

**SEC ADOPTS ADDITIONAL DISCLOSURE RULES
FOR EQUITY COMPENSATION PLANS**

Summary

In an effort to foster a more understandable presentation of a public company’s equity compensation programs, the Securities and Exchange Commission (the “SEC”) has adopted amendments to the executive compensation disclosure requirements for proxy statements and annual reports under the Securities Exchange Act of 1934. The amendments will require public companies (“Reporting Companies”) to disclose, in tabular format, the number of securities available for issuance under their equity compensation plans (including plans not approved by shareholders), as well as the number of securities underlying outstanding options and warrants. The amendments were adopted largely in response to concerns raised by institutional investors and shareholders over the lack of information currently available about equity plans, particularly plans adopted without shareholder approval, and their potential dilutive effect on shareholders. **The amendments will apply to annual reports to be filed for fiscal years ending on or after March 1, 2002 and proxy and information statements for meetings of, or action by, shareholders occurring on or after June 15, 2002.**

Tabular Disclosure

The amendments will require Reporting Companies to provide disclosure about two categories of equity compensation plans: those approved by shareholders and those that have not been approved by shareholders. With respect to each category, a Reporting Company must disclose, at least annually, (a) the number of securities to be issued upon the exercise of options, warrants and rights outstanding under the plans, (b) the weighted-average exercise price of the outstanding options, warrants and rights and (c) the number of securities remaining available for future issuance under the plans. The format of the table will appear as follows:

Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by shareholders			
Equity compensation plans not approved by shareholders			
Total			

The disclosure is required with regard to all equity compensation plans in effect as of the end of the Reporting Company's last completed fiscal year covering employees, nonemployee directors, consultants and advisors of the Reporting Company and its parent, subsidiaries and affiliated companies. The disclosure would also include compensatory equity programs for vendors, customers, suppliers or lenders. If the Reporting Company has more than one equity compensation plan or program (including individual arrangements and plans assumed in acquisitions), information with respect to all shareholder-approved plans may be aggregated into one category and information with respect to all plans not approved by shareholders may be aggregated into another category.

Amendments to Existing Plans

In any year where shareholders are asked to approve an amendment to an existing equity compensation plan, the table must include the information about the plan as in effect prior to the amendment. For example, a Reporting Company would not include in the table the number of additional securities that are to be reserved for issuance pursuant to the amendment (although that number would be disclosed in the proposal to shareholders relating to the amendment).

Foreign Private Issuers Excluded

In keeping with the SEC's more flexible standard of compensation disclosure for executives of foreign private issuers, the amendments do not require additional disclosure for such issuers at this time. "Foreign private issuers" are defined as foreign issuers that are more than fifty percent owned by non-U.S. residents and that meet certain other requirements, and are permitted by SEC rules to provide less burdensome periodic disclosure on Form 20-F and related forms.

Narrative Disclosure and Filing of Plans Not Approved by Shareholders

The amendments also require a Reporting Company to identify and describe briefly, in narrative form, the material features of each equity compensation plan that was adopted without shareholder approval. However, this requirement may be satisfied by cross-referencing the portion of the Reporting Company's required disclosure on Form 10-K containing the narrative descriptions of such plans. The cross-reference should identify the specific plan or plans that have not been approved by shareholders. The Reporting Company also must file a copy of each such plan as an exhibit to its Form 10-K for the year in which the plan is adopted, unless the plan is immaterial in amount or significance.

Timing and Location of Disclosure

The new disclosure must be included each year in the Reporting Company's annual report on Form 10-K and additionally in the proxy statement for those years in which the Reporting Company is submitting a compensation plan for shareholder action. In situations where a Reporting Company is required to include the information in both filings, it may satisfy its Form 10-K disclosure obligation by incorporating the required information by reference from its proxy

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statement, provided the proxy statement involves the election of directors and is filed not more than 120 days after the end of the fiscal year covered by the Form 10-K.

Questions about these new disclosure rules can be addressed to Frank A. Daniele (212-728-8216) or J. Pasco Struhs (212-728-8109).

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