Governance and SEC Disclosure Trends for Banks

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AGENDA

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  - LIBOR Transition

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Regulatory Framework

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Regulatory Framework

How does a bank become a public company in the US?

A bank, bank holding company or savings and loan holding company is required to register a class of securities and become a public company if:

- It lists its securities on a national securities exchange or
- it has more than $10 million of total assets and the securities are "held of record" by 2,000 or more persons.

It may terminate or suspend the registration if the securities are delisted or held of record by fewer than 1,200 persons.

Regulatory Framework

US public companies must comply with stock exchange listing standards, as well as SEC disclosure rules, including:

- annual, quarterly and current reporting and enhanced financial disclosures (eg, of off-balance sheet arrangements)
- officer certification of financial reports
- majority independent boards and independent standing committees for audit, compensation and governance
- independent auditors
- disclosure controls and internal control assessment
- clawback of executive compensation based on restated financials (pending)

Many of these requirements are rooted in provisions of the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Act of 2010…the requirements were scaled back for emerging companies by the Jumpstart Our Business Startups (JOBS) Act of 2012.

Regulatory Framework

Financial institutions follow additional standards and guidelines depending on their regulators and the size of the institution:

- Federal Reserve's Supervisory Guidance on Corporate Governance, Rating System, Regulation Y and Regulation YY
- Office of the Comptroller of the Currency's (OCC) Heightened Standards
- Basel Committee for Banking Supervision's (BCBS) Guidelines on Bank Corporate Governance
- FDIC Statement Concerning the Responsibilities of Bank Directors and Officers, CAMELS Rating System

Regulatory Framework

There has been significant interagency collaboration on governance and compensation guidelines:

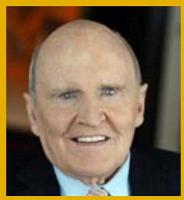
- Interagency Guidelines Establishing Standards for Safety and Soundness (Safety and Soundness Standards)
- 2010 Interagency Guidance on Sound Incentive Compensation Policies
- Proposed Incentive Compensation Rules under Section 956 of Dodd Frank, which may be revised and reissued
- CFPB Loan Originator Compensation Rules
- FDIC Golden Parachute Regulations

Governance and Compliance Trends

Corporate Citizenship

The primacy of shareholder interests, and whether corporations have social responsibilities that may conflict with shareholder interests, are long-standing debates:

"….there is one and only one social responsibility of business--to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud." Milton Friedman in *Capitalism and Freedom* (1962)



"On the face of it, shareholder value is the dumbest idea in the world. Shareholder value is a result, not a strategy… your main constituencies are your employees, your customers and your products… Short-term profits should be allied with an increase in the long-term value of a company." Former GE CEO Jack Welch's interview with Francesco Guerrera of the *Financial Times* (2009)

Corporate Citizenship

In 2019, when the Business Roundtable issued its *Statement on the Purpose of a Corporation*:

"While each of our individual companies serves its own corporate purpose, we share a fundamental commitment to all of our stakeholders." Business Roundtable's *Statement on the Purpose of a Corporation* (August 19, 2019)

Followed by a response by the Council of Institutional Investors:

"….boards and managers need to sustain a focus on long-term shareholder value. To achieve long-term shareholder value, it is critical to respect stakeholders, but also to have clear accountability to company owners. Accountability to everyone means accountability to no one. " *Council of Institutional Investors Responds to Business Roundtable Statement on Corporate Purpose* (August 19, 2019)

Corporate Citizenship

How the corporate citizenship discussion change the fiduciary duties of directors and officers?

- The fundamental corporate law of fiduciary duties has not changed.
- Judicial deference for most board decisions remains intact under the business judgment rule.

Corporate Citizenship

Delaware courts have long held that boards must serve the best interests of shareholders first and foremost, but they will typically defer to board decisions on what it means to promote shareholder value:

"When director decisions are reviewed under the business judgment rule, this Court will not question rational judgments about how promoting non-stockholder interests — be it through making a charitable contribution, paying employees higher salaries and benefits, or more general norms like promoting a particular corporate culture — ultimately promote stockholder value." Chancellor Chandler in *eBay Domestic Holdings, Inc. v. Newmark*, 16 A.3d 1, 34 (Del. Ch. 2010).

