



November 2002

## Summary of Recent Initiatives Impacting Web Sites

A number of the recent initiatives by Congress, the Securities and Exchange Commission, the New York Stock Exchange and Nasdaq will impact the content of the web sites of public companies. Some of the initiatives have been adopted and will take effect in the coming year, others are proposed. Some mandate the specific inclusion of information in a company's web sites, and others call for optional use of a web site as a disclosure medium.

To assist public companies in planning development of their web sites, we have compiled a summary of the provisions of the various initiatives that could impact web sites. A copy of the summary is attached.

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This memorandum provides only a general overview of the matters described. It is not intended to provide or constitute legal advice, and no legal or business decision should be based on its contents. Any questions concerning the foregoing should be addressed to members of the Paul Weiss Securities Group (see below). In addition, memoranda on related topics may be accessed under Securities Group publications on our web site ([www.paulweiss.com](http://www.paulweiss.com)).

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Topic	Web site Impact	Status (11/15/02)
Section 16 Reports of Beneficial Ownership	Change in ownership reports must be posted on the registrant's web site before the end of the business day following the filing of the reports.	Adopted. Effective 7/30/03
1934 Act Reports	<p>Accelerated filers must explain in their annual reports on Form 10-K for fiscal years ending on or after December 15, 2002 how investors can access their SEC filings, including:</p> <ul style="list-style-type: none"> <li>• disclosure of the registrant's web site address, if it has one; and</li> <li>• whether the registrant makes available free of charge on or through its web site, if it has one, its 1934 Act reports and all amendments as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC.</li> </ul> <p>If the registrant does not make its filings available on its web site, it must</p> <ul style="list-style-type: none"> <li>• explain the reasons why in the Form 10-K; and</li> <li>• disclose whether it voluntarily will provide electronic or paper copies of its filings free of charge upon request.</li> </ul> <p>A registrant that maintains a web site can comply with the rule by providing a hyperlink to the SEC's web site (<a href="http://www.sec.gov">www.sec.gov</a>) or that of a third-party service where access to the report is free of charge to the user.</p>	<p>Adopted. Effective 11/15/02</p> <p>Companies should start posting reports now so that by the time the next 10-K is filed, the registrant can say that 1934 Act reports are available on the web site</p>
NYSE Governance Guidelines	<p>Listed companies must adopt and disclose their corporate governance guidelines, which should include the following subjects and be available on the registrant's web site:</p> <ul style="list-style-type: none"> <li>• Director qualification standards,</li> <li>• Director responsibilities,</li> <li>• Director access to management and, as</li> </ul>	Proposed

	<p>necessary and appropriate, independent advisors,</p> <ul style="list-style-type: none"> <li>• Director compensation,</li> <li>• Director orientation and continuing education,</li> <li>• Management succession, and</li> <li>• Annual performance evaluation of the board.</li> </ul>	
<p>Code of Ethics – Changes and Waivers</p>	<p>A registrant may disclose changes to or waivers of its code of ethics for the CEO and senior financial officers on its web site (rather than on a Form 8-K) if</p> <ul style="list-style-type: none"> <li>• the registrant has previously disclosed in its most recent Form 10-K: <ul style="list-style-type: none"> <li>• that it intends to disclose these events on its web site, and</li> <li>• its web site address;</li> </ul> </li> <li>• the disclosure must be posted within two-business days (same timing as 8-K alternative);</li> <li>• the disclosed information must be kept available on the web site for at least 12 months after the initial posting; and</li> <li>• once removed from the web site after the 12-month posting period, the information must be retained for at least five years and made available to the SEC upon request.</li> </ul>	<p>Proposed</p>
<p>Regulation G – Reconciliation to GAAP</p>	<p>If a non-GAAP financial measure is made public orally, telephonically, by webcast or broadcast or by similar means, the required accompanying GAAP information and reconciliation may be provided on the registrant’s web site. The information would have to be posted by the time the non-GAAP financial measure is made public and the location of the web site must be made public in the same presentation in which the non-GAAP financial measure is made public</p>	<p>Proposed</p>

Earnings Release – 8-K filing	<p>A separate Item 1.04 8-K filing will not be required for earnings information disclosed orally, telephonically, by webcast, broadcast, or similar means, if:</p> <ul style="list-style-type: none"> <li>• the disclosure initially occurs within 48 hours of a written release or announcement filed on Form 8-K pursuant to Item 1.04;</li> <li>• the presentation is accessible to the public by dial-in conference call, webcast or similar technology;</li> <li>• the financial and statistical information contained in the presentation is provided on the registrant’s web site, together with any information that would be required under proposed Regulation G; and</li> <li>• the presentation was announced by a widely disseminated press release that included instructions as to when and how to access the presentation and the location on the registrant’s web site where the information would be available.</li> </ul>	Proposed
Nasdaq Requirement to Disclose Material Information	<p>Harmonize the Nasdaq rule on the disclosure of material information (which currently requires a press release) with SEC Regulation FD so that issuers may use Regulation FD compliant methods such as conference calls, press conferences and web casts, so long as the public is provided adequate notice (generally by press release) and granted access.</p>	Proposed