

**Introduction**

The purpose of this template is to provide a framework for beginning the construction of a detailed disclosure policy. It is based on the premise that “transparency rules!” and helps build corporate credibility. It is also based on the premise that all investors should have equal access to information concerning a company. This is only a rough structure – **one size does not fit all!** Also, we find that the most important and helpful part of forming a disclosure policy is the process of discussing and reaching alignment on the key disclosure issues – before these issues arise on a day-to-day basis.

**Guidelines****Overall**

1. Form a disclosure policy committee
2. Gain senior management alignment on key disclosure policy issues and practices:
  - a. Consider the implications of SEC Reg. FD, Sarbanes-Oxley, Reg. G
  - b. The discussion (not necessarily the policy) should include consideration of the specific level of disclosure detail (e.g., about product revenue and margins, etc.)
3. If the decision is to provide guidance, consider the company’s forecasting ability and accuracy and the inevitable situations where a shortfall occurs
4. Consider disclosure practice among industry peers, as well as the company’s past disclosure policies and track record before committing to a written policy
5. Identify responsibilities for disclosure
6. Use the “Safe Harbor”
7. Be consistent in good and bad times
8. Formalize in a written disclosure policy:
  - a. To be effective, the policy must reflect the company’s disclosure practice, rather than a disclosure “wish list”

**Guidelines****Legal & Practical Issues**

1. Understand and reconcile legal and practical issues, particularly in light of Reg. FD, Reg. G and the provisions of Sarbanes-Oxley:
  - a. Consider the implications of SEC Regulation FD, Sarbanes-Oxley, and Regulation G, especially what is material or likely to be considered material, including:
    - Earnings information
    - Mergers, acquisitions and joint ventures
    - New products
    - Changes in control or management
    - Change in auditor
    - Gain or loss of a major customer
    - Events regarding an issuer's securities including stock splits, dividends and repurchase plans
  - b. Selective versus differential disclosure
  - c. GAAP versus non-GAAP information and reconciliation
  - d. Relationship of disclosure to insider trading
  - e. Providing guidance and managing expectations
  - f. Incorporating guidance into public disclosures
  - g. Timing of pre-releases on financial performance
3. Be consistent
4. Think through likely response in positive and negative scenarios

**Key Disclosure Issues**

**Disclosure Content Issues**

1. Materiality
2. Timing of disclosure
3. Differential disclosure (versus Selective disclosure)
4. Distributing analyst reports
5. Dealing with rumors and leaks
6. Possible earnings decline
7. Written disclosure policy

**Disclosure Dissemination Issues**

1. Designated spokespeople
2. Process/authority for information release
3. Selective disclosure (versus Differential disclosure)
4. Conference calls
5. Road shows
6. One-on-one meetings
7. Internet

**Analyst Guidance**

1. Forward-looking information
2. Guidance on estimates
3. Review of draft reports and models
4. Managing expectations
5. Quiet period

**Disclosure Template**

1. Statement of Commitment to a Consistent Disclosure Policy
2. Who and What the Policy Covers
3. Material Information
4. Confidentiality
5. Selective Disclosure
6. Role and Responsibilities of the Disclosure Policy Committee
7. Designated Spokespeople and Their Responsibilities
8. Instruction to Employees Who Are Not Designated Spokespeople
9. Process for News Releases
10. Conference Calls
11. Meetings with Analysts and Investors
12. Responding to Market Rumors
13. Forward-Looking Information
14. Analyst Guidance
15. Quiet Period
16. Reviewing Draft Analyst Reports
17. Analyst and Investor Access to Management
18. Distributing Analysts' Reports
19. Providing Material Information to the Media
20. Internet Disclosure

**Background**

Genesis provides strategic investor relations and integrated communication services. Having served in senior-level roles in IR, finance, marketing, corporate affairs and corporate communication at Fortune 500 companies across a broad range of industries prior to joining Genesis, our consulting group understands the challenges you face — because we've faced them ourselves.

With recognition and awards — including Investor Relations Magazine's second-ever Lifetime Achievement Award for Investor Relations within our group — you can be confident in our knowledge and experience.

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