

**PCA-CX-13.3: Disclosure Requirements for Other Information in Form 10-K**

Company: \_\_\_\_\_ Balance Sheet Date: \_\_\_\_\_

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_

**Explanation**

The following summary of certain selected, financially related, disclosures in Parts II, III, and IV of Form 10-K can be used as an aid in the informed reading of the other information for the purpose of considering whether there is a material inconsistency or misstatement of fact, or a glaring omission. The disclosures in this checklist include most other information included or incorporated in Forms 10-K that include quantitative data. However, AS 2710 applies to *all* other information, even if not included in the checklist disclosures, such as presidents' letters and business descriptions (other than Form 10-K, Item 15 schedules, which are required to be audited). Section 1003 discusses the auditor's responsibility for other information in Form 10-K.

Under SEC Release No. 33-10513, *Smaller Reporting Company Definition*, a smaller reporting company is a company with public float of less than \$250 million. In addition, companies that are unable to calculate their public float or have float of less than \$700 million can also qualify as a smaller reporting company if their revenues were below \$100 million in the previous year. Under the SEC final rule in Release 33-8876, *Smaller Company Regulatory Relief and Simplification*, 12 nonfinancial "scaled" disclosure requirements for smaller reporting companies are provided in Reg. S-K. The rule allows smaller reporting companies the option of complying with the scaled nonfinancial disclosures on an item-by-item (or *a la carte*) basis. That is, companies may elect to comply with the scaled requirements, or with the more detailed requirements for larger companies, on an item-by-item basis. The S-K items generally permit providing more disclosure than is required by the item, and under various sections of the Securities Act and the Exchange Act, issuers are required to disclose all material facts that are necessary to make the financial statements not misleading, which may require disclosures in excess of line item requirements. However, if a scaled disclosure requirement is more rigorous than the same larger company requirement, smaller reporting companies must comply with the more rigorous requirement. This checklist is organized into two sections. Part I includes disclosures required for larger reporting companies only. Part II includes the scaled disclosure requirements for smaller reporting companies. Section 1003 discusses these and other aspects of the rules for smaller reporting companies in greater detail.

Consideration has been given to Regulation (Reg.) S-X, Regulation S-K, Rule 14a-3 of Regulation 14A, Item 9(e) of Schedule 14A, and selected Financial Reporting Releases (FR). Some checklist questions do not cite a specific authoritative reference but indicate that the disclosure is a *best practice*. Disclosures that a Financial Reporting Release recommends that registrants consider are indicated as a *recommendation*. Disclosures that a Financial Reporting Release does not explicitly state as applicable to smaller reporting companies (referred to as small business issuers in certain Financial Reporting Releases) are indicated as a *best practice in FR*. In addition, in certain situations, disclosure guidance has been included from the SEC's Division of Corporation Finance *Financial Reporting Manual*, Division of Corporation Finance Letters to Public Companies, and matters discussed at Joint Meetings of the CAQ's SEC Regulations Committee and SEC staff. The authors recommend disclosure of the information even though a specific requirement in authoritative literature is not identified.

The following disclosures are included in this checklist:

**PART I—LARGER REPORTING COMPANIES**

- Supplementary Data (Selected Quarterly Financial Data)—Form 10-K, Item 8; and Annual Report to Security Holders, items (1) and (2) of Rule 14a-3.
- Management's Discussion and Analysis (MD&A)—Form 10-K, Item 7; and Annual Report to Security Holders, item (5)(ii) of Rule 14a-3.
- Executive Compensation—Form 10-K, Item 11; and Schedule 14A (the Proxy Statement), item 8.

- Director Compensation—Form 10-K, Item 11; and Schedule 14A (the Proxy Statement), item 8.
- Principal Accounting Fees and Services—Form 10-K, Item 14, and Schedule 14A (the Proxy Statement), items 9(a), 9(b), 9(c), and 9(e).

## PART II—SMALLER REPORTING COMPANIES

- Management’s Discussion and Analysis (MD&A)—Form 10-K, Item 7; and Annual Report to Security Holders, item (5)(ii) of Rule 14a-3.
- Executive Compensation—Form 10-K, Item 11; and Schedule 14A (the Proxy Statement), item 8.
- Director Compensation—Form 10-K, Item 11; and Schedule 14A (the Proxy Statement), item 8.
- Principal Accounting Fees and Services—Form 10-K, Item 14, and Schedule 14A (the Proxy Statement), items 9(a), 9(b), 9(c), and 9(e).

Exhibit 10-2 in Chapter 10 lists the entire contents of Form 10-K and the annual report to security holders and the item number of the regulation or rule [Reg. S-K or Rule 14a-3(b)] that provides the related disclosure requirements. Under the SEC’s integrated disclosure system, disclosures required in Parts I and II of Form 10-K may be incorporated by reference from disclosures in the annual report to security holders as long as the annual report contains the information required by Rule 14a-3 and by Items 1–3 of Form 10-K. Information required by Part III of Form 10-K may be incorporated by reference from the proxy statement if the proxy statement is filed with the SEC within 120 days after the end of the fiscal year covered by the Form 10-K.

This checklist does not represent a complete list of financial and nonfinancial disclosures relating to other information in accordance with SEC rules and regulations, and it is not a substitute for familiarity with those rules and regulations or consultation with attorneys for advice on applicability of the rules and regulations or detail of disclosures for specific circumstances. The SEC forms, rules, regulations, and related instructions can be accessed at [www.sec.gov/divisions/corpfincfrules.shtml](http://www.sec.gov/divisions/corpfincfrules.shtml).

This checklist addresses only the disclosure requirements for the other information items listed above and does not address disclosures relating to financial statements in accordance with generally accepted accounting principles and SEC rules and regulations. See PCA-CX-13.1, “Disclosure Requirements for Financial Statements of Issuers,” for a checklist covering financial statement disclosures required by generally accepted accounting principles and SEC rules and regulations. In addition, PCA-IR-5, “Interim Disclosure Requirements for Financial Statements of Issuers,” addresses disclosure requirements for unaudited interim financial information.

This checklist includes occasional references to authoritative accounting standards that have been codified in the FASB Accounting Standards Codification (FASB ASC).

This checklist is updated through December 17, 2024. This checklist is updated four times throughout the year. Guided Assurance users can access the updated checklists directly within Guided Assurance. The most recent edition is also available at [www.thomsonreuters.com/en-us/help/ppc-and-quickfinder-updates/ppc-a-a-updates.html](http://www.thomsonreuters.com/en-us/help/ppc-and-quickfinder-updates/ppc-a-a-updates.html).

### Recent SEC Developments

On December 14, 2022, the SEC adopted Release No. 33-11138, *Insider Trading Arrangements and Related Disclosures*, which, among other things, provides affirmative defenses under Exchange Act Rule 10b5-1(c)(1) to trading on the basis of material nonpublic information in cases of insider trading. It also creates new disclosure requirements regarding insider trading policies and procedures, and amendments for Items 402(x) and 408 of Regulation S-K. The amendments are effective February 27, 2023. However, for entities other than smaller reporting companies, certain disclosures under Items 402(x) and 408 are effective beginning in fiscal quarterly periods and years beginning on or after April 1, 2023. For smaller reporting companies, certain disclosures under Items 402(x) and 408 apply to fiscal quarterly periods and years that begin on or after October 1, 2023. This edition of the checklist has been updated to include the new requirements under Item 402(x) of Regulation S-K. The disclosures required under Item 408 of Regulation S-K are beyond the scope of this checklist.

On May 3, 2023, the SEC adopted Release No. 34-97424, *Share Repurchase Disclosure Modernization*, which, among other things, required most issuers to disclose daily quantitative share repurchase information quarterly. However, on November 22, 2023, the SEC issued a stay of the *Share Repurchase Disclosure Modernization Rule* pursuant to an opinion by the U.S. Court of Appeals for the Fifth Circuit. On December 19, 2023, the Court vacated the rule, which had the effect of reverting to the prior rules and forms that existed before the repurchase rule. On March 19, 2024, the SEC issued a final rule in Release No. 34-99778, *Share Repurchase Disclosure Modernization*, which contains the technical amendments to reflect the Court's vacatur. As a result, this checklist does incorporate the vacated *Share Repurchase Disclosure Modernization Rule*.

In July 2023, the SEC issued a final rule in SEC Release No. 33-11216, *Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure*, that requires public companies to disclose material cybersecurity breaches in a more timely manner. Companies are generally required to disclose on Form 8-K a cybersecurity incident within four business days after determining that they have experienced a material incident. In addition, a new Regulation S-K Item 106 requires, among other things, companies to describe their processes for assessing, identifying, and managing material risks from cybersecurity threats, as well as whether any risks from cybersecurity threats, including those arising from prior cybersecurity incidents, have materially affected or are reasonably likely to materially affect the company. In June 2024, the SEC issued Compliance & Disclosure guidance on required disclosures in Form 8-K. This disclosure is required in the annual report on Form 10-K beginning with annual reports for fiscal years ending on or after December 15, 2023. The new Form 8-K requirements are effective December 18, 2023, except for smaller reporting companies, which are effective on June 15, 2024. The disclosures required by the new final rule are beyond the scope of this checklist.

In January 2024, the SEC issued a final rule in SEC Release 33-11265, *Special Purpose Acquisition Companies, Shell Companies, and Projections*, that provides enhanced disclosures and investor protection in initial public offerings by special purpose acquisition companies (SPACs) and in later business combination transactions between a SPAC and target company (de-SPAC). Among other things, the final rule results in a new Rule 15-01 of Regulation S-X, "Acquisitions of Businesses by a Shell Company (Other Than a Business Combination Related Shell Company)," a new Subpart 229.1600 of Regulation S-K, "Special Purpose Acquisition Companies," and various amendments to rules, items, and forms of the Securities Act of 1933, Securities Exchange Act of 1934, and Regulations S-K, S-X and S-T. The final rules are effective on July 1, 2024. Disclosures and reporting specific to SPACs are beyond the scope of this disclosure checklist.

In March 2024, a new final rule was issued in SEC Release No. 33-11275, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*, which requires the inclusion of climate-related information in a registrant's registration and annual reports. Among other things, the new rule requires disclosure of material climate-related risks, activities related to adapting to or mitigating such risks, related oversight activities, and information on climate-related targets or goals. Information is also required of certain greenhouse gas emissions. The rules are effective 60 days after publication in the *Federal Register*. However, the rules have various phase-in dates dependent on whether the registrant is a larger accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. The first disclosure requirements are effective for large accelerated filers in 2025. In April 2024, the SEC issued a voluntary stay (SEC Release No. 33-11280) in response to pending litigation. Therefore, the implementation dates are currently on hold. This edition of the checklist does not incorporate the disclosure requirements under the final rule. Future editions will be updated as relevant.

**Instructions:** A block  has been provided for each major disclosure caption. If the major caption is not applicable to your client, simply place a (✓) in the block. It will then not be necessary to check N/A for each question under the major caption. Otherwise, respond to each question with a (✓) in the appropriate column: (1) Yes—disclosure made; (2) No—item present but no disclosure made (any item checked "No" should be explained in the checklist or in a separate memorandum); or (3) N/A—either the item is not present or it is immaterial to the financial statements.

