listed on the Nasdaq Global Select Market or the Nasdaq Global Market must have, or explain why it does not have, at least at least one director who self-identifies as female and at least one director who self-identifies as a member of an underrepresented minority or the LGBTQ+ community by December 31, 2025. * Each company listed on the Nasdaq Capital Market must have, or explain why it does not have, at least at least one director who self-identifies as female and at least one director who self-identifies as a member of an underrepresented minority or the LGBTQ+ community by December 31, 2026.   **Companies with five or fewer board members, regardless of Nasdaq listing tier,** can satisfy the diversity objective by having one diverse director, rather than two. This director can self-identify as (1) female and/or (2) a member of an underrepresented minority or the LGBTQ+ community.  **Smaller Reporting Companies** can satisfy the director diversity objective by having, or explaining why they do not have, within the time periods applicable to the company’s initial listing date and Nasdaq listing tier, either (1) two directors who self-identify as female or (2) one director who self-identifies as female and another director who self-identifies as a member of an underrepresented minority or the LGBTQ+ community.  **Foreign issuers,** as defined by Nasdaq rules (which includes companies that are Foreign Private Issuers under SEC rules), can meet the director diversity objective by having, or explaining why they do not have, within the time periods applicable to the company’s initial listing date and Nasdaq listing tier, either (1) two directors who self-identify as female or (2) one director who self-identifies as female and one director who self-identifies as a member of an underrepresented individual based on national, racial, ethnic, indigenous, cultural, religious or linguistic identity in the country where the company’s principal executive offices are located, or as a member of the LGBTQ+ community.  Note that Nasdaq had not updated the guidance available on its website when this document was published, including the guidance for [companies listed prior to August 6, 2021](https://listingcenter.nasdaq.com/assets/Board%20Diversity%20Disclosure%20Five%20Things.pdf) and [companies listed on or after August 6, 2021](https://listingcenter.nasdaq.com/assets/New%20Companies%20Listing%20on%20Nasdaq.pdf).  **Nasdaq Instructions for Website Posting**  Nasdaq has published instructions for website posting of the Board Diversity Matrix that apply when a company posts the Board Diversity Matrix on its website rather than including it in its proxy or information statement or Form 10-K or 20-F annual report. Nasdaq requires that companies notify Nasdaq in the manner provided in the instructions below within one business day after the company posts the Board Diversity Matrix on its website. These instructions are summarized below.  If the company elects to provide the Board Diversity Matrix on its website, the company must:   * **Complete a Board Diversity Matrix.** Nasdaq provides a fillable PDF of the Board Diversity Matrix for U.S. companies and a fillable PDF for Foreign Issuers. In lieu of utilizing the fillable PDF, a company may create its own template if the format is substantially similar to the standardized template. * **Clearly label the disclosure as Board Diversity Matrix on your company’s website.** While a company can provide the Board Diversity Matrix anywhere on its website, Nasdaq recommends posting it on the company’s Investor Relations webpage or other webpage where Governance documents are housed. * **Notify Nasdaq.** The 2022 Amendments provide two options for companies to notify Nasdaq that the company has posted the Board Diversity Matrix on the company’s website.   + **Notify Nasdaq by Email.** The amendments permit companies to submit the URL for the company’s website posting of the Board Diversity Matrix by email to [drivingdiversity@nasdaq.com](mailto:drivingdiversity@nasdaq.com).   + **Complete Section 10 (Board Diversity Disclosure) of the Company Event Form.** Log in to the Listing Center and complete Section 10 [titled “Board Diversity Disclosure”] of the [Company Event Form], which requires the company to provide the Disclosure Date and URL Location of its Board Diversity Matrix.   **Which Version of the Board Diversity Matrix Questions to Use**  The difference between Version 1 and Version 2 of Question 17 is that Version 1 is intended for use by Nasdaq-listed companies that are not California-based and therefore do not need to comply with California laws that require California-based Nasdaq-listed companies to report to the California Secretary of State with respect to whether the company has at least the specified number of directors who satisfy California gender and demographic diversity requirements. Version 2 is intended for use by Nasdaq-listed companies that are California-based and therefore are required to comply with these California laws.  **Nasdaq-listed companies that *are not* California-based** should use Version 1 of Question 17.  **Nasdaq-listed companies that *are* California-based** should use Version 2 of Question 17. “California based” includes (among others) Nasdaq-listed companies that show a California address as the address of the company’s principal executive offices on the cover page of its Annual Report on Form 10-K for that year.  In all cases, Nasdaq rules require Nasdaq-listed companies to publish the Board Diversity Matrix in the format required by Nasdaq rules. California requires California-based Nasdaq-listed companies to file reports on director diversity with the California Secretary of State using a form provided by the California Secretary of State, but does not require these companies to publicly disclose director diversity information.  **Voluntary Self-Identification**  The information in versions 1 and 2 below is based solely on each director’s voluntary self-identification, as provided by both Nasdaq rules and the California laws. Although the company’s directors are asked to identify the gender and demographic category or categories in which they choose to identify themselves, directors may decline to disclose this information.  ***Nasdaq Board Diversity Matrix.***  Each section of the Nasdaq Board Diversity Matrix has a place to indicate that one or more directors did not respond to the choices in that section.  ***California Reporting.***  Because the California requirements that companies have at least a specified number of directors who self-identify as female or members of underrepresented communities are stated as numbers rather than percentages, the only practical impact of a director choosing not to self-identify as female or a member of an underrepresented community is that a director who would otherwise be counted as satisfying one or both requirements would not be counted for purposes of the company’s compliance with the California diversity requirements.  **Question 17 and Director Self-Identification Categories Under Nasdaq Rules and California Law**  This section discusses the gender and demographic categories used in Question 17.  The categories used in the Nasdaq Board Diversity Matrix are not the same as the categories used in the California reporting form. For example, the Nasdaq Board Diversity Matrix has a single category for “African American or Black,” but the California form has separate categories for “African American and Black.” As a result, a Nasdaq-listed company that is California-based will have to accommodate these differences if a company intends to use a single questionnaire in connection with both Nasdaq and California diversity requirements.  **Modification of Question 17**  ***Gender and Demographic Self-Identification.*** The California director diversity reporting form is not capable of being modified by companies. Companies that modify version 2 of Question 17 should ensure that they will be able to report accurately with respect to the director diversity requirements provided in the applicable California laws.  Nasdaq has provided interpretive advice that allows companies some flexibility to add or remove gender and demographic diversity categories. Nasdaq has provided [examples](https://listingcenter.nasdaq.com/assets/Board%20Matrix%20Examples_Website.pdf) of the Board Diversity Matrix with modifications that Nasdaq has identified as acceptable under Nasdaq rules. These are contained in the August 23, 2022 update of Nasdaq’s “Board Diversity Matrix Disclosure Requirements and Examples.” If the hyperlink above does not work, this document was accessible on the Nasdaq website on November 17, 2022 at the following URL: <https://listingcenter.nasdaq.com/assets/Board%20Matrix%20Examples_Website.pdf>  ***California vs. Nasdaq Diversity Categories.*** The relevant California law defines “underrepresented community” as follows: Black; African American; Hispanic; Latino; Asian; Pacific Islander; Native American; Native Hawaiian; Alaska Native; gay; lesbian; bisexual; transgender. The California law that requires gender diversity requires reporting only of directors who self-identify as female.  The Nasdaq rules and the Board Diversity Matrix include the following categories. Part I (Gender Identity): Female; Male; Non-Binary; Did not Disclose Gender. Part II (Demographic Background): African American or Black; Alaskan Native or Native American; Asian, Hispanic or Latinx; Native Hawaiian or Pacific Islander; White; LGBTQ+; Two or More Races or Ethnicities; Did Not Disclose Demographic Background.  ***Other Self-Identification.***  In addition to the gender or demographic categories specified in Nasdaq rules and the California laws, a company could include additional categories that portray the diverse backgrounds and experiences of its directors. As non-exclusive examples, a company could include categories such as “Persons with Disabilities” or “Military Veteran.” Companies can modify or delete these additional categories, and should consider obtaining legal advice about including additional categories. |

