



April 19, 2019

Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Request for Comment on Earnings Releases and Quarterly Reports--File Number S7-26-18

Dear Ms. Countryman:

The Society for Corporate Governance (the “Society”) appreciates the opportunity to provide comments in response to the U.S. Securities and Exchange Commission (“SEC” or “Commission”) Request for Comment on Earnings Releases and Quarterly Reports (the “Release”).

Founded in 1946, the Society is a professional membership association of more than 3,700 corporate and assistant secretaries, in-house counsel, outside counsel and other governance professionals who serve approximately 1,700 entities, including 1,000 public companies of almost every size and industry. Society members are responsible for supporting the work of corporate boards of directors and the executive managements of their companies on corporate governance and disclosure matters.

The Society applauds the SEC’s ongoing efforts to enhance “investor protection attributes of periodic disclosures while reducing administrative and other burdens on reporting companies associated with quarterly reporting.”¹ The Commission is raising important questions about function, content and consequences of quarterly reporting and earnings releases, including whether the frequency of reporting disincentivizes longer term planning and strategy that would ultimately benefit investors and the economy at large. The Society agrees that the SEC is correct to examine whether the costs of the current system are a disincentive to public ownership. In addition, as the Commission considers potential enhancements to the quarterly reporting requirements, the Society also suggests the SEC coordinate with the PCAOB to consider whether any related revisions may be appropriate to the relevant auditing standards.

In preparing this letter, the Society conducted a survey of public company Society members to address several of the issues raised by the Release.² Summarized survey results are

¹ SEC Request for Comment on Earnings Releases and Quarterly Reports, December 18, 2018; p. 1 (hereinafter “Release”)

² The Society survey was conducted in early March and attracted 269 responses from Society members representing public companies. Market cap breakdown of respondents: 47% Large-Cap/Mega-Cap; 34% Mid-Cap; 19% Small/Micro/Nano-Cap.

included in this letter, including the number (n) of respondents for each question, and the full survey results are attached as Exhibit 1.

Time and Resources Spent on Quarterly Reporting

Results outlined below from the Society's recent survey highlight the burden that reporting can impose on many companies. Significant resources are expended by public companies on preparing both Form 10-Q filings and quarterly earnings releases. In particular, responses to the Society survey indicate that management and staff resources, which are crucial in the development and preparation of earnings guidance, may be strained during the preparation of the earnings release and Form 10-Q.

- Is the required quarterly reporting process complex and burdensome for your company (n=226)?
 - 55%--yes
 - 10%--no
 - 32%--neutral
 - 3%--unsure³

- What proportion of time is spent by your Disclosure Committee (or comparable body) on the quarterly earnings release vs. the Form 10-Q (n=183)?
 - 36%--Disclosure Committee spends more time on Form 10-Q
 - 19%--Disclosure Committee spends more time on quarterly earnings release
 - 37%--Disclosure Committee spends time on quarterly earnings release and Form 10-Q concurrently

- The top five leading significant costs of preparing earnings releases and Form 10-Qs were ranked as follows (n=146):
 - Management and staff time and related opportunity costs
 - Audit firm fees
 - Distraction
 - Overall dollars spent
 - Board time

Variability in Earnings Release Practices

As the Commission considers what, if any, reforms may be appropriate to the quarterly reporting system, we urge the SEC to recognize that current earnings release practices of public companies are largely the product of private ordering that reflects a balancing of investor demands for information and companies' messaging priorities. Preserving flexibility for companies to communicate in the manner best befitting their unique circumstances is critical to arriving at a regulatory balance that protects investors and enhances the operating environment for public companies and the capital markets alike.

³ Not all results total 100% due to rounding and/or exclusion of marginal results

The variation in practice, contrasted with the consistency in underlying rationale for issuing quarterly earnings releases, underscores the need for flexibility, as demonstrated below.

- 100% of respondents issue quarterly earnings releases (n=243)
- 97% of companies hold quarterly earnings calls in addition to issuing earnings releases (n=243)
- If your company issues quarterly earnings releases, what is the timing relative to the 10-Q filing? (n=241)?
 - 64%--issue earnings release in advance of Form 10-Q filing
 - 32%--issue earnings release and file Form 10-Q concurrently
 - 2%--varies depending on the quarter
- If your company issues quarterly earnings releases (and, if applicable, holds quarterly earnings calls), why does it choose to do so? (n=236)
 - 95%--because earnings releases are market/industry practice/standard
 - 86%--to be responsive to investor and analyst needs or demands
 - 47%--because the release format allows the company greater flexibility in messaging

Similar to the Commission’s guidance regarding “known trends and uncertainties” disclosure, the Society believes that companies should continue to have the flexibility to provide forward-looking earnings guidance at its option, particularly in light of market practice and investor demand for such information.

Semi-Annual Reporting Option

The Society generally opposes actions that reduce company flexibility in complying with disclosure requirements and would be opposed to mandated financial reporting requirements for earnings releases. Having said that, we encourage the SEC to seriously consider allowing public companies to adopt semi-annual reporting in their discretion. A company could rationally conclude that semi-annual reporting satisfies investor needs, frees up Board and management to focus more on strategy and execution and, that, should material developments occur, the company could timely communicate such developments on a Current Report on Form 8-K.

The U.K. experience with semi-annual reporting suggests that even if it were available in the U.S., many companies would opt to continue quarterly reporting, although recent surveys cited in the Release⁴ suggest that companies—over time—may increasingly avail themselves of a semi-annual reporting option. The Society believes that allowing companies and the market to determine the correct reporting frequency for individual companies within certain mandated requirements would strike the right balance.

A semi-annual reporting option has significant support among issuers in the recent Society survey, particularly for Emerging Growth Companies and Smaller Reporting Companies.

⁴Release, p. 7-8

- Should EGC/SRCs be allowed to elect semi-annual reporting frequency (n=130)?
 - 45%--yes (i.e. EGC/SRCs should be allowed to elect semi-annual reporting frequency);
 - 22%--no (i.e. EGC/SRCs should NOT be allowed to elect semi-annual reporting frequency)
 - 34%--unsure

Supplemental Approach

We are encouraged by the inclusion in the Release of discussion that could allow “companies that issue earnings releases to use the releases to satisfy the core financial disclosure requirement of Form 10-Q.”⁵ The fact that earnings releases are often filed prior to Form 10-Qs indicates the importance of earnings releases and the reliance by the investor community on such releases.

The Release seeks comment on the “Supplemental Approach”⁶ whereby a company could “use its Form 10-Q to supplement a Form 8-K earnings release with additional material information required by the Form 10-Q not already presented in the Form 8-K or alternatively incorporate by reference disclosure from the Form 8-K earnings release into its Form 10-Q.”⁷ The Society supports SEC efforts to allow issuers to use earnings releases to satisfy the core financial disclosure requirements of Form 10-Q. Many company comments included in the Society survey specified support for idea that earnings release could satisfy the “Management’s Discussion and Analysis” requirement of Form 10-Q or satisfy the Form 10-Q requirements completely.

However, the Society does not support deeming as “filed” the entire earnings release. If the Supplemental Approach were adopted, we believe only the portions of the earnings release specifically incorporated by reference to the Form 10-Q should be deemed “filed” and therefore incorporated by reference into effective registration statements. Indeed, Society survey results summarized below suggest that requiring the entire earnings release be “filed” with the Commission would significantly reduce the number of companies availing themselves of the Supplemental Approach.

- Should information in an earnings release be allowed to satisfy the Form 10-Q requirements (n=135)?
 - 41%--yes
 - 26%--no
 - 33%--unsure
- Would your company take advantage of the Supplemental Approach or a similar approach (n=133)?
 - 42%--yes
 - 11%--no
 - 47%--unsure

⁵ Release, p. 20

⁶ Release, p. 20-21

⁷ Id.

- If the SEC adopted the Supplemental Approach and required the relevant Form 8-K to be filed rather than furnished would your company be less likely to rely on the Supplemental Approach (n=131)?
 - 37%--yes (i.e. would be less likely to rely on the Supplemental Approach)
 - 21%--no (i.e. would not be less likely to rely on the Supplemental Approach)
 - 43%--unsure

EDGAR Modernization

No opportunity to discuss with the SEC ways to improve disclosure while reducing burden would be complete without mentioning EDGAR and web-based disclosure, and we appreciate that the Release addressed this topic. The Society commented in response to the FAST Act Modernization and Simplification of Regulation S-K release: ⁸

“A variety of changes to EDGAR have been considered over the years by the SEC and its Staff and others, such as establishing a site, or page, for each reporting company on which the company could post information and update it as needed [i.e. company dashboard”]. While we think this would be a significant improvement, we are not wedded to this or any other approach...Accordingly, we urge the SEC to provide additional transparency regarding the EDGAR reauthorization process and to seek out the views of interested parties. An approach we believe the SEC has used successfully in other contexts is holding public roundtables at which interested parties can express their views and offer suggestions. The Society would welcome participation in such roundtables or other forums and to help in any other way.”

Indeed, Society survey results show substantial support for website disclosure (73%), use of company dashboards (41%), and structured data (32%).⁹

We strongly urge the SEC to accelerate its EDGAR modernization efforts and consider reforms that will facilitate the use of web-based disclosure, particularly for information that changes little from quarter to quarter.

We thank you for your consideration of these comments and hope that the survey data attached hereto assists you in your deliberations and future actions. We look forward to the Commission’s next steps on these important matters.

Respectfully submitted,



James G. Martin
SVP & General Counsel
Society for Corporate Governance

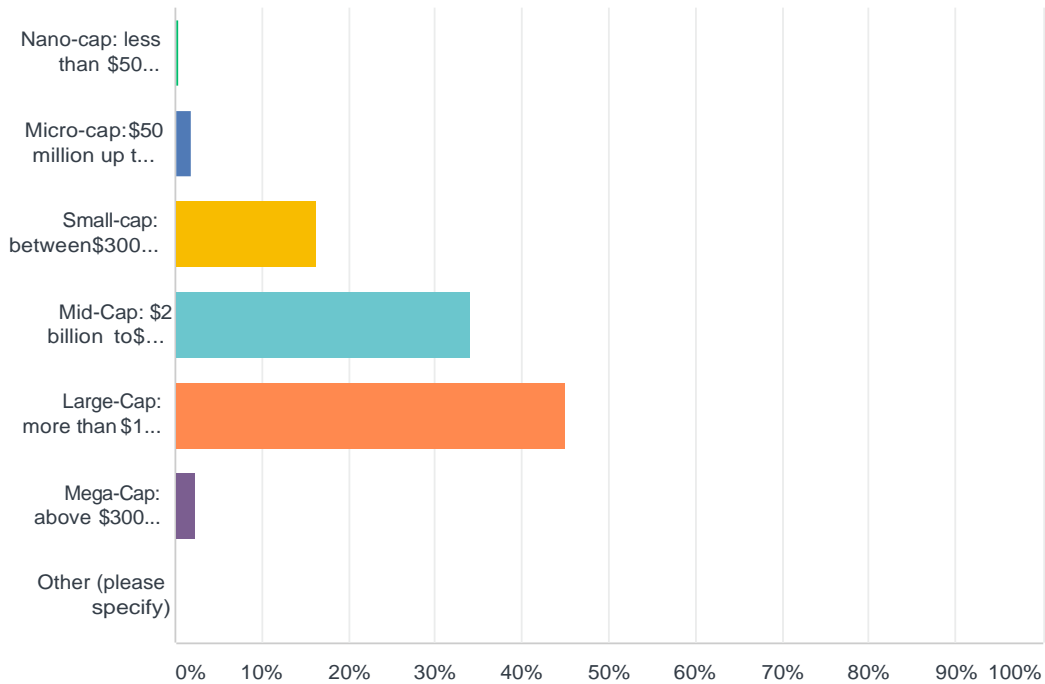
⁸ <https://www.sec.gov/comments/s7-08-17/s70817-2915430-161842.pdf>, p. 8-9

⁹ For each of these questions, n = 135

EXHIBIT 1

Q1 What is your company's market cap?

