PROXY PAPER

JPMORGAN CHASE & CO.

NYSE: **JPM**

ISIN: **US46625H1005**

MEETING DATE: 17 MAY 2022

RECORD DATE: 18 MARCH 2022

PUBLISH DATE: 27 APRIL 2022

INDEX MEMBERSHIP: DOW JONES COMPOSITE AVERAGE; S&P GLOBAL 100; RUSSELL 1000; DOW JONES INDUSTRIAL AVERAGE; S&P 500; S&P 100; RUSSELL 3000

SECTOR: FINANCIALS

INDUSTRY: BANKS

COUNTRY OF TRADE: UNITED STATES

COUNTRY OF INCORPORATION: UNITED STATES

HEADQUARTERS: NEW YORK

VOTING IMPEDIMENT: NONE

COMPANY DESCRIPTION

JPMorgan Chase & Co. operates as a financial services company worldwide. It operates in four segments: Consumer & Community Banking (CCB), Corporate & Investment Bank (CIB), Commercial Banking (CB), and Asset & Wealth Management (AWM).

OWNERSHIP	COMPANY PROFILE	ESG PROFILE	SUSTAINALYTICS ESG	ARABESQUE ESG	BITSIGHT CYBER SECURITY	COMPENSATION
COMPENSATION ANALYSIS	COMPANY UPDATES	PEER COMPARISON	VOTE RESULTS	APPENDIX		
COMPANY FEEDBACK						

2022 ANNUAL MEETING

PROPOSAL	ISSUE	BOARD	GLASS LEWIS	CONCERNS
1.00	Election of Directors	FOR	**FOR**	
1.01	Elect Linda B. Bammann	FOR	**FOR**	
1.02	Elect Stephen B. Burke	FOR	**FOR**	
1.03	Elect Todd A. Combs	FOR	**FOR**	
1.04	Elect James S. Crown	FOR	**FOR**	
1.05	Elect James Dimon	FOR	**FOR**	
1.06	Elect Timothy P. Flynn	FOR	**FOR**	
1.07	Elect Mellody Hobson	FOR	**FOR**	
1.08	Elect Michael A. Neal	FOR	**FOR**	
1.09	Elect Phebe N. Novakovic	FOR	**FOR**	
1.10	Elect Virginia M. Rometty	FOR	**FOR**	
2.00	Advisory Vote on Executive Compensation	FOR	**AGAINST**	• **Excessive grants** • **Pay and performance disconnect**
3.00	Ratification of Auditor	FOR	**FOR**	
4.00	Shareholder Proposal Regarding Fossil Fuel Financing Policy	AGAINST	**AGAINST**	
5.00	Shareholder Proposal Regarding Right to Call Special Meetings	AGAINST	**FOR**	• **A 10% threshold for calling a special meeting is appropriate**
6.00	Shareholder Proposal Regarding Independent Chair	AGAINST	**FOR**	• **An independent chair is better able to oversee the executives of a company and set a pro-shareholder agenda**

7.00	Shareholder Proposal Regarding Board Diversity	AGAINST	**AGAINST**
8.00	Shareholder Proposal Regarding Becoming a Public Benefit Corporation	AGAINST	**AGAINST**
9.00	Shareholder Proposal Regarding Aligning GHG Reductions with UNEP FI Recommendations	AGAINST	**AGAINST**

POTENTIAL CONFLICTS

As of October 2021, U.S. and Canadian companies are eligible to purchase and receive Equity Plan Advisory services from Glass Lewis Corporate, LLC ("GLC"), a Glass Lewis affiliated company. More information, including whether the company that is the subject of this report used GLC's services with respect to any equity plan discussed in this report, is available to Glass Lewis' institutional clients on Viewpoint or by contacting compliance@glasslewis.com. Glass Lewis maintains a strict separation between GLC and its research analysts. GLC and its personnel did not participate in any way in the preparation of this report.

DISCLOSURE NOTES

EXPLANATION FOR REPUBLICATION: 29 April 2022. On 29 April 2022, Majority Action filed an exempt solicitation on Form PX14A6G. We have updated the Company Updates page of this report to include a summary of Majority Action's concerns and a link to the filing. No voting recommendations have changed as a result of this update.

4 May 2022: For our analysis of Proposal 2.00 in the section Executive Compensation Structure – Synopsis, we have replaced an errant comment regarding a ratable vesting structure for the CEO and COO one-off grants with a comment noting the holding period related to the award. We have additionally added a note to the synopsis of the long-term incentive to highlight a clawback provision. Other minor cosmetic changes were also made including adding the "promotion award" moniker to the Compensation Highlights section to clarify the COO's one-time award. This revision did not impact our recommendation for Proposal 2.00.

We have expanded our analysis in Proposal 6.00 of a policy whereby the Company has stated it will separate the roles of chair and CEO upon a leadership transition. Our vote recommendation on Proposal 6.00 has not changed as a result.

ENGAGEMENT ACTIVITIES

Glass Lewis held the following engagement meetings within the past year:

ENGAGED WITH	MEETING DATE	ORGANIZER	TYPE OF MEETING	TOPICS DISCUSSED
Issuer	23 November 2021	Issuer	Teleconference/Web-Meeting	Executive Pay,GL Policy
Issuer	27 January 2022	Issuer	Teleconference/Web-Meeting	Shareholder Proposal
SHP Proponent	10 January 2022	Shareholder Proposal Proponent	Teleconference/Web-Meeting	Shareholder Proposal
SHP Proponent	10 March 2022	Shareholder Proposal Proponent	Teleconference/Web-Meeting	Shareholder Proposal

For further information regarding our engagement policy, please visit http://www.glasslewis.com/engagement-policy/.

ISSUER DATA REPORT: JPMorgan Chase & Co. participated in Glass Lewis' Issuer Data Report program (IDR) for this meeting. The IDR program enables companies to preview the key data points used by Glass Lewis' research team, and address any factual errors with Glass Lewis prior to the publication of the Proxy Paper to Glass Lewis' clients. No voting recommendations or analyses are provided as part of the IDR. For more information on the IDR program, please visit https://www.glasslewis.com/issuer-data-report/

REPORT FEEDBACK STATEMENT: The Company submitted a Report Feedback Statement (RFS) on 04 May 2022, which can be accessed by clicking on the COMPANY FEEDBACK button on the front page of this Proxy Paper.

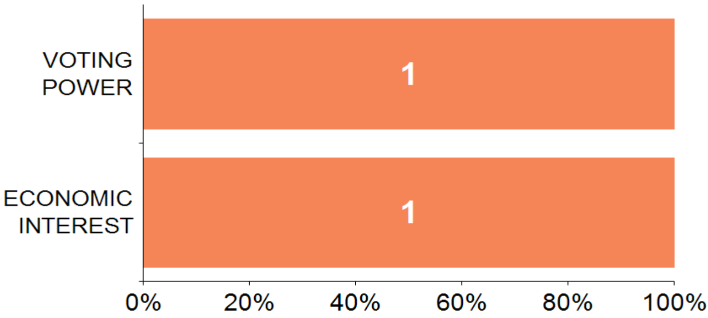
The RFS enables companies and shareholder proponents to submit their comments on Glass Lewis proxy research and have them transmitted to Glass Lewis' institutional investor clients. For more information on the RFS, please visit https://www.glasslewis.com/report-feedback-statement/.

SHARE OWNERSHIP PROFILE

SHARE BREAKDOWN

	1
SHARE CLASS	Common Shares
SHARES OUTSTANDING	2,937.1 M
VOTES PER SHARE	1
INSIDE OWNERSHIP	0.80%
STRATEGIC OWNERS**	0.90%
FREE FLOAT	99.10%

SOURCE CAPITAL IQ AND GLASS LEWIS. AS OF 29-APR-2022



TOP 20 SHAREHOLDERS

	HOLDER	OWNED*	COUNTRY	INVESTOR TYPE
1.	The Vanguard Group, Inc.	8.85%	United States	Traditional Investment Manager
2.	BlackRock, Inc.	6.55%	United States	Traditional Investment Manager
3.	State Street Global Advisors, Inc.	4.83%	United States	Traditional Investment Manager
4.	Capital Research and Management Company	4.80%	United States	Traditional Investment Manager
5.	Wellington Management Group LLP	1.65%	United States	Traditional Investment Manager
6.	Geode Capital Management, LLC	1.63%	United States	Traditional Investment Manager
7.	FMR LLC	1.40%	United States	Traditional Investment Manager
8.	Morgan Stanley, Investment Banking and Brokerage Investments	1.29%	United States	Bank/Investment Bank
9.	Northern Trust Global Investments	1.24%	United Kingdom	Traditional Investment Manager
10.	Massachusetts Financial Services Company	1.14%	United States	Traditional Investment Manager
11.	BNY Mellon Asset Management	1.03%	United States	Traditional Investment Manager
12.	UBS Asset Management	0.98%	Switzerland	Traditional Investment Manager
13.	Norges Bank Investment Management	0.88%	Norway	Government Pension Plan Sponsor
14.	Managed Account Advisors LLC	0.80%	United States	Traditional Investment Manager
15.	Columbia Management Investment Advisers, LLC	0.78%	United States	Traditional Investment Manager
16.	Legal & General Investment Management Limited	0.65%	United Kingdom	Traditional Investment Manager
17.	Wells Fargo & Company, Securities and Brokerage Investments	0.64%	United States	Bank/Investment Bank
18.	Dimensional Fund Advisors LP	0.63%	United States	Traditional Investment Manager
19.	Eaton Vance Management	0.63%	United States	Traditional Investment Manager
20.	Charles Schwab Investment Management, Inc.	0.61%	United States	Traditional Investment Manager

**COMMON STOCK EQUIVALENTS (AGGREGATE ECONOMIC INTEREST) SOURCE: CAPITAL IQ. AS OF 29-APR-2022*
***CAPITAL IQ DEFINES STRATEGIC SHAREHOLDER AS A PUBLIC OR PRIVATE CORPORATION, INDIVIDUAL/INSIDER, COMPANY CONTROLLED FOUNDATION, ESOP OR STATE OWNED SHARES OR ANY HEDGE FUND MANAGERS, VC/PE FIRMS OR SOVEREIGN WEALTH FUNDS WITH A STAKE GREATER THAN 5%.*

SHAREHOLDER RIGHTS

	MARKET THRESHOLD	COMPANY THRESHOLD[1]
VOTING POWER REQUIRED TO CALL A SPECIAL MEETING	N/A	20.00%
VOTING POWER REQUIRED TO ADD AGENDA ITEM	1.00%[2]	1.00%[2]
VOTING POWER REQUIRED TO APPROVE A WRITTEN CONSENT	N/A	50.00%

[1]N/A INDICATES THAT THE COMPANY DOES NOT PROVIDE THE CORRESPONDING SHAREHOLDER RIGHT.
[2]UNLESS GRANDFATHERED, SHAREHOLDERS MUST OWN SHARES WITH MARKET VALUE OF AT LEAST $2,000 FOR THREE YEARS. ALTERNATIVELY, SHAREHOLDERS MUST OWN SHARES WITH MARKET VALUE OF AT LEAST $15,000 FOR TWO YEARS; OR SHARES WITH MARKET VALUE OF $25,000 FOR AT LEAST ONE YEAR.

COMPANY PROFILE

FINANCIALS

	1 YR TSR	3 YR TSR AVG.	5 YR TSR AVG.
JPM	*27.7%*	*21.1%*	*16.0%*
S&P 500	*28.7%*	*26.1%*	*18.5%*
PEERS*	*36.0%*	*17.7%*	*10.3%*

MARKET CAPITALIZATION (MM $)	467,966
ENTERPRISE VALUE (MM $)	405,336
REVENUES (MM $)	130,898

*ANNUALIZED SHAREHOLDER RETURNS. *PEERS ARE BASED ON THE INDUSTRY SEGMENTATION OF THE GLOBAL INDUSTRIAL CLASSIFICATION SYSTEM (GICS). FIGURES AS OF 31-DEC-2021. SOURCE: CAPITAL IQ*

EXECUTIVE COMPENSATION

TOTAL CEO COMPENSATION $84,428,145

1 YR CHANGE IN CEO PAY	*167%*	**CEO TO MEDIAN EMPLOYEE PAY RATIO**	*917:1*
SAY ON PAY FREQUENCY	*1 Year*	**COMPENSATION GRADE 2021**	*D*
GLASS LEWIS STRUCTURE RATING	*Fair*	**GLASS LEWIS DISCLOSURE RATING**	*Fair*
SINGLE TRIGGER CIC VESTING	*No*	**EXCISE TAX GROSS-UPS**	*No*
CLAWBACK PROVISION	*Yes*	**OVERHANG OF INCENTIVE PLANS**	*4.47%*

CORPORATE GOVERNANCE

ELECTION METHOD	*Majority w/ Resignation Policy*	**CEO START DATE**	*December 2005*
CONTROLLED COMPANY	*No*	**ALLOWS PROXY ACCESS**	*Yes*
MULTI-CLASS VOTING	*No*	**VIRTUAL-ONLY MEETING**	*Yes*
STAGGERED BOARD	*No*	**AVERAGE NED TENURE**	*9 years*
COMBINED CHAIR/CEO	*Yes*	**% OF GENDER DIVERSITY ON BOARD**	*40.0%*
INDIVIDUAL DIRECTOR SKILLS MATRIX DISCLOSED	*Yes*	**% OF RACIAL/ETHNIC DIVERSITY ON BOARD**	*10.0%*

