

APPENDIX TO CLIENT ALERT:

“SEC PROPOSES TO MODERNIZE AND SIMPLIFY PUBLIC COMPANY DISCLOSURES”

SUMMARY OF PROPOSED AMENDMENTS:

Item 102 (Description of Property)		
Item No./Rule/Form	Current Rule	Proposed Modification
Regulation S-K Item 102 (Form 10-K and applicable Securities Act Registration Statements)	Disclosure of the location and general character of the principal plants, mines, and other materially important physical properties of the issuer and its subsidiaries.	Disclosure is only required to the extent that physical properties are material to the issuer, which would include those properties that are material to the issuer’s business, and that disclosure may be provided on a collective basis if appropriate.
Item 303 (Management’s Discussion and Analysis of Financial Condition and Results of Operations)		
Item No./Rule/Form	Current Rule	Proposed Modification
Regulation S-K Item 303 (Form 10-K ¹ and applicable Securities Act Registration Statements)	Instruction 1 to Item 303(a) requires the MD&A discussion to cover the three-year period covered by the financial statements using year-to-year comparisons or any other formats that in the registrant’s judgment would enhance a reader’s understanding.	<ul style="list-style-type: none"> Require disclosure only of the year-to-year comparison of the most recent two years where (1) discussion of the earlier year-to-year comparison (<i>i.e.</i> the prior year to the year before the prior year) is <i>not</i> material to an understanding of the registrant’s financial condition, change in financial condition or results of operations, and (2) the registrant

¹ In order to maintain consistency in the disclosure requirements imposed on domestic registrants and foreign private issuers, the SEC is also proposing identical changes to those made in Item 303 be made to the instructions to Item 5 of Form 20-F. No changes are proposed with respect to Form 40-F (that permits Canadian issuers to use Canadian disclosures to satisfy the SEC’s registration and disclosure requirements).

		<p>has filed its prior year Form 10-K on EDGAR, which contains the earlier year-to-year comparison.</p> <ul style="list-style-type: none"> • Modify the instruction to Item 303 to emphasize that registrants can utilize presentations other than year-to-year comparisons, such as a narrative discussion, which may be a more appropriate method to enhance a reader's understanding
<p>Regulation S-K Item 303 (Form 10-K and applicable Securities Act Registration Statements)</p>	<p>Instruction 1 to Item 303(a) requires that reference to five years of selected financial data in Item 301 may be necessary where relevant to show trends.</p>	<p>Eliminate this requirement.</p>
<p>Item 401 (Directors, Executive Officers, Promoters, and Control Persons)</p>		
<p>Item No./Rule/Form</p>	<p>Current Rule</p>	<p>Proposed Modification</p>
<p>Regulation S-K Item 401(b) (Form 10-K, Proxy Statement and applicable Securities Act Registration Statements)</p>	<ul style="list-style-type: none"> • The instruction allowing information on executive officers to be included in Part I of the registrant's Form 10-K (and subsequently excluded from its proxy statement) is currently located in Item 401(b). • Required caption if included in Part I of the registrant's Form 10-K is "Executive Officers of the Registrant." 	<ul style="list-style-type: none"> • Move the instruction allowing information on executive officers to be included in Part I of the registrant's Form 10-K (and subsequently excluded from its proxy statement) to be located in General Instruction to Item 401 to clarify that it applies to all information regarding executive officers (including the business experience of executive officers) required by all subparts of Item 401 and not just Item 401(b). • Change the required caption to "Information about Our Executive Officers."

Item 405 (Compliance with Section 16(a) of the Exchange Act)		
Item No./Rule/Form	Current Rule	Proposed Modification
Regulation S-K Item 405 (Form 10-K and Proxy Statement)	<ul style="list-style-type: none"> • Disclose each reporting person who failed to file on a timely basis Section 16 reports based <i>solely</i> on forms provided to registrant by reporting persons and/or representations that no Form 5 is required. • Required caption is “Section 16(a) Beneficial Ownership Reporting Compliance.” • Registrants are required to check a box on the cover page of Form 10-K to indicate that disclosure pursuant to Item 405 is not contained in the Form 10-K and will not be contained, to the best of the registrant’s knowledge, in any definitive proxy or information statement that is incorporated by reference. • Exchange Act Rule 16a-3(e) requires reporting persons to furnish a duplication of Section 16 reports filed to the registrant. 	<ul style="list-style-type: none"> • Disclose each reporting person who failed to file on a timely basis Section 16 reports based on, among other things, EDGAR filings by reporting persons and/or representations that no Form 5 is required. The registrant may rely on Section 16 reports filed on EDGAR, but are not required to limit their inquiry to those filings. • Remove check box on Form 10-K relating to Item 405 disclosures and update required caption to read “Delinquent Section 16(a) Reports.” • Eliminate requirement in Exchange Act Rule 16a-3(e) that requires reporting persons to furnish Section 16 reports to the registrant.