Answered: 269 Skipped: 1

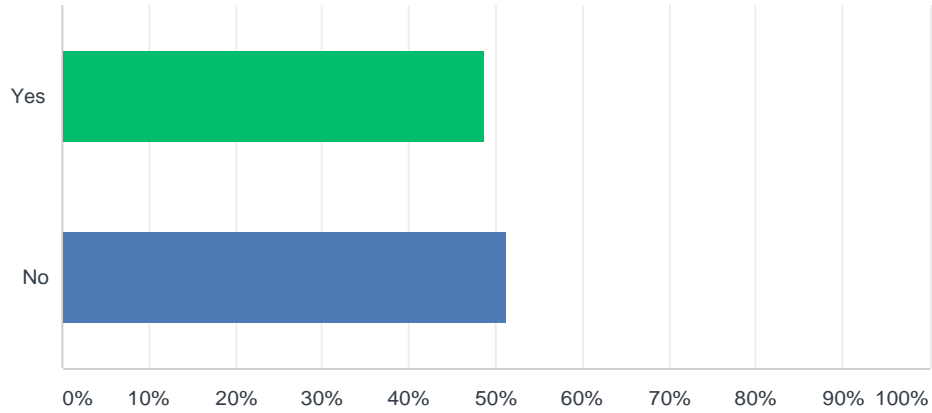


ANSWER CHOICES	RESPONSES	
Nano-cap: less than \$50 million	0.37%	1
Micro-cap: \$50 million up to \$300 million	1.86%	5
Small-cap: between \$300 million and \$2 billion	16.36%	44
Mid-Cap: \$2 billion to \$10 billion	34.20%	92
Large-Cap: more than \$10 billion up to \$300 billion	44.98%	121
Mega-Cap: above \$300 billion	2.23%	6
Other (please specify)	0.00%	0
TOTAL		269

#	OTHER (PLEASE SPECIFY)	DATE
	There are no responses.	

Q2 Is your company in the S&P 500?

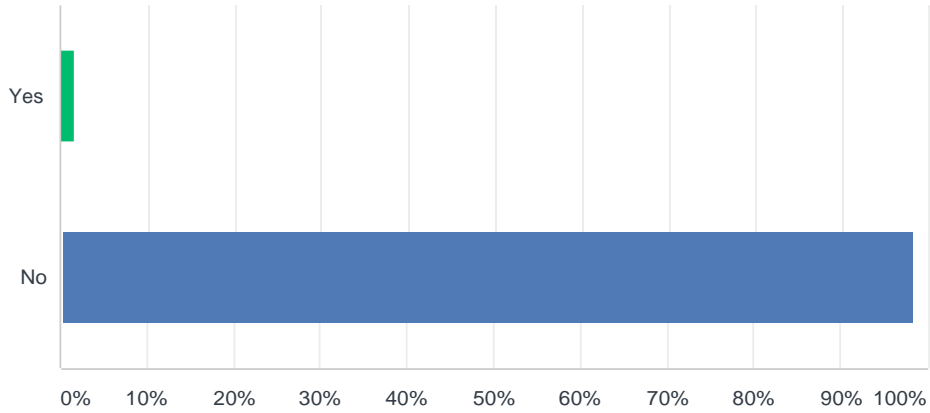
Answered: 265 Skipped: 5



ANSWER CHOICES	RESPONSES	
Yes	48.68%	129
No	51.32%	136
TOTAL		265

Q3 Is your company currently characterized as an EGC?

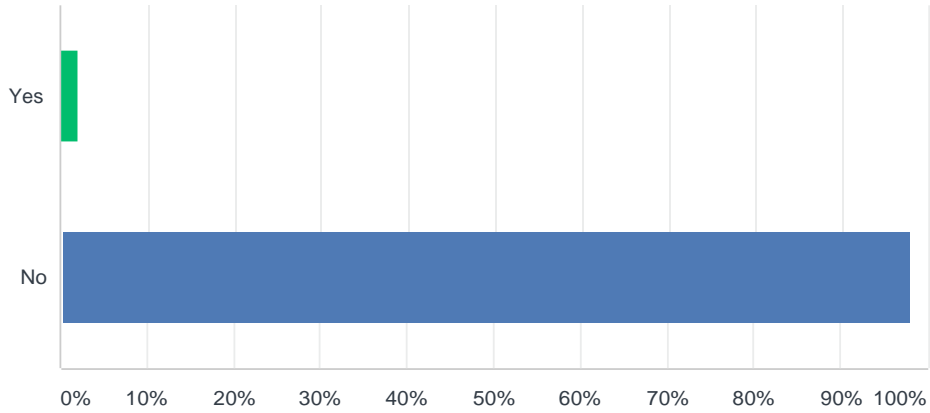
Answered: 251 Skipped: 19



ANSWER CHOICES	RESPONSES	
Yes	1.59%	4
No	98.41%	247
TOTAL		251

Q4 Is your company currently characterized as an SRC?

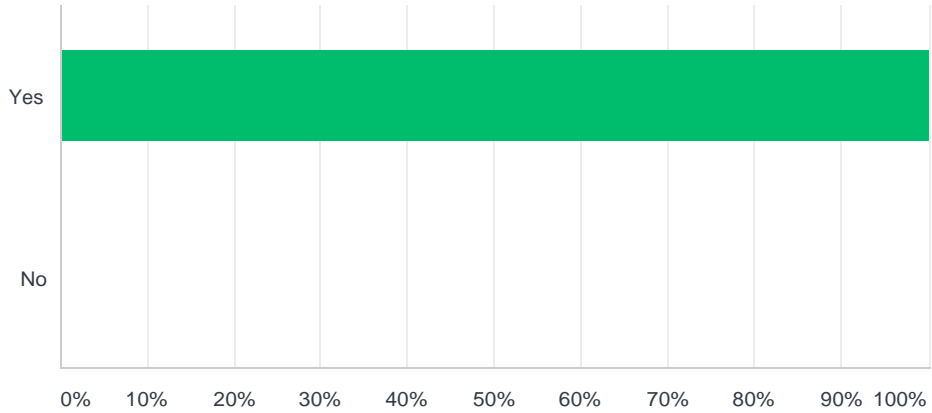
Answered: 238 Skipped: 32



ANSWER CHOICES	RESPONSES	
Yes	2.10%	5
No	97.90%	233
TOTAL		238

Q5 Does your company issue quarterly earnings releases in addition to filing the Form 10-Q?

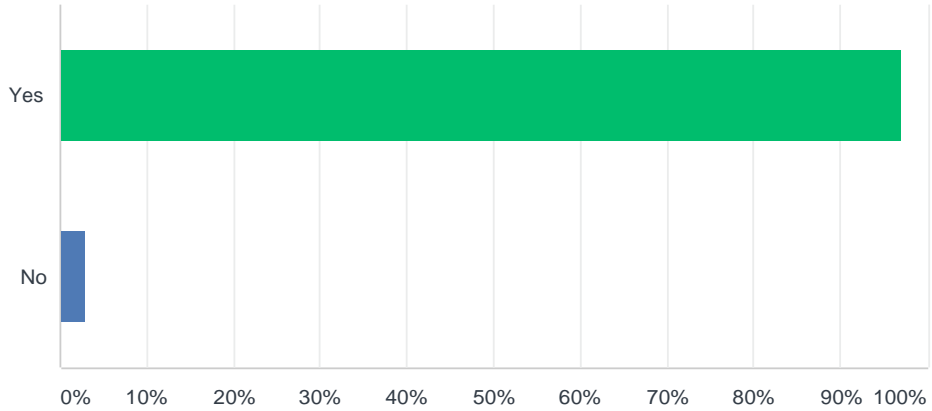
Answered: 243 Skipped: 27



ANSWER CHOICES	RESPONSES	
Yes	100.00%	243
No	0.00%	0
TOTAL		243

Q6 Does your company hold quarterly earnings calls in addition to issuing earnings releases?

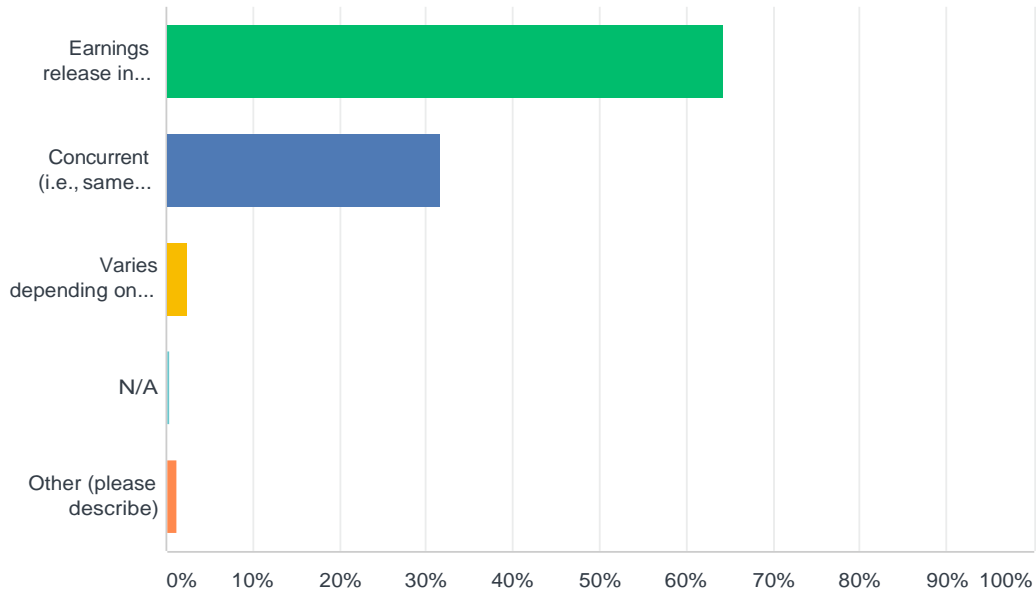
Answered: 242 Skipped: 28



ANSWER CHOICES	RESPONSES	
Yes	97.11%	235
No	2.89%	7
TOTAL		242

Q7 If your company issues quarterly earnings releases, what is the timing relative to the 10-Q filing?

