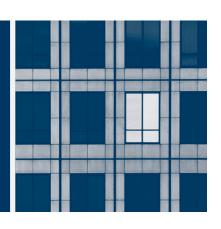
McDermott Will&Emery

On the Subject



Energy & Commodities Advisory

January 28, 2010

The SEC's guidance is intended to ensure that existing disclosure rules are consistently applied by public companies in a manner that provides enhanced clarity to investors.

SEC Issues Interpretive Guidance on Climate Change Disclosure

On January 27, 2010, the U.S. Securities and Exchange Commission (SEC) voted to release interpretive guidance on existing SEC disclosure requirements relating to climate change. In her remarks, SEC Chairman Mary Schapiro clarified that the SEC's guidance is intended to ensure that existing disclosure rules are consistently applied by public companies in a manner that provides enhanced clarity to investors, and that the interpretive guidance is not an attempt by the SEC to weigh in on the existence or potential causes of global warming, or to amend well-defined SEC rules concerning public company reporting obligations or determinations of materiality.

The SEC's interpretative guidance will highlight the following areas as examples of where climate change may trigger disclosure requirements in a company's risk factors, business description, legal proceedings, and management discussion and analysis:

- Impact of Legislation and Regulation The SEC will provide interpretive guidance for companies in evaluating the extent to which existing or pending laws and regulations regarding climate change have, or, in the case of pending laws and regulations, are likely to have, a material impact on companies' business operations and/or financial performance.
- Impact of International Accords The SEC will provide interpretive guidance for companies to consider, and disclose when material, the risks or effects on its business of international accords and treaties relating to climate change.
- Indirect Consequences of Regulation or Business Trends –
 The SEC will provide interpretive guidance for companies to

consider legal, technological, political and scientific developments regarding climate change that may create new opportunities or risks for companies. For instance, a company may face decreased demand for goods that produce significant greenhouse gas emissions or increased demand for goods that result in lower emissions than competing products. As such, a company should consider, for disclosure purposes, the actual or potential indirect consequences it may face as a result of climate change related regulatory or business trends.

Physical Impacts of Climate Change – The SEC will provide interpretive guidance for companies to evaluate for disclosure purposes the actual and potential material impacts of environmental matters on their business.

The SEC's interpretive release has not yet been posted on the SEC's website. When the SEC's interpretive release is public, we will provide a more detailed analysis of the SEC's interpretive guidance and the practical impact of such guidance on public companies.

For more information, please contact your regular McDermott lawyer, or:

David A. Cifrino, PC: +1 617 535 4034 dcifrino@mwe.com Thomas P. Conaghan: +1 202 756 8161tconaghan@mwe.com Gregory K. Lawrence: +1 617 535 4030 glawrence@mwe.com

For more information about McDermott Will & Emery visit: www.mwe.com

IRS Circular 230 Disclosure: To comply with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained herein (including any attachments), unless specifically stated otherwise, is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter herein.

The material in this publication may not be reproduced, in whole or part without acknowledgement of its source and copyright. On the Subject is intended to provide information of general interest in a summary manner and should not be construed as individual legal advice. Readers should consult with their McDermott Will & Emery lawyer or other professional counsel before acting on the information contained in this publication.

© 2010 McDermott Will & Emery. The following legal entities are collectively referred to as "McDermott Will & Emery," "McDermott Will & Emery," "McDermott Will & Emery LLP, McDermott Will & Emery/Stanbrook LLP, McDermott Will & Emery Rethsamakite Steuerberater LLP, MWC Steuerberater Will & Emery Studio Legale Associato and McDermott Will & Emery UK LLP. McDermott Will & Emery has a strategic alliance with MWE China Law Offices, a separate law firm. These entities coordinate their activities through service agreements. This communication may be considered attorney advertising. Previous results are not a guarantee of future outcome.