Corporate Citizenship

Minnesota is more explicit in allowing directors to consider the interests of stakeholders besides shareholders:

MN Statutes 302A.251, Subdivision 5:In discharging the duties of the position of director, a director may, in considering the best interests of the corporation, consider the interests of the corporation's employees, customers, suppliers, and creditors, the economy of the state and nation, community and societal considerations, and the long-term as well as short-term interests of the corporation and its shareholders including the possibility that these interests may be best served by the continued independence of the corporation.

The Age of Compliance

***In re Caremark* was a wake-up call for boards that in order to fulfill their duty of care, they must be mindful in their oversight of risk and compliance programs:**

- Directors can't passively wait for "red flags"
- Directors have a duty of active supervision and monitoring "information and reporting systems . . . reasonably designed to provide to senior management and to the board itself timely, accurate information sufficient to allow management and the board, each within its scope, to reach informed judgments concerning both the corporation's compliance with law and its business performance"
- Reduction in sanctions if effective compliance programs are in place - 1991 Federal Organizational Sentencing Guidelines

In re Caremark Int'l Inc. Deriv. Litig., 698 A.2d 959 (Del. Ch. 1996)

The Age of Compliance

- **Delaware judges have noted that proving a *Caremark* claim is the most difficult fiduciary duty breach to find**
  - Because it requires a showing of "bad faith" on the part of directors
- **Nonetheless, in 2019, at least two different Delaware courts refused to dismiss claims involving *Caremark* oversight failures:**
  - Failure to implement any board oversight policies to prevent a listeria outbreak at Blue Bell Creamery

    Marchand v. Barnhill (De. S. Ct., 6/19)
  - Failure to actively monitor policies adopted by the board on clinical trials

    In re Clovis Oncology Deriv. Litig. (DE. Ch. Ct., 10/19)

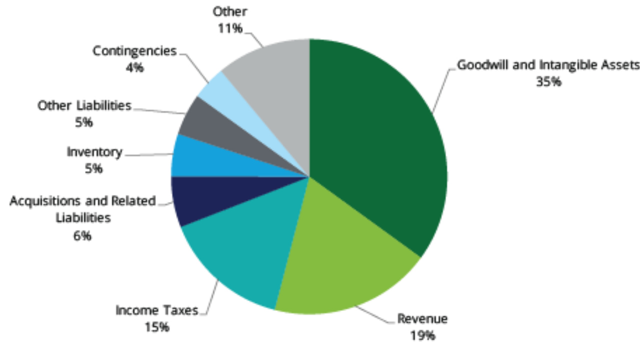
Focus on Audit and Risk Committees

Audit committees play a vital role in the financial reporting system:

- Reviewing use and presentation of non-GAAP measures
- Overseeing LIBOR transition
- Discussing critical audit matters

Jay Clayton, Sagar Teotia and William Hinman,
Statement on Role of Audit Committees in Financial Reporting and Key Reminders Regarding Oversight Responsibilities
December 30, 2019

Critical Audit Matters



Information is based on CAMs included in the auditors' reports of 52 large accelerated filers with fiscal years ending June 30, 2019, filed as of August 29, 2019.

Critical Audit Matters Make Their Debut!, Deloitte

Focus on Audit and Risk Committees

- **Determining auditor Independence –** Audit committees engage auditors and make determinations on their independence. On December 30, 2019, the SEC proposed to modernize auditor independence rules, in part to ease the audit of affiliated companies by the same auditor. These changes have the potential to impact auditor independence standards for both public and nonpublic financial institutions.