Answered: 241 Skipped: 29

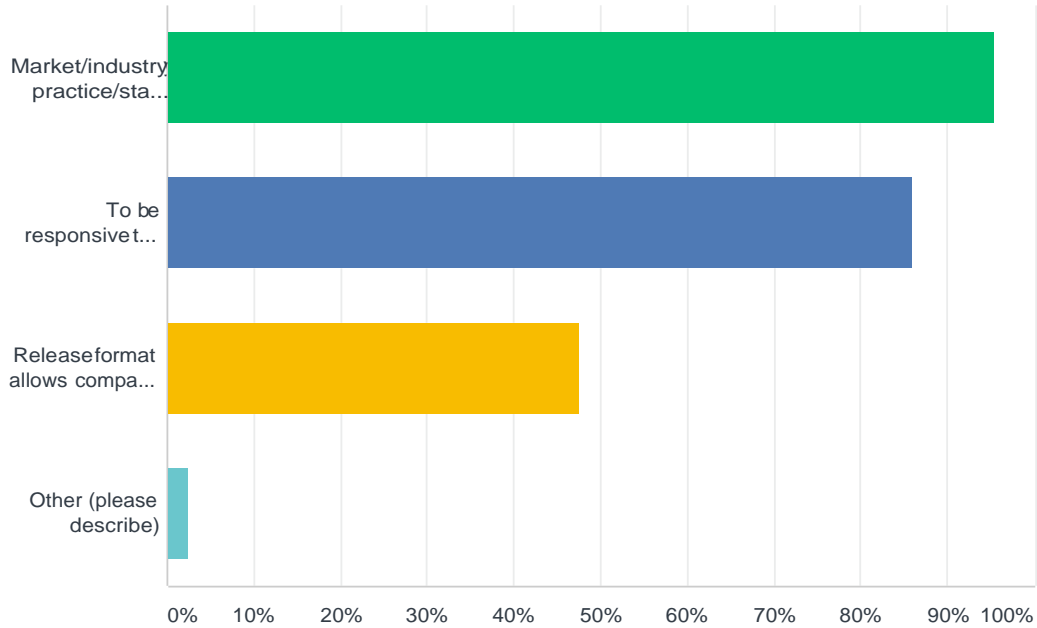


ANSWER CHOICES	RESPONSES	
Earnings release in advance of 10-Q filing	64.32%	155
Concurrent (i.e., same day) earnings release and 10-Q filing	31.54%	76
Varies depending on the quarter	2.49%	6
N/A	0.41%	1
Other (please describe)	1.24%	3
TOTAL		241

#	OTHER (PLEASE DESCRIBE)	DATE
1	Same day as 10-Qs, but 10-Ks follow earnings by a week or two.	3/8/2019 2:42 PM
2	Typically earnings before 10-Q; sometimes concurrent	3/1/2019 6:43 PM
3	Earnings release after market and 10-Q pre-market next morning	3/1/2019 4:33 PM

Q8 If your company issues quarterly earnings releases (and, if applicable, holds quarterly earnings calls), why does it choose to do so? (select all that apply):

Answered: 236 Skipped: 34

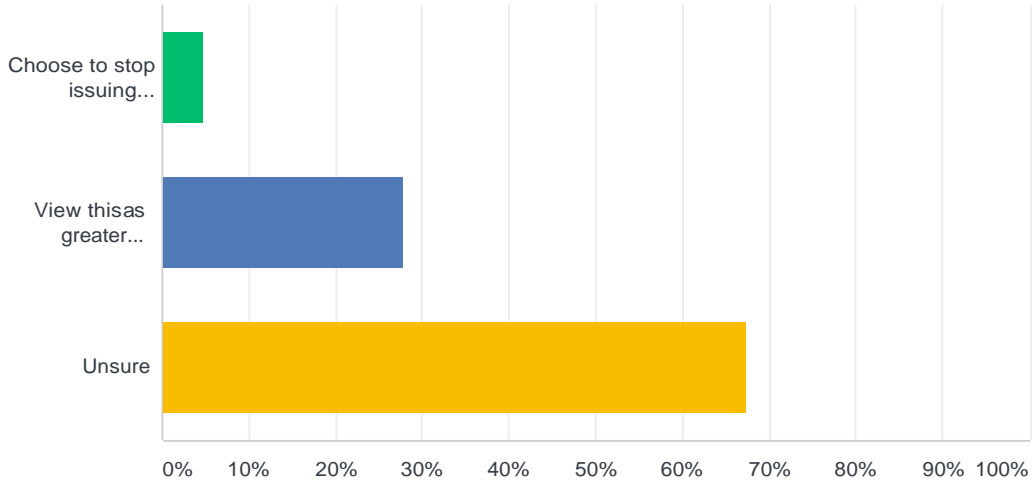


ANSWER CHOICES	RESPONSES
Market/industry practice/standard	95.34% 225
To be responsive to investor and analyst needs or demands	86.02% 203
Release format allows company greater flexibility than the Form 10-Q to message its story	47.46% 112
Other (please describe)	2.54% 6
Total Respondents: 236	

#	OTHER (PLEASE DESCRIBE)	DATE
1	Conference call allows greater flexibility to message	3/8/2019 2:42 PM
2	timing	3/8/2019 12:22 PM
3	Earlier release of quarterly information	3/5/2019 4:08 PM
4	group dialog with analysts/investors/Reg FD	3/5/2019 4:04 PM
5	NYSE Requirement	3/4/2019 12:23 PM
6	8-K requirement Item 2.02	3/1/2019 5:09 PM

Q9 If quarterly reports on Form 10-Q were not required, would your Company more likely:

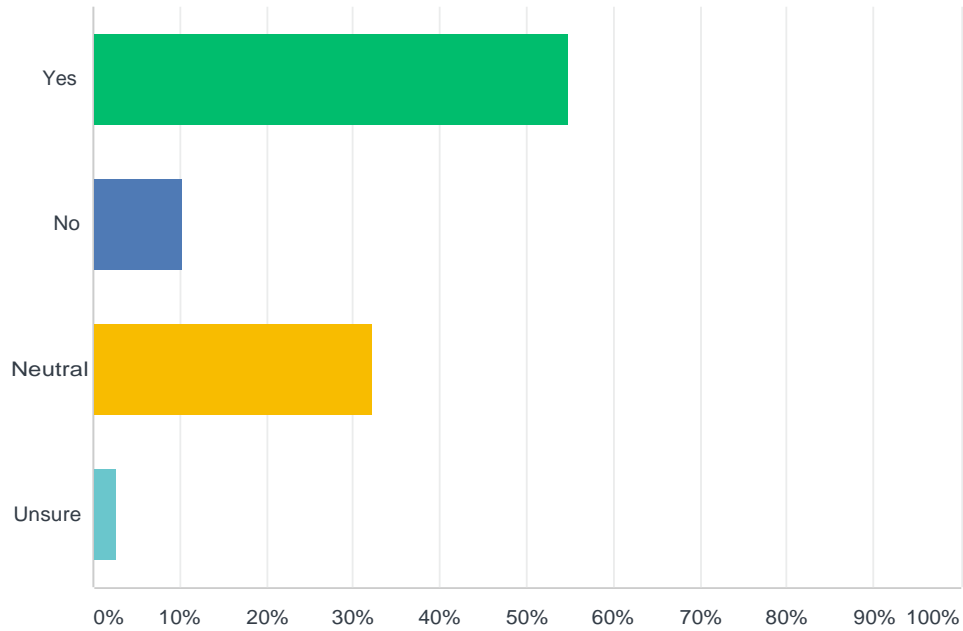
Answered: 230 Skipped: 40



ANSWER CHOICES	RESPONSES	
Choose to stop issuing earnings releases	4.78%	11
View this as greater incentive to issue earnings releases	27.83%	64
Unsure	67.39%	155
TOTAL		230

Q10 Is the required quarterly reporting process complex and burdensome for your company?

Answered: 226 Skipped: 44



ANSWER CHOICES	RESPONSES	
Yes	54.87%	124
No	10.18%	23
Neutral	32.30%	73
Unsure	2.65%	6
TOTAL		226

Q11 If so, please describe how?

Answered: 76 Skipped: 194

#	RESPONSES	DATE
1	Each quarter, the quarterly earnings process consumes a significant amount of our company's legal and accounting resources. Also, to a lesser extent, the 10-Q preparation process requires valuable time from senior management.	3/11/2019 1:43 PM
2	The amount of employee resources required to complete the quarterly report, prepare Board materials, work with auditors, etc.	3/8/2019 1:20 PM
3	Enormous amount of time and effort to prepare disclosure and story reporting a brief window of results.	3/8/2019 1:16 PM
4	It takes a large team of accountants a long time to put together all the financial statements, notes, MD&A, etc., all while making sure they conform to ever changing SEC rules and regulations.	3/8/2019 1:15 PM
5	Resource allocation for Controller Group, IR, Legal, Management and the Board of Directors - particularly for large cap/global companies	3/8/2019 12:25 PM
6	Extremely expensive (particularly in terms of executive time) for focus on extreme short term. Feels like it benefits sell side analysts more than investors.	3/8/2019 12:20 PM
7	Extra time and expense (including quarterly auditor reviews) incurred in connection with preparation and submission of 10-Qs.	3/8/2019 12:06 PM
8	Time consuming effort that is beyond what is required to effectively operate the businesses.	3/7/2019 11:14 AM
9	The quarterly close/filing process requires the attention/focus on too many employees. It makes it difficult to do any other transaction during the same period.	3/6/2019 2:44 PM
10	Anytime a Company has positions whose job is primarily to prepare for the earnings release or quarterly statement, I think that requirement has added a burden to the Company.	3/6/2019 11:46 AM
11	Management time taken that could be spent doing other things. Increases operating expenses.	3/6/2019 12:19 AM
12	We do not have a standalone staff to handle filings so filings substantially burden staff and divert staff time from other operational projects.	3/5/2019 9:16 PM
14	Timing	3/5/2019 7:41 PM
15	Consumes a great deal of time for many people in different functional areas	3/5/2019 7:04 PM
16	It's an issue of opportunity cost. We would otherwise spend executive, board time on other matters.	3/5/2019 7:00 PM
17	requires many man hours and participation by outside accountants and lawyers	3/5/2019 6:32 PM
18	Substantial data collection and analysis requires headcount that is not productive (doesn't add to revenues and represents cost without concomitant value), substantial time and cost required to interface with public accountant. Imposition of Board of Directors who could otherwise use the time to support company's strategic development	3/5/2019 6:03 PM
19	Time and resources required, management distraction, quarterly cadences, misalignment between long-term strategy and short-term reporting	3/5/2019 5:56 PM
20	Monopolizes numerous employees with their time and focus to prepare.	3/5/2019 5:50 PM
21	time and labor intensive	3/5/2019 5:17 PM
22	Time consuming, particularly since our company has to comply with S-X Rule 3-10, and the costs to comply dramatically outweigh any potential benefit to investors.	3/5/2019 5:17 PM
23	time-consuming process	3/5/2019 5:17 PM

