

**Lease Re-assessment Steps:**

Lease Accounting Step	Changes in lease term (discussed in 4.6.1.1.), such as lessee renewal, termination, or purchase options.	Change in amounts probable of being owed under a lessee provided residual value guarantee.	Contingency resolved such that some or all variable payments become fixed.
Update contract consideration. Any variable payments based on an index or rate are remeasured using the rate at the remeasurment date.	X	X	X
Reallocate consideration between lease & non-lease components (for assets where we have not taken the component election in section 3.1)	X	X	X
Discount rate updated to remeasurement date	X (1)		
Re-assess lease classification	X		
Remeasure the lease liability	X	X	X
Adjust right of use asset	X	X	X
Adjust remaining lease cost recognition pattern	X	X	X

(1) If the discount rate used at commencement already reflects that the lessee had the option to extend or terminate the lease or to purchase the underlying asset, then the original discount rate should be used.