Applicability of Independence Standards	AICPA Independence Standards	SEC Independence Standards	PCAOB Independence Standards
Scenario 1 Nonpublic institutions not subject to Part 363 of the FDIC regulations or Section 562.4 of the OTS regulations (i.e., less than $500 million in assets)	YES	NO	NO
Scenario 2 Public and nonpublic institutions subject to Part 363 of the FDIC regulations or Section 562.4 of the OTS regulations (i.e., $500 million or more in assets)	YES	YES	YES
Scenario 3 Institutions and holding companies that are public companies (regardless of size)	YES	YES	YES

Focus on Audit and Risk Committees

- **Under the original Dodd-Frank Act, bank holding companies with more than $10 billion in assets were required to have risk committees. That threshold was raised to $50 billion in 2018.**
- **Under the Federal Reserve's Regulation YY, risk committees must:**
  - Have a formal, written charter approved by the board
  - Meet at least quarterly
  - Have at least one risk management expert
  - Be chaired by an independent director
- **Factors to consider in whether to establish a risk committee:**
  - Whether a bank has a complex business model
  - Whether a bank has the internal resources to support a risk committee in addition to an audit committee
  - Whether the risk committee would be prepared for regulatory oversight.

Focus on Audit and Risk Committees

- **Allocation of duties among committees:** For example, risk issues that are forward-looking and strategic may be assigned to the risk committee, with other issues (eg, compliance oversight) remaining with the audit, credit or other committees.
- **Risk committees may oversee:**
  - Categories of risk, including likelihood and potential impact,
  - Risks arising from performance pressure and compensation incentive systems
  - Any impact of environmental and social risks on financial performance
  - The company's risk appetite

Focus on Compensation Committees

Background

Banks that received government assistance under TARP are prohibited from:

- paying bonuses,
- awarding stock options, and
- paying severance to their senior executives.

They must:

- limit restricted stock awards to no more than one-third of total compensation,
- adopt clawback provisions, and
- conduct compensation risk reviews twice a year.

All financial institutions are required to evaluate incentive compensation and related risk management, controls and governance processes, and to address deficiencies or processes inconsistent with safety and soundness.

Focus on Compensation Committees

A compensation committee must:

- actively oversee incentive compensation arrangements ("ICAs") and directly approve ICAs for senior executives;
- monitor the performance, and regularly review the design and function,
- of ICAs; and
- for banking organizations that are significant users of ICAs, review the arrangements on both a backward-looking and forward-looking basis.

Other functions such as compliance, internal audit and risk management, need to be involved in the process.

Focus on Compensation Committees

These requirements have prompted banks to consider compensation design changes to moderate incentive payouts and risk, while still emphasizing pay for performance:

- Increasing base salary to offset decreases in variable pay
- Lower opportunity targets and lower caps on incentive pay
- Deferral of a portion of incentive payout
- Clawback provisions to recoup incentives in the event of misconduct, fraud or intentional misrepresentation
- Diversification of incentive metrics
- Longer vesting periods for equity awards
- Stock ownership guidelines for officers

Many of these design changes, and specific thresholds, are influenced by proposed rulemaking for Section 956 of the Dodd-Frank Act.

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Disclosure Trends

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Updates to Industry Guide 3

Industry Guide 3 requires statistical disclosures intended to help investors assess loan portfolio risks.

The SEC proposed updates in September 2019 that would:

- Replace Industry Guide 3 with a new Subpart 1400 of Regulation S-K
- Eliminate disclosure requirements that overlap with SEC and accounting standard (GAAP or IFRS) requirements
- Update disclosures from last substantive revision in 1986 for changes in the industry and significant financial reporting changes

Updates to Industry Guide 3

The proposed rules would require disclosure for shorter periods:

- Industry Guide 3 currently calls for five years of data on the Loan Portfolio and Summary of Loan Loss Experience and three years of all other information.
- The new rule would require disclosure consistent with SEC rules for financial statements, which generally require two years of balance sheets and three years of income statements, with less demanding requirements for smaller reporting and emerging growth companies.
- However, with respect to the disclosure of credit ratios, the disclosure would be required for each of the last five fiscal years in initial registration statements by new banks and savings and loan registrants and in offering statements by new bank and savings and loan issuers under Regulation A.