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24	Significant diversion of legal and finance/accounting team resources, plus expense of lawyers and accountants.	3/5/2019 5:09 PM
25	"Double work" of creating a more slimmed down version of the financials for the earnings release and the more detailed version for the 10-Q, in an overlapping, very compressed timeframe, and ensuring all messages align despite differences in context. Struggles of very short period to close books to produce the information to report both earnings and file 10-Q (driven as much by investor expectations as filing deadlines) and keep the two dates (earnings & filing) as close to each other as possible to eliminate chance for intervening events. Need to fit into that compressed time frame all of the necessary management, disclosure committee and board/audit committee reviews, which further compresses the timeline. Then layer on the need to put all of the financials in XBRL and triple check that...	3/5/2019 4:29 PM
26	Requires a dedicated team of five full time employees, plus an internal review team of eight employees, plus the review time of the Disclosure Committee (13 employees)	3/5/2019 4:25 PM
27	SOX process; formalized Disclosure Controls and Procedures; independent auditor review	3/5/2019 4:24 PM
28	We are a long-term investment play largely held by institutional investors. The quarterly exercise adds nothing to the investment thesis and merely consumes resources.	3/5/2019 4:19 PM
29	A lot of corporate matters are occurring at the same time as a 10Q filing including Board meetings and earnings releases.	3/5/2019 4:18 PM
30	Time consuming; involving lots of companies/functions/departments	3/5/2019 4:17 PM
31	Executive attention becomes focused on the quarter and achieving quarterly guidance rather than on longer term objectives.	3/5/2019 4:10 PM
32	Quarterly review by internal auditors; impact on Board - which reviews filings; time and focus by staff	3/5/2019 4:09 PM
33	Significant internal and external resources are required.	3/5/2019 4:07 PM
34	Finance team takes several weeks to draft and finalize the 10Q, facilitate auditors' review, circulate draft to Audit Committee, etc.	3/5/2019 4:06 PM
35	Complexities associated with preparing and reviewing reports, including monitoring regulatory changes and filing the document (e.g., EDGARizing and XBRL).	3/5/2019 1:58 PM
36	Time and attention of senior management and costs related to external auditors and other service providers.	3/4/2019 6:51 PM
37	Consumes a large amount of resources to close books and prepare press release and earnings script timely for earnings release.	3/4/2019 12:44 PM
38	Management focus / distraction from running the business	3/4/2019 11:46 AM
39	alot of time and work goes into an SEC filing	3/4/2019 11:43 AM
40	For a small company with limited staff it is incredibly time consuming and expensive	3/4/2019 10:16 AM
41	Requires significant manhours and coordination amongst various internal groups (segment finance, corporate finance, tax, legal, IR). Requires infrastructure to deliver quarterly results in an SEC-reportable manner.	3/4/2019 9:18 AM
42	Takes a lot of manpower for the controls alone.	3/3/2019 9:22 PM
43	Large amount of time and resources of key members of management are required, in addition to expenses for services provided by our independent accounting firm.	3/3/2019 3:01 PM
44	10-Q requires a lot of additional information that does not appear to be relevant to the institutional investor and certainly is not understood by the mainstream investors.	3/2/2019 8:34 PM
45	Takes slot of time	3/2/2019 7:21 PM
46	Time and effort involved in pulling together the required disclosure and preparing for the call	3/2/2019 12:49 PM

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3/2/2019 11:24 AM

47 Time consuming (multiple reviews and drafts) and expensive (review from outside counsel and advisors)

48 Extraordinary commitment of time and resources for a Company of less than 30 employees.

3/1/2019 8:43 PM

49 Consumes significant resources

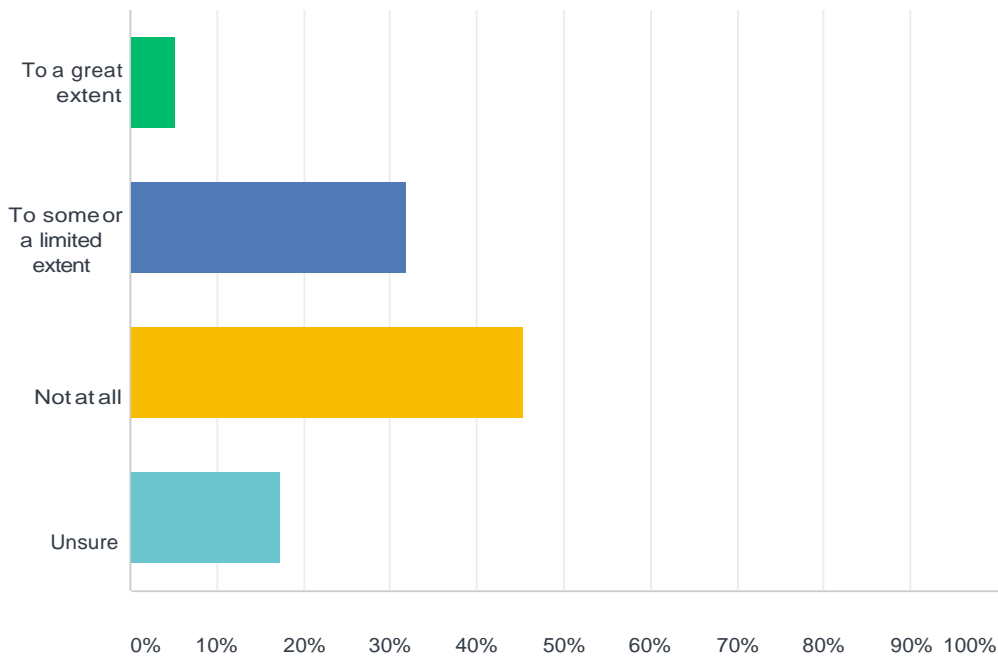
3/1/2019 8:05 PM

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50	Many different groups are involved and it takes a lot of manpower and organization to finalize earnings.	3/1/2019 7:36 PM
51	It takes a tremendous amount of time to prepare the 10-Q.	3/1/2019 6:50 PM
52	10-Q requires a lot of internal resources and input from multiple company employees.	3/1/2019 6:36 PM
53	Substantial resources are devoted to the preparation, review and approval of the Qs, including auditor reviews.	3/1/2019 6:24 PM
54	Constant pressure to promptly close books to prepare the releases and 10-Q	3/1/2019 5:31 PM
55	Takes a lot of time from internal team and external advisors, and has an associated cost.	3/1/2019 5:24 PM
56	Significant time and resources spent each quarter by various departments and the management team to prepare for earnings and Q&A.	3/1/2019 5:23 PM
57	Time and resource commitment that could be used in other areas.	3/1/2019 5:13 PM
58	Lots of time effort and attention	3/1/2019 5:11 PM
59	time consuming, diverts attention from other matters	3/1/2019 4:58 PM
60	Takes a lot time for accountants and lawyers, plus numerous executives.	3/1/2019 4:57 PM
61	time consuming	3/1/2019 4:49 PM
62	Time consuming, diverts time from management of operations and strategy planning and execution.	3/1/2019 4:48 PM
63	Time commitment. Formal disclosures. Auditor reviews. Etc.	3/1/2019 4:47 PM
64	Drafting and reviewing disclosure document Due diligence and certifications	3/1/2019 4:45 PM
65	It's expensive and time consuming.	3/1/2019 4:45 PM
66	commitment of substantial manhours and management focus to disclosure controls. Also leads to premature disclosure of certain matters.	3/1/2019 4:45 PM
67	We are under both IFRS and GAAP. We will always be and have been complex. If quarterly not required, cannot say that this will help much as we still have other country laws and debt agreements to meet on a quarterly basis.	3/1/2019 4:45 PM
68	A lot of resources and man hours are spent to prepare and review a Form 10-Q before it is filed.	3/1/2019 4:39 PM
69	It takes hundreds if not thousands of hours across numerous departments, requires large auditor and outside counsel fees, and distracts from operations and other potentially accretive activities to name a few.	3/1/2019 4:35 PM
70	Our internal processes that are performed for SEC filings consume significant management and employee time and resources, above and beyond the already significant time and resources spend on earnings releases.	3/1/2019 4:34 PM
71	The earnings release is not - - but the SEC filing adds additional burden/ auditor time, financial reporting, etc.	3/1/2019 4:34 PM
72	Expensive, consumes lots of resources, and our impression is that few people read the 10-Q	3/1/2019 4:34 PM
76	Requires work by multiple groups and potentially dozens of people to prepare a 10-Q.	3/1/2019 4:32 PM

Q12 To what extent does your company take advantage of General Instructions D.1 and D.2 of Form 10-Q to satisfy the requirements of Form 10-Q? [Note: General Instruction D.1 of Form 10-Q permits companies to incorporate information by reference from a document that meets some or all of the requirements of Part I of Form 10-Q and General Instruction D.2. directs registrants to Exchange Act Rule 12b-23 with respect to other information that may be incorporated by reference in response to all or some of Part II of Form 10-Q.]

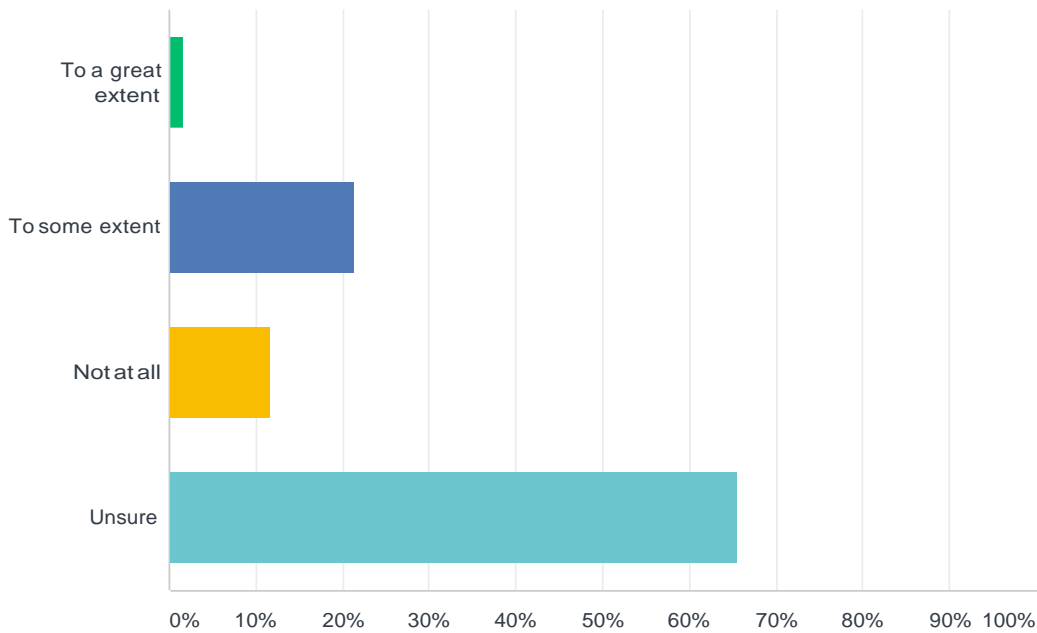
Answered: 207 Skipped: 63



ANSWER CHOICES	RESPONSES	
To a great extent	5.31%	11
To some or a limited extent	31.88%	66
Not at all	45.41%	94
Unsure	17.39%	36
TOTAL		207

Q13 Would changes to the SEC rules be likely to increase your company's use of General Instructions D.1 and D.2 of Form 10-Q to satisfy the requirements of Form 10-Q? [Note: General Instruction D.1 of Form 10-Q permits companies to incorporate information by reference from a document that meets some or all of the requirements of Part I of Form 10-Q and General Instruction D.2. directs registrants to Exchange Act Rule 12b-23 with respect to other information that may be incorporated by reference in response to all or some of Part II of Form 10-Q.]