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**Disclosure Made?**  
**Yes      No      N/A**

**PART I—LARGER REPORTING COMPANIES**

**SUPPLEMENTARY FINANCIAL INFORMATION (SELECTED QUARTERLY FINANCIAL DATA)—FORM 10-K, ITEM 8; AND ANNUAL REPORT TO SECURITY HOLDERS, ITEMS (1) AND (2)**

1. If there have been one or more retrospective changes that pertain to the statements of comprehensive income for any of the quarters within the two most recent fiscal years or any subsequent interim period for which financial statements are included, that are material, individually or in the aggregate, have the following disclosures been made in an unaudited note: [S-K 302(a)]
  - a. Explanation of the reasons for the material change(s)? \_\_\_\_\_
  - b. For each affected quarterly period, summarized financial information related to the statements of comprehensive income? \_\_\_\_\_
  - c. EPS reflecting the material change(s) for each affected quarterly period and the fourth quarter in each affected year? \_\_\_\_\_
  
2. If the information is included in an unaudited note to the financial statements rather than being presented outside the financial statements, is the disclosure identified as “unaudited” or as “not covered by the auditor’s report?” (AS 3105.11) \_\_\_\_\_

**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)—FORM 10-K, ITEM 7, AND ANNUAL REPORT TO SECURITY HOLDERS, ITEM (5)(II) (REG. S-K, ITEM 303)**

NOTE: The concepts covered in Question No. 1 apply to all MD&A topics. For example, it is important to discuss results of operations, covered at Question No. 3, by segment, as noted at 1g.

1. Does the MD&A:
  - a. Include the issuer and its consolidated subsidiaries? \_\_\_\_\_
  - b. Cover the three-year period covered by the financial statements? [Discussion of the earliest of the three years presented in the financial statements may be omitted if a reference is included to a prior filing available on EDGAR that includes Reg. S-K Item 303. Emerging growth companies (EGCs) may omit the earliest of the three years presented if audited financial statements for two years were provided in the registration statement for the EGC’s initial public offering.] \_\_\_\_\_
  - c. Start the MD&A with an executive-level overview that provides context for the remainder of the discussion? [(FR-72) (best practice)] \_\_\_\_\_
  - d. Discuss financial condition, changes in financial condition, and results of operations and provide other information necessary to understand such matters? \_\_\_\_\_

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**Disclosure Made?**

**Yes      No      N/A**

e. Use year-to-year comparisons?	_____	_____	_____
(1) Do the comparisons include a description of the causes for material changes from year to year in one or more financial statements line items to the extent necessary to an understanding of the issuer’s businesses as a whole? (If the causes for a change in one line item also relate to other line items, no repetition is required. Also, a line-by-line analysis of the financial statements as a whole is not required or generally appropriate.) {NOTE: Issuers are required to provide a description of the causes for material changes in both <i>quantitative</i> and <i>qualitative</i> terms. [S-K 303(b)]}	_____	_____	_____
f. Focus on material events and uncertainties known to management that would cause reported financial information not to be necessarily indicative of future operating results or financial condition, including—			
(1) Descriptions and amounts of matters that would affect future operations but that have not affected past operations?	_____	_____	_____
(2) Matters that have affected reported operations but are not expected to affect future operations?	_____	_____	_____
g. Focus on each relevant reportable segment or other subdivision (e.g., geographic areas, product lines) of the business in the discussion of operations, liquidity, and capital resources, if revenues, profitability, and cash needs of the segments or subdivisions are materially disproportionate? (FR-36)	_____	_____	_____
h. Discuss forward-looking information? (Recommendation in Reg. S-K, item 303 instructions and best practice)	_____	_____	_____
i. Discuss <i>known</i> and <i>reasonably likely</i> prospective information? [S-K 303(a)] (best practice)	_____	_____	_____
j. Appear to present the most important material information most prominently? (FR-72)	_____	_____	_____
k. Appear to discuss those matters most significant to an understanding of the company’s results and prospects? (best practice)	_____	_____	_____
l. Identify and discuss key performance indicators, including nonfinancial performance indicators, that management uses to manage the business? (FR-72)	_____	_____	_____
m. Include any additional information considered necessary to provide context for users to understand metrics presented, including the following, as applicable: (FR-87)			
(1) The metric’s definition and calculation?	_____	_____	_____
(2) Any underlying assumptions or estimates necessary to prevent the metric from misleading users?	_____	_____	_____
(3) A discussion of why the metric provides useful information and how management uses the metric to monitor performance?	_____	_____	_____
(4) Material changes to the calculation, presentation, or methodology from prior periods, including the reason for and effects of such change and, if considered necessary for comparability, recast prior-period metrics?	_____	_____	_____



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	Disclosure Made?		
	Yes	No	N/A
(4) If disclosures represent that transactions have been evaluated for fairness, a description of how the evaluation was made?	_____	_____	_____
(5) Any ongoing contractual or other commitments as a result of the arrangement?	_____	_____	_____
(6) Disclosure about parties that fall outside the definition of “related parties,” but with whom the issuer or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent, parties on an arm’s-length basis (for example, an entity established and operated by individuals who were former senior management of the issuer or who have some other current or former relationship with the issuer)?	_____	_____	_____
u. Include “plain English” discussions of <i>critical accounting policies</i> ? Does the discussion include—( <i>Critical accounting policies</i> are policies that are both most important to the portrayal of the company’s financial condition and results, and that require management’s most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.) (FR-60)	_____	_____	_____
(1) The judgments and uncertainties affecting the application of those policies?	_____	_____	_____
(2) The likelihood that materially different amounts would be reported under different conditions or using different assumptions?	_____	_____	_____
2. Does the MD&A discuss <i>Liquidity and Capital Resources</i> ? [Reg. S-K Item 303(b)(1)]	_____	_____	_____
a. Does the discussion include identification of any known trends or any demands, commitments, events, or uncertainties that will, or are reasonably likely to, result in a material increase or decrease in liquidity?	_____	_____	_____
b. Is a material liquidity deficiency identified? If yes, is there a discussion of the course of action the issuer has taken or proposes to take to remedy the deficiency?	_____	_____	_____
c. Is there identification of historical internal and external sources of liquidity (with separate descriptions), and expected changes in sources of liquidity, and a discussion of any material unused sources of liquid assets?	_____	_____	_____
d. Is the statement of cash flows the focal point for the discussion of liquidity? If yes— (FR-36)	_____	_____	_____
(1) Does the discussion go beyond cash flow and address the relationships between changes in operating results and changes in liquidity (for example, by discussing the reasons for material changes in working capital components, such as accounts receivable and payable and inventory)?	_____	_____	_____
(2) Is there discussion of liquidity indicators other than working capital, such as unused credit lines, debt covenant restrictions, etc.?	_____	_____	_____
e. If the financial statements do not adequately convey financing arrangements during the period (e.g., borrowings that are materially different during the period versus period-end) because of a known trend, demand, commitment, event, or uncertainty, has disclosure been considered to enable an understanding of amounts in the financial statements? (FR-83)	_____	_____	_____

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	Disclosure Made?		
	Yes	No	N/A
f. For transfers of financial assets with an obligation to repurchase accounted for as a sale where the transaction is reasonably likely to result in the use of a material amount of cash or other liquid assets, has appropriate disclosure been considered? (FR-83)	_____	_____	_____
g. Has consideration been given to providing a description of cash management and risk management policies that are relevant to the assessment of financial condition? (FR-83)	_____	_____	_____
h. Where a company maintains a portfolio of cash and other investments that are a material source of liquidity, has consideration been given to providing a description of such assets and related market risk, settlement risk, or other risk exposure? (FR-83)	_____	_____	_____
i. Material cash requirements, including commitments for capital expenditures, as of the latest fiscal period? Does the description include—	_____	_____	_____
(1) The general purpose of the requirements?	_____	_____	_____
(2) The anticipated sources of funds to meet the requirements?	_____	_____	_____
(3) Descriptions of commitments other than legally enforceable commitments, such as planned capital expenditures resulting from a demand for changes in a product or that may be necessary to continue current growth trend? (FR-36)	_____	_____	_____
(4) The possible effect on current trends of not making such expenditures? (FR-36 recommendation)	_____	_____	_____
j. Any known material favorable or unfavorable trends in capital resources? Does the description include—	_____	_____	_____
(1) Any reasonably likely material changes in the relative cost of the resources?	_____	_____	_____
(2) Changes among equity, debt, and any off-balance sheet financing arrangements?	_____	_____	_____
k. If a capital or leverage ratio disclosure is provided, has disclosure been made of the calculation methodology and the reasons for providing the measure, including how it is useful to understanding financial condition? (FR-83)	_____	_____	_____
3. Does the MD&A discuss <i>Results of Operations</i> ? Does it include discussion of the following: [Reg. S-K Item 303(b)(2)]	_____	_____	_____
a. Any unusual or infrequent events or transactions or significant economic changes that materially affected reported income from continuing operations, and the extent to which income was affected?	_____	_____	_____
(1) Any other significant components of revenues or expenses that, in the issuer's judgment, would be material to understanding the issuer's results of operations?	_____	_____	_____
(2) Are two or more factors identified as accounting for a change in a line item of the statement of comprehensive income? If so— (FR-36)	_____	_____	_____
(a) Are the dollar amount or percentage effect of each factor disclosed, to the extent possible?	_____	_____	_____



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**Disclosure Made?**

**Yes      No      N/A**

b. Any known trends or uncertainties that have, or are reasonably likely to have, a material favorable or unfavorable impact on net sales or revenues or income from continuing operations (for example, known trends of increasing labor or materials costs, price changes, inventory adjustments, or inflation)? \_\_\_\_\_

(1) If the issuer knows of any events that are reasonably likely to cause a material change in the relationship between costs and revenues, disclosure of the change in the relationship? \_\_\_\_\_

c. If the statement of comprehensive income discloses material changes from period to period in net sales or revenues, a narrative discussion of the extent to which the change was due to price or volume or to the introduction of new products or services? \_\_\_\_\_

d. Regarding income tax matters, have the following been considered: (Section 9220.4 of SEC Financial Reporting Manual)

(1) Discussion and analysis of tax implications of material transactions, trends, and other important items discussed elsewhere in the MD&A? \_\_\_\_\_

(2) Discussion of the nature and impact of significant tax rate reconciling items? \_\_\_\_\_

(3) When uncertain tax benefits are a critical accounting policy, why assumptions were changed or why actual resolutions differed from management's assumption? \_\_\_\_\_

4. Does MD&A include discussion of *Critical Accounting Estimates*? (*Critical accounting estimates* are those estimates that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on the financial condition or results of operations of the issuer.) Does it include discussion of the following: [Reg. S-K Item 303(b)(3)] \_\_\_\_\_

a. Qualitative and quantitative information necessary to understand the estimation uncertainty and the impact the critical accounting estimate has had or is reasonably likely to have on financial condition or results of operations? \_\_\_\_\_

b. The reason(s) the critical accounting estimate is subject to uncertainty? \_\_\_\_\_

c. How much each estimate and/or assumption has changed over a relevant period? \_\_\_\_\_

d. The sensitivity of the reported amounts to the methods, assumptions and estimates used in its calculation? \_\_\_\_\_

Practical Consideration:

- In the final rule in SEC Release No. 33-10890, the SEC clarified that they do not intend for the disclosure requirements in Question No. 4 to be duplicative of current GAAP requirements. The final rule notes that GAAP does not currently require disclosure of material changes to assumptions over a relevant period, nor is there an overall requirement to disclose underlying assumptions for all material accounting estimates. Furthermore, GAAP does not generally require disclosure of forward-looking information. The SEC staff believe that the quantification of certain assumptions, when material and reasonably available, and forward-looking information can assist users in understanding material critical accounting estimates and the degree of estimation uncertainty. If, however, the financial statements already include such information, the *Critical Accounting Estimates* discussion should supplement, but not duplicate, the existing disclosures. The final rule also emphasizes that MD&A, including the discussion of critical accounting estimates, is not intended to be a narrative recitation of information already included in the financial statements.