Updates to Industry Guide 3

The proposed rules would:

- Codify current disclosure on distribution of assets, liabilities and stockholders' equity, the related interest income and expense, and interest rates and interest differential (Item 1402)
- Further disaggregate interest-earning assets and interest-bearing liabilities in a standardized format and level of detail, to help investors understand whether material increases are due to increases in prices, volume or due to the introduction of new products or services (Item 1402)
- Codify current disclosure on weighted average yield of investments in debt securities by maturity, but changing categories presented and eliminating overlaps with accounting standards (Item 1403)
- Codify current disclosure on maturity analysis of the loan portfolio, including the amounts that have predetermined interest rates and floating or adjustable interest rates, but eliminating overlaps with SEC rules and accounting standards (Item 1404)
- Codify current disclosure on allocation of the allowance for credit losses, eliminating analysis of loss experience (Item 1405)
- Disaggregate the net-charge-off ratio, based on loan categories in the financial statements (Item 1405)

Updates to Industry Guide 3

The proposed rules would:

- Add three new credit ratios presented on a consolidated basis, along with each component used in their calculation (Item 1405):
  - Allowance for Credit Losses to Total Loans
  - Nonaccrual Loans to Total Loans
  - Allowance for Credit Losses to Nonaccrual Loans
- Add discussion of the factors that drove material changes in the credit ratios, or related components, during the periods presented (Item 1405)
- Add a tabular breakdown of the allowance for loan losses for registrants applying or reconciling to U.S. GAAP, rather than permitting an alternative option to provide a narrative discussion (Item 1405)
- Codify current disclosure of information about bank deposits, including amounts that are uninsured (Item 1406)

The proposed rules were subject to a 60-day public comment that ended December 2, 2019.

Updates to Industry Guide 3

Among other items, the proposed rules would not require disclosure of:

- Return on assets and return on equity ratios (can be figured out)
- Short-term borrowings (instead, disclose average balance and related average rate paid for each major category of interest-bearing liability and further disaggregate the major categories of interest-bearing liabilities)

FAST Act Amendments

Changes relevant to upcoming proxy statements and 10-Ks include:

- **Flexible Periods for the MD&A**: Discuss two vs three years of financial results, if earliest year is included in prior filings and it is not material to the current discussion.
- **Streamlined Confidential Treatment Process**: Omit confidential information from material contracts without filing a confidential treatment request, so long as the information is (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed, which is the same standard as previously used.
- **New 10-K Exhibit for Description of Securities**: Description of securities required by Item 202(a)-(d) and (f) is an exhibit to Form 10-K, rather than disclosure in registration statements.

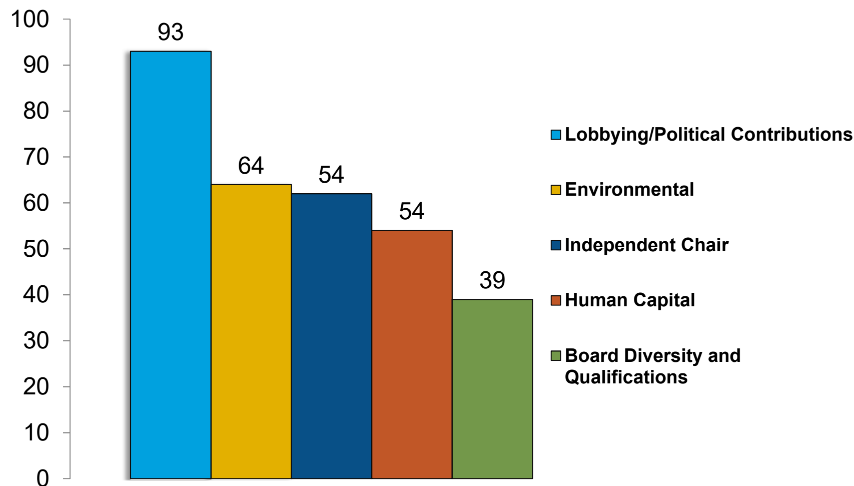
See Appendix for a more complete summary of changes.

ESG Disclosure and Investors

A coalition of investors led by As You Sow has filed climate change risk reporting shareholder proposals at major banks for the 2020 proxy season.