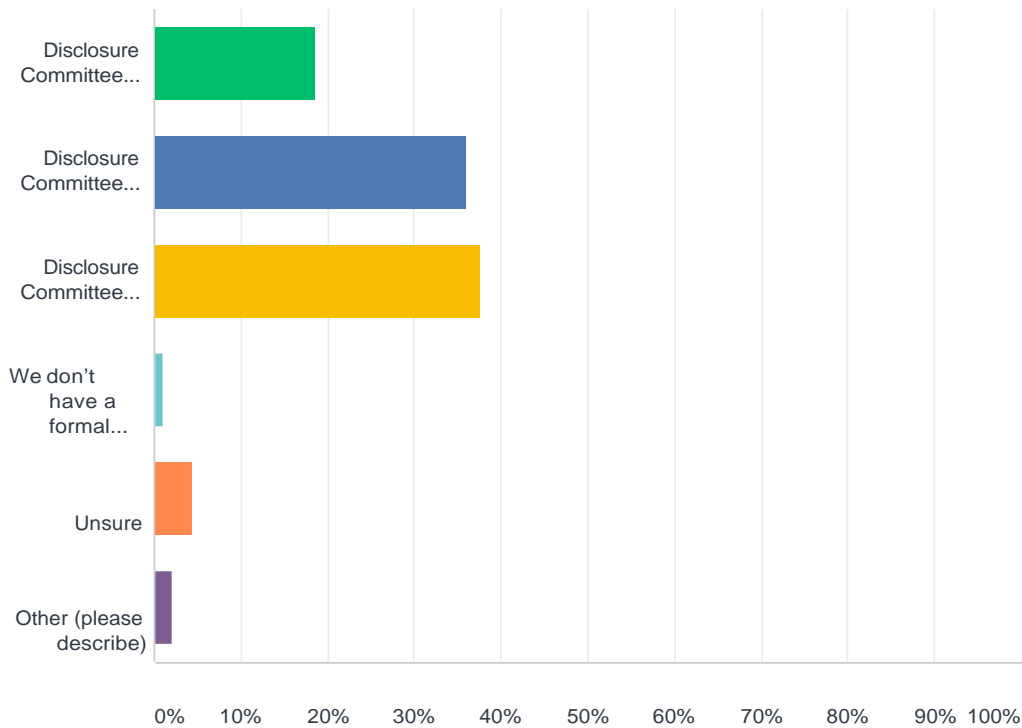
Answered: 188 Skipped: 82



ANSWER CHOICES	RESPONSES	
To a great extent	1.60%	3
To some extent	21.28%	40
Not at all	11.70%	22
Unsure	65.43%	123
TOTAL		188

Q14 What proportion of time is spent by your Disclosure Committee (or comparable function team, group or committee) on the quarterly earnings release (including call-related activities such as earnings script, practice, Q&A prep) versus the Form 10-Q?

Answered: 183 Skipped: 87

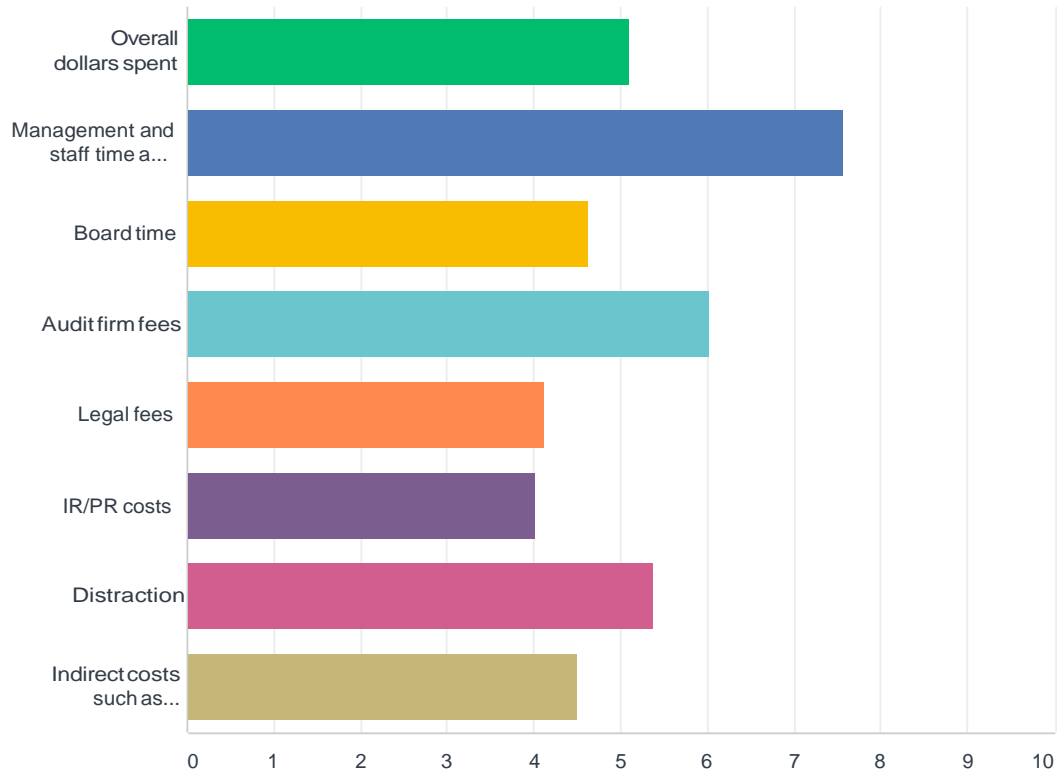


ANSWER CHOICES	RESPONSES	
Disclosure Committee spends more time on quarterly earnings release	18.58%	34
Disclosure Committee spends more time on Form 10-Q	36.07%	66
Disclosure Committee spends time on quarterly earnings release and Form 10-Q concurrently	37.70%	69
We don't have a formal Disclosure Committee or similar	1.09%	2
Unsure	4.37%	8
Other (please describe)	2.19%	4
TOTAL		183

#	OTHER (PLEASE DESCRIBE)	DATE
1	Disclosure Committee focuses on process and procedures more than on substantive disclosure language	3/5/2019 4:27 PM
2	Disclosure Committee only focuses on disclosures in SEC filings, not earnings release.	3/5/2019 4:15 PM
3	The DC spends time on the earnings release and then subsequently the 10-Q. The amount of time spent on each is comparable.	3/1/2019 4:37 PM

Q15 Identify the leading significant costs of preparing earnings releases and 10-Qs (rank up to top five)

Answered: 146 Skipped: 124



	1	2	3	4	5	6	7	8	TOTAL	SCORE
Overall dollars spent	14.29% 12	14.29% 12	13.10% 11	22.62% 19	19.05% 16	3.57% 3	4.76% 4	8.33% 7	84	5.11
Management and staff time and related opportunity costs	74.31% 107	18.06% 26	3.47% 5	2.08% 3	0.69% 1	0.00% 0	0.69% 1	0.69% 1	144	7.57
Board time	1.98% 2	5.94% 6	21.78% 22	25.74% 26	26.73% 27	5.94% 6	8.91% 9	2.97% 3	101	4.62
Audit firm fees	12.78% 17	33.83% 45	18.80% 25	20.30% 27	7.52% 10	6.02% 8	0.75% 1	0.00% 0	133	6.03
Legal fees	1.23% 1	7.41% 6	12.35% 10	17.28% 14	32.10% 26	9.88% 8	12.35% 10	7.41% 6	81	4.12
IR/PR costs	0.00% 0	7.69% 6	16.67% 13	19.23% 15	11.54% 9	26.92% 21	6.41% 5	11.54% 9	78	4.01
Distraction	2.73% 3	27.27% 30	29.09% 32	15.45% 17	11.82% 13	0.91% 1	10.91% 12	1.82% 2	110	5.38
Indirect costs such as activities trigger short-term focus	3.33% 3	14.44% 13	25.56% 23	15.56% 14	13.33% 12	2.22% 2	5.56% 5	20.00% 18	90	4.50

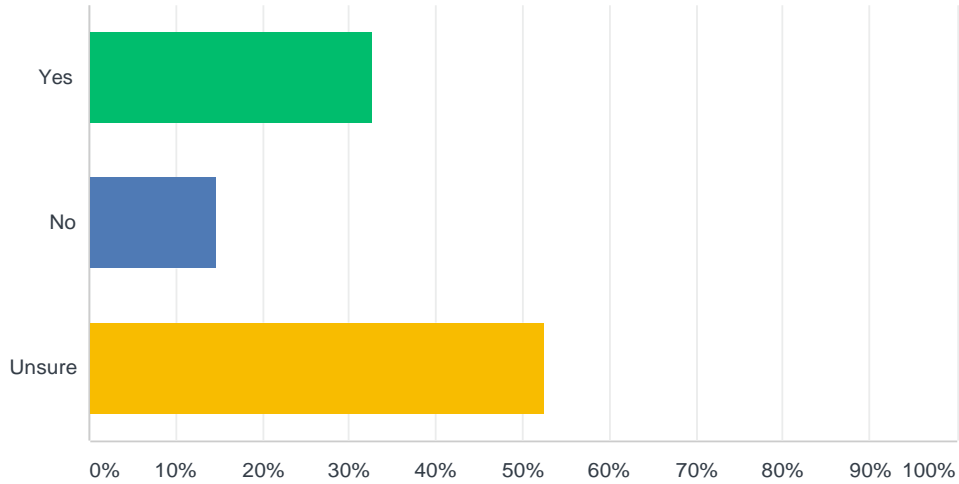
Q16 Are there any other significant costs associated with preparing earnings releases and 10-Qs not covered in the answers to the previous question?

Answered: 28 Skipped: 242

#	RESPONSES	DATE
1	No	3/11/2019 8:36 AM
2	No	3/8/2019 1:16 PM
3	No	3/7/2019 11:15 AM
4	Not that I can think of at the moment.	3/6/2019 2:47 PM
5	none noted	3/6/2019 10:23 AM
6	No	3/6/2019 12:21 AM
7	Demands of active investors regarding quarterly earnings are unrealistic and counterproductive.	3/5/2019 9:21 PM
8	no	3/5/2019 5:51 PM
9	Not for us	3/5/2019 5:11 PM
10	no	3/5/2019 4:26 PM
11	no	3/5/2019 4:20 PM
12	No	3/5/2019 4:16 PM
13	No	3/5/2019 4:15 PM
14	No	3/5/2019 4:13 PM
15	no	3/5/2019 4:10 PM
16	N/A	3/5/2019 3:38 PM
17	No	3/3/2019 9:26 PM
18	N/A	3/3/2019 7:08 PM
19	No	3/2/2019 7:24 PM
20	no	3/2/2019 11:26 AM
21	no	3/1/2019 5:53 PM
22	-	3/1/2019 5:38 PM
23	No.	3/1/2019 5:34 PM
24	no	3/1/2019 5:01 PM
25	no	3/1/2019 4:53 PM
26	no	3/1/2019 4:50 PM
27	No	3/1/2019 4:45 PM
28	No	3/1/2019 4:37 PM

Q17 Are there any quarterly disclosure requirements that you think the SEC should eliminate because they elicit disclosures that are not material to investors?