Item 407 (Corporate Governance)		
Item No./Rule/Form	Current Rule	Proposed Modification
Regulation S-K Item 407(d)(3)(i)(B) (<i>Audit Committee Discussions with Independent Auditor</i>) (Proxy Statement)	When a registrant files a proxy statement relating to an annual or special meeting at which directors are elected, a registrant's audit committee must state whether it has discussed with the independent auditor the matters required by AU section 380, <i>Communication with Audit Committees</i> .	Update reference to AU Section 380 to refer more broadly to "the applicable requirements of the Public Company Accounting Oversight Board and the SEC."
Regulation S-K Item 407(e)(5) (<i>Compensation Committee Report</i>) (Proxy Statement)	The requirement that the compensation committee state whether it recommended to the board of directors that the Compensation Discussion and Analysis ("CD&A") be included in the registrant's annual report, proxy statement or information statement does not exclude Emerging Growth Companies.	Update to explicitly exclude Emerging Growth Companies from this requirement because they are not required to include a CD&A section in their public disclosures.
Registration Statement and Prospectus Provisions		
Item No./Rule/Form	Current Rule	Proposed Modification
Regulation S-K Item 501(b)(1) (<i>Name</i>) (Applicable Securities Act Registration Statements)	States that a registrant may be required to change its name in the event that its name is the same as that of a "well known" company and the SEC determines that additional disclosure would be insufficient to eliminate any confusion.	Eliminate this requirement.
Regulation S-K Item 501(b)(3) (<i>Offering Price of</i>	Requires disclosure of the price of the securities being offered, the underwriter's	Expand Instruction 2 to explicitly allow registrants to include on the cover page a statement that the

<p><i>the Securities</i>) (Applicable Securities Act Registration Statements)</p>	<p>discounts and commissions, and the net proceeds that the registrant and any selling security holders will receive. Instruction 2 states that, where impracticable to state the price to the public, the registrant must explain the method by which the price is to be determined.</p>	<p>offering price will be determined by a certain method or formula that is more fully explained in the prospectus, so long as the registrant includes a cross reference to the page number where the offering price method or formula is disclosed (which cross-reference should be highlighted by prominent type or font).</p>
<p>Regulation S-K Item 501(b)(4) (<i>Market for the Securities</i>) (Applicable Securities Act Registration Statements)</p>	<p>Requires a registrant to name each “national securities exchange” (which is defined to be those registered with the SEC under Section 6 of the Exchange Act) that lists the securities being offered and to disclose the trading symbols for those securities. However, registrants are not currently required to name markets that are not “national securities exchanges.”</p>	<p>Expand the rule to require registrants to disclose the principal United States market(s) for the securities being offered along with the corresponding trading symbol, whether or not those markets qualify as a “national securities exchange.”</p>
<p>Regulation S-K Item 501(b)(10) (Prospectus “Subject to Completion” Legend) (Applicable Securities Act Registration Statements)</p>	<p>Requires a registrant using a preliminary prospectus to include a legend indicating that the information will be amended or completed. The legend also must include a statement that the prospectus is not an offer to sell or a solicitation of an offer to buy securities in any state where the offer or sale is not permitted.</p>	<p>Eliminate the requirement of a legend relating to state law for offerings that are not prohibited by state blue sky law.</p>
<p>Regulation S-K Item 503(c) (Risk Factors) (Form 10-K, Form 10-Q and applicable Securities Act Registration Statements)</p>	<p>Requires disclosure of the most significant factors that make an offering speculative or risky. The item gives a list of specific examples of risk factors for registrants to consider in making the disclosure.</p>	<p>Eliminate the list of example risk factors.</p>