ANTI-TAKEOVER MEASURES

POISON PILL	*No*
APPROVED BY SHAREHOLDERS/EXPIRATION DATE	*N/A; N/A*

AUDITORS

AUDITOR: PRICEWATERHOUSECOOPERS	**TENURE:** 57 YEARS
MATERIAL WEAKNESS(ES) IDENTIFIED IN PAST 12 MONTHS	*No*
RESTATEMENT(S) IN PAST 12 MONTHS	*No*

SASB MATERIALITY

PRIMARY SASB INDUSTRY: Investment Banking & Brokerage

FINANCIALLY MATERIAL TOPICS:

- *Employee Diversity & Inclusion*
- *Incorporation of Environmental, Social, and Governance Factors in Investment Banking & Brokerage Activities*
- *Business Ethics*
- *Systemic Risk Management*
- *Professional Integrity*
- *Employee Incentives & Risk Taking*

COMPANY REPORTS TO SASB/EXTENT OF DISCLOSURE: Yes; All Topics - Partial Metrics

CURRENT AS OF APR 27, 2022

GLASS LEWIS ESG PROFILE

GLASS LEWIS ESG SCORE: **8.6 / 10**

ESG SCORE SUMMARY				
	Board Accountability Score:	*9.5 / 10*	**ESG Transparency Score:**	*9.4 / 10*
	Targets and Alignment Score:	*6.0 / 10*	**Climate Risk Mitigation Score:**	*N/A*

BOARD ACCOUNTABILITY (9.5 / 10)				
	Average NED Tenure	*9 years*	**Director Independence**	*90%*
	Board Oversight of ESG	*Yes*	**Board Oversight of Cyber**	*Yes*
	Inequitable Voting Rights	*No*	**Compensation Linked to E&S Metrics**	*Yes*
	Lowest Support for Directors in Prior Year	*91.2%*	**Percent Gender Diversity**	*40%*
	Prior Year Say on Pay Support	*90.1%*	**Annual Director Elections**	*Yes*
	Diversity Disclosure Assessment	*Good*	**Failure to Respond to Shareholder Proposal**	*No*
	Pay Ratio	*917:1*		

ESG TRANSPARENCY (9.4 / 10)				
	Comprehensive Sustainability Reporting	*Yes*	**GRI-Indicated Report**	*Yes*
	Reporting Assurance	*Yes*	**Reporting Aligns with TCFD**	*Yes*
	Discloses Scope 1 & 2 Emissions	*Yes*	**Discloses Scope 3 Emissions**	*Yes*
	Reports to CDP	*Yes*	**CDP Climate Score**	*N/A*
	CDP Forest Score	*N/A*	**CDP Water Score**	*N/A*
	Reports to SASB	*Yes*	**Extent of SASB Reporting**	*All Topics - Partial Metrics*
	Discloses EEO-1 Report	*Yes*	**2021 CPA-Zicklin Score**	*97.1*

ESG TARGETS AND ALIGNMENT (6.0 / 10)				
	Has GHG Emissions Reduction Target	*Yes*	**UNGC Participant or Signatory**	*No*
	Has Net Zero GHG Target	*Yes*	**Human Rights Policy Aligns with UDHR or ILO**	*Yes*
	Reduction Target Certified by SBTi	*No*		

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For further details about our methodology and data included in this page please refer to our methodology documentation here.

SUSTAINALYTICS ESG PROFILE

ESG Risk Rating

Negligible | Low | **Med** | High | Severe

All data and ratings provided by:

Data Received On: **April 29, 2022**

Rating Overview

The company is at medium risk of experiencing material financial impacts from ESG factors, due to its medium exposure and average management of material ESG issues. The company is noted for its strong corporate governance performance, which is reducing its overall risk. Despite its management policies and programmes, the company has experienced a high level of controversies.

ESG Risk Rating Distribution

	Global Universe	Banks (Industry Group)	Diversified Banks (Subindustry)
Negl	1%	1%	0%
Low	19%	7%	4%
Med	37%	30%	37%
High	28%	53%	43%
Severe	16%	9%	15%

Relative Performance

	Rank*	Percentile*
Global Universe	8434 of 14790	**57th**
Banks (Industry Group)	503 of 1006	**50th**
Diversified Banks (Subindustry)	172 of 413	**42nd**

** 1st = lowest risk*

Exposure to ESG Risk

Low | **Medium** | High

Management of ESG Risk

Strong | **Average** | Weak

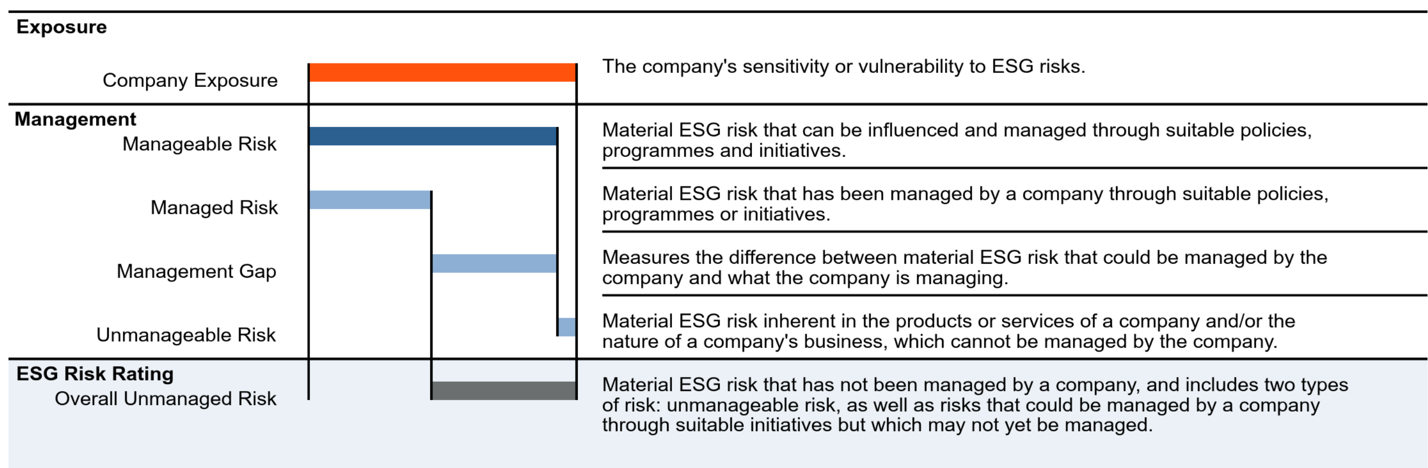
Top Material Issues	ESG Risk Rating
1 Business Ethics (▲3)	High
2 Data Privacy and Security	High
3 Product Governance (▲3)	Med
4 Corporate Governance	Low
5 Human Capital (▲3)	Low
6 ESG Integration - Financials (▲3)	Low

Scale: Negl | Low | Med | High | Severe

▲ = *Noteworthy Controversy Level*

Management (Weak – Strong) vs. Exposure (Low – High): Severe Risk; Negligible Risk; issues 1, 2, 3, 4, 5, 6

Risk Details



NOTEWORTHY CONTROVERSIES

SEVERE

The Event has a severe impact on the environment and society, posing serious business risks to the company. This category represents exceptional egregious corporate behavior, high frequency of recurrence of incidents, very poor management of ESG risks, and a demonstrated lack of willingness by the company to address such risks.

- **No severe controversies**

HIGH

The Event has a high impact on the environment and society, posing high business risks to the company. This rating level represents systemic and/or structural problems within the company, weak management systems and company response, and a recurrence of incidents.

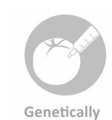
- **No high controversies**

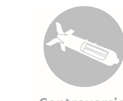
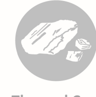
SIGNIFICANT

The Event has a significant impact on the environment and society, posing significant business risks to the company. This rating level represents evidence of structural problems in the company due to recurrence of incidents and inadequate implementation of management systems or the lack of.

- **Anti-Competitive Practices**
- **Business Ethics**
- **Quality and Safety**
- **Social Impact of Products**
- **Labour Relations**

NO PRODUCT INVOLVEMENT



* Range values represent the percentage of the Company"s revenue. N/A is shown where Sustainalytics captures only whether or not the Company is involved in the product.

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All data and ratings provided by:

https://www.sustainalytics.com/

Summary of Performance

Country: United States
Sector: Finance
Industry: Major Banks

ESG score decreased (-11.3%) up until a 1-year period.

- Increase in the Environment (2.2%) sub-scores.
- Decrease in the Social (-8.6%) , Governance (-17.9%) sub-scores.

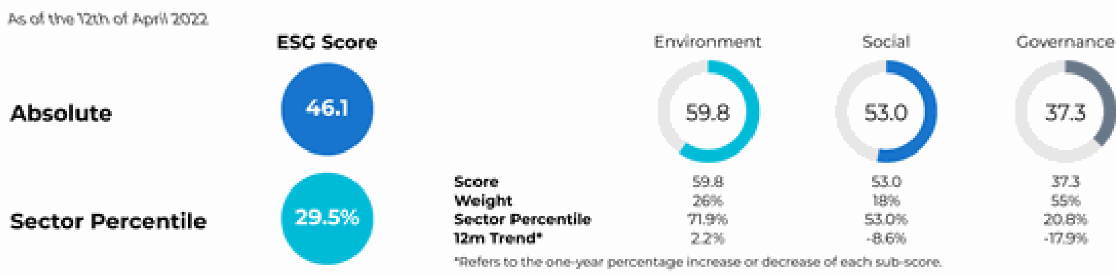
GC score decreased (-11.1%) up until a 1-year period.

- Increase in the Environment (3.3%) sub-scores.
- Decrease in the Human Rights (-1.5%) , Labour Rights (-16.5%) , Anti Corruption (-22.1%) sub-scores.

Strongest performance in Product Access, Human Rights, Environmental Solutions.

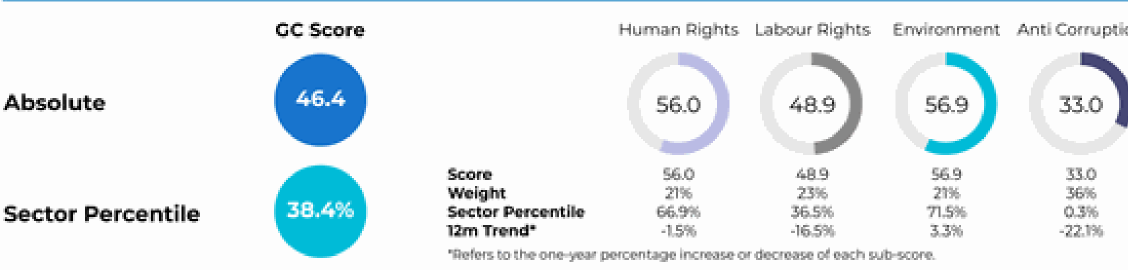
Dashboard

As of the 12th of April 2022



	Environment	Social	Governance
Score	59.8	53.0	37.3
Weight	26%	18%	55%
Sector Percentile	71.9%	53.0%	20.8%
12m Trend*	2.2%	-8.6%	-17.9%

*Refers to the one-year percentage increase or decrease of each sub-score.



	Human Rights	Labour Rights	Environment	Anti Corruption
Score	56.0	48.9	56.9	33.0
Weight	21%	23%	21%	36%
Sector Percentile	66.9%	36.5%	71.5%	0.3%
12m Trend*	-1.5%	-16.5%	3.3%	-22.1%

*Refers to the one-year percentage increase or decrease of each sub-score.

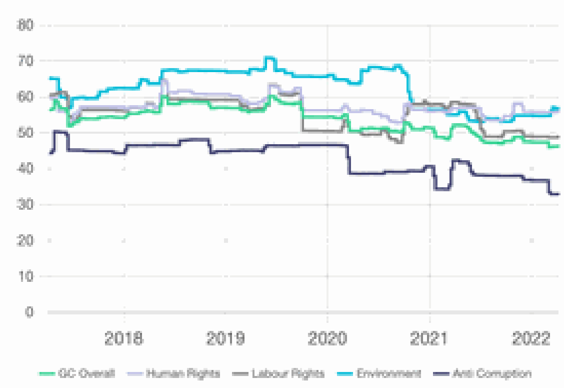
Business Involvements

We have not found any business involvements for this company.

ESG Score Historic Performance

80 70 60 50 40 30 20 10 0
2018 2019 2020 2021 2022
ESG Overall — Environment — Social — Governance

GC Score Historic Performance



BITSIGHT CYBER SECURITY RATING PROFILE

Cyber Security Rating

Current Rating	Prior Rating
590	620
As of: 01 April 2022	As of: 01 January 2022

Industry Comparison

Current Industry Percentile

Bottom 10%

Industry: Finance

Security Rating Guide

Category	Rating
Advanced	740 - 900
Intermediate	640 - 730
Basic	250 - 630

Rating Details

BitSight Security Ratings range from 250 to 900. The higher the Rating, the more effective the company is in implementing good security practices. Much like consumer credit scores, BitSight Security Ratings are calculated daily using a proprietary algorithm that analyzes and classifies externally observable data. To do so, BitSight continuously measures security performance based on evidence of compromised systems, diligence, user behavior, and publicly disclosed security incidents to provide an objective, evidence-based measure of performance. This data-driven, outside in approach, requires no information from the rated entity. The following data reflect how JPMorgan Chase & Co. compares to industry averages for each of the risk vectors BitSight evaluates.