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**Disclosure Made?**

**Yes      No      N/A**

<p>e. For goodwill impairment testing, is there a reporting unit at risk of failing the impairment test? If so, consider: (Note: The SEC indicates that the registrant need not provide such disclosures if it asserts that material goodwill does not exist for those reporting units at risk. Also, SEC staff recommends that if the registrant believes there is no significant risk, an affirmative statement to that effect would be helpful when goodwill impairment has been identified as a critical accounting estimate.) [Section 9510.2-.3 of SEC Financial Reporting Manual and April 6, 2010 Joint Meeting of the CAQ Regulations Committee and SEC Staff]</p>	<p>_____</p>	<p>_____</p>	<p>_____</p>
<p>(1) Percentage by which fair value exceeded carrying value at the most recent test?</p>	<p>_____</p>	<p>_____</p>	<p>_____</p>
<p>(2) Amount of goodwill allocated to the reporting unit?</p>	<p>_____</p>	<p>_____</p>	<p>_____</p>
<p>(3) Description of the methods and key assumptions used and how determined?</p>	<p>_____</p>	<p>_____</p>	<p>_____</p>
<p>(4) Discussion of the degree of uncertainty associated with key assumptions, providing specifics to the extent possible?</p>	<p>_____</p>	<p>_____</p>	<p>_____</p>
<p>(5) Description of potential events and/or changes in circumstances that could reasonably be expected to negatively affect key assumptions?</p>	<p>_____</p>	<p>_____</p>	<p>_____</p>
<p>5. Does the company have assets or liabilities that are subject to the fair value measurement requirements of FASB ASC 820, <i>Fair Value Measurements and Disclosures</i>? If so, have there been appropriate disclosures in the MD&amp;A on how such measurements may have a material favorable or unfavorable impact on operations, liquidity, and capital resources (especially those measurements that require significant unobservable inputs or related to financial instruments that are not actively traded), including the following, where relevant: [SEC March 2008 Letter to Public Companies on MD&amp;A Disclosure Regarding the Application of SFAS 157]</p>	<p>_____</p>	<p>_____</p>	<p>_____</p>
<p>a. The amount of assets and liabilities measured using significant unobservable inputs (Level 3 assets and liabilities) as a percentage of the total assets and liabilities measured at fair value?</p>	<p>_____</p>	<p>_____</p>	<p>_____</p>
<p>b. The amount and reason for any material increase or decrease in Level 3 assets and liabilities resulting from the transfer of assets and liabilities from, or into, Level 1 or Level 2?</p>	<p>_____</p>	<p>_____</p>	<p>_____</p>
<p>c. If a material amount of assets or liabilities was transferred into Level 3 during the period, a discussion of:</p>			
<p>(1) The significant inputs that are no longer considered to be observable?</p>	<p>_____</p>	<p>_____</p>	<p>_____</p>
<p>(2) Any material gain or loss recognized on those assets or liabilities during the period, and, to the extent that amount is excluded from the realized/unrealized gains (losses) line item in the Level 3 reconciliation, the amount excluded?</p>	<p>_____</p>	<p>_____</p>	<p>_____</p>
<p>d. With respect to Level 3 assets or liabilities, a discussion of, to the extent material:</p>			
<p>(1) Whether realized and unrealized gains (losses) affected the results of operations, liquidity, or capital resources during the period, and if so, how?</p>	<p>_____</p>	<p>_____</p>	<p>_____</p>

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**Disclosure Made?**

**Yes      No      N/A**

<p>(2) The reason for any material decline or increase in the fair values?</p>	_____	_____	_____
<p>(3) Whether management believes the fair values diverge materially from the amounts it currently anticipates realizing on settlement or maturity, and if so, the reasons why and the basis for management's belief?</p>	_____	_____	_____
<p>e. The nature and type of assets underlying any asset-backed securities, for example, the types of loans (sub-prime, Alt-A, or home equity lines of credit) and the years of issuance, as well as information about the credit ratings of the securities, including changes or potential changes to those ratings?</p>	_____	_____	_____
<p>f. Regardless of how assets and liabilities have been classified within the FASB ASC 820 hierarchy, the following additional information <i>if it has not already been disclosed in Form 10-K</i>:</p>			
<p>(1) A general description of the valuation techniques or models used with respect to material assets or liabilities, a description of any material changes made during the reporting period to those techniques or models, why they were made, and, to the extent possible, the quantitative effect of those changes?</p>	_____	_____	_____
<p>(2) To the extent material, a discussion of the extent to which, and how, management used or considered relevant market indices (such as ABX or CMBX) in applying the techniques or models used to value its material assets or liabilities, and a description of any material adjustments made during the reporting period to the fair value of assets or liabilities based on market indices and the reasons for making those adjustments?</p>	_____	_____	_____
<p>(3) A discussion of how management validates the techniques or models it uses, such as discussion of whether and how often management calibrates the technique or model to market, back-test, or otherwise validate it?</p>	_____	_____	_____
<p>(4) A discussion of how sensitive the fair value estimates for material assets or liabilities are to the significant inputs the technique or model uses, such as provision of a range of values around the fair value amount arrived at to provide a sense of how the fair value estimate could potentially change as the significant inputs vary?</p>	_____	_____	_____
<p>(5) To the extent a range is provided, a discussion of why management believes the range is appropriate, identifying the key drivers of variability and discussing how the inputs used in determining the range were developed?</p>	_____	_____	_____
<p>(6) If material, a discussion of how increases and decreases in the aggregate fair value of assets and liabilities may affect liquidity and capital resources?</p>	_____	_____	_____
<p>g. The following information, to the extent material to the issuer's facts and circumstances: [SEC September 2008 Letter to Public Companies on MD&amp;A Disclosure Regarding the Application of SFAS 157]</p>			
<p>(1) The significant judgments made in classifying a particular financial instrument in the fair value hierarchy?</p>	_____	_____	_____

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**Disclosure Made?**

**Yes      No      N/A**

(2) An explanation of how credit risk is incorporated and considered in the valuation of assets or liabilities, whether under the fair value option in FASB ASC 825, <i>Financial Instruments</i> , or other standards?	_____	_____	_____
(3) If material to the results of operations, the gains or losses on financial instruments that are required to be carried at fair value? In addition, an explanation of—	_____	_____	_____
(a) How credit risk affected the valuation of derivative liabilities and the resulting gain or loss that was included in earnings related to the changes in that credit risk?	_____	_____	_____
(b) How counterparty credit risk affected the valuation of derivative assets and the resulting gain or loss that was included in earnings related to the changes in that credit risk?	_____	_____	_____
(c) How deterioration in the counterparty’s credit and the issuer’s ability to collect on a derivative asset affected the financial statements?	_____	_____	_____
(d) The implications of items management elected to carry at fair value with the items that are required to be carried at fair value?	_____	_____	_____
(4) The criteria used to determine whether the market for a financial instrument is active or inactive (that is, illiquid)?	_____	_____	_____
(5) Which financial instruments are affected by the lack of market liquidity (that is inactivity)? In addition—	_____	_____	_____
(a) How the lack of liquidity affected the valuation technique used, and how illiquidity was factored into the fair value determination of those financial instruments? For example, to the extent a discounted cash flow approach was used to determine the fair value of a financial instrument (such as auction rate securities, loans held for sale, or mortgage-backed securities backed by subprime or Alt-A collateral) the specific change in the discount rate or any other analysis performed to account for the lack of liquidity, and how and why assumptions from prior periods were changed?	_____	_____	_____
(6) If brokers or pricing services were used to assist in determining fair values, an explanation of the extent to which, and how, the information is obtained and used in developing the fair value measurements in the consolidated financial statements? For example—	_____	_____	_____
(a) The nature and amount of assets that were valued using broker quotes or prices obtained from pricing services and the classification in the fair value hierarchy?	_____	_____	_____
(b) The number of quotes or prices that were generally obtained per instrument?	_____	_____	_____
(c) If multiple quotes or price were obtained, how management determined the ultimate value that was used in the financial statements?	_____	_____	_____
(d) Whether, and if so, how and why, management adjusted quotes or prices that were obtained from brokers and pricing services?	_____	_____	_____

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**Disclosure Made?**

**Yes      No      N/A**

<p>(e) The extent to which the brokers or pricing services are gathering observable market information as opposed to using unobservable inputs and/or proprietary models in making valuation judgments and determinations?</p>	_____	_____	_____
<p>(f) Whether broker quotes are binding or non-binding?</p>	_____	_____	_____
<p>(g) The procedures management performed to validate that the prices obtained to ensure the fair value determination is consistent with FASB ASC 820, and to ensure that management properly classified assets and liabilities in the fair value hierarchy?</p>	_____	_____	_____
<p>6. Does the MD&amp;A discuss off-balance sheet arrangements, including discussion of those arrangements that have, or are reasonably likely to have, a material current or future effect on financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources? Does the discussion include matters such as: [Reg. S-K Item 303(b) instructions]</p>	_____	_____	_____
<p>    a. Guarantees?</p>	_____	_____	_____
<p>    b. Retained or contingent interests in assets transferred?</p>	_____	_____	_____
<p>    c. Contractual arrangements that support the credit, liquidity, or market risk for transferred assets?</p>	_____	_____	_____
<p>    d. Obligations that arise or could arise from variable interests held in an unconsolidated entity?</p>	_____	_____	_____
<p>    e. Obligations related to derivative instruments that are both indexed to and classified in a registrant's own equity, or not reflected in the statement of financial position?</p>	_____	_____	_____
<p>7. Has the impact of climate change, including a description of material effect on business, financial condition and results of operations, been disclosed when appropriate? Does the disclosure include matters such as material pending or existing climate change-related: (FR-82 and Sample Letter Regarding Climate Change Disclosures, September 2021)</p>	_____	_____	_____
<p>    a. Legislation and regulation?</p>	_____	_____	_____
<p>    b. International accords?</p>	_____	_____	_____
<p>    c. Indirect consequences of regulation or business trends?</p>	_____	_____	_____
<p>    d. Physical impacts of climate change?</p>	_____	_____	_____
<p>8. Have the following disclosures been made regarding climate change to the extent appropriate: (Sample Letter Regarding Climate Change Disclosures, September 2021)</p>	_____	_____	_____
<p>    a. The identification and quantification of material past and/or future capital expenditures for climate-related projects?</p>	_____	_____	_____
<p>    b. A discussion of material indirect consequences of climate-related regulation or business trends?</p>	_____	_____	_____
<p>    c. A discussion of any material physical effects of climate change on operations and results?</p>	_____	_____	_____

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**Disclosure Made?**

**Yes      No      N/A**

d. The quantification of material increased compliance costs related to climate change? \_\_\_\_\_

e. Information on material purchases or sales of carbon credits or offsets and any material effects on business, financial condition, and results of operations? \_\_\_\_\_

Practical Considerations:

- On September 22, 2021 the SEC’s Division of Corporation Finance published a sample comment letter on climate-change related disclosures. The statements in the sample letter represent the views of the staff of the Division of Corporation Finance and is not a rule, regulation, or statement of the SEC. The authors believe the following this guidance is a best practice; however, staff guidance has no legal force or effect and does not alter or amend applicable law or creates new or additional obligations. The sample letter is available at [www.sec.gov/corpfin/sample-letter-climate-change-disclosures](http://www.sec.gov/corpfin/sample-letter-climate-change-disclosures).
- As discussed further in “Recent SEC Developments” at the beginning of this checklist, in March 2024, a new final rule was issued in SEC Release No. 33-11275, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*, which requires the inclusion of climate-related information in a registrant’s registration and annual reports. Based on the effective dates of the final rule, pending litigation, and a voluntary stay issued by the SEC, this disclosure checklist has not been updated for any applicable requirements of the new rule. Future editions of the checklist will be revised, as appropriate, for relevant considerations.