<p>Regulation S-K Item 508 (Plan of Distribution)</p> <p>(Applicable Securities Act Registration Statements)</p>	<p>Requires disclosure about the plan of distribution for securities in an offering, including information about underwriters. Where a dealer is paid additional discounts or commissions for acting as a “sub-underwriter,” paragraph (h) allows the registrant to include a general statement to that effect without giving the additional amounts to be sold.</p>	<p>Define a “sub-underwriter” as a dealer that is participating as an underwriter in an offering by committing to purchase securities from a principal underwriter for the securities, but is not itself in privity of contract with the issuer of the securities.</p>
<p>Regulation S-K Item 512(c) (Undertakings)</p> <p>(Applicable Securities Act Registration Statements)</p>	<p>Requires an undertaking to disclose to the public the prior offering terms of warrants or rights that were originally offered to existing security holders on different terms.</p>	<p>Eliminate this requirement.</p>
<p>Regulation S-K Item 512(d) (Undertakings)</p> <p>(Applicable Securities Act Registration Statements)</p>	<p>Requires an undertaking where securities are offered at competitive bidding.</p>	<p>Eliminate this requirement.</p>
<p>Regulation S-K Item 512(e) (Undertakings)</p> <p>(Applicable Securities Act Registration Statements)</p>	<p>Requires an undertaking to deliver the latest annual report with the prospectus if the registrant’s prospectus directly incorporates by reference the registrant’s annual report to security holders. If interim information is required but is not included in the prospectus, the registrant must undertake to deliver the latest quarterly report that is incorporated by reference in the prospectus.</p>	<p>Eliminate this requirement.</p>

<p>Regulation S-K Item 512(f) (Undertakings)</p> <p>(Applicable Securities Act Registration Statements)</p>	<p>Requires an undertaking if equity securities of a registrant that, prior to the offering, had no obligation to file reports with the SEC pursuant to section 13(a) or 15(d) of the Exchange Act are being registered for sale in an underwritten offering.</p>	<p>Eliminate this requirement.</p>
<p>Exhibits²</p>		
<p>Item No./Rule/Form</p>	<p>Current Rule</p>	<p>Proposed Modification</p>
<p>Regulation S-K Item 601 (Information omitted from exhibits)</p> <p>(All filings)</p>	<p>Generally requires registrants to file complete copies of exhibits. However, 601(b)(2) states registrants shall not file schedules or similar attachments to material plans of acquisition, reorganization, arrangement, liquidation, or succession unless they contain information material to an investment decision and unless that information is not otherwise disclosed in the agreement or the disclosure document. Registrants are required to provide with each exhibit a list briefly identifying the contents of any omitted schedules and attachments and provide, on a supplemental basis, a copy of such omitted schedules and attachments to</p>	<p>Expand the existing accommodation in Item 601(b)(2) to apply to <u>all</u> exhibits filed under Item 601.</p>

² In order to maintain consistency in the exhibit requirements imposed on domestic registrants and foreign private issuers, the SEC is also proposing similar changes to the exhibit requirements of Form 20-F. No changes are proposed with respect to Form 40-F (that permits Canadian issuers to use Canadian disclosures to satisfy the SEC's registration and disclosure requirements).

	the SEC staff upon request.	
Regulation S-K Item 601(b)(4) (Description of Registrant's Securities) (Form 10-K)	S-K Item 202 requires registrants to provide a brief description of their registered capital stock, debt securities, warrants, rights, American Depositary Receipts, and other securities in their registration statements, but are not required to provide this disclosure in Form 10-K or Form 10-Q.	Require a brief description of the registrant's registered capital stock, debt securities, warrants and rights, other securities and American Depositary Receipts as exhibits to Form 10-K, while clarifying that disclosure is only required for securities that are registered under Section 12 of Exchange Act.
Regulation S-K Item 601(b)(10) (Redaction of Confidential Information in Material Contract Exhibits) (All filings)	Securities Act Rule 406 and Exchange Act Rule 24b-2 permit registrants to request confidential treatment of information included in an exhibit to a filing or any other document required to be filed under either the Securities Act or the Exchange Act, but SEC must approve confidential treatment request.	<ul style="list-style-type: none"> • Permit registrants to omit confidential information from material contracts where such information is both (1) not material, and (2) competitively harmful if publicly disclosed, even where the registrant has not submitted a confidential treatment request to the SEC. • Allow registrants to exclude personally identifiable information such as bank account numbers, social security numbers, home addresses and similar information without a formal confidential treatment request.
Regulation S-K Item 601(b)(10)(i) (Material Contracts) (All filings)	Requires a registrant to file as an exhibit all material contracts that were not made in the ordinary course of business where (1) the contract will be performed at or after the filing of the report, or (2) the contract was entered into not more than two years prior to the filing.	Remove the two-year lookback period for all but "newly reporting registrants."