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| **[Delete this box and the instructions in this box before distributing this questionnaire. The instructions below are not intended to apply to companies that are smaller reporting companies, emerging growth companies or foreign private issuers under the rules of the Securities and Exchange Commission or to Nasdaq-listed companies with their principal executive offices outside the U.S.]**  **Instructions for Nasdaq Board Diversity Matrix**  Nasdaq has published [instructions](https://listingcenter.nasdaq.com/assets/Board%20Diversity%20Disclosure%20Matrix.pdf) that apply to all Nasdaq-listed companies unless the company is exempt under Nasdaq Listing Rule 5605(f)(4). The instructions include the following:   1. Following the first year of disclosure of the Board Diversity Matrix, all Nasdaq-listed companies must **include the current year and immediately prior year diversity information** in its disclosure. If the Company publishes the Board Diversity Matrix on its website**, the disclosure must remain accessible on the Company’s website**. 2. The disclosure must be titled “**Board Diversity Matrix**.” 3. The Board Diversity Matrix must include “**As of [date].**” Nasdaq instructions for the Board Diversity Matrix now state that the “As of Date” line that is required at the top of the Board Diversity Matrix should reflect the date as of which the information is ***reported*** rather than the date of collection. The Nasdaq instructions indicate that the “reported” date is the filing date of the company’s proxy materials or the date on which the company posts the Board Diversity Matrix on its website. 4. **Supplemental Director Demographic, Skills and Other Information.** Part III of each version of the Board Diversity Matrix includes examples of optional supplemental director self-identification information. Part III is optional, and companies can (1) delete Part III completely, (2) revise the self-identification information in Part III as desired or (3) include any additional information in the main portion of the Board Diversity Matrix. A non-exhaustive list of examples would include “Persons with Disabilities” and “Military Veteran.” Nasdaq interpretive advice also permits companies to present additional information below the Board Diversity Matrix or in a separate table if desired. 5. **Categories Not Applicable to Directors.** Nasdaq interpretive advice permits a company to delete categories that are not applicable to its directors. This applies both to the gender categories and to the demographic categories. 6. **Self-Identification is Voluntary.** The information in the Board Diversity Matrix must be based on the **voluntary self-identification** of each member of the Company’s board of directors. 7. **Directors Who Decline to Disclose Gender and/or Demographic Information.** Under current Nasdaq guidance, companies are required to publish the Board Diversity Matrix even if one or more directors choose not to provide gender and/or demographic information. Any director who chooses not to disclose a gender should be included under “Did Not Disclose Gender” and any director who chooses not to identify as any race or not to identify as LGBTQ+ should be included in the “Did Not Disclose Demographic Background” category in the Board Diversity Matrix. 8. **Foreign Issuers and Privacy Obligations.** Nasdaq has clarified its prior guidance on publication of the Board Diversity Matrix by Foreign Issuers (as defined in Nasdaq rules) to indicate that if the company is prohibited from soliciting and/or publicizing some of the information that would be required in the Board Diversity Matrix, these companies must provide the portion of the Board Diversity Matrix that is not prohibited. For example, if the company is prohibited from publicizing demographic information, the company must still provide the gender information portion of the Board Diversity Matrix. Companies that are foreign private issuers, as defined by the rules of the Securities and Exchange Commission, should generally be subject to the same accommodation. 9. When completing the Board Diversity Matrix, the Company should enter the number of directors who self-identify in each category. **If a director self-identifies in the “Two or More Races or Ethnicities” category, the director must also self-identify in each individual category, as appropriate.** 10. Nasdaq rules require companies to publicly disclose the Board Diversity Matrix at least once per calendar year. If, within the same year, the Company changes its board composition after it publishes its Board Diversity Matrix, the Company may publish its updated information, but Nasdaq rules do not require it to do so. 11. **Text-Searchable Format.** Nasdaq encourages companies to provide a version of the Board Diversity Matrix in a text-searchable format if its primary version is a graphic or image, but this is not required. |