Answered: 156 Skipped: 114



ANSWER CHOICES	RESPONSES	
Yes	32.69%	51
No	14.74%	23
Unsure	52.56%	82
TOTAL		156

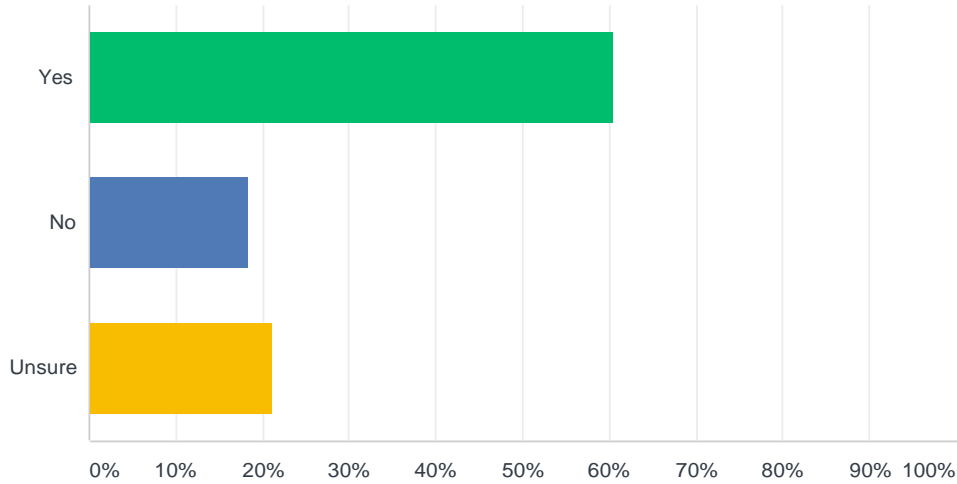
Q18 Please specify/describe which ones:

Answered: 26 Skipped: 244

#	RESPONSES	DATE
1	All of Part II except for Items 1 and 1A.	3/11/2019 1:45 PM
2	Remove or revise requirements for quantitative and qualitative disclosures of market risk disclosures	3/8/2019 3:17 PM
3	10q	3/8/2019 1:40 PM
4	For 10K - conflicts minerals and Pay Ratio (incorp by ref to 10K from Proxy)	3/8/2019 12:52 PM
5	It would be great to incorporate by reference into the 10-Q the footnote disclosure and portions of the MD&A to prior disclosures. This information is often repetitive of prior quarter filings.	3/8/2019 12:47 PM
6	Legal Proceedings related to \$100,000 environmental matters.	3/7/2019 6:49 PM
7	Duplicative items within filings.	3/5/2019 9:22 PM
8	Update of risk factors. List of Exhibits	3/5/2019 6:03 PM
9	S-X Rule 3-10	3/5/2019 5:21 PM
10	Unnecessary, politically motivated reporting items in 10-Q (or K for that matter) - things like environmental matters >\$100K, when that is clearly immaterial - eat up ridiculous amounts of time in assessing whether/when/how to disclose, and resulting overreaction by special interest groups and local regulators.	3/5/2019 4:34 PM
11	GAAP reconciliations	3/5/2019 4:16 PM
12	conflict minerals	3/5/2019 4:12 PM
13	Footnote requirements (e.g., fair value)	3/5/2019 3:45 PM
14	All of 10-Q Part II information is duplicate. Interim financials, notes, MD&A together address all necessary information. Part II is generally duplicative.	3/4/2019 12:28 PM
15	Exhibit filings	3/4/2019 9:24 AM
16	Legal Proceedings (the notes to financials should suffice, and the threshold to report pending or threatened governmental proceedings pertaining to environmental violations is ridiculously low) Unregistered Sales of Equity Securities	3/1/2019 6:22 PM
17	Part I, Item 3	3/1/2019 5:57 PM
18	Market risk disclosure is boiler plate for many companies	3/1/2019 5:10 PM
19	eliminate MD&A and abbreviate financial statement requirements (such as eliminate the consolidating information note). Only other 10-Q requirement should be material changes to the business and associated risks.	3/1/2019 4:56 PM
20	Part 1, Item 3 (Quantitative/Qualitative Market Risk Disclosure) and Part II, Item 4 (Mine Safety Disclosure)	3/1/2019 4:55 PM
21	MD&A and quantitative and qualitative disclosures about market risk include repetitive disclosures, including within their sections and when factoring the notes to the financial statements; greater ability to reference and rely on annual report would	3/1/2019 4:53 PM
22	Significant accounting policies if no change y-o-y or q-o-q	3/1/2019 4:50 PM
23	Part I, Item 3 information. Should allow incorporation by reference to prior 10-Qs/10-K of information that has not materially changed.	3/1/2019 4:50 PM
24	Iran sanctions, conflicts minerals	3/1/2019 4:43 PM
25	XBRL, market risk, mine safety	3/1/2019 4:42 PM
26	should only have to update If material change from year-end	3/1/2019 4:38 PM

Q19 Are there other sources of information about your company that investors use to supplement information from earnings releases or quarterly reports?

Answered: 147 Skipped: 123



ANSWER CHOICES	RESPONSES	
Yes	60.54%	89
No	18.37%	27
Unsure	21.09%	31
TOTAL		147

Q20 What are they? (Please specify/describe:)

Answered: 81 Skipped: 189

#	RESPONSES	DATE
1	Analyst reports	3/11/2019 8:37 AM
2	Investor presentations, posted to our website concurrently with the earnings release.	3/11/2019 2:48 AM
3	Earnings call presentation materials	3/9/2019 5:52 PM
4	Slides/Earnings Presentation and Company Overview on website	3/8/2019 8:04 PM
5	presentations on websites	3/8/2019 3:24 PM
6	earnings call	3/8/2019 3:18 PM
7	Monthly reports and other financial information posted to our website	3/8/2019 2:59 PM
8	Trending schedules with more detailed financial information available on website	3/8/2019 2:44 PM
9	Information on our website, industry and regulatory sources	3/8/2019 1:30 PM
10	We release a Fact Book every quarter with detailed data on important metrics and measures for the quarter.	3/8/2019 1:17 PM
11	outside "channel checks"	3/8/2019 12:53 PM
12	Analysts form their own opinions and forecasts	3/8/2019 12:47 PM
13	Proxy, other press releases	3/8/2019 12:39 PM
14	We use extensive disclosure on our website to inform stakeholders about our company.	3/8/2019 12:23 PM
15	proxy statement, global responsibility report, investor conferences	3/8/2019 12:07 PM
16	Analyst and rating agency reports, website, investor presentations	3/6/2019 3:33 PM
17	Website, other press releases, investor presentations	3/6/2019 10:39 AM
18	Investor sheets and other information on our IR site	3/6/2019 12:22 AM
19	Investor presentation slide deck	3/5/2019 11:45 PM
20	Conference calls and investor meetings.	3/5/2019 9:22 PM
21	10-K, annual report, website, non-financial press releases	3/5/2019 6:46 PM
22	Investor conferences, meetings and road shows. Analyst reports Investor conference calls	3/5/2019 6:04 PM
23	Fact book, CSR report, proxy statement	3/5/2019 6:00 PM
24	Earnings call presentation	3/5/2019 5:53 PM
25	Materials on website and quarterly shareholder letter.	3/5/2019 5:53 PM
26	FDIC Call Report data	3/5/2019 5:52 PM
27	slides, conferences, blog posts, news releases	3/5/2019 5:45 PM
28	Annual Integrated Report covering sustainability issues	3/5/2019 5:22 PM
29	investor decks, conversations with IR team and management team, news coverage	3/5/2019 5:20 PM
30	website, analyst reports, investor meetings	3/5/2019 5:20 PM
31	Yahoo finance, Company website,	3/5/2019 5:03 PM
32	investor presentations	3/5/2019 4:52 PM
33	Fdic call reports	3/5/2019 4:51 PM

SLC Survey - Earnings Releases & Quarterly Reporting

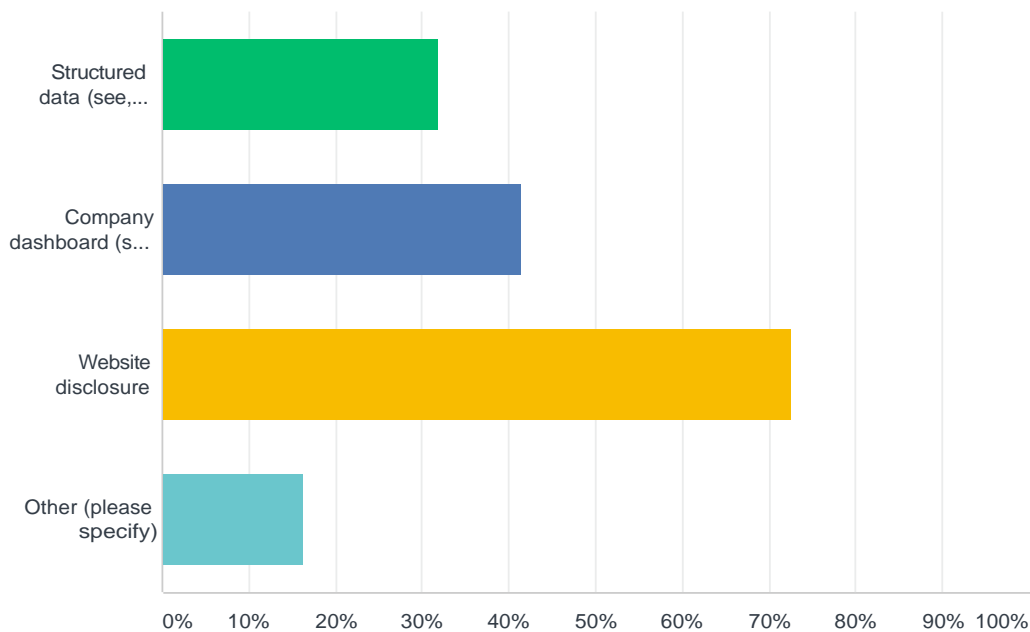
34	analyst presentations - although with the exception of our big analyst conference every 12-24 months, they track what we say in the earnings releases/scripts and/or 10-Q in all material respects. We also present a few supplemental materials with a bit of extra detail on our website with respect to things like accounting standards changes (eg, Rev Rec)	3/5/2019 4:36 PM
35	Investor presentations; IR/Press releases	3/5/2019 4:32 PM
36	quarterly financial supplement	3/5/2019 4:25 PM
37	Financial supplements updated by the company each quarter.	3/5/2019 4:23 PM
38	Corporate Responsibility Report	3/5/2019 4:21 PM
39	Industry newsletters	3/5/2019 4:20 PM
40	we release a supplemental package with industry-relevant details (beyond earnings)	3/5/2019 4:16 PM
41	Earnings Call Presentation Slides	3/5/2019 4:16 PM
42	Website data Corporate overview presentations	3/5/2019 4:15 PM
43	Press releases	3/5/2019 4:12 PM
44	investor presentations at conferences/posted on our website; calls to our IR department	3/5/2019 4:10 PM
45	press releases, presentations from investor conferences, posted on our website or otherwise made public	3/5/2019 4:09 PM
46	Annual transparency report, annual health for humanity report, proxy statement and quarterly press releases posted to company's website.	3/5/2019 3:46 PM
47	Earnings presentation and script; supplemental financial information posted to website.	3/5/2019 2:01 PM
48	Quarterly stat books that provide certain operational data not included in our SEC filings.	3/4/2019 6:53 PM
49	Press releases	3/4/2019 10:19 AM
50	Earnings call presentation and transcript, analyst reports	3/4/2019 9:24 AM
51	Analyst Reports	3/3/2019 9:28 PM
52	Quarterly financial supplement	3/3/2019 9:15 PM
53	Investor supplement posted to IR site Investor presentation posted to IR site	3/3/2019 7:09 PM
54	Investor conference materials Press releases Investor visits with management at various sites CEO/CFO/IR visits to investors	3/2/2019 8:39 PM
55	Investor conferences; public website	3/2/2019 11:27 AM
56	Earnings call presentations, investor conference presentations, 10-K, Annual Report and Proxy	3/1/2019 8:53 PM
57	Website; investor presentations	3/1/2019 7:38 PM
58	We separately report assets under management quarterly. Participation in investor conferences.	3/1/2019 6:39 PM
59	Financial supplement; slide deck for earnings release	3/1/2019 6:39 PM
60	Website has material information.	3/1/2019 6:18 PM
61	Industry consumption data	3/1/2019 5:58 PM
62	Investor Decks	3/1/2019 5:35 PM
63	Investor Presentations posted on website	3/1/2019 5:34 PM
64	Industry market data and analysis	3/1/2019 5:25 PM
65	industry reports as a gov't contractor, info on gov't programs/spending from gov't and other contractors	3/1/2019 5:18 PM
66	We also provide a more detailed Quarterly Investor Update along with our earnings release, which contains more granular financial information, trends etc.	3/1/2019 5:15 PM
67	Investor Day, road shows, website - re. ES&G	3/1/2019 5:15 PM
68	Earnings call slides	3/1/2019 5:01 PM
69	Investor reference book	3/1/2019 4:56 PM