<p>Regulation S-K Item 601(b)(21)(i) (Subsidiaries of the Registrant)</p> <p>(All filings)</p>	<p>No corresponding disclosure requirement.</p>	<p>Require disclosure of legal entity identifiers (“LEIs”) for the registrant and its significant subsidiaries, if LEIs have been obtained. An LEI is a 20-character, alpha-numeric code that allows for unique identification of entities engaged in financial transactions.</p>
Incorporation by Reference		
<p>Item No./Rule/Form</p>	<p>Current Rule</p>	<p>Proposed Modification</p>
<p>Regulation S-K Item 10(d)</p> <p>(All filings)</p>	<p>Item 10(d) generally prevents (1) registrants from incorporating by reference a portion of a document that itself also incorporates pertinent information by reference, and (2) prohibits incorporating documents by reference if they have been on file with the SEC for more than five years.</p>	<p>Eliminate five-year time-limit on incorporation by reference.</p>
<p>Securities Act Rule 411, Exchange Act Rule 12b-23 and Rule 12b-32 and Related Rules under the Investment Company Act and Investment Advisers Act</p> <p>(All filings)</p>	<p>Requires that copies of information incorporated by reference be filed as exhibits to registration statements or reports.</p>	<p>Eliminate this requirement.</p>
<p>Regulation S-K Item 601(b)(13)</p>	<p>Requires filing a Form 10-K or Form 10-Q as an exhibit when it is specifically incorporated by reference into a prospectus.</p>	<p>Eliminate this requirement with respect to Form 10-Q.</p>

<p>Securities Act Rule 411, Exchange Act Rule 12b-23 and Investment Company Act Rule 0-4</p> <p>(All filings)</p>	<p>No corresponding disclosure requirement.</p>	<p>Require hyperlinks to information that is incorporated by reference if that information is available on EDGAR.</p>
<p>Securities Act Rule 411, Exchange Act Rule 12b-23 and Investment Company Act Rule 0-4</p> <p>(All filings)</p>	<p>No corresponding prohibition.</p>	<ul style="list-style-type: none"> • Prohibit incorporation by reference or cross-referencing in financial statements of information from outside the financial statements unless specifically permitted by SEC rules (e.g. registrant would continue to be permitted to cross-reference in the financial statements to information outside of the financial statements about segments when that information conforms to generally accepted accounting principles). • Restrict the incorporation of financial information required to be given in comparative form for two or more fiscal years or periods unless the information incorporated by reference includes the entire period for which the comparative data is given.
<p>Securities Act Rule 411, Exchange Act Rule 12b-23 and Investment Company Act Rule 0-4</p> <p>(All filings)</p>	<p>States that financial information incorporated by reference must comply with the requirements of the form or report into which it is incorporated.</p>	<p>Clarify these rules to state that all information, not just information incorporated by reference or financial information, must comply with the requirements of the form in which it is used unless otherwise permitted by rule or statute.</p>

<p>Investment Company Act Rule 0-4 and Rule 0-6</p>	<p>Requires that if a certificate of an independent public accountant previously or concurrently filed is incorporated by reference by an investment company (with respect to the filing of a registration statement, application, or report) or an investment adviser (with respect to the filing of an application) a written consent of the accountant must be filed with the filing.</p>	<p>Eliminate this requirement.</p>
<p>Forms 10, 10-K and 20-F</p>	<p>No corresponding disclosure requirement.</p>	<p>Allow registrants to exclude item numbers and captions or to create their own captions tailored to their disclosure. The proposed amendments would not affect captions that are expressly required by the forms or Regulation S-K.</p>
<p>XBRL Requirements</p>	<p>No corresponding disclosure requirement.</p>	<ul style="list-style-type: none"> • Revise the cover page of Form 10-K, Form 10-Q, Form 8-K, Form 20-F, and Form 40-F to include the trading symbol for each class of securities registered under the Exchange Act. • Require operating company registrants to tag in XBRL all the data points on the cover pages of the above forms (including the trading symbol).