**[Version 1]**

**[for Nasdaq-listed companies that are not California-based]**

**As discussed in the instructions above, if a company modifies the categories in Version 1 of Question 17, care should be taken to ensure that the minimum categories required by the Nasdaq Board Diversity Matrix continue to be included.**

**The Nasdaq Board Diversity Matrix requires the following categories: Part I (Gender Identity): Female; Male; Non-Binary; Did not Disclose Gender. Part II (Demographic Background): African American or Black; Alaskan Native or Native American; Asian, Hispanic or Latinx; Native Hawaiian or Pacific Islander; White; LGBTQ+; Two or More Races or Ethnicities; Did Not Disclose Demographic Background.**

**Question 17**

The purpose of the questions below is to permit the Company to disclose, on an aggregated basis, the gender and demographic diversity of its directors in 2023, as required by Nasdaq rules. All directors and nominees for director should answer the questions below by checking the appropriate boxes in each part of the table. Your responses below should be based solely on how you choose to identify yourself.

The Company is required to publicly disclose information about the gender and demographic self-identification of directors on an aggregated basis under Nasdaq rules. **[Important: review and confirm that the following statement is true, or revise as necessary** **if the Company intends to disclose director diversity information publicly]** However, the Company is not required to disclose how individual directors self-identify,and the Company will not disclose information about how individual directors self-identify except to the extent that you have consented to disclosure of gender and/or demographic information in connection with your biography that is included in the Company’s proxy statement and/or on the Company’s website**.** The Company requests that each director identify the gender and demographic category or categories in which you identify yourself below. Nasdaq rules, however, permit you to indicate that you prefer not to disclose the information in any or all of these questions, and you can check the appropriate box(es) if you prefer.

|  |  |
| --- | --- |
| **Director Self-Identification**  **Nasdaq Board Diversity Matrix**  **Nasdaq-Listed Companies that are not California-Based** | |
| **Part I: Gender Self-Identification**  ***Check one*** | |
| Female | ☐ |
| Male | ☐ |
| LGBTQ+ | ☐ |
| Gay | ☐ |
| Lesbian | ☐ |
| Bisexual | ☐ |
| Transgender | ☐ |
| Prefer not to disclose | ☐ |
| **Part 2: Demographic Self-Identification**  ***Check each that applies*** | |
| African American or Black | ☐ |
| Alaskan Native or Native American | ☐ |
| Asian | ☐ |
| Hispanic or Latinx | ☐ |
| Native Hawaiian or Pacific Islander | ☐ |
| White | ☐ |
| Two or More Races or Ethnicities  *Please check this box if you checked more than one box for race/ethnicity above* | ☐  *Note: if you self-identify in the “Two or More Races or Ethnicities” category, you must also check the appropriate boxes to indicate your self-identification in each individual category* |
| LGBTQ+ | ☐ |
| Prefer not to disclose demographic background | ☐ |

**[End of Version 1]**

**[Version 2]**

**[for Nasdaq-listed companies that are California-based]**

**Question 17**

The purpose of the questions below is to assist the Company to disclose, on an aggregated basis, the gender and demographic diversity of its directors in 2023, as required by Nasdaq rules and to report to the California Secretary of State about the diversity of its directors, as required by California laws that require the company to have at least a specified number of directors who satisfy California diversity requirements. All directors and nominees for director should answer the questions below by checking the appropriate boxes in each part of the table. Your responses below should be based solely on how you choose to identify yourself.

The Company is required to publicly disclose information about the gender and demographic self-identification of directors on an aggregated basis, rather than individual basis, under Nasdaq rules. In addition, California laws require the Company to report information about the gender and demographic self-identification of directors on an aggregated.  **[Important: review and confirm that the following statement is true, or revise as necessary if the Company intends to disclose director diversity information publicly]** **[**Neither Nasdaq rules nor California laws require the Company to disclose how individual directors self-identify,and the Company will not disclose information about how individual directors self-identify except to the extent that you have consented to disclosure of gender and/or demographic information in connection with your biography that is included in the Company’s proxy statement and/or on the Company’s website**.]** Although neither Nasdaq rules nor California law requires you to respond, the Company requests that each director identify the gender and demographic category or categories in which you identify yourself below. You may also indicate that you prefer not to disclose your self-identification. Because not responding may affect the Company’s ability to satisfy the California diversity requirements, the Company would appreciate your willingness to indicate how you self-identify in each of the categories below, instead of checking the “prefer not to disclose” responses.