- Identifies the bank’s funding as contributing substantially to global climate change based on its financing of fossil fuel companies globally
- Alleges creation of systemic portfolio risks to the global economy, investors and the bank’s own business operations
- Asks banks to immediately take tangible steps to measure, disclose, and reduce greenhouse gas emissions associated with fossil fuel lending
- Takes cue from European bank initiatives

2019 Most Commonly Submitted Shareholder Proposals



ESG Disclosure and Investors

- 40% of the S&P 500 voluntarily address some aspect of sustainability in financial filings.
- Before including such disclosure, companies should carefully consider whether they are focusing on the appropriate initiatives, based on stakeholders' interests and the company's interests, as well as the company's views on corporate citizenship.
- Information that is included, and in particular, information that is incorporated by reference, need to be vetted for accuracy and completeness.
- In remarks in March 2019, William Hinman noted that the SEC Staff is watching carefully as market-led approaches develop in this area, and the Staff is actively comparing the information companies voluntarily provide – typically outside of their SEC filings – with the disclosure filed with the Commission.

ESG Disclosure and Investors

Among the S&P 250, investor interest also continues to drive governance disclosure:

- 65% of companies include a graphic to show board tenure diversity, up from 49% in 2018
- 34% of companies use a graphic to show board age diversity, up from 20% in 2018
- Inclusion of a board skills matrix increased – with 38% of companies including an individualized skills matrix and 39% including an aggregated skills matrix
- 39% of companies include a substantive letter from the Chairman and/or CEO
- 22% of companies include a graphic illustrating the board evaluation process, up from 16% in 2018– examples of this sort of graphic can be found in the 2019 proxy statements from Morgan Stanley and Goldman Sachs
- 16% of companies include a graphic about shareholder engagement

Labrador's *Proxy Statement Disclosure Trends and Analysis*, December 2019

Risk Factors

Trending Issues:

- Data Privacy and Cybersecurity
- Climate Change and ESG Risks
- Uncertainty of Government Regulation, eg, the CRA Overhaul and Consumer Protection
- IP and Technology Risk from International Operations
- Underlying Credit Risk?
- LIBOR Transition

LIBOR Transition

The transition away from LIBOR at the end of 2021 is expected to impact: $199 trillion of derivatives; $1.3 trillion in variable rate commercial and consumer loans, including home mortgages, student loans, credit card and auto loans; syndicated loans; and deposits based on a spread from LIBOR.

Alternatives to LIBOR:

- Secured Overnight Financing Rate (SOFR), which is primarily for dollar-denominated derivative products
- Ameribor, which reflects borrowing costs of more than 100 US small- and mid-sized banks using a 30-day rolling average of the weighted average daily volume in the AFX overnight unsecured market

The FDIC believes that the use of a particular reference rate is a business decision based on the needs and circumstances of each institution.

FDIC Supervisory Insights, Winter 2018

LIBOR Transition

SEC leadership has commented extensively on disclosure requirements related to the LIBOR transition:

- For their annual disclosure documents, companies should consider whether to disclose the status of their efforts to evaluate and mitigate risks relating to legacy LIBOR-linked instruments.
- If a company has identified a material exposure to LIBOR, it should consider disclosing that fact, even if it does not yet know or cannot yet reasonably estimate the expected impact.
- Companies will need to consider the effects LIBOR transition will have on their accounting policies and financial statements, including the impact it may have on their hedge accounting and their ability to manage and hedge exposures to fluctuations in interest rates.

LIBOR Transition

The New York State Department of Financial Services is requiring that each regulated institution submit a LIBOR cessation and transition risk plan by February 7, 2020 that describes its:

- Programs that would identify, measure, monitor and manage all financial and non-financial risks of transition
- Processes for analyzing and assessing alternative rates, and the potential associated benefits and risks of such rates for the institution and its customers and counterparties
- Processes for communications with customers and counterparties
- Process and plan for operational readiness - including related accounting, tax and reporting aspects of such transition
- Governance framework - including oversight by the board of directors (or equivalent)

See supplemental materials for ARRC checklist and planning considerations.