Compromised Systems

Botnet Infections

? Below Industry Average

Spam Propogation

= Same as Industry Average

Malware Servers

= Same as Industry Average

Unsolicited Communications

= Same as Industry Average

Potentially Exploited

? Below Industry Average

Diligence

SPF

? Above Industry Average

DKIM

? Above Industry Average

SSL Certificates

? Above Industry Average

SSL Configurations

? Above Industry Average

Open Ports

? Below Industry Average

DNSSEC

? Above Industry Average

Web Application Headers

? Below Industry Average

Patching Cadence

? Below Industry Average

Insecure Systems

? Below Industry Average

Server Software

? Above Industry Average

Desktop Software

? Below Industry Average

Mobile Software

? Below Industry Average

Mobile Application Security

? Below Industry Average

User Behavior

File Sharing

? Below Industry Average

Public Disclosures

Security Incidents

? Below Industry Average

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All data and ratings provided by:

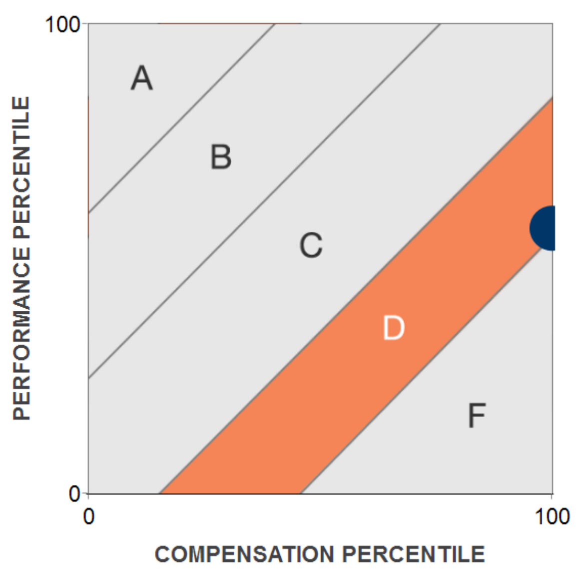
PAY-FOR-PERFORMANCE

JPMorgan Chase's executive compensation received a **D** grade in our proprietary pay-for-performance model. The Company paid more compensation to its named executive officers than the median compensation for a group of companies selected based on Glass Lewis' peer group methodology and Diligent Intel's company data.The CEO was paid significantly more than the median CEO compensation of these peer companies. Overall, the Company paid significantly more than its peers, but performed moderately better than its peers.

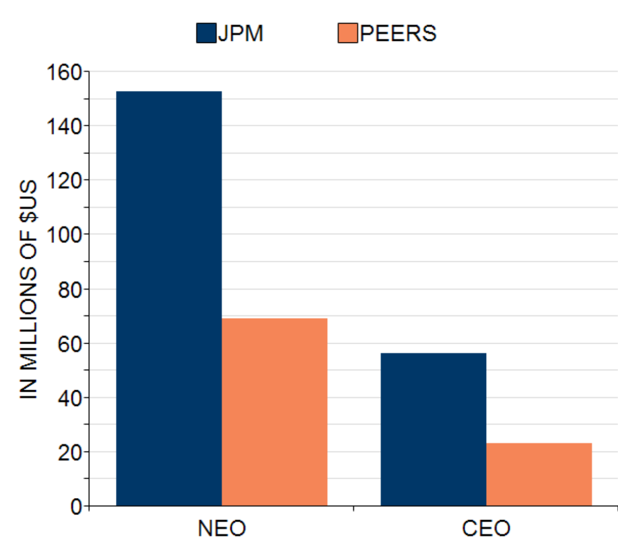
HISTORICAL COMPENSATION GRADE	
FY 2021:	D
FY 2020:	F
FY 2019:	D

FY 2021 CEO COMPENSATION	
SALARY:	$1,500,000
GDFV EQUITY:	$74,522,383
NEIP/OTHER:	$5,282,659
TOTAL:	$81,305,042

FY 2021 PAY-FOR-PERFORMANCE GRADE



3-YEAR WEIGHTED AVERAGE COMPENSATION

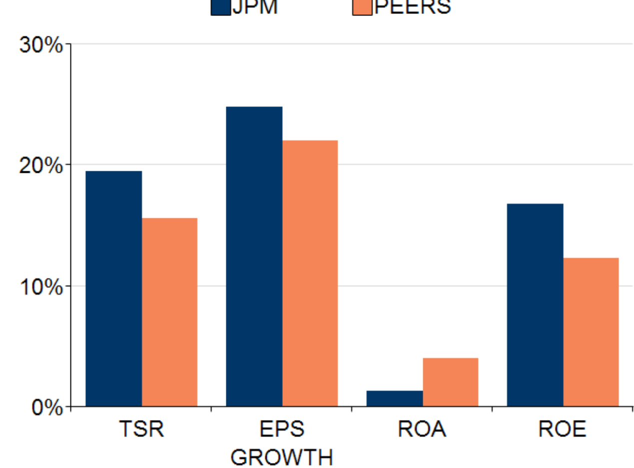


GLASS LEWIS PEERS VS PEERS DISCLOSED BY COMPANY

GLASS LEWIS	JPM
Bank of America Corporation*	
Wells Fargo & Company*	
Citigroup Inc.*	
Morgan Stanley*	
Goldman Sachs Group*	
American Express Company*	
Verizon Communications Inc.	
Exxon Mobil Corporation	
Johnson & Johnson	
AT&T Inc.	
The Procter & Gamble Company	
UnitedHealth Group Incorporated	
Berkshire Hathaway Inc.	
Comcast Corporation	
The Walt Disney Company	

***ALSO DISCLOSED BY JPM**

SHAREHOLDER WEALTH AND BUSINESS PERFORMANCE



Analysis for the year ended 12/31/2021. Performance measures, except ROA and ROE, are based on the weighted average of annualized one-, two- and three-year data. Compensation figures are weighted average three-year data calculated by Glass Lewis. Data for Glass Lewis' pay-for-performance tests are sourced from Diligent Compensation & Governance Intel and company filings, including proxy statements, annual reports, and other forms for pay. Performance and TSR data are sourced from Capital IQ and publicly filed annual reports. For Canadian peers, equity awards are normalized using the grant date exchange rate and cash compensation data is normalized using the fiscal year-end exchange rate.

Glass Lewis peers are based on Glass Lewis' proprietary peer methodology, which considers both country-based and sector-based peers, along with each company's disclosed peers, and are updated in February and August. Peer data is based on publicly available information, as well as information provided to Glass Lewis during the open submission periods. The "Peers Disclosed by Company" data is based on public information in proxy statements and on companies' submissions. Glass Lewis may

exclude certain peers from the Pay for Performance analysis based on factors such as trading status and/or data availability.

For details on the Pay-for-Performance analysis and peer group methodology, please refer to Glass Lewis' Pay-for-Performance Methodology & FAQ.

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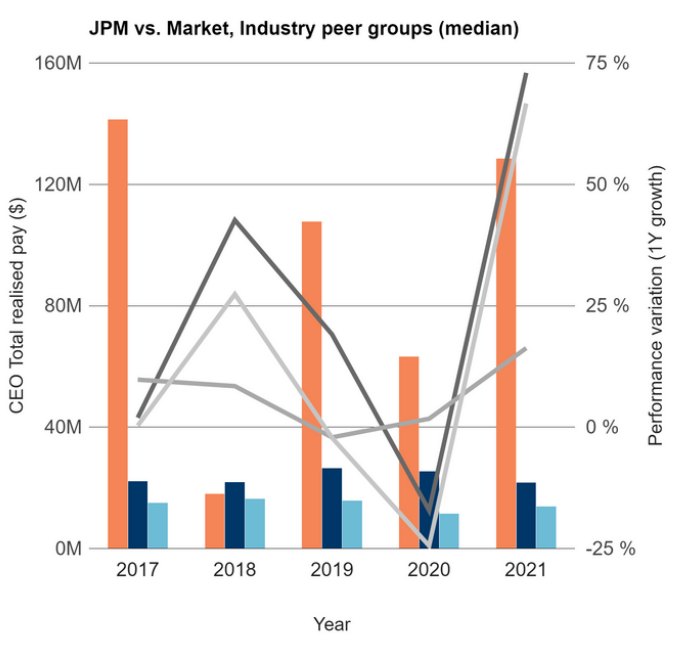
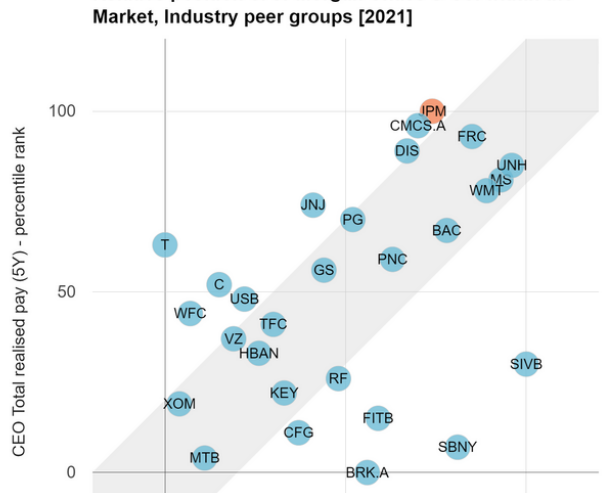
COMPENSATION ANALYSIS





Total realised pay (JPM)	Total realised pay (Market)	Total realised pay (Industry)	EPS (JPM)	EPS (Market)	EPS (Industry)

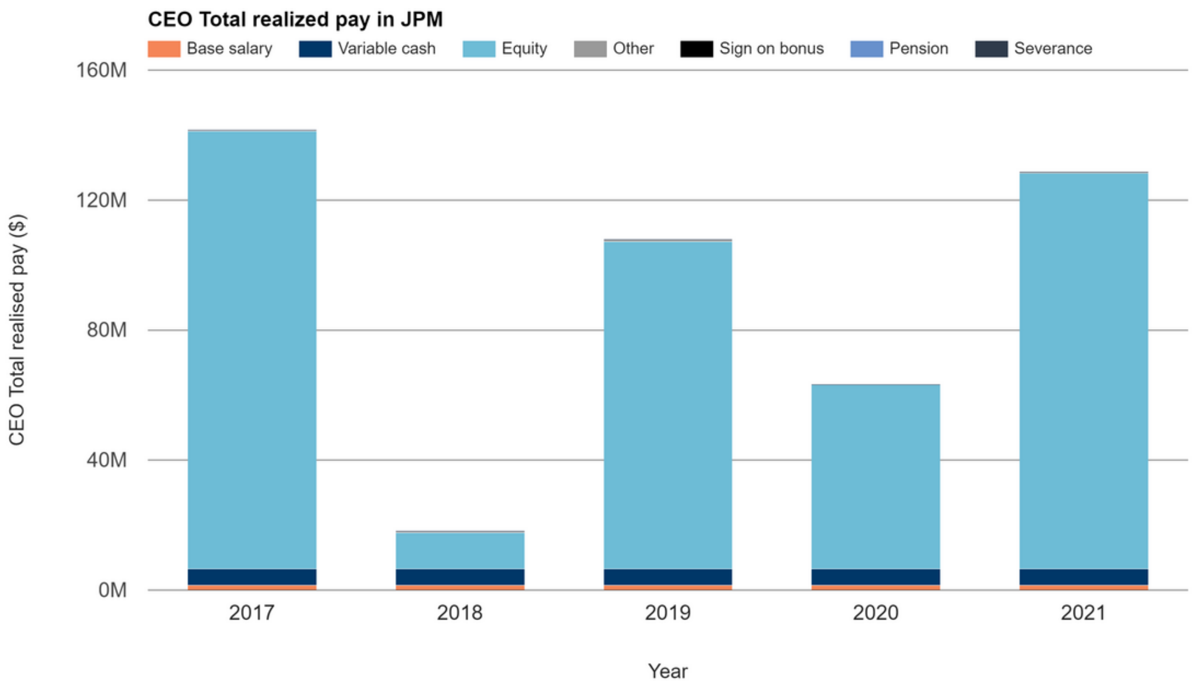
** All financial metrics are plotted at fiscal year growth rates in the graphs above. Absolute values are found in the tables below.*

	Total realised pay ($)*			EPS ($)			ROA			ROE		
Year	**JPM**	**Market (Median)**	**Industry (Median)**	**JPM**	**Market (Median)**	**Industry (Median)**	**JPM**	**Market (Median)**	**Industry (Median)**	**JPM**	**Market (Median)**	**Industry (Median)**
2021	128.6	21.8	13.9	15.4	5.5	5.1	1.4%	4.1%	1.2%	16.9%	14.4%	11.8%
2020	63.3	25.5	11.5	8.9	4.7	3.1	1.0%	3.0%	0.8%	10.8%	10.0%	6.6%
2019	107.8	26.6	15.9	10.7	4.7	4.1	1.4%	5.4%	1.2%	14.1%	10.4%	10.5%
2018	18.1	22.0	16.5	9.0	4.8	4.1	1.3%	4.0%	1.3%	12.7%	12.0%	11.3%
2017	141.4	22.2	15.1	6.3	4.4	3.3	1.0%	3.5%	1.1%	9.6%	14.2%	10.1%

