

US Corporate Law News: California Senate Bill 826 proposes quotas for females serving on the boards of publicly held corporations

17 JUNE 2018

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CATEGORY:
ARTICLE

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On May 31, 2018, California Senate Bill 826 (“SB 826”) passed on the Senate Floor. It proposes to establish a requirement that all publicly-held California corporations (or foreign corporations whose principal executive offices are located in California) must have a minimum of one female director on its board no later than the close of the 2019 calendar year. By the close of the 2021 calendar year, SB 826 escalates the minimum requirement to at least three female directors if the number of directors is six or more, two female directors if the number of directors is five, and one female director if the number of directors is four or less. Failure to comply with the minimum requirement may result in fines equal to the average annual cash compensation for directors of the corporation for the first violation, and for the second or subsequent violation, an amount equal to three times the average annual cash compensation for directors of the corporation. SB 826 now moves to the California Assembly for further consideration. For more information, see: http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB826.


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