Meet the Panelist

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Cam helps clients with corporate matters including governance and SEC compliance, securities offerings, and mergers and acquisitions. Prior to her return to Dorsey, Cam was Senior Counsel and Assistant Secretary at General Mills, Inc., where she helped the company achieve its corporate governance and SEC compliance objectives, worked on securities offerings and M&A transactions, risk management, foundation governance, and general corporate and commercial matters.

Before joining General Mills in 2005, Cam was an associate for five years in the Dorsey Corporate Group in Minneapolis. Cam is a co-editor of Dorsey's corporate governance and compliance blog, http://governancecomplianceinsider.com/. In 2017, she was named a Partner of the Year.

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Appendix: FAST Act Amendments

Rules/Forms Amended	Nature of Amendment
Cover Pages of Periodic and Current Reports	
Form 10-K, 10-Q, 8-K, 20-F and 40-F; Rule 11 and 406 of Regulation S-T; and Item 601(b)(104) of Regulation S-K	• Adds disclosure of the national exchange or principal U.S. market for the company's securities, the trading symbol and title of each class of securities. • Tags all cover page data in Inline XBRL. • Eliminates checkbox on the cover page of Form 10-K where the company indicates that there is no disclosure of delinquent Section 16 filers.
Incorporation by Reference and Cross-Referencing in Reports and Registration Statements	
Exchange Act Item 10(d)	• Removes general prohibition on incorporation by reference of documents filed more than five years ago.
Securities Act Rule 411(b)(4); Exchange Act Rules 12b-23(a)(3) and 12b-32; Item 601(b)(13) of Regulation S-K; and Regulation S-T Rules 102 and 105	• Requires hyperlinks to EDGAR documents incorporated by reference, instead of attaching them as exhibits. • Amendments are not required solely to correct an inaccurate hyperlink, unless that hyperlink was included in a pre-effective registration statement. However, the location of the information incorporated by reference should be included.
Securities Act Rule 411; Exchange Act Rule 12b-23; and Forms S-1, S-3, S-11 and F-1	• Prohibits incorporation by reference of financial statements from other filings or cross-referencing from other parts of a filing into financial statements, except as otherwise specifically permitted by SEC rules.

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Appendix: FAST Act Amendments

Rules/Forms Amended	Nature of Amendment
MD&A	
Item 303 of Regulation S-K and Form 20-F	• Increases flexibility in discussing two vs three years of financial results in the MD&A, allowing companies to exclude the earliest of the three years if the MD&A from any prior EDGAR filing includes a discussion of that year. • Materiality, as always, remains the primary consideration. • While Instruction 1 of Item 303 will now eliminate the reference to trends in five-year selected financial data, the materiality analysis remains the same. • While Instruction 1 of Item 303 will now clarify that companies may use any basis of presentation, the SEC anticipates that many companies will continue to provide year-to-year comparisons. • Companies eliminating the earliest year must identify the location in the prior filing where the omitted discussion may be found.
Risk Factors	
Item 105 and 503(c) of Regulation S-K	• Relocates Item 503(c) to a new Item 105, recognizing that risk factors are business-related and not just offering-related. • Eliminates specific examples of risk factors.

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Appendix: FAST Act Amendments

Rules/Forms Amended	Nature of Amendment
Description of Properties	
Item 102 or Regulation S-K	• Clarifies that disclosure need only be provided about a physical property to the extent that it is material to the company.
Governance Provisions	
Items 401, 405 and 407 of Regulation S-K; and Exchange Act Rule 16a-3(e)	• Changes caption from “Executive Officers of the Registrant” to “ Information About Our Executive Officers.” • Changes caption from “Section 16(a) Beneficial Ownership Reporting Compliance” to “Delinquent Section 16(a) Reports” and eliminate requirement that officers provide copies of Section 16 reports; allows exclusion of this caption if there are no delinquent reports to disclose. • Updates audit committee report reference, from “matters required by AU section 380, *Communication with Audit Committees*” to refer more broadly to “the applicable requirements of the Public Company Accounting Oversight Board (“PCAOB”) and the Commission.” • Exempts EGCs from compensation committee report requirement.