SLC Survey - Earnings Releases & Quarterly Reporting

70	Website, IR presentations, Technical Reports for mining projects filed in Canada	3/1/2019 4:56 PM
71	Analyst reports	3/1/2019 4:56 PM
72	Some of our managed companies provide supplemental presentations that include leverage and payout ratios, leasing and other operating metrics, etc.	3/1/2019 4:54 PM
73	8-Ks, webcasts	3/1/2019 4:44 PM
74	Earnings call	3/1/2019 4:42 PM
75	Analysts and industry reports	3/1/2019 4:42 PM
76	Supplemental slides; periodic IR presentations	3/1/2019 4:40 PM
77	environmental and social reports regulatory filings	3/1/2019 4:39 PM
78	Detailed financial supplement that is made available online when the earnings release is put out.	3/1/2019 4:38 PM
79	Investor decks, public website, industry compiled data	3/1/2019 4:38 PM
80	conference presentations, one off calls	3/1/2019 4:35 PM
81	Presentation filed on 8-K	3/1/2019 4:34 PM

Q21 Do you think the SEC should consider the following or other approaches to help alleviate any burden associated with the preparation of a Form 10-Q without adversely affecting the total mix of information provided to investors? (SEC suggests, for example, permitting companies to omit certain disclosures currently furnished on Form 10-Q, such as unregistered sales of securities, so long as the information is provided elsewhere, such as on their websites) (Select all that apply)

Answered: 135 Skipped: 135



ANSWER CHOICES	RESPONSES
Structured data (see, e.g., former Commissioner Stein speech)	31.85% 43
Company dashboard (see, e.g., former Commissioner Stein speech)	41.48% 56
Website disclosure	72.59% 98
Other (please specify)	16.30% 22
Total Respondents: 135	

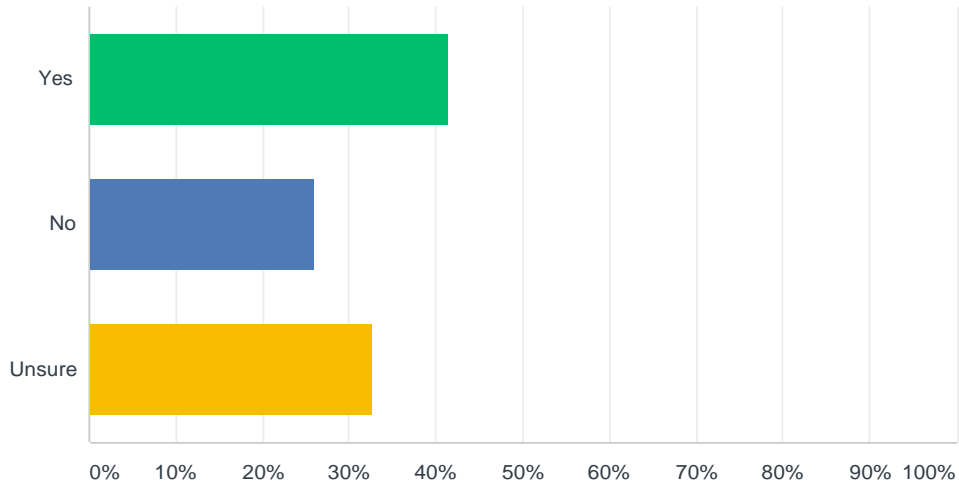
#	OTHER (PLEASE SPECIFY)	DATE
1	Some 10-Q line items can be eliminated without adversely affecting investor protection (see proposed deletions above). Other quarterly information deemed necessary for investor protection could be provided on company websites.	3/11/2019 1:46 PM
2	Conflict Minerals Report	3/11/2019 8:39 AM
3	Unsure	3/11/2019 2:48 AM
4	No, having piecemeal places to disclose items would be more complicated	3/8/2019 2:45 PM
5	eliminate some disclosures and enable website for some but do not subject to filing requirements/standards - dashboard or structured data may cause more work.	3/8/2019 12:55 PM

SLC Survey - Earnings Releases & Quarterly Reporting

6	unsure	3/8/2019 12:08 PM
7	Sellside analyst reports and data services such as FactSet	3/7/2019 11:17 AM
8	Eliminate quarterly releases all together; they exist only to encourage all speculation, short sales, and other value destroying activities.	3/5/2019 9:24 PM
9	No, unless the SEC were to take the position that posting information on a website makes that information automatically public.	3/5/2019 5:54 PM
10	unsure	3/5/2019 5:54 PM
11	Don't fully understand structured data - would that be better, or more work (like xbrl)?	3/5/2019 4:38 PM
12	None	3/3/2019 9:17 PM
13	No	3/3/2019 4:43 PM
14	Not sure	3/2/2019 7:27 PM
15	I am very much against structured data--far too costly. Dashboards raise too much liability risk concern given the abbreviated format	3/1/2019 6:25 PM
16	I think it's easier to have it in the Q if it's going to be required	3/1/2019 6:18 PM
17	To make it work, all website disclosure should be deemed FD compliant.	3/1/2019 6:02 PM
18	unsure	3/1/2019 5:43 PM
19	unsure	3/1/2019 5:28 PM
20	Unsure	3/1/2019 5:02 PM
21	no opinion	3/1/2019 4:55 PM
22	none	3/1/2019 4:40 PM

Q22 Do you think that information in an earnings release that is submitted on Form 8-K should be allowed to satisfy the Form 10-Q requirements?

Answered: 135 Skipped: 135



ANSWER CHOICES	RESPONSES	
Yes	41.48%	56
No	25.93%	35
Unsure	32.59%	44
TOTAL		135

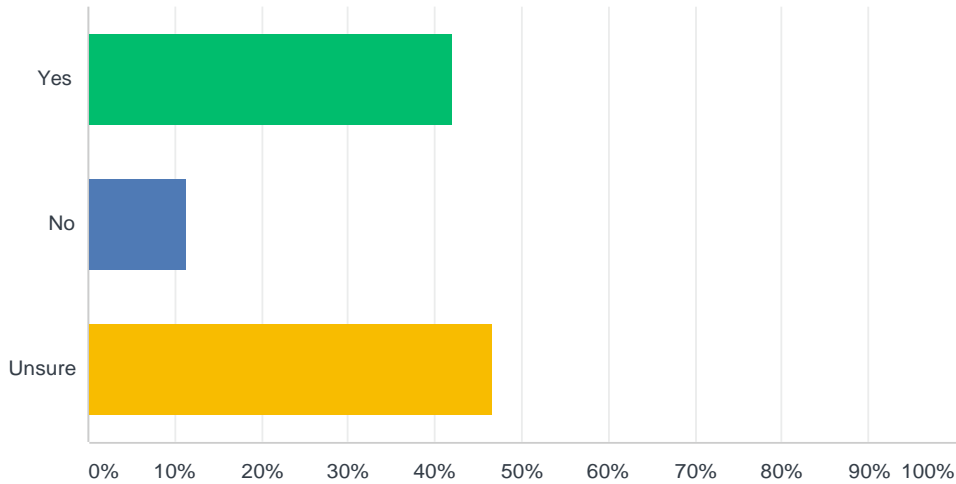
Q23 To what extent should information in an earnings release that is submitted on Form 8-K be allowed to satisfy the Form 10-Q requirements? Please describe/specify:

Answered: 19 Skipped: 251

#	RESPONSES	DATE
1	If information contained in an earnings release is substantially similar to 10-Q line item requirements, the information in the earnings release should be allowed to satisfy those 10-Q line item requirements.	3/11/2019 1:46 PM
2	Completely	3/11/2019 8:40 AM
3	The earnings release is considered more useful by our analysts. The 10-Q is just an afterthought.	3/8/2019 12:48 PM
4	In lieu of MD&A re operating results.	3/8/2019 12:11 PM
5	financial results and MD&A	3/6/2019 3:38 PM
6	As long as the underlying reasons for quarter results is included, and any trends are identified, I think it is sufficient.	3/6/2019 2:52 PM
7	Earnings 8-K should replace 10-Qs.	3/5/2019 9:25 PM
8	There should be minimal other requirements---perhaps CEO and CFO certifications	3/5/2019 5:53 PM
9	Completely	3/5/2019 5:12 PM
10	It provides a summary of the important financial information in a more concise and less repetitive manner. Easier to read a press release that is 8 pages that includes financial statements than a 10Q of 40 pages.	3/5/2019 4:22 PM
11	Make requirements for Form 8-k to include all necessary and then only require that as opposed to both.	3/4/2019 12:47 PM
12	Satisfy MD&A requirement	3/4/2019 9:26 AM
13	It could function as the MD&A	3/1/2019 6:26 PM
14	MD&A requirement should be able to be met through the earnings release. If the company chooses to do so, it is filed.	3/1/2019 6:03 PM
15	To the extent it satisfies Form 10-Q requirements and the registrant explicitly states it is intended to satisfy 10-Q and be "filed" for purposes of securities liability.	3/1/2019 4:58 PM
16	Tabular disclosures	3/1/2019 4:55 PM
17	To the extent they are responsive to the 10-Q requirements.	3/1/2019 4:55 PM
18	Financial statements and MD&A (subject to materiality considerations)	3/1/2019 4:52 PM
19	MD&A portions	3/1/2019 4:43 PM

Q24 If the SEC were to allow companies to use their Form 10-Qs to supplement Form 8-K earnings releases with additional material information required by the Form 10-Q not already presented in the Form 8-K or - alternatively - incorporate by reference disclosure from the Form 8-K earnings release into its Form 10-Q ("Supplemental Approach"), do you think your company would take advantage of this or a similar approach?

