

List of Subjects in 17 CFR Parts 229 and 240

Reporting and recordkeeping requirements, Securities.

TEXT OF THE PROPOSED AMENDMENTS

For the reasons set out in the preamble, the Commission proposed to amend title 17, chapter II, of the Code of Federal Regulations as follows:

**PART 229 – STANDARD INSTRUCTIONS FOR FILING FORMS UNDER
SECURITIES ACT OF 1933, SECURITIES EXCHANGE ACT OF 1934 AND
ENERGY POLICY AND CONSERVATION ACT OF 1975 – REGULATION S-K**

1. The authority citation for part 229 continues to read as follows:

Authority: 15 U.S.C. 77e, 77f, 77g, 77h, 77j, 77k, 77s, 77z-2, 77z-3, 77aa(25), 77aa(26), 77ddd, 77eee, 77ggg, 77hhh, 77iii, 77jjj, 77nnn, 77sss, 78c, 78i, 78j, 78j-3, 78l, 78m, 78n, 78n-1, 78o, 78u-5, 78w, 78ll, 78mm, 80a-8, 80a-9, 80a-20, 80a-29, 80a-30, 80a-31(c), 80a-37, 80a-38(a), 80a-39, 80b-11, and 7201 et seq; and 18 U.S.C. 1350, unless otherwise noted.

2. Amend § 229.402 by adding Instruction 6 to Item 402(b), to read as follows:

§229.402 (Item 402) Executive compensation.

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(b) * * *

Instructions to Item 402(b). * * *

6. If the information disclosed pursuant to Item 407(i) would satisfy the registrant hedging policy disclosure requirements of paragraph (b)(2)(xiii) of this Item, a registrant may satisfy

this Item in its proxy or information statement by referring to the information disclosed pursuant to Item 407(i).

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3. Amend § 229.407 by adding paragraph (i) before the Instructions to Item 407, to read as follows:

§229.407 (Item 407) Corporate governance.

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(i) Employee, officer and director hedging. In proxy or information statements with respect to the election of directors, disclose whether the registrant permits any employees (including officers) or directors of the registrant, or any of their designees, to purchase financial instruments (including prepaid variable forward contracts, equity swaps, collars, and exchange funds) or otherwise engage in transactions that are designed to or have the effect of hedging or offsetting any decrease in the market value of equity securities—

(1) Granted to the employee or director by the registrant as part of the compensation of the employee or director; or

(2) Held, directly or indirectly, by the employee or director.

Instructions to Item 407(i).

1. For purposes of this Item 407(i), “equity securities” (as defined in section 3(a)(11) of the Exchange Act (15 U.S.C. 78c(a)(11)) and § 240.3a11-1 of this chapter) shall mean only those equity securities issued by the registrant or any parent of the

- registrant, any subsidiary of the registrant or any subsidiary of any parent of the registrant that are registered under Section 12 of the Exchange Act (15 U.S.C. 78l).
2. A registrant that permits hedging transactions by some, but not all, of the categories of persons covered by this Item 407(i) shall disclose the categories of persons who are permitted to engage in hedging transactions and those who are not.
 3. A registrant shall disclose the categories of hedging transactions it permits and those it prohibits. In disclosing these categories, a registrant may, if true, disclose that it prohibits or permits particular categories and permits or prohibits, respectively, all other hedging transactions. If a registrant does not permit any hedging transactions, or permits all hedging transactions, it shall so state and need not describe them by category.
 4. A registrant that permits hedging transactions shall disclose sufficient detail to explain the scope of such permitted transactions.
 5. The information required by this Item 407(i) will not be deemed to be incorporated by reference into any filing under the Securities Act, the Exchange Act or the Investment Company Act, except to the extent that the registrant specifically incorporates it by reference.

**PART 240 – GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE
ACT OF 1934**

4. The authority citation for Part 240 continues to read, in part, as follows:

Authority: 15 U.S.C. 77c, 77d, 77g, 77j, 77s, 77z-2, 77z-3, 77eee, 77ggg, 77nnn, 77sss, 77ttt, 78c, 78c-3, 78c-5, 78d, 78e, 78f, 78g, 78i, 78j, 78j-1, 78k, 78k-1, 78l, 78m 78n, 78n-1, 78o, 78o-4, 78o-10, 78p, 78q, 78q-1, 78s, 78u-5, 78w, 78x, 78ll, 78mm, 80a-20, 80a-23, 80a-29, 80a-37, 80b-3, 80b-4, 80b-11, and 7210 et seq.; and 8302; 7 U.S.C. 2(c)(2)(E); 12 U.S.C. 5521(e)(3); 18 U.S.C. 1350; and Pub. L. 111-203, 939A, 124 Stat. 1376, (2010), unless otherwise noted.

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5. Amend § 240.14a-101 by:
 - a. revising paragraph (b) of Item 7;
 - b. removing paragraphs (c) and (d) of Item 7;
 - c. redesignating paragraph (e) as paragraph (c) of Item 7;
 - d. removing the Instruction to Item 7(e) of Item 7;
 - e. redesignating paragraph (f) as paragraph (d) of Item 7;
 - f. redesignating Instruction to Item 7(f) as Instruction to Item 7 and revising newly redesignated Instruction to Item 7;
 - g. redesignating paragraph (g) as paragraph (e) of Item 7; and
 - h. adding paragraph (20) to Item 22(b).

The revisions and addition read as follows:

§240.14a-101 Schedule 14A. Information required in proxy statement.

SCHEDULE 14A INFORMATION

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Item 7. Directors and Executive Officers. * * *

(b) The information required by Items 401, 404(a) and (b), 405 and 407 of Regulation S-K (§§ 229.401, 229.404(a) and (b), 229.405 and 229.407 of this chapter), other than the information required by:

(i) Paragraph (c)(3) of Item 407 of Regulation S-K (§ 229.407(c)(3) of this chapter); and

(ii) Paragraphs (e)(4) and (e)(5) of Item 407 of Regulation S-K (§§ 229.407(e)(4) and 229.407(e)(5) of this chapter) (which are required by Item 8 of this Schedule 14A).

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Instruction to Item 7. The information disclosed pursuant to paragraphs (c) and (d) of this Item 7 will not be deemed incorporated by reference into any filing under the Securities Act of 1933 (15 U.S.C. 77a *et seq.*), the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*), or the Investment Company Act of 1940 (15 U.S.C. 80a-1 *et seq.*), except to the extent that the registrant specifically incorporates that information by reference.

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Item 22. Information required in investment company proxy statement.

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(b) * * *

(20) In the case of a Fund that is a closed-end investment company that is listed and registered on a national securities exchange, provide the information required by Item 407(i) of Regulation S-K (§ 229.407(i) of this chapter).

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By the Commission.

Brent J. Fields
Secretary

February 9, 2015