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Appendix: FAST Act Amendments

Rules/Forms Amended	Nature of Amendment
Prospectus Cover Page	
Item 501 of Regulation S-K	• Explicitly allows companies to include a clear statement on the cover page, when applicable, that the offering price will be determined by a particular method or formula that is more fully explained in the prospectus, instead of on the cover page. • Discloses on the cover page the principal United States market or markets for the securities being offered (even if they are not national securities exchanges) and the corresponding trading symbols; OTC markets are not required to be disclosed. • Shortens the “subject to completion” legend required under Item 501(b)(10) for preliminary prospectuses, by permitting companies to delete, as appropriate, the 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.
Prospectus Plan of Distribution	
Item 508 of Regulation S-K	• Adds definition of “sub-underwriter.”
Undertakings in Registration Statements	
Item 512 of Regulation S-K	• Eliminates undertakings in paragraphs 512(c), (d), (e) and (f), as unnecessary or duplicative.

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Appendix: FAST Act Amendments

Rules/Forms Amended	Nature of Amendment
Confidential Treatment of Material Contracts and Certain Other Exhibits	
Item 601(b)(10) and (b)(2) of Regulation S-K; Form 20-F	• Allows omission of confidential information from material contracts and agreements related to material plans of acquisition, reorganization, arrangement, liquidation or succession, without filing a confidential treatment request, so long as the information is (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed, which is the same standard as previously used. • No expiration date for confidential treatment vs a prior limit of 10 years (in the absence of an extension). • See the process outlined below this table. • The SEC and its staff retain a prerogative to review the appropriateness of omissions. • Comparable amendments will be made to Form 20-F and Item 1.01 of Form 8-K, to the extent material contracts are filed as exhibits.
Other Amendments to Exhibits	
Item 601(a)(6) of Regulation S-K; Item 1016 of Regulation M-A; Form 20-F	• Allows companies to omit personally-identifiable information (PII) from required exhibits without submitting a confidential treatment request, if disclosure of such information would constitute a clearly unwarranted invasion of personal privacy. • No analysis supporting the redactions is required at time of filing.

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Appendix: FAST Act Amendments

Rules/Forms Amended	Nature of Amendment
Other Amendments to Exhibits	
Item 601(b)(4)(vi) of Regulation S-K; Form 20-F	• Adds a new exhibit under Item 601(b)(4)(vi) that includes the description of securities required by Item 202(a)-(d) and (f) as an exhibit to Form 10-K, rather than limiting this disclosure to registration statements. • Incorporation by reference from an earlier exhibit filed under Item 601(b)(4)(vi) will be allowed, so long as the information has not changed. • Non-material changes to the rights and privileges of securities will not require separate disclosure on Form 8-K. However, if any changes are made, whether material or non-material, new Item 601(b)(4)(vi) will require companies to update the description of securities in the exhibit filed with their Form 10-K.
Item 601(b)(10)(i) of Regulation S-K and related Instruction 1; Form 20-F	• Only "newly reporting registrants" will be required to file material contracts that were entered within two years of the applicable registration statement or report; for all reporting companies, material contracts that are to be performed in whole or in part at or after the filing of the registration statement or report will still need to be filed.

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Appendix: FAST Act Amendments

Rules/Forms Amended	Nature of Amendment
Other Amendments to Exhibits	
Item 601(a)(5) and (b)(2) of Regulation S-K; Item 1016 of Regulation M-A; Form 20-F	• Permits companies to omit entire schedules and similar attachments to all required exhibits, provided: (i) the schedules and similar attachments did not contain material information and (ii) were not otherwise disclosed in the exhibit or the disclosure document. • The filed exhibit must still contain a list briefly identifying the contents of any omitted schedules and attachments, but will no longer need to include an explicit agreement to furnish a supplemental copy of any omitted schedule to the Commission upon request. • Nonetheless, companies may be required to provide a copy of any omitted schedule to the Commission staff upon request.

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