** Values provided in millions.*

List of companies

Market peer group	AT&T Inc. (T), Bank of America Corporation (BAC), Berkshire Hathaway Inc. (BRK.A), Citigroup Inc. (C), Comcast Corporation (CMCS.A), Exxon Mobil Corporation (XOM), Goldman Sachs Group (GS), Johnson & Johnson (JNJ), Morgan Stanley (MS), The Procter & Gamble Company (PG), The Walt Disney Company (DIS), UnitedHealth Group Incorporated (UNH), Verizon Communications Inc. (VZ), Walmart Inc. (WMT), Wells Fargo & Company (WFC)
Industry peer group	Bank of America Corporation (BAC), Citigroup Inc. (C), Citizens Financial Group, Inc. (CFG), Fifth Third Bancorp (FITB), First Republic Bank (FRC), Huntington Bancshares Incorporated (HBAN), KeyCorp (KEY), M&T Bank Corporation (MTB), Regions Financial Corporation (RF), Signature Bank (SBNY), SVB Financial Group (SIVB), The PNC Financial Services Group, Inc. (PNC), Truist Financial Corporation (TFC), U.S. Bancorp (USB), Wells Fargo & Company (WFC)



Source: Diligent Intel

Year	Total realised pay ($)	Base salary ($)	Variable cash ($)	Equity ($)	Other ($)	Sign on bonus ($)	Pension ($)	Severance ($)
2021	128,613,599	1,500,000	5,000,000	121,805,454	282,659	0	25,486	0
2020	63,276,453	1,500,000	5,000,000	56,611,899	142,709	0	21,845	0
2019	107,815,980	1,500,000	5,000,000	100,703,364	578,246	0	34,370	0
2018	18,136,934	1,500,000	5,000,000	11,103,189	519,840	0	13,905	0
2017	141,400,553	1,500,000	5,000,000	134,586,766	278,278	0	35,509	0

For further information on the peers and methodology, or to submit feedback, please see our FAQs.

The Compensation Analysis is based on Glass Lewis' proprietary methodology using Diligent Intel proprietary platform. The intellectual property rights to the platform are vested exclusively in Diligent Intel, the brand under which Diligent Corporation operates and provides these services. Compensation figures are standardized and calculated by Diligent Intel based on information disclosed by the Company and its peers in their disclosures and proxy materials. For realizable pay reported for European and Australian companies, equity awards are normalized using the vesting date share price or when not disclosed by the Company using the year end share price. For U.S. and Canadian companies, realized pay is recorded as publicly disclosed in company proxy statements. Financial data deployed within the Diligent Intel platform is normalized and based on information provided by Capital IQ. Diligent Intel is a specialist provider of governance research and data analytics. It provides real time data and powerful analytical tools, for independent analysis of corporate governance practices of leading listed companies across the globe, in a single convenient solution. Diligent Corporation and/or its affiliates and suppliers do not make any representation or warranty, express or implied, of any nature, and do not accept any responsibility or liability of any kind, including with respect to the accuracy, completeness or suitability for any purpose of the information contained herein arising from the use of the Diligent Intel platform in connection with this Proxy Paper in any manner whatsoever.

RESPONSE TO THE CRISIS IN UKRAINE

On February 28, 2022, the Company provided a response to the humanitarian crisis in Ukraine and committed an initial $1 million philanthropic contribution to support humanitarian relief efforts. On March 8, 2022, the Company released a statement increasing the commitment $5 million.

On March 10, 2022, CNBC reported that the Company was winding down its business in Russia (Hugh Son. "JPMorgan is winding down its Russia operations amid widening business exodus over Ukraine war." *CNBC*. March 10, 2022). Company spokeswoman Tasha Pelio said in an email to CNBC that “In compliance with directives by governments around the world, we have been actively unwinding Russian business and have not been pursuing any new business in Russia.” Furthermore, the Company spokeswoman explained that the Company's activities in Russia were limited to helping clients with pre-existing obligations, managing the Company's Russian-related risk, and taking care of their employees, among other things. The Company has fewer than 200 employees in Russia.

In addition, Company chair and CEO Jamie Dimon discussed the war in Ukraine throughout his annual letter to shareholders. Dimon explained the Company's role in implementing global sanctions aimed at Russia and the complexity of implementing such policies and directives. Dimon detailed the Company's actions including sanctioning individuals, their ownership of assets and companies, reducing exposures across multiple products and services, analyzing and stopping billions of dollars of payments as directed by governments, among other actions. Regarding the Company's direct exposure to Russia, Dimon explained that the Company was not worried, although the Company could still lose about $1 billion over time.

The Company further states that it will continue to evaluate the situation going forward.

EXEMPT SOLICITATION

On April 29, 2022, Majority Action, a non-profit shareholder activist organization, filed an exempt solicitation urging shareholders to vote against chair of the risk committee, Linda B. Bammann, and chair of the public responsibility committee, James S. Crown. Majority Action cited the following as immediate concerns:

- Failure to align its activities to limiting warming to 1.5°C pathways;
- Failure to set interim targets that include absolute financed emissions reductions; and
- Failure to disclose and measure the climate impact of its financed emissions through the Partnership for Carbon Accounting Financials.

1.00: ELECTION OF DIRECTORS

PROPOSAL REQUEST: Election of ten directors

ELECTION METHOD: Majority w/ Resignation Policy

RECOMMENDATIONS & CONCERNS:

FOR: **J. Dimon** ; **L. Bammann** ; **S. Burke** ; **T. Combs** ; **J. Crown** ; **T. Flynn** ; **M. Hobson** ; **M. Neal** ; **P. Novakovic** ; **V. Rometty**

BOARD OF DIRECTORS

UP	NAME	AGE	GENDER	GLASS LEWIS CLASSIFICATION	COMPANY CLASSIFICATION	OWNERSHIP**	COMMITTEES: AUDIT	COMP	GOV	NOM	RISK	E&S^	TERM START	TERM END	YEARS ON BOARD
✔	James Dimon* ·*CEO* ·*Chair*	66	M	Insider 1	Not Independent	Yes							2004	2022	18
✔	Linda B. Bammann	66	F	Independent 2	Independent	Yes		✔			C		2013	2022	9
✔	Stephen B. Burke ·*Lead Director*	63	M	Independent 3	Independent	Yes		C	✔	✔			2004	2022	18
✔	Todd A. Combs	51	M	Independent 4	Independent	Yes		✔	C	C			2016	2022	6
✔	James S. Crown	68	M	Independent 5	Independent	Yes					✔	C	2004	2022	18
✔	Timothy P. Flynn	65	M	Independent	Independent	Yes	CX						2012	2022	10
✔	Mellody Hobson	53	F	Independent 6	Independent	Yes					✔	✔	2018	2022	4
✔	Michael A. Neal	69	M	Independent	Independent	Yes	✔X					✔	2014	2022	8
✔	Phebe N. Novakovic*	64	F	Independent 7	Independent	Yes	✔X						2020	2022	2
✔	Virginia M. Rometty	64	F	Independent 8	Independent	Yes		✔	✔	✔			2020	2022	2

C = Chair, * = Public Company Executive, X = Audit Financial Expert, ⊖ = Withhold or Against Recommendation

1. Chair and CEO.
2. Former deputy head of risk management (until 2005).
3. Lead independent director. Director of Bank One Corporation from 2003 to 2004, when it merged with the Company.
4. Investment officer at Berkshire Hathaway Inc., which received extensions of credit and other financial and financial advisory products and services from the Company, and from subsidiaries of which the Company purchased private aviation services and professional services related to the Company's corporate aircraft in the ordinary course of business during fiscal year 2021.
5. Chair and CEO of Henry Crown and Company, which, along with other Crown family-owned entities, received extensions of credit and other financial and financial advisory products and services from the Company in the ordinary course of business during fiscal year 2021. Together with immediate family, expected to hold indirect equity interests which would exceed 10% in a California property, for which the Company has entered into agreements to sell, and for which the price is anticipated to exceed $32 million. Director of Bank One Corporation from 1991 to 2004, when it merged with the Company.
6. President and co-CEO of Ariel Investments, LLC, which, along with certain entities wholly-owned by Ms. Hobson's spouse, received extensions of credit and other financial and financial advisory products and services from the Company in the ordinary course of business during fiscal year 2021. Project Black, a private equity initiative of Ariel Alternatives, LLC, an affiliate of Ariel Investments, LLC, entered a co-investment program with the Company in which the Company approved a co-investment of up to $200 million in Black, Hispanic or Latino-owned businesses in December 2020.
7. Chair and CEO of General Dynamics Corporation, which along with its subsidiaries received extensions of credit and other financial and financial advisory products and services from the Company in the ordinary course of business during fiscal year 2021.
8. Sibling serves as trading operations officer and a member of the executive group of Louis Dreyfus Company B.V., which received extensions of credit and other financial and financial advisory products and services from the Company in the ordinary course of business during fiscal year 2021.

***Percentages displayed for ownership above 5%, when available*
^Indicates board oversight responsibility for environmental and social issues. If this column is empty it indicates that the Company has not provided explicit disclosure concerning the board's role in overseeing environmental and social issues.

NAME	ATTENDED AT LEAST 75% OF MEETINGS	PUBLIC COMPANY EXECUTIVE	ADDITIONAL PUBLIC COMPANY DIRECTORSHIPS
James Dimon	Yes	Yes	None
Linda B. Bammann	Yes	No	None
Stephen B. Burke	Yes	No	(1) Berkshire Hathaway Inc.
Todd A. Combs	Yes	No	None
James S. Crown	Yes	No	(1) General Dynamics Corporation
Timothy P. Flynn	Yes	No	(2) Wal-Mart Stores Inc.; UnitedHealth Group Incorporated
Mellody Hobson	Yes	No	(1) Starbucks Corporation C
Michael A. Neal	Yes	No	None
Phebe N. Novakovic	Yes	Yes	(1) General Dynamics Corporation C E
Virginia M. Rometty	Yes	No	None

C = Chair, E = Executive

MARKET PRACTICE

INDEPENDENCE AND COMPOSITION	JPM*	REQUIREMENT	BEST PRACTICE
Independent Chair	No	No[1]	Yes[5]
Board Independence	90%	Majority[2]	66.7%[5]
Audit Committee Independence	100% ; Independent Chair	100%[3]	100%[5]
Compensation Committee Independence	100% ; Independent Chair	100%[2]	100%[5]
Nominating Committee Independence	100% ; Independent Chair	100%[2]	100%[5]
Percentage of gender diversity on board	40.0%	N/A[4]	N/A[4]
Directors' biographies	Proxy Statement		

** Based on Glass Lewis Classification*

1. *NYSE Listed Company Manual*
2. *Independence as defined by NYSE listing rules*
3. *Securities Exchange Act Rule 10A-3 and NYSE listing rules*
4. *No current marketplace listing requirement*
5. *CII*

Glass Lewis believes that boards should: (i) be at least two-thirds independent; (ii) have standing audit, compensation and nomination committees comprised solely of independent directors; and (iii) designate an independent chair, or failing that, a lead independent director.

GLASS LEWIS ANALYSIS

We believe it is important for shareholders to be mindful of the following:

DIVERSITY POLICIES AND DISCLOSURE

FEATURE	COMPANY DISCLOSURE
Director Race and Ethnicity Disclosure	Individual
Diversity Considerations for Director Candidates	Gender and race/ethnicity
"Rooney Rule" or Equivalent	Not disclosed
Director Skills Disclosure (Tabular)	Matrix
***Overall Rating: Good**	
Percentage of Racial/Ethnic Minorities on Board (If Available): 10.0%	

*For more information, including detailed explanations of how Glass Lewis assesses these features, please see Glass Lewis' *Approach to Diversity Disclosure Ratings*.

The Company has provided good disclosure of its board diversity policies and considerations. Areas to potentially improve this disclosure are as follows:

"Rooney Rule" - The Company has not disclosed a policy requiring women and minorities to be included in the initial

pool of candidates when selecting new director nominees (aka a "Rooney Rule"). Glass Lewis believes that policies requiring the consideration of minority candidates are an effective way to ensure an appropriate mix of director nominees.

PAY-FOR-PERFORMANCE CONCERNS

Our pay-for-performance analysis indicates that the Company has been deficient in aligning pay with performance. The members of the compensation committee have the responsibility of designing and reviewing all aspects of the compensation program for the Company's executive officers; in our opinion, a sustained disconnect between pay and performance may be a signal that the committee is not effectively serving shareholders in this regard. At this time, we refrain from recommending that shareholders oppose the election of any members of the compensation committee on this basis. Rather, we believe shareholders should use the advisory resolution on executive compensation to express their concern regarding the Company's compensation practices.

RECOMMENDATIONS

We do not believe there are substantial issues for shareholder concern as to any of the nominees.