9. Have cybersecurity risks and incidents been addressed if the costs or other consequences associated with known incidents or the risk of potential incidents represent a material event, trend, or uncertainty that is reasonably likely to have a material effect on the results of operations, liquidity, or financial condition, or would cause reported financial information not to be necessarily indicative of future operating results or financial condition? (CF Disclosure Guidance, Topic 2) \_\_\_\_\_

Practical Consideration:

- In July 2023, the SEC issued a final rule in SEC Release No. 33-11216, *Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure*, that requires public companies to disclose material cybersecurity breaches in a more timely manner. Companies are generally required to disclose on Form 8-K a cybersecurity incident within four business days after determining that they have experienced a material incident. In addition, a new Regulation S-K Item 106 requires, among other things, companies to describe their processes for assessing, identifying, and managing material risks from cybersecurity threats, as well as whether any risks from cybersecurity threats, including those arising from prior cybersecurity incidents, have materially affected or are reasonably likely to materially affect the company. This disclosure is required in the annual report on Form 10-K beginning with annual reports for fiscal years ending on or after December 15, 2023. The new Form 8-K requirements are effective December 18, 2023, except for smaller reporting companies, which are effective on June 15, 2024. The disclosures required by the new final rule are beyond the scope of this checklist.

10. Regarding possible European sovereign debt exposures (primarily by financial institutions): (CF Disclosure Guidance Topic No. 4)

a. When applicable, have known trends or known demands, commitments, events, or uncertainties that will result (or are reasonably likely to result) in a material increase or decrease in liquidity and known trends or uncertainties that have had (or is reasonably expected to have) a material favorable or unfavorable impact on income been disclosed? \_\_\_\_\_

b. Where applicable, have disclosures:

(1) Been provided separately by country, segregated between sovereign and nonsovereign exposures, and by financial statement category, to arrive at gross funded exposure? \_\_\_\_\_

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**Disclosure Made?**

**Yes      No      N/A**

(2) Considered separate information on gross unfunded commitments made?	_____	_____	_____
(3) Considered information on hedges to present an amount of net funded exposure?	_____	_____	_____
11. Throughout the MD&A, have disclosures been made regarding the current and expected impact of COVID-19 on the company’s operations and financial condition, including liquidity, capital resources, government assistance, and going concern considerations? (CF Disclosure Guidance Topic No. 9A)	_____	_____	_____
12. Have the following disclosures been made regarding Russia’s invasion of Ukraine and related supply chain issues, to the extent applicable: (Sample Letter Regarding Disclosures Pertaining to Russia’s Invasion of Ukraine and Related Supply Chain Issues, May 2022)			
a. The impact (direct or indirect) from sanctions, limitations on obtaining relevant government approvals, currency exchange limitations, or export or capital controls?	_____	_____	_____
b. The impact from the reaction of investors, employees, customers, or other stakeholders to any action or inaction, including payment of taxes, to the Russian Federation?	_____	_____	_____
c. The impact that may result if Russia or another government nationalizes the company’s assets or operations in Russia, Belarus, or Ukraine?	_____	_____	_____
d. If business activities in Russia, Belarus, and/or Ukraine are material to the company, and impact of Russia’s invasion of Ukraine is determined to be immaterial, the reason for such determination?	_____	_____	_____
e. New or increased risk of cyber incidents by state actors or others and actions taken to mitigate such risks?	_____	_____	_____
f. Any known trends or uncertainties that have had or are reasonably likely to have a material impact on cash flows, liquidity, capital resources, cash requirements, financial position, or results from operations?	_____	_____	_____
g. Any related qualitative and quantitative information affecting critical accounting estimates?	_____	_____	_____
h. The material impact of import or export bans on any products or commodities, including energy from Russia, used in the company’s business or sold by the company?	_____	_____	_____
i. Whether and how the company’s business segments, products, lines of service, projects, or operations are materially impacted by supply chain disruptions?	_____	_____	_____
j. The extent and nature of the role of the board of directors in overseeing these risks?	_____	_____	_____

**Disclosure Made?**

**Yes      No      N/A**

Practical Consideration:

- On May 3, 2022, the SEC’s Division of Corporation Finance published a sample comment letter on disclosures pertaining to Russia’s invasion of Ukraine and related supply chain issues and other business risks. The statements in the sample letter represent the views of the staff of the Division of Corporation Finance and are not a rule, regulation, or statement of the SEC. The authors believe that following this guidance is a best practice; however, staff guidance has no legal force or effect and does not alter or amend applicable law or create new or additional obligations. The sample letter is available at [www.sec.gov/corpfin/sample-letter-companies-pertaining-to-ukraine](http://www.sec.gov/corpfin/sample-letter-companies-pertaining-to-ukraine).

13. Have the following disclosures been made regarding significant recent crypto asset market developments: (Sample Letter to Companies Regarding Recent Developments in Crypto Asset Markets, December 2022)

a. Excessive redemptions or withdrawals for crypto assets (or suspended redemptions or withdrawals), along with the potential effects on financial condition and liquidity? \_\_\_\_\_

b. For crypto assets that are issued and/or held on behalf of a third party:

(1) An explanation of whether the assets serve as collateral for any loan, margin, or rehypothecation, or similar activities of the entity and its affiliates? \_\_\_\_\_

(2) If so, the identities of the crypto assets used, along with their quantities and the nature of the entity’s relationship for loans with parties other than third parties? \_\_\_\_\_

(3) Any encumbrances on the collateral? \_\_\_\_\_

(4) A discussion of whether the current crypto market disruption has had an impact on the value of the underlying collateral? \_\_\_\_\_

c. Where material, an explanation of whether crypto assets issued by the entity serve as collateral for another entity’s loan, margin, rehypothecation, or similar activity; and where applicable, whether the current crypto asset market disruption has had an impact on the underlying collateral’s value, along with any material financing and liquidity risk for the entity? \_\_\_\_\_

Practical Consideration:

- On December 8, 2022, the SEC’s Division of Corporation Finance published a sample comment letter on disclosures pertaining to recent crypto asset market developments. The statements in the sample letter represent the views of the staff of the Division of Corporation Finance and are not a rule, regulation, or statement of the SEC. The authors believe that following this guidance is a best practice; however, staff guidance has no legal force or effect and does not alter or amend applicable law or create new or additional obligations. The sample letter is available at <https://www.sec.gov/corpfin/sample-letter-companies-regarding-crypto-asset-markets>.

14. For companies based in or with a majority of their operations in the People’s Republic of China that have operations (or rely on counterparties to conduct operations) in the Xinjiang Uyghur Autonomous Region (the Region), has a description been made of how business segments, products, lines of service, projects, or operations are affected by the Uyghur Forced Labor Prevention Act, which prohibits the import of goods from the Region? (Sample Letter to Companies Regarding China-Specific Disclosures, July 2023) \_\_\_\_\_



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**Disclosure Made?**  
**Yes      No      N/A**

Practical Consideration:

- On July 17, 2023, the SEC’s Division of Corporation Finance issued a sample comment letter to seven companies regarding China-specific disclosures. The statements in the sample letter represent the views of the staff of the Division of Corporation Finance and are not a rule, regulation, or statement of the SEC. The authors believe that following this guidance is a best practice; however, staff guidance has no legal force or effect and does not alter or amend applicable law or create new or additional obligations. In addition to the disclosures in Question No. 14, the sample letter addresses matters reported on Item 9C of Form 10-K, “Disclosure Regarding Foreign Jurisdictions that Prevent Inspections,” and the impact of risks of intervention or control by the People’s Republic of China discussed in Item 105 of Regulation S-K, “Risk Factors.” The sample letter is available at [www.sec.gov/corpfin/announcement/announcement-sample-letter-companies-regarding-china-specific-disclosures](http://www.sec.gov/corpfin/announcement/announcement-sample-letter-companies-regarding-china-specific-disclosures).

15. For guarantors and issuers of guaranteed securities, if the parent company chooses to make the disclosures in management’s discussion and analysis of financial condition and results of operations instead of a note to the consolidated financial statements, have the disclosures that apply to guaranteed securities where the parent company is the registrant and one or more subsidiaries issue or guarantee the guaranteed security been made? (See GUARANTORS AND ISSUERS OF GUARANTEED SECURITIES in PCA-CX-13.1, “Disclosure Requirements for Financial Statements of Issuers.”) [(S-X 13-01) (FASB ASC 470-10-S99-1A)]

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**EXECUTIVE COMPENSATION—FORM 10-K, ITEM 11 AND SCHEDULE 14A (THE PROXY STATEMENT), ITEM 8 (REG. S-K, ITEM 402)**



See discussion at section 1003.

NOTE: *Emerging growth companies* can provide the same information as smaller reporting companies. See Part II of this checklist.

1. Is there disclosure, in plain English, of all plan and non-plan compensation awarded to, earned by, or paid to each of the “named executive officers” for all services provided to the issuer and its subsidiaries? [S-K 402(a)(3)(i)–(iv)]
2. Is a *Compensation Discussion and Analysis* presented? [S-K 402(b)]
3. Is a *Summary Compensation Table* presented for each of the last three completed fiscal years? [S-K 402(c)]
4. Is a *Narrative Disclosure to the Summary Compensation Table* presented? [S-K 402(e)]
5. Is a *Grants of Plan-based Awards Table* presented? [S-K 402(d)]
6. Is a *Narrative Disclosure to the Grants of Plan-based Awards Table* presented? [S-K 402(e)]
7. Is an *Outstanding Equity Awards at Fiscal year-end Table* presented? [S-K 402(f)]
8. Is an *Option Exercises and Stock Vested Table* presented? Does the table include the exercise and vesting of stock options and stock appreciation rights, including restricted stock, and similar instruments, during the last completed fiscal year? [S-K 402(g)]
9. Is a *Pension Benefits Table* presented for qualified and nonqualified defined benefit plans? [S-K 402(h)]
10. Is a *Nonqualified Deferred Compensation and Other Nonqualified Deferred Compensation Plans Table* presented? [S-K 402(i)]

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**Disclosure Made?**

**Yes      No      N/A**

- |  |       |       |       |
|--|-------|-------|-------|
| 11. Is there disclosure of <i>Potential Payments upon Termination or Change-in-control</i> with respect to each written or unwritten contract, agreement, plan, or arrangement that provides for payments, benefits, perquisites, or health care benefits to an executive upon the executive’s termination, resignation, severance, retirement, or upon a change in the executive’s responsibilities or in control of the issuer? [S-K 402(j)] | _____ | _____ | _____ |
| 12. Are there disclosures made under the caption “Compensation Committee Interlocks and Insider Participation?” [S-K 407(e)(4)]  | _____ | _____ | _____ |
| 13. Are there disclosures made under the caption “Compensation Committee Report?” [S-K 407(e)(5)]  | _____ | _____ | _____ |
| 14. Where risks arising from compensation policies and practices for employees are reasonably likely to have a material adverse effect, has a narrative discussion been provided of the policies and practices of compensating its employees, including non-executive officers, as they relate to risk management practices and risk-taking incentives? [S-K 402(s)]   | _____ | _____ | _____ |

NOTE: The purpose of the following disclosure is to show stakeholders how much larger or smaller the PEO’s annual total compensation is when compared to that of the median employee. Therefore, the pay ratio is presented with the median of annual compensation of all employees (item 15a) equal to one, and the PEO’s annual total compensation (item 15b) is then compared to that amount (for example “3:1,” “3 to 1,” or “three times that of the median of the annual compensation of all employees”). Companies are **not** permitted to present the median employee’s annual total compensation as a percentage of the PEO’s compensation. Companies may voluntarily provide supplemental pay-ratio disclosures, so long as they are clearly identified, not misleading, and not presented with greater prominence than the required pay ratio. For example, they may include those of seasonal, temporary, or non-U.S. employees to help users understand the impact of each group on the overall median employee compensation. This disclosure requirement is not applicable for emerging growth companies, smaller reporting companies, or foreign private issuers.