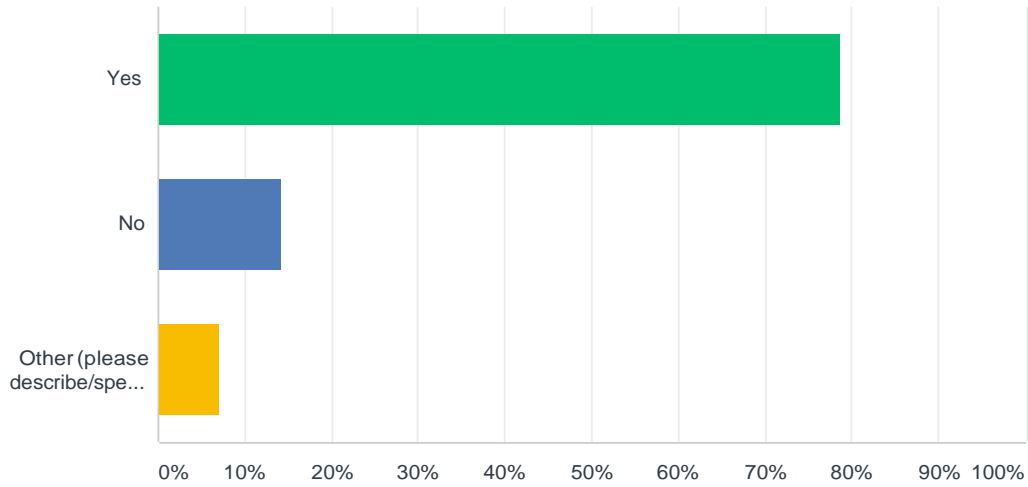
Answered: 133 Skipped: 137



ANSWER CHOICES	RESPONSES	
Yes	42.11%	56
No	11.28%	15
Unsure	46.62%	62
TOTAL		133

Q25 Do you think this is because it would reduce the company's disclosure or auditor review burdens/costs?

Answered: 56 Skipped: 214

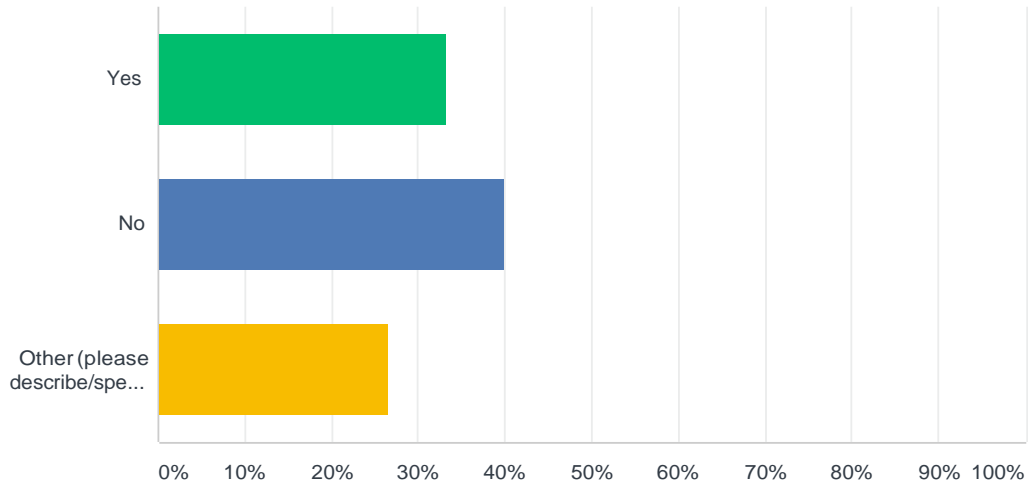


ANSWER CHOICES	RESPONSES	
Yes	78.57%	44
No	14.29%	8
Other (please describe/specify)	7.14%	4
TOTAL		56

#	OTHER (PLEASE DESCRIBE/SPECIFY)	DATE
1	Use in capital markets/financial transactions	3/11/2019 8:41 AM
2	Overall management time would be reduced	3/5/2019 5:54 PM
3	Would reduce duplication/streamline process	3/5/2019 3:48 PM
4	Also simpler	3/2/2019 7:29 PM

Q26 Do you think this is because it would add to the company's disclosure or auditor review burdens/costs?

Answered: 15 Skipped: 255

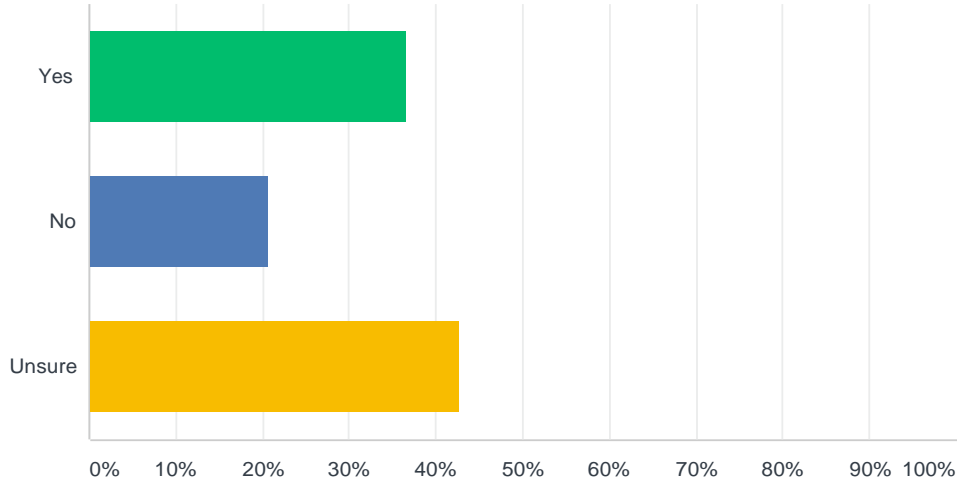


ANSWER CHOICES	RESPONSES	
Yes	33.33%	5
No	40.00%	6
Other (please describe/specify)	26.67%	4
TOTAL		15

#	OTHER (PLEASE DESCRIBE/SPECIFY)	DATE
1	It would require more work for investors to piece together the information.	3/5/2019 6:48 PM
2	Fees are one consideration. The other is that the earnings release often provides information that you would not otherwise incorporate into the 10-Q.	3/5/2019 5:05 PM
3	earnings release includes a lot of non-GAAP info that we traditional do not include in an SEC filing	3/5/2019 4:12 PM
4	not worth it if you have to file a 10Q anyway	3/5/2019 4:10 PM

Q27 If the SEC adopted the Supplemental Approach (as defined in Question #24), and required the relevant Form 8-K to be filed rather than furnished, would your company be less likely to rely on the Supplemental Approach?

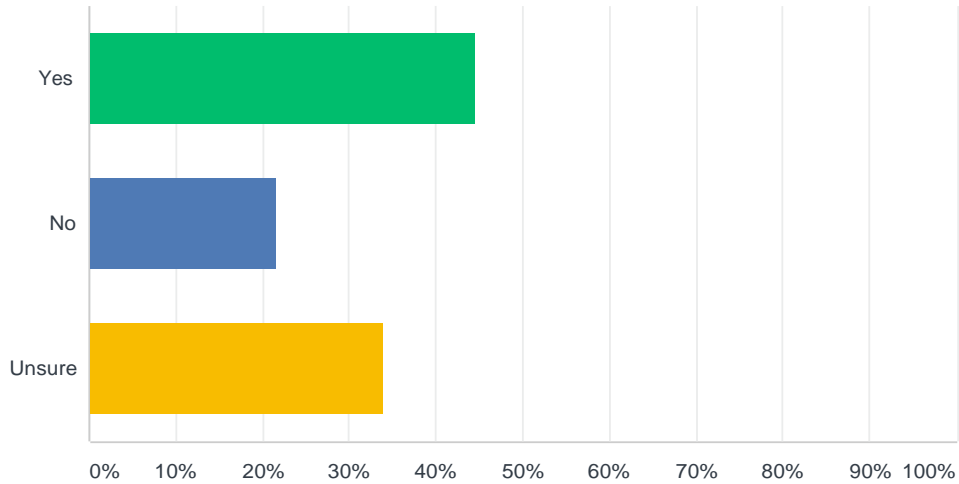
Answered: 131 Skipped: 139



ANSWER CHOICES	RESPONSES	
Yes	36.64%	48
No	20.61%	27
Unsure	42.75%	56
TOTAL		131

Q28 Regardless of any other proposed changes to the reporting scheme, do you think that emerging growth companies or smaller reporting companies should be permitted to elect a semi-annual reporting frequency?

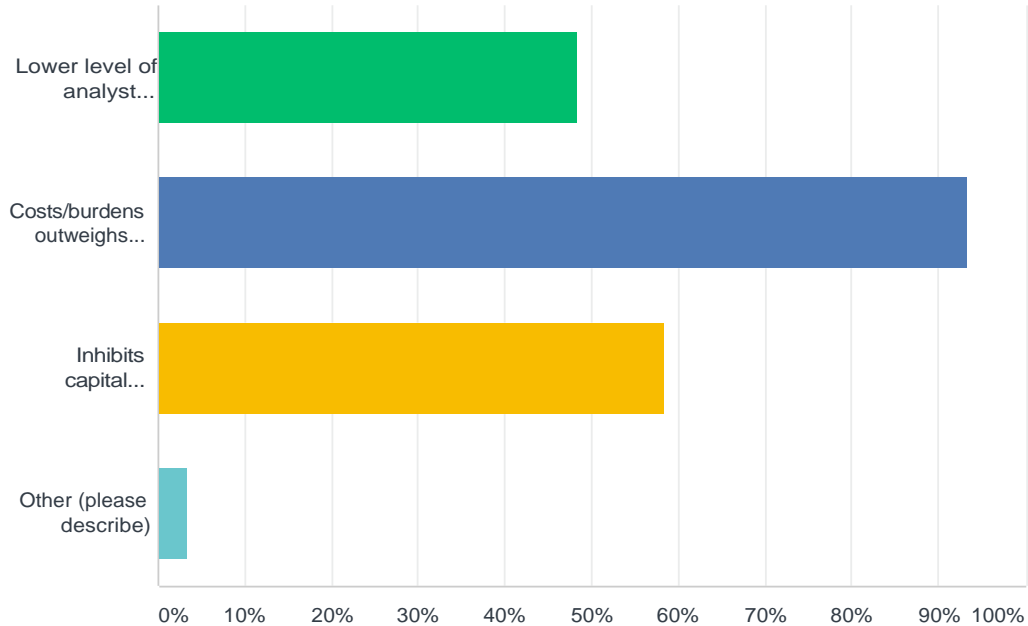
Answered: 130 Skipped: 140



ANSWER CHOICES	RESPONSES	
Yes	44.62%	58
No	21.54%	28
Unsure	33.85%	44
TOTAL		130

Q29 Why do you think that emerging growth companies or smaller reporting companies should be permitted to elect a semi-annual reporting frequency? (select all that apply)

Answered: 60 Skipped: 210



ANSWER CHOICES	RESPONSES
Lower level of analyst coverage/interest	48.33% 29
Costs/burdens outweighs benefits	93.33% 56
Inhibits capital formation for start-ups and other small companies contemplating IPO or growth/expansion	58.33% 35
Other (please describe)	3.33% 2
Total Respondents: 60	

#	OTHER (PLEASE DESCRIBE)	DATE
1	Would provide an opportunity to see whether and to what extent valuations are affected.	3/5/2019 6:49 PM
2	Let market drive how often they want to hear from a particular company. If market is ok with semi-annual, let them do it.	3/1/2019 4:59 PM