



ALLIANCEBERNSTEIN®

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January 4, 2021

Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0609

Re: SR-NASDAQ-2020-081 “Notice of Filing of Proposed Rule Change to Adopt Listing Rules Related to Board Diversity”

Dear Ms. Countryman:

AllianceBernstein L.P. (“AB” or “we”) requests that the Securities and Exchange Commission (“Commission”) consider this comment letter in support of Nasdaq’s proposal (“Proposal”) to “advance board diversity and enhance transparency of diversity statistics through new proposed listing requirements.” Our statements are derived from AB’s approach to board diversity as described in our Proxy Voting and Governance Policy (“Policy”)¹, which drives AB’s proxy voting and engagement activities with investment companies across global holdings of \$668B in assets.² We believe that diversity, in thought as well as personal characteristics, is an important element of assessing the board’s capabilities, as it promotes a wider range of perspectives to be considered for companies to both strategize and mitigate risks. In line with this view, several European countries legally require a quota of female directors. Other European countries have a comply-or-explain policy. In the U.S., California requires publicly traded corporations headquartered in the State of California to have at least one female director on the Board. Nasdaq’s Proposal effectively combines these varying mechanisms to diversify board rooms of its listed companies by asking them to disclose their efforts. In our view, the Proposal merits support for the following reasons:

1. While diversity and inclusion have been a critical topic of discussion, particularly for corporate America, no standard framework has been provided for companies to disclose their board room diversity. Sensitivity for directors to self-identify their demographic background has been cited as a main source of concern in mandating such disclosure, while investors have been left to rely on assumptive analyses in assessing gender and/or ethnic diversity of each corporate board. To satisfy concerns from both ends, Nasdaq offers a “comply or explain” requirement for companies in disclosing their board diversity, with “the goal [of providing] stakeholders with a better understanding of a company’s current board composition and enhance investor

confidence that all listed companies are considering diversity in the context of selecting directors.”³ The focus is thus for companies to prove their efforts in diversifying board director composition rather than forcing directors to disclose their self-identity. Specifically, Exhibit 3 of the Proposal⁴ provides the Board Diversity Matrix (“Matrix”) for companies to follow, which includes an option for directors to not disclose their gender, LGBTQ+ and/or ethnic identity.

2. The Proposal accounts for different contexts of diversity for various regions and market capitalizations by granting flexibility to foreign private issuers, smaller reporting companies and other groups of issuers that are more constrained for valid reasons. Such an approach helps ensure that the Proposal is practical and not unduly burdensome for issuers.

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AB appreciates the opportunity to comment on the Proposal and your consideration.

Sincerely,



Michelle Dunstan
SVP, Global Head of Responsible Investing



Diana Lee
AVP, Director of Corporate Governance

1. https://www.alliancebernstein.com/abcom/Our_Firm/Content/CGDocs/AB-Proxy-Voting-and-Governance-Policy.pdf
2. As of November 30, 2020
3. https://listingcenter.nasdaq.com/Material_Search.aspx?mcd=LQ&cid=157&sub_cid=&years=2020&criteria=1&materials
4. <https://listingcenter.nasdaq.com/assets/Board%20Diversity%20Disclosure%20Matrix.pdf> (pg 260-261)