We recommend that shareholders vote **FOR** all nominees.

2.00: ADVISORY VOTE ON EXECUTIVE COMPENSATION

PROPOSAL REQUEST:	Approval of Executive Pay Package	**PAY FOR PERFORMANCE GRADES:**	**FY 2021** D **FY 2020** F **FY 2019** D
PRIOR YEAR VOTE RESULT (FOR):	90.1%	**RECOMMENDATION:**	AGAINST
STRUCTURE:	Fair		
DISCLOSURE:	Fair		

EXECUTIVE SUMMARY

SUMMARY ANALYSIS

Excessive one-off grants to the CEO and COO amid tepid relative performance worsen long-standing concerns regarding the Company's executive pay program. The lack of performance-based vesting conditions tied to the awards while the Company has not achieved adequate alignment between executive pay and performance warrants shareholders scrutiny. As a result, we do not believe shareholders should support this proposal.

COMPENSATION HIGHLIGHTS

- STI: Discretionary
- LTI: Performance-based and time-based; most recently completed performance cycle paid out at maximum.
- One-time: Retention and promotion awards granted during the past fiscal year.
  - The CEO was granted a $52 million time-based one-off grant. The COO was granted a $28 million time-based one-off grant.

SUMMARY COMPENSATION TABLE

NAMED EXECUTIVE OFFICERS	BASE SALARY	BONUS & NEIP	EQUITY AWARDS	TOTAL COMP
James Dimon *Chairman and CEO*	$1,500,000	$5,000,000	$77,620,000	$84,428,145
Daniel Pinto *Co-President and Co-COO; CEO CIB*	$9,055,948	-	$44,122,210	$53,329,247
Gordon Smith *Co-President and Co-COO; CEO CCB*	$750,000	$8,700,000	$13,050,000	$22,550,506
Mary Callahan Erdoes *CEO AWM*	$750,000	$7,900,000	$12,150,000	$20,805,000
Jennifer Piepszak *Co-CEO, CCB and Former Chief Financial Officer*	$750,000	$6,300,000	$6,750,000	$13,805,000
Jeremy Barnum *Chief Financial Officer*	$693,750	$3,722,500	$2,450,000	$6,871,250

CEO to Avg NEO Pay: 3.6: 1

CEO SUMMARY

	2021 JAMES DIMON	2020 JAMES DIMON	2019 JAMES DIMON
Total CEO Compensation	$84,428,145	$31,664,554	$31,612,616
1-year TSR	27.7%	-5.5%	47.3%
CEO to Peer Median *	3.4:1	1.3:1	1.2:1
Fixed/Perf.-Based/Discretionary **	2.0% / 32.0% / 65.9%	5.2% / 79.0% / 15.8%	6.5% / 77.9% / 15.6%

* Calculated using the first Company-disclosed peer group. ** Percentages based on the CEO Compensation Breakdown values.

CEO COMPENSATION BREAKDOWN

Category	Component	Detail	Amount
FIXED	**Cash**		**$1.8M**
	Salary		$1.5M
	Benefits / Other		$282,659
		Total Fixed	$1.8M
PERFORMANCE-BASED	**PSUs**		**$28.0M**
	Long-term Incentive Plan		$28.0M
	Target/Maximum	$28.0M / $42.0M	
	Metrics	ROTCE	
	Performance Period	3 years	
	Additional Vesting / Deferral Period	-	
		Total Performance-Based	$28.0M
TIME-VESTING/ DISCRETIONARY	**Cash**		**$5.0M**
	Short-term Incentive Plan		$5.0M
	Vesting / Deferral Period	-	
	SARs		**$52.6M**
	One-Off Retention Grants (One-off Award)		$52.6M
	Vesting / Deferral Period	5 years (cliff)	
		Total Time-Vesting/Discretionary	$57.6M
		Awarded Incentive Pay	**$85.6M**
		Total Pay Excluding change in pension value and NQDCE	**$87.4M**

PEER GROUP REVIEW [1 2 3 4]

THE COMPANY USES TWO PEER GROUPS FOR SETTING PAY LEVELS.

PRIMARY FINANCIAL SERVICES PEER GROUP

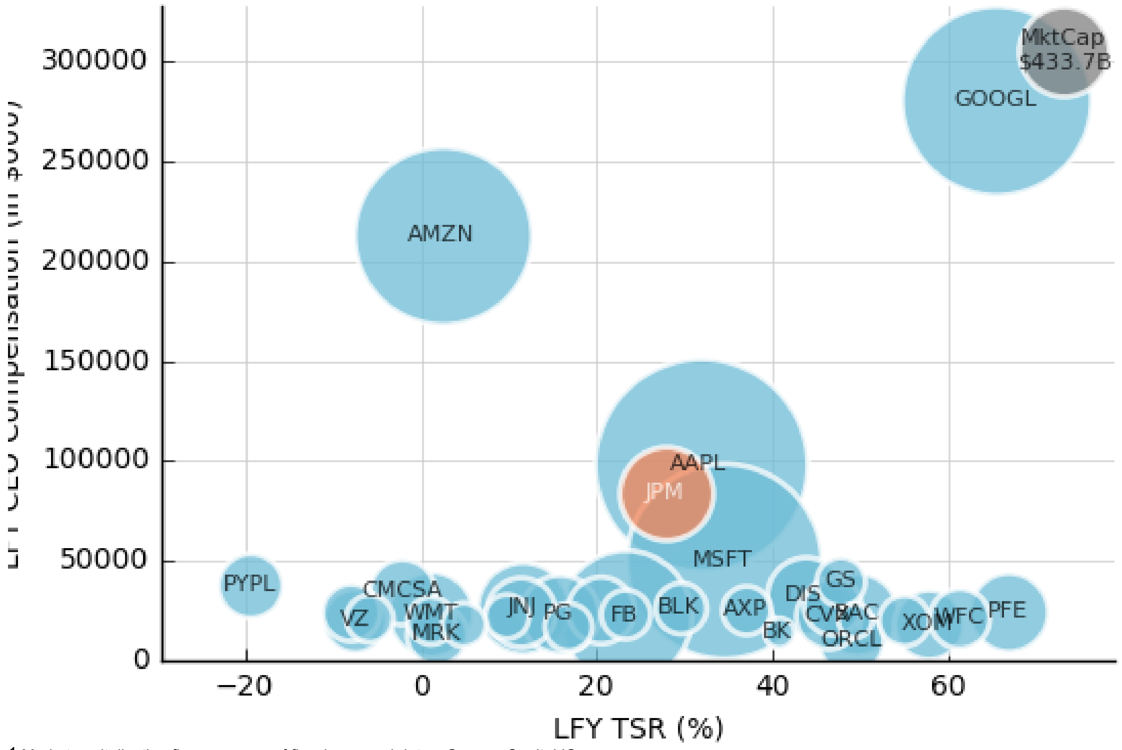
This peer group consists of six companies. Total NEO compensation is not benchmarked to a specific percentile of this peer group.

	MARKET CAP	REVENUE	CEO COMP	1-YEAR TSR	3-YEAR TSR	5-YEAR TSR
75th PERCENTILE OF PEER GROUP	$191.3B	$82.9B	$28.2M	49.6%	34.5%	18.9%
MEDIAN OF PEER GROUP	$151.9B	$67.4B	$24.6M	47.1%	23.0%	14.6%
25th PERCENTILE OF PEER GROUP	$126.7B	$59.0B	$21.4M	36.9%	8.5%	3.0%
COMPANY	$468.0B (Highest)	$130.9B (Highest)	$84.4M (Highest)	27.7% (20th %ile)	21.1% (41st %ile)	16.0% (54th %ile)

BROADER MARKET PEER GROUP

This peer group consists of 34 companies. Total NEO compensation is not benchmarked to a specific percentile of this peer group.

	MARKET CAP	REVENUE	CEO COMP	1-YEAR TSR	3-YEAR TSR	5-YEAR TSR
75th PERCENTILE OF PEER GROUP	$345.5B	$168.3B	$28.2M	44.3%	27.3%	19.3%
MEDIAN OF PEER GROUP	$227.1B	$79.5B	$23.6M	20.5%	16.0%	11.1%
25th PERCENTILE OF PEER GROUP	$134.5B	$46.6B	$20.4M	2.2%	9.6%	6.1%
COMPANY	$468.0B (81st %ile)	$130.9B (66th %ile)	$84.4M (90th %ile)	27.7% (58th %ile)	21.1% (67th %ile)	16.0% (66th %ile)



1 Market capitalization figures are as of fiscal year end dates. *Source: Capital IQ*

2 Annual revenue figures are as of fiscal year end dates. *Source: Capital IQ*

3 Annualized TSR figures are as of fiscal year end dates. *Source: Capital IQ*

4 Annual CEO compensation data based on the most recent proxy statement for each company.

EXECUTIVE COMPENSATION STRUCTURE - SYNOPSIS

FIXED

Base salaries did not increase significantly during the past fiscal year.

SHORT-TERM INCENTIVES

STI AWARDS	
AWARDS GRANTED (PAST FY)	*Cash*
MAXIMUM PAYOUTS	*Not disclosed*
ACTUAL PAYOUTS	*$5,000,000 for the CEO and up to $8,700,000 for the other NEOs*

No performance-based awards are granted under the plan.

When determining annual cash incentive amounts, the Committee considers performance against four broad dimensions: business results; risk, controls and conduct; client/customer/stakeholder and teamwork and leadership.

For the CEO, incentive compensation was $5 million in cash (approximately 15%) and the remainder in performance equity. For other named executive officers, 40% of incentive compensation was in cash and 60% in PSUs and RSUs, evenly weighted. However, due to local UK regulations, the COO did not receive a cash incentive. Regular equity compensation is delineated in the long-term incentive section below.

LONG-TERM INCENTIVES

LTI AWARDS	
AWARDS GRANTED (PAST FY)	*PSUs and RSUs*
TARGET PAYOUTS	*PSUs: $28,000,000 for the CEO and up to $9,722,026 for the other NEOs*
MAXIMUM PAYOUTS	*PSUs: $42,000,000 for the CEO and up to $14,583,039 for the other NEOs*
TIME-VESTING PAYOUTS	*RSUs: Up to $9,722,026 for the non-CEO NEOs*

PSU performance is measured over three years.

RSU awards vest over three years.

Earned PSU awards are subject to a two-year holding period.

Payout determination:

- If absolute ROTCE is below 6%, then no payout is earned.
- If absolute ROTCE is greater than or equal to 18%, then maximum payout is earned.
- However, if absolute ROTCE is in a range from 6% to less than 18%, then performance is determined by relative ROTCE performance.
- If common equity Tier 1 capital ratio is less than 7.5% at any year-end, then up to one-third of unvested PSUs will be subject to downward adjustment by the Committee for each such year.

ROTCE measured against a performance peer group that includes: Bank of America, Barclays, Capital One Financial, Citigroup, Credit Suisse, Deutsche Bank, Goldman Sachs, HSBC, Morgan Stanley, UBS and Wells Fargo.

The CEO receives 100% of long term incentive awards in the form of PSUs. Other NEOs receive awards as 50% PSUs and 50% RSUs.

Due to local UK regulations, Mr. Pinto received RSUs and PSUs subject to a seven-year vesting period with a one-year holding period for each vesting.

Unvested awards are subject to the Company's clawback provision called "protection-based vesting" that may reduce awards by up to 50% due to a variety of circumstances including those related to individual performance, line of business financial performance, performance in pre-tax pre-provision income and performance against a cumulative ROTCE goal. These are not performance-based vesting conditions.

		ROTCE
		Absolute
ABSOLUTE PERFORMANCE VESTING	Weighting	N/A
	No Payout	Less than 6%
	Payout Based on Relative Performance Scale Below	6% to less than 18%
	Maximum Payout (150% Payout)	18%

		ROTCE
		Relative
RELATIVE PERFORMANCE SCALE	Weighting	N/A
	0% to 50% Payout	4th Quartile
	90% to 120% Payout	2nd Quartile
	130% to 150% Payout	1st Quartile

CEO AND COO ONE-OFF GRANTS

AWARDS GRANTED (PAST FY)	*SARs*
TIME-VESTING PAYOUTS	*1,500,000 shares for the CEO and up to 750,000 shares for the other NEOs*

Time-vesting awards vest over five years.

No performance-based awards are granted under the plan.

Net shares delivered from the exercise of SARs must be held until the tenth anniversary of the grant date.

Up to half of the CEO and COO's awards that have not been exercised are subject to "protection-based" vesting (part of its clawback provisions). In this case, awards may be canceled if performance in relation to priorities has been unsatisfactory for a sustained period of time, if pre-tax pre-provision income is negative for any one calendar year, the Company does not meet the Companywide financial threshold, or if the line of business where the executive has direct or indirect responsibility did not meet its annual line of business financial threshold. Such cancelation will be determined by the Company. These are not performance-based vesting conditions.

ONE-TIME PAYMENTS

NEO	TYPE OF PAYMENT	AWARD	PERF. PERIOD	VESTING PERIOD	VALUE
James Dimon	Retention	SARs	N/A	5 years	$52,620,000
Daniel Pinto	Promotion	SARs	N/A	5 years	$27,862,500

Note: See Executive Compensation - Synopsis for more information on Messrs. Dimon and Pinto's one-off awards.