- |  |       |       |       |
|--|-------|-------|-------|
| 15. Have the following items been disclosed: [S-K 402(u)]  |       |       |       |
| a. The median of the annual total compensation of all company employees except the principal executive officer (PEO)?  | _____ | _____ | _____ |
| b. The annual total compensation of the company’s PEO?   | _____ | _____ | _____ |
| c. The ratio of the amount in item 15b to the amount in item 15a, either as a ratio with item 15a equal to 1 or in narrative form in terms of the multiple that the amount in 15b bears to the amount in item 15a? | _____ | _____ | _____ |
| d. The following additional disclosures regarding the median of the annual total employee compensation amount used in item 15(a):  |       |       |       |
| (1) The date used to identify the median employee?   | _____ | _____ | _____ |
| (2) If the date used to identify the median employee has changed from the prior year, the change in date and a brief description of the reasons for the change?  | _____ | _____ | _____ |
| (3) Clearly identified estimates used?   | _____ | _____ | _____ |

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**Disclosure Made?**

**Yes      No      N/A**

- |   |       |       |       |
|---|-------|-------|-------|
| (4) A brief description of the methodology used to identify the median employee and any material assumptions, adjustments (including any cost-of-living adjustments), or estimates used to identify the median employee or to determine total compensation or any elements of total compensation?   | _____ | _____ | _____ |
| (5) Any changes in methodology, significant assumptions, adjustments (including changes relating to using or not using cost-of-living adjustments), or estimates from the prior year that had significant effect?   | _____ | _____ | _____ |
| (6) If statistical sampling was used to identify the median employee, a description of the size of both the sample and the estimated population, any material assumptions used in determining the sample size, and the sampling method(s) used?   | _____ | _____ | _____ |
| (7) If an employee with compensation that is substantially similar to the original median employee is substituted as the median employee, disclosure of that fact?  | _____ | _____ | _____ |
| (8) If a compensation measure other than annual total compensation is used to identify the median employee, the compensation measure used?  | _____ | _____ | _____ |
| (9) For any non-U.S. employees excluded due to data privacy laws or regulation, the excluded jurisdiction(s), the approximate number of employees exempted from each jurisdiction, a description of the specific data privacy law or regulation, and an explanation of how complying with the pay-ratio disclosure requirement violates the law or regulation (including the efforts made by the company to use or seek an exemption or other relief under such law or regulation)?   | _____ | _____ | _____ |
| (10) For any non-U.S. employees excluded under the <i>de minimis</i> exemption, the jurisdiction(s), approximate number of employees excluded from each jurisdiction, the total number of U.S. and non-U.S. employees irrespective of any exemption (data privacy or <i>de minimis</i> ), and the total number of its U.S. and non-U.S. employees used for the <i>de minimis</i> calculation?   | _____ | _____ | _____ |
| Practical Considerations:   |       |       |       |
| <ul style="list-style-type: none"> <li>• The <i>de minimis</i> exemption allows a company with more than 5% non-U.S. employees to exclude non-U.S. employees up to the 5% threshold. However, if a company excludes any non-U.S. employees in a particular non-U.S. jurisdiction, it must exclude all employees in that jurisdiction. The company may not “pick and choose” which employees to exclude in a particular jurisdiction.</li> <li>• When calculating the number of non-U.S. employees for exclusion under the <i>de minimis</i> exemption, employees exempted under data privacy laws [see item 15(d)(9)] must be included in the count.</li> </ul> |       |       |       |
| (11) If, after three years, the company continues to use the same median employee as in the prior year, has the company disclosed that fact and a brief description of the basis for its reasonable belief that such treatment is appropriate (for example, that there has been no change in employee population or employee compensation arrangements that the company believes would significantly affect the pay ratio disclosure)?  | _____ | _____ | _____ |

**Disclosure Made?**

**Yes      No      N/A**

Practical Consideration:

- The rule allows the company to identify the median employee once every three years unless a change in employee population or compensation is reasonably believed would result in a significant change in the pay ratio disclosure. After that, as noted in item 15(d)(11), if there is no change in the median employee used from year to year, that fact must be disclosed. In addition, the authors believe that if there is a change in the median employee used within the three-year period, the company should also disclose that fact, along with a brief description of the reason for the change. The authors believe that this is consistent with the final rule’s requirement [item 15(d)(5)] to disclose any changes in methodology, significant assumptions, adjustments, or estimates from the prior year that had significant effect on the pay ratio.

(12) If the optional cost-of-living adjustment is made for any jurisdiction(s) other than that of the PEO—

- (a) A brief description of the cost-of-living adjustment(s) used to identify the median employee or to calculate annual total compensation, including the measure used as the basis for the cost-of-living adjustment? \_\_\_\_\_
- (b) The country in which the median employee is located? \_\_\_\_\_
- (c) The median employee’s annual total compensation and pay ratio without the cost-of-living adjustments? \_\_\_\_\_

(13) If any employees are omitted because they became company employees as the result of a business combination that became effective during the fiscal year, the number of employees excluded and the identity of the acquired business? \_\_\_\_\_

e. The following additional disclosures regarding the total annual compensation amount of the company’s PEO used in item 15(b):

- (1) An explanation of any differences between the PEO’s annual total compensation used in the pay ratio disclosure and the total compensation amounts presented in the Summary Compensation Table? \_\_\_\_\_
- (2) For a fiscal year in which the company replaces its PEO with another PEO, a disclosure of the calculation option elected and a description of how PEO annual compensation was calculated? \_\_\_\_\_

Practical Consideration:

- The company is allowed to choose from two options for calculation of the annual total PEO compensation. First, it may take the total compensation reflected in the Summary Compensation Table for each person who served as PEO during the year and combine amounts to arrive at the annual total PEO compensation. The second option is to take the compensation of the PEO serving on the date the company uses to identify the median employee and annualize that amount to arrive at an annual total.

(3) If the pay ratio disclosure is not calculable until the PEO salary or bonus is determined, disclosure of that fact and of the date that the PEO’s actual total compensation is expected to be determined? \_\_\_\_\_

NOTE: The following disclosure results from SEC Release No. 34-95607, *Pay Versus Performance*. The disclosure is to be included with the Item 402 executive compensation disclosures in proxy or information statements. (The SEC elected not to require the disclosure in all filings where Item 402 is required, such as the Form 10-K, nor would it be deemed to be incorporated by reference unless specifically stated by the registrant.)

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**Disclosure Made?**

**Yes      No      N/A**

16. Has a *Pay Versus Performance Table* been included for each of the last five fiscal years, which includes: [S-K 402(v)] (NOTE: The disclosures may be provided for three years in the first filing requiring the disclosures with one additional year in each of the following annual filings.)
- a. Fiscal year? \_\_\_\_\_
  - b. Total compensation for the year for the principal executive officer (PEO)? \_\_\_\_\_
  - c. Executive compensation actually paid to the PEO? \_\_\_\_\_
  - d. Average total compensation for the remaining named executive officers (NEOs)? \_\_\_\_\_
  - e. Average executive compensation actually paid to remaining executive officers? \_\_\_\_\_
  - f. Cumulative total shareholder return (TSR)? \_\_\_\_\_
  - g. Peer group cumulative TSR? \_\_\_\_\_
- Practical Consideration:
- The amounts in items (f) and (g) must be the value of a fixed investment of \$100 based on cumulative TSR as of the end of the year.
- h. Net income for the fiscal year? \_\_\_\_\_
  - i. An amount attributable to an additional financial performance measure which is designated as the Company-Selected Measure included in the tabular list (see Question No. 19) that is deemed to be the most important measure that is used to link compensation actually paid to named executive officers to company performance? \_\_\_\_\_
  - j. The footnote disclosures required by paragraphs (v)(3) and (v)(4) of Item 402? \_\_\_\_\_
- Practical Considerations:
- Other than the first *Pay Versus Performance Table* required, footnote disclosure for years other than the most recent fiscal year is only required if material to an investor's understanding of the information for the most recent year presented in the table or the relationship disclosures in Question Nos. 17 through 19.
  - The SEC's Division of Corporation Finance CD&I Questions 128D.01 through 128D.30, 228D.01, and 228D.02 provide additional guidance on Pay Versus Performance.
17. Using information disclosed in the table described in Question No. 16, for the years presented has a clear description of the relationships between the following been provided: [S-K 402(v)]
- a. The executive compensation actually paid to the PEO in item 16(c) above and the average executive compensation actually paid to other named executive officers in item 16(e), *and* the cumulative TSR in item 16(f)? \_\_\_\_\_
  - b. The amounts in items 16(c) and (e) above, *and* the net income in item 16(h)? \_\_\_\_\_
  - c. The amounts in items 16(c) and (e) above, *and* the financial performance measure in item 16(i)? \_\_\_\_\_
18. Does the description in item 17(a) include: [S-K 402(v)]
- a. A comparison of the cumulative TSR in item 16(f) above and the peer group cumulative TSR in item 16(g) over the same period? \_\_\_\_\_

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**Disclosure Made?**

**Yes      No      N/A**

- b. If additional performance measures are included in the table, the relationship between (1) the amounts in items 16(c) and (e) above, *and* (2) the additional measure over the last five years? \_\_\_\_\_
19. When item 18(b) applies, has a tabular list between three and seven financial performance measures (representing the most important financial performance measures that were used to link compensation actually paid to executive officers to company performance for the most recent fiscal year) been provided? [S-K 402(v)] \_\_\_\_\_

Practical Considerations:

- The tabular list disclosure can be provided as either one tabular list or separate lists for the PEO, other named executive officers, or each individually.
- Nonfinancial performance measures that were used may be included in the tabular list.

NOTE: The following disclosures result from SEC Release No. 33-11126, *Listing Standards for Recovery of Erroneously Awarded Compensation*. The law requires securities exchanges to establish listing standards for listed issuers which require the adoption of a compensation recovery policy (“clawback”) and provide related disclosures. This pertains to the recovery of incentive-based compensation erroneously awarded to current and former executive officers where an accounting restatement is required to correct an error in the financial statements. The law amended Item 402, *Executive Compensation*, of Regulation S-K to include disclosure requirements relating to the required clawback policy requirement. Issuers are required to file the policy as an exhibit to the annual report and disclose how the policy was applied.

20. During or after the most recently completed fiscal year, if an accounting restatement that required recovery of erroneously awarded compensation occurred as a result of the entity’s compensation recovery policy, or a balance existed at the end of the year of unrecovered erroneously awarded compensation under the policy due to a prior restatement, have the following disclosures been made: [S-K 402(w)]
- a. For each restatement:
- (1) The date that the accounting restatement was required? \_\_\_\_\_
- (2) The total amount of erroneously awarded compensation, including an analysis of how it was determined? \_\_\_\_\_
- (3) If the financial reporting measure related to stock price or a total shareholder return metric, the estimates and methodology used in determining the erroneously awarded compensation? \_\_\_\_\_
- (4) The amount of erroneously awarded compensation that remains outstanding at the end of the last fiscal year? \_\_\_\_\_
- (5) If the total amount of erroneously awarded compensation has not been determined, that fact and the reasons? [NOTE: Disclosures of items 20(a)(2) through (a)(4) are then required in the next filing requiring such disclosures.] \_\_\_\_\_
- b. When recovery is impracticable under Rule 10(D)(1), the amount forgone and a brief description of the reason for each current and former named executive officer and for all current and executive officers as a group? \_\_\_\_\_
- c. As of the end of the last fiscal year, the amount of previously determined erroneously awarded compensation outstanding for 180 days or longer for each current and former named executive officer? \_\_\_\_\_

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**Disclosure Made?**  
**Yes      No      N/A**

21. During or after the last completed fiscal year, if an accounting restatement was required and a determination had been made that a recovery of erroneously awarded compensation was not required by the company's recovery policy, has disclosure been made of the reason? [S-K 402(w)]  
 \_\_\_\_\_

NOTE: The following disclosures result from SEC Release No. 33-11138, *Insider Trading Arrangements and Related Disclosures*, which, among other things, provides affirmative defenses under Exchange Act Rule 10b5-1(c)(1) to trading on the basis of material nonpublic information in cases of insider trading. It also creates disclosure requirements regarding insider trading policies and procedures, and amendments for Items 402(x) and 408 of Regulation S-K. The amendments are effective February 27, 2023. However, for entities other than smaller reporting companies, certain disclosures under Items 402(x) and 408 are effective beginning in fiscal quarterly periods and years beginning on or after April 1, 2023. Among other things, Item 408 provides disclosures on (1) the adoption and termination of Rule 10b5-1 plans and other trading arrangements by officers and directors of the issuer along with their terms and (2) whether insider trading policies and procedures have been adopted that address compliance with insider trading laws, rules and regulations, and listing standards. The disclosures required under Item 408 of Regulation S-K are beyond the scope of this checklist.