|  |  |
| --- | --- |
| **Director Self-Identification**  **Board Diversity Matrix**  **Nasdaq-Listed Companies that are California-Based** | |
| **Part I: Gender Self-Identification**  ***Check one*** | |
| Female | ☐ |
| Male | ☐ |
| Non-Binary | ☐  *Required by Nasdaq rules; not applicable under California law* |
| Prefer not to disclose | ☐ |
| **Part 2: Demographic Self-Identification**  ***Check each that applies*** | |
| African American | ☐  *Required by California law; for purposes of Nasdaq disclosure and reporting, the Company will combine “African American” and “Black” responses as “African American or Black” when it discloses the Nasdaq Board Diversity Matrix* |
| Black | ☐  *Required by California law; for purposes of Nasdaq disclosure and reporting, the Company will combine “African American” and “Black” responses as “African American or Black” when it discloses the Nasdaq Board Diversity Matrix* |
| Alaskan Native | ☐  *Required by California law; for purposes of Nasdaq disclosure and reporting, the Company will combine “Alaskan Native” and “Native American” responses as “Alaskan Native or Native American” when it discloses the Nasdaq Board Diversity Matrix* |
| Native American | ☐  *Required by California law; for purposes of Nasdaq disclosure and reporting, the Company will combine “Alaskan Native” and “Native American” responses as “Alaskan Native or Native American” when it discloses the Nasdaq Board Diversity Matrix* |
| Asian | ☐ |
| Hispanic | ☐  *Required by California law; for purposes of Nasdaq disclosure and reporting, the Company will combine “Hispanic” and “Latino/Latinx” responses as “Hispanic or Latino” when it discloses the Nasdaq Board Diversity Matrix* |
| Latino/Latinx | ☐  *Required by California law; for purposes of Nasdaq disclosure and reporting, the Company will combine “Hispanic” and “Latino/Latinx” responses as “Hispanic or Latino” when it discloses the Nasdaq Board Diversity Matrix* |
| Native Hawaiian | ☐  *Required by California law; for purposes of Nasdaq disclosure and reporting, the Company will combine “Hawaiian Native” and “Pacific Islander” responses as “Hawaiian Native or Pacific Islander” when it discloses the Nasdaq Board Diversity Matrix* |
| Pacific Islander | ☐  *Required by California law; for purposes of Nasdaq disclosure and reporting, the Company will combine “Hawaiian Native” and “Pacific Islander” responses as “Hawaiian Native or Pacific Islander” when it discloses the Nasdaq Board Diversity Matrix* |
| White | ☐ |
| Two or More Races or Ethnicities  *Please check this box if you checked more than one box for race/ethnicity above* | ☐  *Note: if you self-identify in the “Two or More Races or Ethnicities” category, you must also check the appropriate boxes to indicate your self-identification in each individual category* |
| LGBTQ+ | ☐  *Required by Nasdaq rules; not applicable under California law* |
| Gay | ☐  *Required by California law; not applicable under Nasdaq rules* |
| Lesbian | ☐  *Required by California law; not applicable under Nasdaq rules* |
| Bisexual | ☐  *Required by California law; not applicable under Nasdaq rules* |
| Transgender | ☐  *Required by California law; not applicable under Nasdaq rules* |
| Prefer not to disclose demographic background | ☐ |

**[End of Version 2]**

ACTIVE/96753336.16

01/02/23

1. SEC rules permit the Board of Directors of a listed company to adopt additional definitions and categorical standards to assist it in making independence determinations, and to make a general disclosure if a director meets such definitions and standards. If the Board of Directors adopts such additional standards, it must disclose such standards, and if a director does not meet the standards, but is still determined to be independent, the Board must disclose the basis for its determination. *If the Board has adopted any such additional definitions and categorical standards, this questionnaire should be revised to reflect those standards.* [↑](#footnote-ref-1)
2. Note that Nasdaq rules require the Board of Directors to consider all payments received from the Company when making independence determinations for Compensation Committee members, including the Company-paid amounts not included in question 10. [↑](#footnote-ref-2)