RISK-MITIGATING POLICIES

CLAWBACK POLICY	*Yes - Expanded*
ANTI-HEDGING POLICY	*Yes*
STOCK OWNERSHIP GUIDELINES	*Yes - all NEOs*

SEPARATION & CIC BENEFITS

HIGHEST SEVERANCE ENTITLEMENT	*1x base salary, not to exceed $400,000*
CIC EQUITY TREATMENT	*Double-trigger acceleration*
EXCISE TAX GROSS-UPS	*No*

OTHER FEATURES

LFY CEO TO MEDIAN EMPLOYEE PAY RATIO	*917:1*
E&S METRICS	*Environment, Human Capital Management, Diversity, Community and Holistic ESG/CSR*
BENCHMARK FOR CEO PAY	*No specific benchmark*

GLASS LEWIS ANALYSIS

This proposal seeks shareholder approval of a non-binding, advisory vote on the Company's executive compensation. Glass Lewis believes firms should fully disclose and explain all aspects of their executives' compensation in such a way that shareholders can comprehend and analyze the company's policies and procedures. In completing our assessment, we consider, among other factors, the appropriateness of performance targets and metrics, how such goals and metrics

are used to improve Company performance, the peer group against which the Company believes it is competing, whether incentive schemes encourage prudent risk management and the board's adherence to market best practices. Furthermore, we also emphasize and evaluate the extent to which the Company links executive pay with performance.

PROGRAM FEATURES [1]

POSITIVE

- LTIP performance-based
- STI-LTI payout balance
- No single-trigger CIC benefits
- Anti-hedging policy
- Enhanced clawback policy for NEOs
- Executive stock ownership guidelines for NEOs

NEGATIVE

- Disconnect between pay and performance
- Excessive grants of time-based, one-off awards
- STIP awards are discretionary

[1] Both positive and negative compensation features are ranked according to Glass Lewis' view of their importance or severity

AREAS OF FOCUS

VARIABLE COMPENSATION

No Performance-Based Short-Term Awards
Policy Perspective: When compensation committees retain a significant degree of discretion over final payouts under the short-term incentive plan, the resultant flexibility may allow for payouts which are not fully aligned with a company's overall performance.

Incentive Limits on Short-Term Awards
Policy Perspective: A lack of disclosed caps on short-term incentive plan payouts runs contrary to best practices and shareholder interests, as management may receive excessive compensation that is not strictly tied to Company performance. We believe that such caps provide an important assurance for shareholders around executive pay levels and certain risks generated by incentive plans.

Single Metric
Policy Perspective: The use of a single performance metric under the LTI plan may only reflect a narrow view of company results rather than providing a fuller view of overall performance.

Analyst Comment: In addition, we note the limited role of the relative element of the long-term incentive as it is only applied if maximum performance is not achieved for absolute performance.

ONE-TIME PAYMENTS

One-Off Awards
Policy Perspective: Shareholders should generally be wary of awards granted outside of the standard incentive schemes, as such awards have the potential to undermine the integrity of a company's regular incentive plans, the link between pay and performance or both.

Analyst Comment: During the fiscal year, the Company granted its CEO and COO one-off equity awards that we consider to be excessive. The CEO's one-off award of $52 million was nearly double the size of his regular equity grant for 2021. The Company attributes the awards to long-term executive retention and succession planning. The Company seeks to incent Mr. Dimon to lead the company for a further significant number of years. The Company also cites a highly competitive landscape for executive leadership talent, and we note that the Company is down to one COO following the departure of Mr. Smith.

Shareholders should consider the Company's sustained disconnect between executive pay and performance over the last nine years. It is true that, historically, the Company's size relative to peers has helped to mitigate some of the our concerns with the disconnect. However, with this year's approximately $52 million one-off grant to Mr. Dimon, and over $80 million overall in one-off grants, we believe that the relative size of the Company cannot fully mitigate concerns around the quantum of CEO and broader NEO pay, particularly when evaluated against performance results.

Based on as-reported CEO compensation amounts at the time of this writing, Mr. Dimon's last fiscal year compensation was 3.4 times the median of financial peers. Meanwhile, the Company's revenue and employee count was only an approximate 1.9 times both the median of financial peers. In comparison with the Glass Lewis peer group which includes financial peers and broader market peers, CEO as-reported pay was four times the median. Meanwhile, its revenue size was 1.4 times the median of Glass Lewis peers while employee count was 1.9 times the median.

To note, compared to the Company's self-disclosed financial peers, the Company ranks in the bottom quartile of TSR

performance during the last fiscal year while posting below median TSR performance for a three-year period. In contrast, Mr. Dimon was the highest paid CEO among this group. Likewise, one-year TSR compared to the Glass Lewis peer group was below median. The three-year and five-year TSR percentile rank of the Company did not match CEO pay as a result of the one-off grant. His top ranking may be partly justified by the relative size of the Company, but the magnitude of pay that led to that pay ranking during the fiscal year under review is problematic and deserves shareholders' scrutiny with relative performance front of mind.

Given the sizes of the grants, a key concern is the lack of rigorous performance-based vesting conditions that awards executives for sustained performance throughout the vesting period. Such conditions assure shareholders that the investment in these executives' service is matched by the results of their execution. Recent history under our pay-for-performance analysis has not indicated such sufficient alignment. While it is important to recognize that the awards vest over a longer timeframe than the Company's regular equity incentives, we do not believe this fully alleviates concerns around the magnitude of the grants and what we consider their insufficient structural integrity. As a separate note, half of the awards are subject to protection-based vesting conditions, which are off-shoots of typical clawback provisions but are not sufficient substitutes for rigorous performance-based vesting conditions.

Overall, we believe that shareholders should consider the Company's rationale for retention awards. However, the quantum of the awards and the absence of performance-based vesting conditions further undermine regular incentive programs that have already struggled to produce adequate alignment between executive pay and performance.

2021 PAY FOR PERFORMANCE: D

Policy Perspective: "D" grades in the Glass Lewis pay-for-performance model indicate a disconnect between pay and performance, with some deficit between a company's performance ranking relative to executive pay levels among peers.

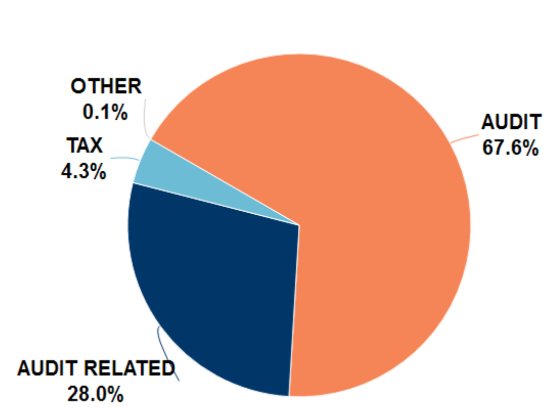
Analyst Comment: Compensation at the Company was at the top percentile compared to the Glass Lewis peer group while performance approximated only the median of peers. Realized pay also indicates a disconnect as Mr. Dimon's total pay has easily outstripped that of his industry and broader market counterparts over the last five years (see Compensation Analysis Page). In 2021 alone, Mr. Dimon banked $121 million in vested full value awards and exercised options grants.

CONCLUSION

We recommend that shareholders vote **AGAINST** this proposal.

3.00: RATIFICATION OF AUDITOR

PROPOSAL REQUEST:	Ratification of PricewaterhouseCoopers	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	95.1%	**FOR-**	No material concerns
BINDING/ADVISORY:	Advisory		
REQUIRED TO APPROVE:	Majority of votes cast		
AUDITOR OPINION:	Unqualified		



AUDITOR FEES

	2021	2020	2019
Audit Fees:	$63,900,000	$75,100,000	$75,800,000
Audit-Related Fees:	$26,500,000	$27,300,000	$25,800,000
Tax Fees:	$4,100,000	$2,700,000	$3,200,000
All Other Fees:	$ 0	$ 0	$ 0
Total Fees:	$94,500,000	$105,100,000	$104,800,000
Auditor:	Pricewaterhouse Coopers	Pricewaterhouse Coopers	Pricewaterhouse Coopers

Years Serving Company:	57
Restatement in Past 12 Months:	No
Alternate Dispute Resolution:	No
Auditor Liability Caps:	No
Lead Audit Partner:	Daniel John Felgner
Critical Audit Matter(s):	2 • Allowance for Loan Losses - Portfolio-based component of Wholesale Loan and Credit Card Loan Portfolios • Fair Value of Certain Level 3 Financial Instruments

GLASS LEWIS ANALYSIS

The fees paid for non-audit-related services are reasonable and the Company discloses appropriate information about these services in its filings.

We recommend that shareholders vote **FOR** the ratification of the appointment of PricewaterhouseCoopers as the Company's auditor for fiscal year 2022.

4.00: SHAREHOLDER PROPOSAL REGARDING FOSSIL FUEL FINANCING POLICY

PROPOSAL REQUEST:	That the Company adopt a policy by the end of 2022 to ensure its fossil fuel financing is consistent with the IEA's NZE 2050 Scenario	**SHAREHOLDER PROPONENT:**	Mercy Investments Services, Inc.
BINDING/ADVISORY:	Precatory		
PRIOR YEAR VOTE RESULT (FOR):	N/A	**REQUIRED TO APPROVE:**	Majority of votes cast

RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:
AGAINST - Not in the best interests of shareholders

SASB MATERIALITY

PRIMARY SASB INDUSTRY: Investment Banking & Brokerage

FINANCIALLY MATERIAL TOPICS:

- *Employee Diversity & Inclusion*
- *Incorporation of Environmental, Social, and Governance Factors in Investment Banking & Brokerage Activities*
- *Business Ethics*
- *Professional Integrity*
- *Systemic Risk Management*
- *Employee Incentives & Risk Taking*

GLASS LEWIS REASONING

- Requiring the Company to adopt policies that would restrict the companies that the Company can lend to and finance could infringe on the Company's ability to develop plans and policies that it views as being in the best interests of its shareholders and stakeholders; and
- Given the Company's existing disclosure concerning its climate-related risks and its demonstrated responsiveness to this issue (including its fossil fuels financing policies), we do not believe that adoption of this proposal is warranted at this time.

PROPOSAL SUMMARY

Text of Resolution: *Resolved: Shareholders request that JPMorgan Chase (JPMC) adopt a policy by the end of 2022 in which the company takes available actions to help ensure that its financing does not contribute to new fossil fuel supplies that would be inconsistent with the IEA's Net Zero Emissions by 2050 Scenario.*

Proponent's Perspective

- While the Company has asserted that it is taking comprehensive steps to align with the climate goals of the Paris Agreement, the Company's position as a leading financier of fossil fuel conflicts with a scenario in which global warming does not exceed 1.5°C;
- The International Energy Agency ("IEA") found that for the world to limit warming to 1.5ºC by 2050, effective immediately, there is no need for investment in new fossil fuel supply;
- Under current emission trajectories, 10% of total global economic value has been estimated to be lost by 2050, but limiting warming to 1.5ºC versus 2ºC could save $20 trillion globally by 2100, while exceeding 2ºC could lead to climate damages in the hundreds of trillions;
- To diversified investors, continued support for fossil fuel development threatens long-term portfolio value, and for banks, it means increased credit, market, and operational risks;
- The Company's recently released 2030 targets specify reductions in carbon intensity, that is, greenhouse gas emissions per unit of output, but these targets do not meet the identified need, over the next decade, to cut global absolute emissions by 45%;
- The Company has been identified as the largest funder of companies expanding oil and gas production, and some of these oil and gas companies have set intensity reduction targets meeting or exceeding what the Company is calling for, even as they plan continued oil and gas expansion; and
- In September 2021, the Company and other large banks were named in an op-ed by youth climate activists calling on the banks

Board's Perspective

- The Company's targets for both emission reductions and financing encompass both energy supply and demand, consistent with the challenges and opportunities of the low carbon transition;
- The Company works with traditional energy clients to help develop their long-term business strategies to improve their carbon disclosures and reduce their carbon emissions;
- An abrupt withdrawal from financing new oil and natural gas projects could trigger unintended, negative consequences, including increasing energy price volatility without decarbonizing demand, which is important to address climate change;
- The Company has engaged extensively with its shareholders regarding its approach to climate change-related risks and opportunities, and shareholders have been largely supportive, including with respect to its use of Paris-aligned emission intensity targets;
- In 2021, the Company announced its approach to align key sectors of its financing portfolio with the goals of the Paris Agreement and later in the year announced its support for the goals of the Net Zero Banking Alliance;
- The Company initially developed intermediate Paris-aligned targets to reduce the carbon intensity in its Oil & Gas, Electric Power, and Automotive Manufacturing portfolios by 2030, pursuing Paris-aligned emission targets on a sector-by-sector basis, and is beginning to operationalize these targets across the Company and has announced that it will provide details of its

to stop financing expansion of fossil fuels.

The proponent has filed an exempt solicitation in support of this proposal.