22. Have the following disclosures been made pertaining to the registrant's policies and practices that relate to the grant of certain equity awards that are close in time to the release of material nonpublic information: [S-K 402(x)]

- a. A discussion of policies and practices regarding the timing of the award of options in relation to disclosures of material nonpublic information by the registrant?  
 \_\_\_\_\_
- b. Information on how the board determines the timing of the grant of such awards?  
 \_\_\_\_\_
- c. When determining the timing and terms of an award, whether and how the board or compensation committee considers material nonpublic information?  
 \_\_\_\_\_
- d. If the disclosure of material nonpublic information has been timed for the purpose of affecting the value of executive compensation?  
 \_\_\_\_\_

23. Has the following been provided in tabular format regarding awarded options to a named executive officer during the last fiscal year that are made within specified periods of the filing of Form 10-Q, 10-K or Form 8-K? [S-K 402(x)] [NOTE: This information is required if such options are awarded in the period beginning four business days before the filing of Form 10-Q or 10-K or the filing or furnishing of Form 8-K that discloses material nonpublic information and ending one day after the filing or furnishing of such report. A Form 8-K disclosing a material new option award grant under Item 5.02(e) of that report is excluded from this requirement.]

- a. The named executive officer's name?  
 \_\_\_\_\_
- b. The grant date of option award, on an award-by-award basis?  
 \_\_\_\_\_
- c. The number of securities underlying the options, on an award-by-award basis?  
 \_\_\_\_\_
- d. The per-share exercise price of the options, on an award-by-award basis?  
 \_\_\_\_\_
- e. The grant date fair value of each award, on an award-by-award basis?  
 \_\_\_\_\_

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**Disclosure Made?**

**Yes      No      N/A**

Practical Consideration:

- The calculation of fair value should use the same GAAP methodology as used in the registrant’s financial statements.

f. The percentage change in market price of the underlying securities between the closing price of the security one trading day prior to the disclosure of material nonpublic information and the trading day immediately following the disclosure?

\_\_\_\_\_

**DIRECTOR COMPENSATION—FORM 10-K, ITEM 11; AND SCHEDULE 14A (THE PROXY STATEMENT); ITEM 8 [REG S-K, ITEM 402(K)]**

See discussion at section 1003.

1. Is a *Director Compensation Table* presented for the last completed fiscal year? [S-K 402(k)]
2. Is the *Director Compensation Table* accompanied by a narrative description of any material factors necessary to an understanding of the director compensation disclosed in the table? [S-K 402(k)(3)]
3. Does a footnote to the *Director Compensation Table* disclose the following:
  - a. The aggregate number of stock awards and option awards outstanding at the fiscal year end?
  - b. The grant date fair value of each individual equity award, computed in accordance with FASB ASC 718?
  - c. Any option or stock appreciation right that was repriced or otherwise materially modified during the last completed fiscal year, including the incremental fair value, computed as of the repricing or modification date in accordance with FASB ASC 718?

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**PRINCIPAL ACCOUNTING FEES AND SERVICES—FORM 10-K, ITEM 14; AND ANNUAL REPORT TO SECURITY HOLDERS, ITEMS 9(A)–9(C) AND ITEM 9(E) [SCH. 14A (THE PROXY STATEMENT), ITEMS 9(A)–9(C) AND ITEM 9(E)]**

1. Have the following items been disclosed:
  - a. The name of the principal accountant selected or being recommended for the current year, or the reason one has not yet been selected or recommended?
  - b. The name of the principal accountant for the preceding year if a different accountant has been or may be selected or recommended for the current year?
  - c. A statement of whether representatives of the principal accountant for the current year and for the most recently completed fiscal year are expected to be present at the stockholders’ meeting, will be able to make a statement if desired, and will be available to respond to questions?
2. Is there a caption labeled “Audit Fees?” Does it disclose the aggregate fees billed for each of the last two fiscal years for—
  - a. Professional services rendered by the principal accountant for the audit of the issuer’s annual financial statements and review of financial statements included in the issuer’s Form 10-Q?
  - b. Services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years?

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	<b>Disclosure Made?</b>		
	<u>Yes</u>	<u>No</u>	<u>N/A</u>
3. Is there a caption labeled "Audit-Related Fees?" Does it disclose—	_____	_____	_____
a. The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit or review of the issuer's financial statements and are not reported under Question No. 2 above?	_____	_____	_____
b. The nature of the services comprising the fees disclosed under this category?	_____	_____	_____
4. Is there a caption labeled "Tax Fees?" Does it disclose—	_____	_____	_____
a. The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning?	_____	_____	_____
b. The nature of the services comprising the fees disclosed under this category?	_____	_____	_____
5. Is there a caption labeled "All Other Fees?" Does it disclose—	_____	_____	_____
a. The aggregate fees billed in each of the last two fiscal years for products and services provided by the principal accountant, other than the services reported in items 2–4?	_____	_____	_____
b. The nature of the services comprising the fees disclosed under this category?	_____	_____	_____
6. Is there disclosure of the following:			
a. The audit committee's pre-approval policies and procedures? (See the discussion at section 202.)	_____	_____	_____
b. The percentage of services described in each of items 2–4 that were approved by the audit committee? (See the discussion at section 202.)	_____	_____	_____
7. If greater than 50%, is there disclosure of the percentage of hours expended on the principal accountant's engagement to audit the issuer's financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees?	_____	_____	_____

**PART II—SMALLER REPORTING COMPANIES**

□

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)—FORM 10-K, ITEM 7, ANNUAL REPORT TO SECURITY HOLDERS, ITEM (5)(I) (REG. S-K, ITEM 303)**

□

See discussion at section 1003.

NOTE: The concepts covered in Question No. 1 apply to all MD&A topics. For example, it is important to discuss results of operations, covered at Question No. 3, by segment, as noted at 1(g).

1. Is MD&A presented? Does the MD&A:	_____	_____	_____
a. Include the issuer and its consolidated subsidiaries?	_____	_____	_____
b. Cover the last two fiscal years?	_____	_____	_____
c. Discuss financial condition, changes in financial condition, and results of operations and provide other information necessary to understand such matters?	_____	_____	_____
d. Start the MD&A with an executive-level overview that provides context for the remainder of the discussion? [(FR-72) (best practice)]	_____	_____	_____

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	Disclosure Made?		
	Yes	No	N/A
e. Use year-to-year comparisons or other formats that enhance the reader's understanding?	_____	_____	_____
f. Focus on material events and uncertainties known to management that would cause reported financial information not to be necessarily indicative of future operating results or financial condition?	_____	_____	_____
g. Focus on relevant reportable segments or other subdivisions (e.g., geographic areas, product lines) of the business in the discussions when appropriate for an understanding of the business?	_____	_____	_____
h. Discuss forward-looking information? (Recommendation in Reg. S-K, item 303 instructions and best practice)	_____	_____	_____
i. Discuss <i>known</i> and <i>reasonably likely</i> prospective information? [S-K 303(a)] (best practice)	_____	_____	_____
j. Appear to present the most important material information most prominently? (FR-72)	_____	_____	_____
k. Appear to discuss those matters most significant to an understanding of the company's results and prospects? (best practice)	_____	_____	_____
l. Identify and discuss key performance indicators, including nonfinancial performance indicators, that management uses to manage the business? (FR-72)	_____	_____	_____
m. Include any additional information considered necessary to provide context for users to understand metrics presented, including the following, as applicable: (FR-87)			
(1) The metric's definition and calculation?	_____	_____	_____
(2) Any underlying assumptions or estimates necessary to prevent the metric from misleading users?	_____	_____	_____
(3) A discussion of why the metric provides useful information and how management uses the metric to monitor performance?	_____	_____	_____
(4) Material changes to the calculation, presentation, or methodology from prior periods, including the reason for and effects of such change and, if considered necessary for comparability, recast prior-period metrics?	_____	_____	_____
n. Present the following for non-GAAP financial measures used: [Reg. G and Reg. S-K item 10(e)(1)(i)]			
(1) The most directly comparable GAAP financial measure for non-GAAP financial measures used?	_____	_____	_____
(2) A reconciliation of the non-GAAP financial measure to the most comparable GAAP financial measure?	_____	_____	_____
(3) A presentation, with equal or greater prominence, of the most directly comparable GAAP measure?	_____	_____	_____
(4) A discussion of why the non-GAAP financial measure provides useful information regarding the company's financial condition and results of operations and, if material, how management uses the non-GAAP measure?	_____	_____	_____

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**Disclosure Made?**  
**Yes      No      N/A**

Practical Considerations:			
<ul style="list-style-type: none"> <li>• Adjustments to GAAP financial measures should not be misleading. Appropriate labels and clear descriptions are necessary for such measures. However, SEC staff may find a non-GAAP measure misleading even if appropriately labeled and described.</li> <li>• The SEC’s Division of Corporation Finance provides Compliance &amp; Disclosure Interpretations (C&amp;DIs) that provide interpretations of rules and regulations on the use of non-GAAP financial measures.</li> </ul>			
o. Use a format that will aid in understanding the disclosures (such as a tabular presentation that is followed by a narrative discussion and analysis)? (FR-72)	_____	_____	_____
p. Use clear, concise, and understandable language? (FR-67)	_____	_____	_____
q. Avoid boilerplate disclosures that do not specifically address the issuer’s particular circumstances and operations? (FR-67)	_____	_____	_____
r. Eliminate undue repetition by including a cross reference to information disclosed in the notes to the financial statements? If so— (FR-67 and 72)	_____	_____	_____
(1) Does the cross reference identify specific information in the notes?	_____	_____	_____
(2) Is there an indication of the significance of the information in the note to the MD&A?	_____	_____	_____
(3) Does the disclosure in the referenced notes comply with the MD&A language and format requirements or instructions relevant to the MD&A topic being referenced?	_____	_____	_____
s. Avoid a mere repetition of numerical data contained in the consolidated financial statements?	_____	_____	_____
t. Disclose the effects of material transactions with related parties and certain other parties to the extent necessary for an understanding of the company’s current and prospective financial position and operating results? Does the disclosure include— (FR-61)	_____	_____	_____
(1) The business purpose of the arrangement?	_____	_____	_____
(2) Identification of the related parties transacting business with the issuer?	_____	_____	_____
(3) How transaction prices were determined by the parties?	_____	_____	_____
(4) If disclosures represent that transactions have been evaluated for fairness, a description of how the evaluation was made?	_____	_____	_____
(5) Any ongoing contractual or other commitments as a result of the arrangement?	_____	_____	_____
(6) Disclosure about parties that fall outside the definition of “related parties,” but with whom the issuer or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent, parties on an arm’s-length basis (for example, an entity established and operated by individuals who were former senior management of the issuer or who have some other current or former relationship with the issuer)?	_____	_____	_____

