



Here's our latest edition of our new monthly feature – a quick snapshot of recent developments:

1. The SEC **approved** the NYSE and Nasdaq amendments to extend the clawback effective date - so that the exchanges' clawback listing standards now have an effective date of October 2, 2023 – meaning that companies have until December 1, 2023 to adopt compliant clawback policies (which will apply to incentive-based compensation received by executive officers on or after October 2, 2023).
2. The ISSB **released** its initial climate disclosure standards. Two standards were released: IFRS S1 provides a general set of disclosure requirements designed to enable companies to communicate to investors about the sustainability-related risks and opportunities – including addressing governance, strategy, risk management and performance – they face over the short, medium and long term. IFRS S2 sets out specific

disclosures for climate-related physical risks, transition risks and opportunities and is designed to be used with IFRS S1. And next year, the TCFD will be [rolled into](#) the ISSB.

3. A California federal court [struck down](#) the state's "Underrepresented Communities" board diversity law.
 4. Vanguard published a [statement](#) that reiterated its view that it will typically look to the board to determine what actions are in shareholders' and the company's best interests and also gave guidance about how it expects companies to respond to majority-supported shareholder proposals.
 5. In [New Enterprise Associates 14, L.P. v. Rich](#), (Del. Ch.; 5/23), Vice Chancellor Laster found a stockholder covenant not to sue for breach of the duty of loyalty—in the context of a sale of the company that triggered the drag-along provision in a stockholders' agreement—not facially invalid. The holding did not, however, grant a motion to dismiss because the contractual covenant could not protect the defendants from tort liability for intentional harm.
 6. The SEC's Enforcement Division [settled](#) with audit firm Marcum LLP for alleged systemic quality control failures and audit standards violations in connection with the firm's rapid growth related to audit work for hundreds SPAC clients.
 7. The PCAOB [proposed a rulemaking](#) for public comment that would significantly broaden the scope of the auditor's role in reviewing an audit client's compliance with law. The rulemaking has the potential to cause very significant increases in the time and cost involved in auditing many public companies.
 8. The SEC's Division of Corporation Finance named Tiffany Posil as Chief of the Office of Mergers and Acquisitions. Tiffany is a former Corp Fin Staffer who was working in a DC law firm.
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