The New York State Comptroller has filed an exempt solicitation in support of this proposal.

progress in its next climate report, which it plans to publish in Fall 2022;

- As part of a $2.5 trillion sustainable development target, it is targeting $1 trillion through 2030 to finance and facilitate climate action, and is increasingly advancing net zero solutions such as renewable energy, energy efficiency, and vehicle electrification;
- The IEA's net zero scenario, which is cited by the proposal, is in fact based on "an unwavering policy focus on climate change" driving a decline in fossil fuel demand that is supported by "huge leaps in clean energy innovation" and resulting in a "complete transformation" of the energy system, but a number of requirements for this systemic transformation are not currently in place, and abrupt financing shocks on the supply side are not the solution; and
- Currently there are not adequate, commercially available low carbon energy solutions for all of the world's needs, such as in harder-to-abate sectors such as industrial, manufacturing, and heavy transportation.

GLASS LEWIS ANALYSIS

In general, we believe it is prudent for management to assess its potential exposure to all risks, including environmental and social concerns and regulations pertaining thereto in order to incorporate this information into its overall business risk profile. When there is no evidence of egregious or illegal conduct that might suggest poor oversight or management of environmental or social issues that may threaten shareholder value, Glass Lewis believes that management and reporting of environmental and social issues associated with business operations are generally best left to management and the directors who can be held accountable for failure to address relevant risks on these issues when they face re-election.

In this case, the Company is a financial services firm, based in the U.S. with operations worldwide, that provides services in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing, and asset management. Through its brands, the Company serves millions of customers, predominantly in the U.S., and many of the world’s most prominent corporate, institutional, and government clients globally (2021 10-K, p.1). Given the nature and scope of the Company's operations, it could be subject to significant risks with respect to both climate change and the regulatory implications or investor pressures that come as a result of climate change. For more information concerning climate change conventions and regulations, please see *Glass Lewis' In Depth: Climate Change*.

RISKS TO FINANCIAL FIRMS FROM FINANCING AND INVESTING IN COMPANIES WITH SIGNIFICANT EMISSIONS

Analysts believe that fossil fuel industries in the world's economies are at risk, as markets have not adequately prepared for future limitations that will render many carbon-emitting fossil fuels unusable (“Carbon Bubble Growing, but Markets Aren't Listening.” *Reuters*. July 16, 2011). On October 30, 2014, the governor of the Bank of England stated that "the vast majority of reserves are unburnable if global temperature rises are to be limited to below 2°C" (Toby A.A. Heaps. "Bank of Canada Mum on Unburnable Carbon Thesis." *Corporate Knights*. January 29, 2015). In December 2014, Goldman Sachs reviewed 400 of the world's largest new oil and gas fields (excluding U.S. shale) and found projects representing $930 billion of future investment, or more than two-thirds of projects, that are no longer profitable with Brent crude at $70. The reasons for the drop in these prices is mainly a result of an increased supply of natural gas, as a result of a boom in hydraulic fracturing, and subsequent OPEC policies- not a result of climate change regulation (Tom Randall. "Bankers See $1 Trillion of Zombie Investments Stranded in the Oil Fields." *Bloomberg Business*. December 17, 2014). However, it demonstrates the vulnerability of companies in this industry to price fluctuations in the price of oil.

Although service-based companies, including those that operate within the financial sector, do not often have a large environmental footprint as a result of their own operations, they nonetheless may be exposed to risks from climate change depending on their financing transactions and from the risks faced by the companies in which they hold investments. Given current and proposed regulations on environmental matters, including those related to greenhouse gas emissions, the Company should ensure that it is mitigating any potential direct, regulatory, and legal risks stemming from environmental concerns that directly impact the companies the Company finances as well as the exposure to such risks faced by the companies contained in its investment portfolio.

Given these risks, a number of investors have determined that fossil fuel companies represent too high of a risk and have removed these companies from their investment portfolios. For example, Citi Research stated of Australian mining companies that "investors who strongly believe in 'unburnable carbon' would find it more productive to actively tilt their portfolios" (i.e., sell fossil-fuel companies). Further, HSBC has stated that "if lower demand led to lower oil and gas prices...the potential value at risk could rise to 40-60% of market cap." However, HSBC doubted that "the market is pricing in the risk of a loss from this issue" (" Unburnable Fuel." *The Economist*. May 4, 2013). Accordingly, a number of university endowments, investment funds, and religious institutions are completely divesting themselves of fossil fuel assets (Owen Davis. "What are the Financial Risks of Climate Change?" *International Business Times*. March 3, 2015).

Further, a number of financial institutions, including HSBC, Citi, Standard and Poors, and the Bank of England have recognized that a collapse in the value of oil, gas, and coal assets as a result of climate change regulation could pose potential systematic risks to the economy (Damian Carrington. "Carbon Bubble Will Plunge the World into Another Financial Crisis." *The Guardian*. April 18, 2013). In fact, in March 2014, the British parliament stated that financial stability "could be threatened if shares in fossil fuel companies turn out to be over-valued because the bulk of their oil, coal and gas reserves cannot be burned without further destabilising the climate," and recommended that the Bank of England's Financial Policy Committee "seek advice from the independent Committee on Climate Change to help it monitor the systematic risk to financial stability associated with a carbon bubble." More recently, an international team of economists and policy experts have found that a dramatic decline in demand for fossil fuels could occur sometime before 2035 and could trigger a global economic loss of between one and four trillion U.S. dollars. According to the study, an estimated loss of four trillion U.S. dollars worth of fossil fuel assets could occur following a sudden push for climate policies in line with a two-degree target scenario, continued decline in fossil fuel demand, and continued production levels.

For more information concerning risks to banks that engage in project financing activities in emissions-intensive and scrutinized areas, please see Glass Lewis' *In-Depth: Carbon Asset Risk*.

IMPACT OF RUSSIAN INVASION OF UKRAINE ON ENERGY COMPANIES AND SUPPLIES

In February 2022, Russian troops invaded the neighboring country of Ukraine. This move on the part of the Russians immediately spurred significant public backlash as well as the imposition of a number of government sanctions. In addition, a number of companies have voluntarily responded to this matter by stopping their business with or in the country. While this cohort included a number of consumer goods companies, arguably, companies that have been most impacted have been in the energy and materials sectors. However, this has had far-reaching implications for companies and governments.

Russia is the third-largest producer of oil in the world, only behind the U.S. and Saudi Arabia. As such, the country's invasion of Ukraine has greatly impacted the global oil and gas market. A number of countries have implemented sanctions in response to the invasion, including a total ban on Russian oil, gas, and coal imports to the U.S., a plan to phase out Russian oil from the UK by the end of 2022, and a plan to reduce the EU's Russian gas imports by two-thirds (Jake Horton, Daniele Palumbo, Tim Bowler. "Ukraine War: How Reliant Is the World on Russia for Oil and Gas?" *BBC*. March 14, 2022). Due to the fall in demand for its oil, the International Energy Agency has warned that Russia could soon be forced to reduce its crude oil production by 30%, leading to the global economy's largest supply crisis in decades (Charles Riley. "Russia Could Lose 30% Of Its Oil Output Within Weeks, IEA Warns." *CNN Business*. March 16, 2022).

To maintain these sanctions and replace Russian exports, the U.S. has considered relaxing some of its other oil sanctions and requesting an increase in oil production from Saudi Arabia. Gas imports to Europe are much more difficult to replace, however, and could leave Germany and Italy particularly vulnerable as they rely the most heavily on Russian gas. One organization has predicted that Europe could potentially import more liquefied natural gas ("LNG") from the U.S., and the EU has proposed a plan to make Europe independent from Russian fossil fuels prior to 2030, which includes plans to diversify its gas supplies (Jake Horton, Daniele Palumbo, Tim Bowler. "Ukraine War: How Reliant Is the World on Russia for Oil and Gas?" *BBC*. March 14, 2022).

These revised plans are necessary in order to maintain sanctions, as the EU is currently the largest importer of natural gas in the world, and although it has focused on building out its renewable resources, it hasn't yet happened fast enough to eliminate its dependence on Russian gas. This is due in part to the EU's energy infrastructures not being set up to handle the intermittency of renewable energy, as well as a lack of grid capacity to take up more renewables in some areas, a slow permitting process, and at times, public opposition to renewables (Catherine Clifford. "Why Europe Is So Dependent on Russia for Natural Gas." *CNBC*. February 24, 2022). Exacerbating this matter is the fact that, in recent months, Germany closed down its last two nuclear power plant, which meant they were planning to import even more gas (Andrew Ross Sorkin. "Russia's Ukraine Invasion Raises Questions About Energy Policy." *New York Times*. February 26, 2022). The EU's resulting demand for LNG has led to U.S. suppliers exporting record volumes for the past three months straight. Additionally, LNG spot prices have jumped to a record high in recent weeks, making the resource approximately ten times more valuable than it was one year ago (Marwa Rashad. "U.S. LNG Exporters Emerge as Big Winners of Europe Natgas Crisis ." *Reuters*. March 9, 2022).

Because of global sanctions and the resulting energy supply crisis, the focus has shifted to energy producers outside of Russia to fill the void. Unfortunately, there currently is not an excess of spare capacity to make up for the sanctioned oil and gas. Currently, the bulk of this additional capacity resides in Saudi Arabia and the United Arab Emirates (Andrew Ross Sorkin. "Russia's Ukraine Invasion Raises Questions About Energy Policy." *New York Times*. February 26, 2022). However, American oil and gas producers may also try to enter the mix. The American oil and gas industry initially expressed concerns at the start of the invasion that efforts to restrain drilling in America could worsen global dependence on Russia's fossil fuels. As such, the industry called on the current U.S. administration to accelerate permits for energy infrastructure and to roll back steps it had previously taken to curb fossil fuel production as a means of addressing climate

change (Hiroko Tabuchi. "U.S. Oil Industry Uses Ukraine Invasion to Push for More Drilling at Home." *The New York Times*. February 26, 2022). The American Petroleum Institute, an industry association representing companies in the oil and gas industries, has called on President Biden to permit an expansion of drilling and to drop regulations impeding new gas pipelines to support European countries and reduce fuel costs for Americans. However, environmental groups have criticized the efforts, arguing that such actions would worsen the climate crisis, a call that is echoed by a number of U.S. representatives, who argued that eliminating dependence on oil will provide stability in the long run (Oliver Milman. " U.S. Fossil Fuel Industry Leaps on Russia's Invasion of Ukraine to Argue for More Drilling." *The Guardian*. February 26, 2022).

On March 25, 2022, the Biden administration stated that it would work with international partners to provide at least 15 billion cubic meters more of LNG to Europe during 2022 and that these volumes are expected to increase going forward. In addition, the U.S. and EU announced the formation of a joint task force to bolster energy security for the EU and Ukraine over the next several winters. The primary goal of this task force is to diversify LNG supplies in alignment with climate objectives and to reduce demand for natural gas, which will likely require new facilities in Europe for importing LNG. The U.S. specifically stated that it would work toward the goal of ensuring until at least 2030, demand for approximately 50 billion cubic meters per year of extra U.S. LNG, which the White House stated is "consistent with our shared net-zero goals" (Sam Meredith. " EU Strikes Gas Deal with the U.S. as it Seeks to Cut its Reliance on Russia." *CNBC*. March 25, 2022).

COMPANY AND PEER ANALYSIS

Company Name	**JPMorgan Chase & Co.** **(NYSE: JPM)**	**Wells Fargo & Company** **(NYSE: WFC)**	**Citigroup Inc.** **(NYSE: C)**	**Bank of America Corporation** **(NYSE: BAC)**
Board Oversight	The public responsibility committee reviews the Company's policies and practices related to environmental and social matters. However, it is not clear to what extent the committee oversees issues related to climate.	The corporate responsibility committee meets regularly to discuss updates from management on policy development and implementation, materiality and impact assessments, and initiative reporting as part of its oversight and management of critical sustainability issues, including climate (p.8). The corporate responsibility committee oversees the firm's significant strategies, policies, and programs on social and public responsibility matters, including	The board has ultimate oversight of the work to identify, assess, and integrate climate-related risks and opportunities throughout the organization (p.12).The nomination, governance, and public affairs committee oversees, receives reports from, and advises management on ESG matters, including but not limited to, the policies and programs pertaining to	The corporate governance, ESG, and sustainability committee has specific responsibility for reviewing activities and practices relating to ESG matters, including climate change (p.19).

		environmental sustainability and climate change, among other things. The risk committee oversees and periodically reviews and receives updates and reports from management on the state of, among other things, risks related to environmental sustainability and climate change.	environmental sustainability, climate change, human rights, and community investment. The risk management committee receives updates, as necessary and appropriate, from management on climate risk.	
Board Accountability	All director candidates are eligible to serve a one-year term.	All director candidates are eligible to serve a one-year term.	All director candidates are eligible to serve a one-year term.	All director candidates are eligible to serve a one-year term.
GHG Emissions are Material (As Defined by SASB)	No	No	No	No
Sustainability Reporting	Provides an ESG report, environmental and social policy framework, ESG report appendices, annual green bond report, Paris-aligned financing commitment methodology, investment stewardship report, and its sustainable development target approach.	Provides an ESG report, its ESG goals and performance data, social impact and sustainability highlights, CDP climate change response, TCFD report, climate change issue brief, and its environmental and social risk management framework.	Provides an ESG report, TCFD Report, its sustainable progress strategy, a sustainable growth report, and an environmental and social policy framework.	Provides ESG reports, approach to zero summary, ESG performance data summary, environmental and social risk policy framework, CDP climate change response, TCFD report, and ESG materiality map.
Reports to TCFD Recommendations	Yes (pp.13-14). Also states that, in 2022, it intends to release a dedicated climate report, which will be informed by the recommendations of the TCFD (p.5).	Yes	Yes	Yes
Scenario Analysis/Planning Disclosure	Yes (pp.16-18) However, this information is only contained in its 2020 ESG Report and not its 2021 Report.	Yes (p.28)	Yes (pp.19-28)	Yes (p.7)

