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The Nasdaq Stock Market Inc.  
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## Press Release

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announced today that several key rule changes that were approved by its board of directors on May 22, 2002, will be filed beginning tomorrow with the U.S. Securities and Exchange Commission (SEC). These new rules will soon be published in the Federal Register, be subject to comment periods, and could be implemented for Nasdaq companies later this summer.

Nasdaq also announced the next round of corporate governance reforms to be examined at the next meeting of the Nasdaq Listing and Hearing Review Council in San Francisco June 28. These represent ideas that stem from a meeting in March by the Council, the April 12 letter from Nasdaq Chairman and CEO Wick Simmons to SEC Chairman Harvey Pitt, and a meeting of Council subcommittee chairs earlier this week. They include:

- a majority of independent directors on corporate boards;
- compensation committees composed solely of independent directors;
- a cooling-off period during which former auditors would be precluded from serving on
- expanding the scope of audit committee authority;
- strengthening continuing education for directors;
- increasing the use of corporate codes of conduct and compliance methods to support
- mandate non-U.S. companies to disclose if they have received waivers of corporate governance standards through a new SEC disclosure requirement.

"We are in the middle of a process to strengthen corporate governance standards for companies listed on Nasdaq," said Wick Simmons, chairman and chief executive officer, Nasdaq. "We place investor protection and investor confidence as our paramount concern. Today, we're not just talking concepts. We're filing rule proposals with the SEC that have been approved by our board of directors. We expect that additional rule proposals will be

The Nasdaq rule on disclosure of material information rule will be harmonized with SEC Reg FD to facilitate disclosure by issuers using Reg FD methods such as conference calls, press conferences and web casts, so long as the public is provided adequate notice (generally by press release) and granted access.

As part of its process in developing these rule changes and other reforms, in May, Nasdaq hosted Corporate Governance Summits in San Jose, California, and New York City. Many senior executives of Nasdaq-listed companies attended and interacted with speakers from the investment community, investor advocates, the accounting profession, and the SEC. A report will be written and forwarded to the SEC, the Council, and the board for their consideration as they review corporate governance issues.

Nasdaq is the world's largest stock market. With nearly 4,000 companies, Nasdaq lists more companies and trades more shares per day than any other U.S. market. Over the past five years, Nasdaq has outpaced all other U.S. markets in listing IPOs. It is also home to category-defining companies that are leaders across all areas of business including

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