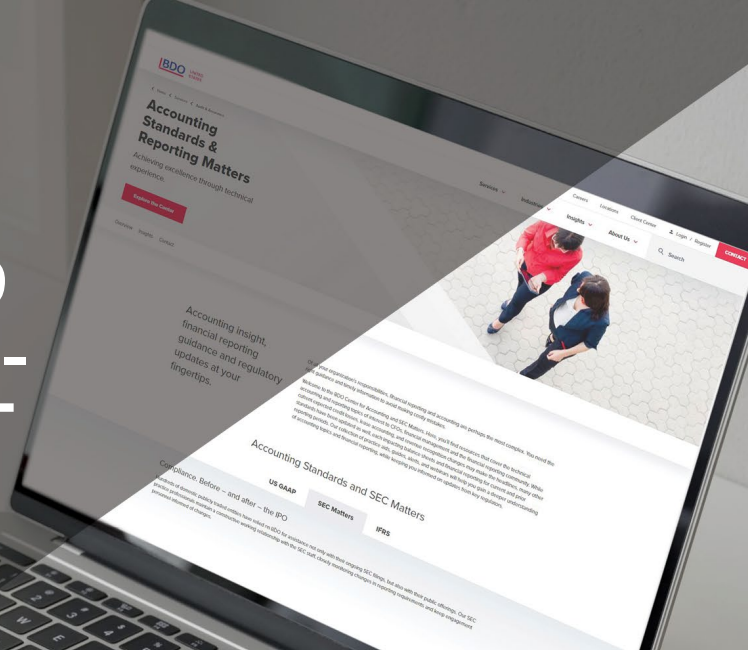




INFORMATION REQUIRED IN A PROXY STATEMENT - PRINCIPAL ACCOUNTANT FEES AND SERVICES: A SNAPSHOT



MARCH 2023

OVERVIEW

Item 14 of Form 10-K and Item 9(e) of Schedule 14A (Information required in a proxy statement) require disclosure of the principal accountant's fees and services for each of the last two fiscal years. The categories of fees that must be disclosed are audit fees, audit-related fees, tax fees, and all other fees.



SEC REGULATIONS AND STAFF GUIDANCE

Item 14 of Form 10-K and Item 9(e) of [Schedule 14A](#) (Information required in a proxy statement)

[Index K. Definitions](#) to The Office of the Chief Accountant: Application of the Commission's Rules on Auditor Independence Frequently Asked Questions

[Index M. Disclosure required in proxy statements \[Schedule 14A, Item 9\]](#) to Office of the Chief Accountant: Application of the Commission's Rules on Auditor Independence Frequently Asked

The disclosures are required for the principal accountant for the most recently completed fiscal year, and as such, if there has been a change in the principal accountant during the year, only the fees paid to the principal accountant opining on that fiscal year's financial statements must be reported. While not required, registrants may choose to disclose the fees of the former auditor as well. If fees of the former auditor are included, the disclosures should clearly distinguish between the fees of principal accountant and those of the former auditor.

The fees disclosed are for services rendered during the fiscal year, and accordingly, if the registrant is aware that fees have been incurred but have not yet been billed, they must ask the primary accountant for the amount that will be billed. Additionally, the principal accountant's fees include fees for work performed in the conduct of the audit by other associated or affiliated accounting firms. In addition, fees billed for subsidiaries of the registrant should be included as part of the registrant's fees disclosure if those entities are consolidated entities. However, if other auditors not associated or affiliated with the principal accountant audit subsidiaries, those auditors' fees should not be reflected in the disclosure.

The fees disclosed in each of the four captions may be presented in narrative form or in tabular form. If the fees under the captions audit-related fees, tax fees, and all other fees are presented in tabular form, they must also be accompanied by a narrative description of the fees.

Registrants must disclose the percentage of audit engagement hours spent by professionals other than the principal auditor's full-time permanent employees, including professionals of other affiliated accounting firms if that percentage is greater than 50% of the total audit hours. For this purpose, an individual who works, or is expected to work, for the firm more than 500 hours a year would be considered a full-time employee.

Out of pocket expenses billed by the principal accountant should be recorded within the caption associated with the services to which the out-of-pocket expenses relate.

The following summarizes each category of fees that must be disclosed.

AUDIT FEES

All services that are performed to comply with PCAOB auditing standards should be included in this category. In addition, this category includes fees for services that normally would be provided by the principal accountant in connection with statutory and regulatory filings or engagements. Services in this category would include any services performed by the principal accountant or an associated or affiliated firm relating to:

- ▶ Audits
- ▶ Quarterly reviews
- ▶ Reports on an issuer's internal controls
- ▶ Statutory audits
- ▶ Attest Services
- ▶ Comfort letters
- ▶ Review of documents to be filed with the SEC, including:
 - Registration statements
 - Periodic filings
 - Company responses to SEC comment letters

Certain services, such as tax services and accounting consultations, may not be billed as audit services. To the extent that these tax and accounting consultation services are necessary to comply with generally accepted accounting standards, an appropriate allocation of those fees should be included in this category. Generally, if the billed fees relate to services that only the auditor of the issuer's financial statements can perform, the fees related to those services are likely to be included in this category.

For audit services (including quarterly reviews and statutory audits), the amounts billed or expected to be billed by the principal accountant, or any affiliated firm should be disclosed in this category. For example, fees for the December 31, 20X2, year-end should include those fees incurred for the three quarterly reviews in 20X2 and the expected fees to be incurred for the December 31, 20X2, audit(s), plus out-of-pocket expenses.

All other services in the audit fees category (e.g., attest services, comfort letters, consents, etc.) should reflect amounts billed for services that were rendered during the fiscal year.

AUDIT-RELATED FEES

This category includes assurance and related services that traditionally are performed by the principal accountant outside of the scope of the engagement letter for the audit which are reasonably related to the performance of the audit or review of the consolidated financial statements. Examples include:

- ▶ Employee benefit plan audits
- ▶ Due diligence related to mergers and acquisitions
- ▶ Accounting assistance and audits in connection with proposed or consummated acquisitions
- ▶ Attest services that are not required by statute or regulation
- ▶ Consultations concerning proposed accounting and reporting standards

TAX FEES

This category includes all services performed by a principal accountant's tax division except those related to the audit. Typical services include tax compliance, tax planning, and tax advice. Tax compliance services generally include preparation of original and amended tax returns as well as claims for tax refunds. Tax planning and tax advice services would include, but are not limited to, assistance with tax audits and appeals, requests for tax rulings, and tax planning related to mergers and acquisitions.

ALL OTHER FEES

This category includes fees for any service not addressed in the other three categories above. Based on the nature of fees reported in the categories above, very few fees are expected to be reported in the "All Other Services" category.

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