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	Disclosure Made?		
	Yes	No	N/A
u. Include “plain English” discussions of <i>critical accounting policies</i> ? Does the discussion include— ( <i>Critical accounting policies</i> are policies that are both most important to the portrayal of the company’s financial condition and results, and that require management’s most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.) [(FR-60) (Best practice)] (FR-60 does not explicitly apply to smaller reporting companies.)	_____	_____	_____
(1) The judgments and uncertainties affecting the application of those policies?	_____	_____	_____
(2) The likelihood that materially different amounts would be reported under different conditions or using different assumptions?	_____	_____	_____
2. Does the MD&A discuss <i>Liquidity and Capital Resources</i> ? [Reg. S-K Item 303(b)(1)]	_____	_____	_____
a. Does the discussion include identification of any known trends or any demands, commitments, events, or uncertainties that will, or are reasonably likely to, result in a material increase or decrease in liquidity?	_____	_____	_____
b. Is a material liquidity deficiency identified? If yes, is there a discussion of the course of action the issuer has taken or proposes to take to remedy the deficiency?	_____	_____	_____
c. Is there identification of historical internal and external sources of liquidity (with separate descriptions), and expected changes in sources of liquidity, and a discussion of any material unused sources of liquid assets?	_____	_____	_____
d. Is the statement of cash flows the focal point for the discussion of liquidity? If yes— (FR-36)	_____	_____	_____
(1) Does the discussion go beyond cash flow and address the relationships between changes in operating results and changes in liquidity (for example, by discussing the reasons for material changes in working capital components, such as accounts receivable and payable and inventory)?	_____	_____	_____
(2) Is there discussion of liquidity indicators other than working capital, such as unused credit lines, debt covenant restrictions, etc.?	_____	_____	_____
e. If the financial statements do not adequately convey financing arrangements during the period (e.g., borrowings that are materially different during the period versus period-end) because of a known trend, demand, commitment, event, or uncertainty, has disclosure been considered to enable an understanding of amounts in the financial statements? (FR-83)	_____	_____	_____
f. For transfers of financial assets with an obligation to repurchase accounted for as a sale where the transaction is reasonably likely to result in the use of a material amount of cash or other liquid assets, has appropriate disclosure been considered? (FR-83)	_____	_____	_____
g. Has consideration been given to providing a description of cash management and risk management policies that are relevant to the assessment of financial condition? (FR-83)	_____	_____	_____
h. Where a company maintains a portfolio of cash and other investments that are a material source of liquidity, has consideration been given to providing a description of such assets and related market risk, settlement risk, or other risk exposure? (FR-83)	_____	_____	_____



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**Disclosure Made?**

**Yes      No      N/A**

- d. Regarding income tax matters, have the following been considered: (Section 9220.4 of SEC Financial Reporting Manual)
  - (1) Discussion and analysis of tax implications of material transactions, trends, and other important items discussed elsewhere in the MD&A? \_\_\_\_\_
  - (2) Discussion of the nature and impact of significant tax rate reconciling items? \_\_\_\_\_
  - (3) When uncertain tax benefits are a critical accounting policy, why assumptions were changed or why actual resolutions differed from management's assumption? \_\_\_\_\_
  
- 4. Does MD&A include discussion of *Critical Accounting Estimates*? (*Critical accounting estimates* are those estimates that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on the financial condition or results of operations of the issuer.) Does it include discussion of the following: [Reg. S-K Item 303(b)(3)]
  - a. Qualitative and quantitative information necessary to understand the estimation uncertainty and the impact the critical accounting estimate has had or is reasonably likely to have on financial condition or results of operations? \_\_\_\_\_
  - b. The reason(s) the critical accounting estimate is subject to uncertainty? \_\_\_\_\_
  - c. How much each estimate and/or assumption has changed over a relevant period? \_\_\_\_\_
  - d. The sensitivity of the reported amounts to the methods, assumptions and estimates used in its calculation? \_\_\_\_\_
  - e. For goodwill impairment testing, is there a reporting unit at risk of failing the impairment test? If so, consider: (Note: The SEC indicates that the registrant need not provide such disclosures if it asserts that material goodwill does not exist for those reporting units at risk. Also, SEC staff recommends that if the registrant believes there is no significant risk, an affirmative statement to that effect would be helpful when goodwill impairment has been identified as a critical accounting estimate.) [Section 9510.2-.3 of SEC Financial Reporting Manual and April 6, 2010 Joint Meeting of the CAQ Regulations Committee and SEC Staff]
    - (1) Percentage by which fair value exceeded carrying value at the most recent test? \_\_\_\_\_
    - (2) Amount of goodwill allocated to the reporting unit? \_\_\_\_\_
    - (3) Description of the methods and key assumptions used and how determined? \_\_\_\_\_
    - (4) Discussion of the degree of uncertainty associated with key assumptions, providing specifics to the extent possible? \_\_\_\_\_
    - (5) Description of potential events and/or changes in circumstances that could reasonably be expected to negatively affect key assumptions? \_\_\_\_\_
  
- 5. Has the company reported a significant amount of asset-backed securities, loans carried at fair value or the lower of cost or market, and derivative assets and liabilities in the financial statements? If so, does the MD&A discuss the matters in Question No. 5 of MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) in Part I? \_\_\_\_\_

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**Disclosure Made?**  
**Yes      No      N/A**

- |   |              |              |              |
|---|--------------|--------------|--------------|
| <p>6. Does the MD&amp;A discuss off-balance sheet arrangements, including discussion of those arrangements that have, or are reasonably likely to have, a material current or future effect on financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources? [Reg. S-K Item 303(b) instructions]</p>   | <p>_____</p> | <p>_____</p> | <p>_____</p> |
| <p>7. Has the impact of climate change been disclosed when appropriate? Does the disclosure include matters such as: (FR-82)</p> <p style="margin-left: 20px;">a. Legislation and regulation?</p> <p style="margin-left: 20px;">b. International accords?</p> <p style="margin-left: 20px;">c. Indirect consequences of regulation or business trends?</p> <p style="margin-left: 20px;">d. Physical impacts of climate change?</p>   | <p>_____</p> | <p>_____</p> | <p>_____</p> |
| <p>8. Have the following disclosures been made regarding climate change to the extent appropriate: (Sample Letter Regarding Climate Change Disclosures, September 2021)</p> <p style="margin-left: 20px;">a. The identification and quantification of material past and/or future capital expenditures for climate-related projects?</p> <p style="margin-left: 20px;">b. A discussion of material indirect consequences of climate-related regulation or business trends?</p> <p style="margin-left: 20px;">c. A discussion of any material physical effects of climate change on operations and results?</p> <p style="margin-left: 20px;">d. The quantification of material increased compliance costs related to climate change?</p> <p style="margin-left: 20px;">e. Information on material purchases or sales of carbon credits or offsets and any material effects on business, financial condition, and results of operations?</p>   | <p>_____</p> | <p>_____</p> | <p>_____</p> |
| <p>Practical Considerations:</p> <ul style="list-style-type: none"> <li>• On September 22, 2021 the SEC’s Division of Corporation Finance published a sample comment letter on climate-change related disclosures. The statements in the sample letter represent the views of the staff of the Division of Corporation Finance and is not a rule, regulation, or statement of the SEC. The authors believe that following this guidance is a best practice; however, staff guidance has no legal force or effect and does not alter or amend applicable law or create new or additional obligations. The sample letter is available at <a href="http://www.sec.gov/corpfin/sample-letter-climate-change-disclosures">www.sec.gov/corpfin/sample-letter-climate-change-disclosures</a>.</li> <li>• As discussed further in “Recent SEC Developments” at the beginning of this checklist, in March 2024, a new final rule was issued in SEC Release No. 33-11275, <i>The Enhancement and Standardization of Climate-Related Disclosures for Investors</i>, which requires the inclusion of climate-related information in a registrant’s registration and annual reports. Based on the effective dates of the final rule, pending litigation, and a voluntary stay issued by the SEC, this disclosure checklist has not been updated for any applicable requirements of the new rule. Future editions of the checklist will be revised, as appropriate, for relevant considerations.</li> </ul> |              |              |              |
| <p>9. Have cybersecurity risks and incidents been addressed if the costs or other consequences associated with known incidents or the risk of potential incidents represent a material event, trend, or uncertainty that is reasonably likely to have a material effect on the results of operations, liquidity, or financial condition, or would cause reported financial information not to be necessarily indicative of future operating results or financial condition? (CF Disclosure Guidance, Topic 2)</p>   | <p>_____</p> | <p>_____</p> | <p>_____</p> |

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**Disclosure Made?**

**Yes      No      N/A**

Practical Consideration:

- In July 2023, the SEC issued a final rule in SEC Release No. 33-11216, *Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure*, that requires public companies to disclose material cybersecurity breaches in a more timely manner. Companies are generally required to disclose on Form 8-K a cybersecurity incident within four business days after determining that they have experienced a material incident. In addition, a new Regulation S-K Item 106 requires, among other things, companies to describe their processes for assessing, identifying, and managing material risks from cybersecurity threats, as well as whether any risks from cybersecurity threats, including those arising from prior cybersecurity incidents, have materially affected or are reasonably likely to materially affect the company. This disclosure is required in the annual report on Form 10-K beginning with annual reports for fiscal years ending on or after December 15, 2023. The new Form 8-K requirements are effective December 18, 2023, except for smaller reporting companies, which are effective on June 15, 2024. The disclosures required by the new final rule are beyond the scope of this checklist.

10. Regarding possible European sovereign debt exposures (primarily by financial institutions): (CF Disclosure Guidance, Topic 4)

a. When applicable, have known trends or known demands, commitments, events, or uncertainties that will result (or are reasonably likely to result) in a material increase or decrease in liquidity and known trends or uncertainties that have had (or is reasonably expected to have) a material favorable or unfavorable impact on income been disclosed?

\_\_\_\_\_

b. Where applicable, have disclosures:

(1) Been provided separately by country, segregated between sovereign and nonsovereign exposures, and by financial statement category, to arrive at gross funded exposure?

\_\_\_\_\_

(2) Considered separate information on gross unfunded commitments made?

\_\_\_\_\_

(3) Considered information on hedges to present an amount of net funded exposure?

\_\_\_\_\_

11. Throughout the MD&A, have disclosures been made regarding the current and expected impact of COVID-19 on the company's operations and financial condition, including liquidity, capital resources, government assistance, and going concern considerations? (CF Disclosure Guidance Topic No. 9A)

\_\_\_\_\_

12. Have the following disclosures been made regarding Russia's invasion of Ukraine and related supply chain issues, to the extent appropriate: (Sample Letter Regarding Disclosures Pertaining to Russia's Invasion of Ukraine and Related Supply Chain Issues, May 2022)

a. The impact (direct or indirect) from sanctions, limitations on obtaining relevant government approvals, currency exchange limitations, or export or capital controls?

\_\_\_\_\_

b. The impact from the reaction of investors, employees, customers, or other stakeholders to any action or inaction, including payment of taxes to the Russian Federation?

\_\_\_\_\_

c. The impact that may result if Russia or another government nationalizes the company's assets or operations in Russia, Belarus, or Ukraine?

\_\_\_\_\_



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**Disclosure Made?**  
**Yes      No      N/A**

- d. If business activities in Russia, Belarus, and/or Ukraine are material to the company, and impact of Russia’s invasion of Ukraine is determined to be immaterial, the reason for such determination? \_\_\_\_\_
- e. New or increased risk of cyber incidents by state actors or others and actions taken to mitigate such risks? \_\_\_\_\_
- f. Any known trends or uncertainties that have had or are reasonably likely to have a material impact on cash flows, liquidity, capital resources, cash requirements, financial position, or results from operations? \_\_\_\_\_
- g. Any related qualitative and quantitative information affecting critical accounting estimates? \_\_\_\_\_
- h. The material impact of import or export bans on any products or commodities, including energy from Russia, used in the company’s business or sold by the company? \_\_\_\_\_
- i. Whether and how the company’s business segments, products, lines of service, projects, or operations are materially impacted by supply chain disruptions? \_\_\_\_\_
- j. The extent and nature of the role of the board of directors in overseeing these risks? \_\_\_\_\_

Practical Consideration:

- On May 3, 2022, the SEC’s Division of Corporation Finance published a sample comment letter on disclosures pertaining to Russia’s invasion of Ukraine and related supply chain issues and other business risks. The statements in the sample letter represent the views of the staff of the Division of Corporation Finance and are not a rule, regulation, or statement of the SEC. The authors believe that following this guidance is a best practice; however, staff guidance has no legal force or effect and does not alter or amend applicable law or create new or additional obligations. The sample letter is available at [www.sec.gov/corpfin/sample-letter-companies-pertaining-to-ukraine](http://www.sec.gov/corpfin/sample-letter-companies-pertaining-to-ukraine).

