

ITEM NO. 2 – RATIFICATION OF KPMG AS OUR 2020 INDEPENDENT AUDITOR



THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR THIS PROPOSAL

The Audit Committee of the Board has appointed KPMG LLP as our independent auditor for the fiscal year ending December 31, 2020, and we are submitting that appointment to our shareholders for ratification on an advisory basis at the meeting. Although shareholder ratification of KPMG's appointment is not legally required, we are submitting this matter to the shareholders, as in the past, as a matter of good corporate practice. In determining whether to reappoint KPMG as our independent auditor, the Audit Committee considered a number of factors, including, among others, the firm's qualifications, industry expertise, prior performance, control procedures, proposed staffing and the reasonableness of its fees on an absolute basis and as compared with fees paid by comparable companies.

If the shareholders fail to vote on an advisory basis in favor of the appointment, the Audit Committee will reconsider whether to retain KPMG, and may appoint that firm or another without resubmitting the matter to the shareholders. Even if the shareholders ratify the appointment, the Audit Committee may, in its discretion, select a different independent auditor at any time during the year if it determines that such a change would be in the Company's best interests.

In connection with the audit of the 2019 financial statements, we entered into an engagement letter with KPMG which sets forth the terms by which KPMG will provide audit services to us. Any future disputes between KPMG and us under that letter will be subject to certain specified alternative dispute resolution procedures, none of which are intended to restrict the remedies that our shareholders might independently pursue against KPMG.

The following table lists the aggregate fees and costs billed to us by KPMG and its affiliates for the 2018 and 2019 services identified below:

	Amount Billed	
	2018	2019
Audit Fees ⁽¹⁾	\$16,014,014	\$17,639,702
Audit-Related Fees ⁽²⁾	106,528	153,203
Tax Fees ⁽³⁾	1,318,798	119,098
Other	—	—
Total Fees	\$17,439,340	\$17,912,003

(1) Includes the cost of services rendered in connection with (i) auditing our annual consolidated financial statements, (ii) auditing our internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, (iii) reviewing our quarterly financial statements, (iv) auditing the financial statements of several of our subsidiaries, (v) reviewing our registration statements and issuing related comfort letters, (vi) statutory audits for certain of our foreign subsidiaries, and (vii) consultations regarding accounting standards. In addition, the amount listed for 2018 includes a final billing of \$785,000 that was received after we finalized our 2019 proxy statement and consequently was not reflected in the auditor fee table included in our 2019 proxy statement.

(2) Includes the cost of preparing agreed upon procedures reports and providing general accounting consulting services.

(3) Includes costs associated with general tax planning, consultation and compliance (which were approximately \$1,300,000 in 2018 and approximately \$100,000 in 2019).

The Audit Committee maintains written procedures that require it to annually review and pre-approve the scope of all services to be performed by our independent auditor. This review includes an evaluation of whether the provision of non-audit services by our independent auditor is compatible with maintaining the auditor's