13. Have the following disclosures been made regarding significant recent crypto asset market developments: (Sample Letter to Companies Regarding Recent Developments in Crypto Asset Markets, December 2022)

- a. Excessive redemptions or withdrawals for crypto assets (or suspended redemptions or withdrawals), along with the potential effects on financial condition and liquidity? \_\_\_\_\_
- b. For crypto assets that are issued and/or held on behalf of a third party:
  - (1) An explanation of whether the assets serve as collateral for any loan, margin, or rehypothecation, or similar activities of the entity and its affiliates? \_\_\_\_\_
  - (2) If so, the identities of the crypto assets used, along with their quantities and the nature of the entity’s relationship for loans with parties other than third parties? \_\_\_\_\_
  - (3) Any encumbrances on the collateral? \_\_\_\_\_
  - (4) A discussion of whether the current crypto market disruption has had an impact on the value of the underlying collateral? \_\_\_\_\_

**Disclosure Made?**

**Yes      No      N/A**

c. Where material, an explanation of whether crypto assets issued by the entity serve as collateral for another entity’s loan, margin, rehypothecation, or similar activity; and where applicable, whether the current crypto asset market disruption has had an impact on the underlying collateral’s value, along with any material financing and liquidity risk for the entity?

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Practical Consideration:

- On December 8, 2022, the SEC’s Division of Corporation Finance published a sample comment letter on disclosures pertaining to recent crypto asset market developments. The statements in the sample letter represent the views of the staff of the Division of Corporation Finance and are not a rule, regulation, or statement of the SEC. The authors believe that following this guidance is a best practice; however, staff guidance has no legal force or effect and does not alter or amend applicable law or create new or additional obligations. The sample letter is available at <https://www.sec.gov/corpfin/sample-letter-companies-regarding-crypto-asset-markets>.

14. For companies based in or with a majority of their operations in the People’s Republic of China that have operations (or rely on counterparties to conduct operations) in the Xinjiang Uyghur Autonomous Region (the Region), has a description been made of how business segments, products, lines of service, projects, or operations are affected by the Uyghur Forced Labor Prevention Act, which prohibits the import of goods from the Region? (Sample Letter to Companies Regarding China-Specific Disclosures, July 2023)

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Practical Consideration:

- On July 17, 2023, the SEC’s Division of Corporation Finance issued a sample comment letter to seven companies regarding China-specific disclosures. The statements in the sample letter represent the views of the staff of the Division of Corporation Finance and are not a rule, regulation, or statement of the SEC. The authors believe that following this guidance is a best practice; however, staff guidance has no legal force or effect and does not alter or amend applicable law or create new or additional obligations. In addition to the disclosures in Question No. 14, the sample letter addresses matters reported on Item 9C of Form 10-K, “Disclosure Regarding Foreign Jurisdictions that Prevent Inspections,” and the impact of risks of intervention or control by the People’s Republic of China discussed in Item 105 of Regulation S-K, “Risk Factors.” The sample letter is available at [www.sec.gov/corpfin/announcement/announcement-sample-letter-companies-regarding-china-specific-disclosures](https://www.sec.gov/corpfin/announcement/announcement-sample-letter-companies-regarding-china-specific-disclosures).

15. For guarantors and issuers of guaranteed securities, if the parent company chooses to make the disclosures in management’s discussion and analysis of financial condition and results of operations instead of a note to the consolidated financial statements, have the disclosures that apply to guaranteed securities where the parent company is the registrant and one or more subsidiaries issue or guarantee the guaranteed security been made? (See GUARANTORS AND ISSUERS OF GUARANTEED SECURITIES in PCA-CX-13.1, “Disclosure Requirements for Financial Statements of Issuers.”) {(S-X 13-01) (FASB ASC 470-10-S99-1A) and [S-X 8-01(c)]}

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**EXECUTIVE COMPENSATION—FORM 10-K, ITEM 11 AND SCHEDULE 14A (THE PROXY STATEMENT), ITEM 8 [REG. S-K, ITEM 402(L)–(R) AND (V)]**

See discussion at section 1003.

1. Is there disclosure, in plain English, of all plan and non-plan compensation awarded to, earned by, or paid to each of the “named executive officers” for all services provided to the issuer and its subsidiaries? [S-K 402(m)(2)]
2. Is a *Summary Compensation Table* presented for each of the last two completed fiscal years? [S-K 402(n)]

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**Disclosure Made?**  
**Yes      No      N/A**

- 3. Is a *Narrative Disclosure to the Summary Compensation Table* presented with a description of any material factors necessary to understanding the information in the table? [S-K 402(o)] \_\_\_\_\_
- 4. Is an *Outstanding Equity Awards at Fiscal Year-end Table* presented? [S-K 402(p)] \_\_\_\_\_
- 5. Are the following *Additional Narrative Disclosures* presented: [S-K 402(q)]
  - a. The material terms of each plan that provides for the payment of retirement benefits, or benefits that will be paid primarily following retirement? \_\_\_\_\_
  - b. The material terms of each contract, agreement, plan, or arrangement, whether written or unwritten, that provides for payment(s) to an executive at, following, or in connection with the executive’s resignation, retirement or other termination; a change in control of the issuer; or a change in the executive’s responsibilities following a change in control? \_\_\_\_\_

NOTE: The following disclosure results from SEC Release No. 34-95607, *Pay Versus Performance*. The disclosure is to be included with the Item 402 executive compensation disclosures in proxy or information statements. (The SEC elected not to require the disclosure in all filings where Item 402 is required, such as the Form 10-K, nor would it be deemed to be incorporated by reference unless specifically stated by the registrant.)

- 6. Has a *Pay Versus Performance Table* discussed in Question Nos. 16 through 18 of EXECUTIVE COMPENSATION in Part I for larger reporting companies been included for each of the last three fiscal years? [S-K 402(v)] [NOTE: Smaller reporting companies are not required to make the disclosures in items 16(g), 16(i) for the Company-Selected Measure, and 18(a). Certain footnote disclosures are required as indicated in Item 404(v)(8).] \_\_\_\_\_

NOTE: The following disclosures result from SEC Release No. 33-11126, *Listing Standards for Recovery of Erroneously Awarded Compensation*. The law requires securities exchanges to establish listing standards for listed issuers which require the adoption of a compensation recovery policy (“clawback”) and provide related disclosures. This pertains to the recovery of incentive-based compensation erroneously awarded to current and former executive officers where an accounting restatement is required to correct an error in the financial statements. The law amended Item 402, *Executive Compensation*, of Regulation S-K to include new disclosure requirements relating to the required clawback policy requirement. Issuers are required to file the policy as an exhibit to the annual report and disclose how the policy was applied.

- 7. Have disclosures been made of the registrant’s action to recover erroneously awarded compensation as discussed in Question Nos. 20 and 21 of EXECUTIVE COMPENSATION in Part I for larger reporting companies? \_\_\_\_\_

NOTE: The following disclosures result from SEC Release No. 33-11138, *Insider Trading Arrangements and Related Disclosures*, which among other things, provides affirmative defenses under Exchange Act Rule 10b5-1(c)(1) to trading on the basis of material nonpublic information in cases of insider trading. It also creates disclosure requirements regarding insider trading policies and procedures, and amendments to Items 402(x) and 408 of Regulation S-K. The amendments are effective February 27, 2023. For smaller reporting companies, certain disclosures under Items 402(x) and 408 apply to fiscal quarterly periods and years that begin on or after October 1, 2023. The disclosures required under Item 408 of Regulation S-K are beyond the scope of this checklist.

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**Disclosure Made?**

**Yes      No      N/A**

8. Have the required disclosures been made of the registrant’s policies and practices that relate to the grant of certain equity awards that are close in time to the release of material nonpublic information in Question Nos. 22 and 23 of EXECUTIVE COMPENSATION in Part I for larger reporting companies? [S-K 402(x)] [NOTE: Smaller reporting companies and emerging growth companies can limit the disclosures in Question No. 23 to the principal executive officer (PEO), the two most highly compensated executive officers (other than the PEO) who were serving at the end of the last completed fiscal year, and up to two additional individuals who would have been most highly compensated, but were not executive officers at the end of the fiscal year.]

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**DIRECTOR COMPENSATION—FORM 10-K, ITEM 11; AND SCHEDULE 14A (THE PROXY STATEMENT); ITEM 8 [REG S-K, ITEM 402(R)]**

See discussion at section 1003.

1. Is a *Director Compensation Table* presented for the last completed fiscal year? [S-K 402(r)]

\_\_\_\_\_

2. Is the *Director Compensation Table* accompanied by a narrative description of any material factors necessary to an understanding of the director compensation disclosed in the table? [S-K 402(r)(3)]

\_\_\_\_\_

3. Does a footnote to the *Director Compensation Table* disclose the following:

a. The aggregate number of stock awards and option awards outstanding at the fiscal year end?

\_\_\_\_\_

b. The grant date fair value of each individual equity award, computed in accordance with FASB ASC 718?

\_\_\_\_\_

c. Any option or stock appreciation right that was repriced or otherwise materially modified during the last completed fiscal year, including the incremental fair value, computed as of the repricing or modification date in accordance with FASB ASC 718?

\_\_\_\_\_

**PRINCIPAL ACCOUNTING FEES AND SERVICES—FORM 10-K, ITEM 14; AND ANNUAL REPORT TO SECURITY HOLDERS, ITEMS 9(A)–9(C) AND ITEM 9(E) [SCH. 14A (THE PROXY STATEMENT), ITEMS 9(A)–9(C) AND ITEM 9(E)]**

1. Have the following items been disclosed:

a. The name of the principal accountant selected or being recommended for the current year, or the reason one has not yet been selected or recommended?

\_\_\_\_\_

b. The name of the principal accountant for the preceding year if a different accountant has been or may be selected or recommended for the current year?

\_\_\_\_\_

c. A statement of whether representatives of the principal accountant for the current year and for the most recently completed fiscal year are expected to be present at the stockholders’ meeting, will be able to make a statement if desired, and will be available to respond to questions?

\_\_\_\_\_

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	Disclosure Made?		
	Yes	No	N/A
2. Is there a caption labeled "Audit Fees?" Does it disclose the aggregate fees billed for each of the last two fiscal years for—	_____	_____	_____
a. Professional services rendered by the principal accountant for the audit of the issuer's annual financial statements and review of financial statements included in the issuer's Form 10-Q?	_____	_____	_____
b. Services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years?	_____	_____	_____
3. Is there a caption labeled "Audit-Related Fees?" Does it disclose—	_____	_____	_____
a. The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit or review of the issuer's financial statements and are not reported under Question No. 2 above?	_____	_____	_____
b. The nature of the services comprising the fees disclosed under this category?	_____	_____	_____
4. Is there a caption labeled "Tax Fees?" Does it disclose—	_____	_____	_____
a. The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning?	_____	_____	_____
b. The nature of the services comprising the fees disclosed under this category?	_____	_____	_____
5. Is there a caption labeled "All Other Fees?" Does it disclose—	_____	_____	_____
a. The aggregate fees billed in each of the last two fiscal years for products and services provided by the principal accountant, other than the services reported in items 2–4?	_____	_____	_____
b. The nature of the services comprising the fees disclosed under this category?	_____	_____	_____
6. Is there disclosure of the following:			
a. The audit committee's pre-approval policies and procedures? (See the discussion at section 202.)	_____	_____	_____
b. The percentage of services described in each of items 2–4 that were approved by the audit committee? (See the discussion at section 202.)	_____	_____	_____
7. If greater than 50%, is there disclosure of the percentage of hours expended on the principal accountant's engagement to audit the issuer's financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees?	_____	_____	_____