Scope 1 and 2 Emissions Disclosure	Yes (p.32). However, this information is only contained in its 2020 ESG Report and not its 2021 Report.	Yes (p.32)	Yes (p.61)	Yes (p.14)
Scope 3 Emissions Disclosure	Yes (p.32) However, this information is only contained in its 2020 ESG Report and not its 2021 Report.	Yes (p.33)	Yes (p.61)	Yes (p.15)
GHG Emissions Received Third-Party Assurance	Yes (pp.15-17) However, this information is only contained in its 2020 ESG Report and not its 2021 Report.	Yes	Yes (p.24)	Yes
Scope 1 and/or 2 Emissions Reduction Targets	Maintains target to reduce Scope 1 and Scope 2 GHG emissions by 40% by 2030 vs. a 2017 baseline (p.17).	Maintains goal to achieve net zero GHG emissions by 2050, and states that it achieved carbon neutrality in its own operations in 2019 and 2020. States that it will set and disclose interim targets for select carbon intensive portfolios, including the oil and gas sectors and power sector no later than the end of 2022 (p.85).	Maintains target to reduce location-based GHG emissions 45% by 2025 from a 2010 baseline (p.59).	States targets to: (i) maintain carbon neutrality in Scope 1 and 2; (ii) to reduce Scope 1 and 2, location-based GHG emissions by 75% compared to 2010 baseline by 2030; (iii) reduce intensity 44% gCO2e/km Scope 1-3 end use within the auto manufacturing sector; (iv) reduce intensity 42% gCO2e/MJ Scope 1-2 in the energy sector; and (v) reduce intensity 70% kgCO2/MWh Scope 1 in the power generation sector (p.3).
Scope 3 Emissions Targets	Maintains targets to reduce operational carbon emissions intensity from its oil and gas portfolio 35% by 2030 and end use carbon emissions intensity 15% by 2030, both from a 2019 baseline. Also maintains targets to achieve 115.4 kg CO2/MWh for its electric power portfolio by 2030, a 69% reduction from a 2019 baseline, and 92.3 g CO2e/km for its auto manufacturing portfolio, a 41% reduction from a 2019 baseline (p.7).	Maintains target to achieve net zero GHG emissions by 2050, including relevant Scope 3 emissions and Scope 3 category 15 emissions from investments or financed emissions. States that it will set and disclose interim targets for select carbon-intensive portfolios, including the oil and gas sectors and power	Maintains targets to reduce emissions for its energy portfolio by 29% by 2030 from a 2020 baseline, and to reduce Scope 1 emissions intensity per MWh for its power portfolio 63% by 2030 from a 2020 baseline (p.58). Also maintains target to achieve net-zero emissions associated with its	Maintains targets to reduce intensity 44% gCO2e/km Scope 1-3 end use within the auto manufacturing sector and reduce intensity 29% gCO2e/MJ Scope 3 end use within the energy sector (p.3).

		sector no later than the end of 2022 (p.85).	associated with its financing by 2050 (p.2).	
Net Zero Ambition/Target	Yes (p.12)	Yes (p.85)	Yes (p.2)	Yes (p.3)
Targets Certified by SBTi	No	No	No	No
	States that it will not provide project financing or other forms of asset-specific financing where the proceeds will be used to develop a new greenfield coal mine, and will not provide lending, capital markets or advisory services to clients deriving the majority of their revenues from the extraction of coal. Will also phase out remaining credit exposure to such clients by the end of 2024. Also states that it will not provide lending, capital markets, or advisory services to coal mining clients involved in	States that it currently does not directly or indirectly provide new financing, or is in the process of exiting existing relationships or reducing exposure as contracts expire, for coal industry activities or customers involved in them, including companies deriving profits from mountaintop removal coal operations, or any project associated with the expansion of an existing or development of a new coal mine or new coal-fired power plant. Regarding oil and gas, the firm states that it has developed	States that it will not provide project-related financing for new thermal coal mines or significant expansion of existing mines, and has set the following targets to phase out its financing of mining companies deriving ≥25% of their revenue from thermal coal mining: (i) by the end of 2025, it will reduce its credit exposure to these companies by 50% from a 2020 baseline; (ii) after 2025, it will no longer facilitate capital markets transactions or mergers and acquisition advisory and financing for these companies; and (iii) by the end of 2030, all remaining exposure to these companies will be reduced to zero. States that it will not provide project-related financial services for transactions	States that it will not directly finance new thermal coal mines or the expansion of existing mines, and by 2025, will phase out all financing (including facilitating capital markets transactions and advising on mergers and acquisitions) of companies deriving ≥ 25% of their revenue from thermal coal mining, unless the company has a public commitment to align its business (across Scope 1, 2 and 3 emissions) with the goals of the Paris Climate Agreement and the

Fossil Fuel Financing Disclosure	mountaintop mining, nor will it provide project financing or other forms of asset-specific financing where the proceeds will be used to develop a new coal-fired power plant or refinance an existing coal-fired power plant. However, it will consider coal-fired power plants utilizing carbon capture and sequestration technology on a case-by-case basis (pp.4-5). Provides its climate risk engagement and voting report which includes discussion of its approach to engaging with fossil fuel suppliers (pp.39-49).	activity-specific due diligence processes for tar sands oil, Arctic oil and gas, offshore/deep-water operators, fracked gas, long-haul pipelines that cross state boundaries or potentially sensitive geographies, and large refineries and terminal stations, particularly those near potentially sensitive geographies and vulnerable populations. Such due diligence evaluates risk associated with impacts on natural resources and biodiversity, GHG and other air emissions, water and waste management, and health and safety events.	supporting the construction or expansion of coal-fired power plants, including refinancing recently constructed plants. This includes transactions supporting the supply of all components, equipment, materials, and services directly required for the construction of such plants. Maintains the following commitments after 2021: (i) not provide acquisition financing or advisory services related to coal-fired power plants; (ii) not onboard any new clients with ≥20% of power generation from coal-fired power plants unless such client is pursuing a low-carbon transition strategy; and (iii) not onboard any new clients that have plans to expand coal-fired power generation (pp.18-19).	transaction would be facilitating the diversification of the company's business away from thermal coal. Also will not directly finance the construction or expansion of new coal-fired power plants, including refinancing recently constructed plants, unless those facilities employ technology that is focused on complete or near elimination of atmospheric carbon emissions, such as carbon capture technology (p.11). ~~Also discuses its commitment to helping finance the transition to net zero before 2050.~~

Summary

GRI/SASB-Indicated Sustainability Disclosure	GRI (pp.63-68) and SASB (pp.70-72)

Peer Comparison	We find the Company's climate-related governance to lag that of its peers, as it is the only company that does not provide explicit, board-level oversight of climate-related issues (though it does provide for oversight of general environmental and social matters). Otherwise, the banks all appear to be relatively in line with each other with respect to their climate-related policies and disclosures. However, it appears as if the Company's reporting is more outdated than that of its peers.
Analyst Note	The Company has stated that it will release a dedicated climate report aligned with the recommendations of the TCFD in 2022, and provides disclosure of its fossil fuel financing policies. However, we are concerned that such disclosure is not available for shareholders to evaluate in the context of these resolutions, particularly given it was included in its 2020 ESG Report, but is notably absent from its most recent ESG Report.

RECOMMENDATION

Upon review, we have a number of concerns regarding the Company's disclosures. Specifically, the Company's 2020 report contained significantly more information on its climate considerations, including specific information concerning its GHG emissions and provided information on its scenario analysis, among other things, all of which are absent from its 2021 report. We understand the Company states in its 2021 ESG Report that "in 2022" it intends to release a "dedicated climate report, which will be informed by the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD")." It is likely that the release of such a report would ameliorate these concerns, but we question the logic behind withholding such information at this time, given the significant focus from investors on climate-related matters and the climate-related shareholder proposals, such as this one, that the Company consistently receives at its AGMs. We understand that these kinds of reports take considerable effort to produce and that compiling, evaluating, and validating data takes time. However, not enabling shareholders to evaluate the Company's most recent data deprives them of the ability to make accurate and informed decisions. We would strongly encourage the Company to ensure that such information is available for shareholders in a timely manner on a goring forward basis.

Despite this significant concern, we do not believe that support for this proposal is warranted. This is largely in light of the Company's past (and potentially its upcoming) disclosures and policies, and recent extenuating circumstances. We are generally not of the view that shareholders should supplant their own judgment for those of the board, which this proposal is essentially asking them to do. Requiring the Company to adopt policies that would restrict the firms or projects with which the Company can engage in lending and financing activities could infringe on the Company's ability to develop plans and policies that it views as being in the best interests of its shareholders and stakeholders. Moreover, under the terms of this proposal, the Company would have less than one year to adopt and operationalize the requested policy, which we believe is unreasonably short given the factors that need to go into effectively executing a policy of that kind.

Adding to our concerns are recent events, namely, the conflict in Ukraine. As noted above, the recent invasion of Ukraine has resulted in a tumultuous energy market and will lead to difficult choices for many governments and companies, as sanctions continue to be imposed on Russian oil and gas and companies that engage in those activities in the country. In order to supplement the shortfall caused by Russian sanctions and some companies' voluntary decision to halt operations or sales in the region, leaders have engaged with oil-rich nations in order to boost production, which will likely lead to new or expanded fossil fuel development. In light of these developments, it is our view that placing a barrier on the projects that the Company is able to finance could worsen these energy challenges; it could result in an inability for companies that engage in fossil fuel development with more progressive ESG policies, priorities and considerations that operate in regions with higher environmental and social protections to receive financing for their projects. Absent the involvement of these companies, it is likely that demand could be met by governments or companies with less stringent environmental and social considerations, leading to overall worse outcomes. We believe that this should be a strong consideration for investors that are seeking to improve companies' environmental and social performance and impacts.

In addition to our fundamental apprehension regarding the request of this proposal, we currently do not believe that there is evidence that the Company is not working in good faith toward its stated climate commitments. For example, the Company has developed robust goals and disclosed its progress on them. The Company has also established policies that provide for climate-related considerations and restrictions in its lending and financing activities and has established a net-zero goal for its operations and financing activities. We, therefore, do not believe that imposing additional restrictions on the Company's financing activities would ultimately benefit shareholders. We will continue to monitor the Company's progress in this regard and may recommend in favor of future shareholder proposals or against directors at future meetings should it become clear that the Company is not making sufficient progress towards meeting its goals. However, at this time, we believe that shareholders should vote against this proposal.

We recommend that shareholders vote **AGAINST** this proposal.

5.00: SHAREHOLDER PROPOSAL REGARDING RIGHT TO CALL SPECIAL MEETINGS

PROPOSAL REQUEST:	That the Company adopt a 10% threshold for calling special meetings	**SHAREHOLDER PROPONENT:**	John Chevedden
BINDING/ADVISORY:	Precatory		
PRIOR YEAR VOTE RESULT (FOR):	N/A	**REQUIRED TO APPROVE:**	Majority of votes cast

RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:

FOR -
- A 10% threshold for calling a special meeting is appropriate

GLASS LEWIS REASONING

- We believe that a 10% threshold for calling a special meeting is appropriate given the Company's size and shareholder base.

PROPOSAL SUMMARY

Text of Resolution: *Shareholders ask our board to take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 10% of our outstanding common stock the power to call a special shareholder meeting.*

Proponent's Perspective

- All shares not owned long, are excluded from participating in calling a special meeting;
- The proponent is concerned about the 20% threshold needed to request a record date to act by written consent;
- The proponent is concerned about online shareholder meetings; and
- A reasonable shareholder right to call for a special shareholder meeting to elect a new director can make shareholder engagement meaningful.

Board's Perspective

- The Company already provides for shareholders' rights to call a special meeting and to act by written consent;
- The provisions governing these rights strike a thoughtful balance between protecting the interests of all of shareholders and avoiding a waste of resources to address narrowly supported interests, and are consistent with industry best practices;
- The current special meeting ownership threshold mitigates the risk of the right being monopolized by a few large shareholders and provides smaller shareholders with aligned interests an opportunity to join in the call for a special meeting on topics that are important to them;
- The Company has strong corporate governance practices in place;
- The Company already provides shareholders with the right to call special meetings, whereas 40% of S&P 500 companies do not, and of the S&P 500 companies that provide for this right at all, more than 60% require a higher ownership threshold than the Company; and
- Shareholders holding 20% of share have the right to act by written consent, and the Company is one of less than a quarter of S&P 500 companies that provide shareholders with both special meeting and written consent rights.

GLASS LEWIS ANALYSIS

Glass Lewis strongly supports the right of shareholders to call special meetings. However, in order to prevent abuse and waste of corporate resources by a very small minority of shareholders, we believe that shareholders representing at least a sizable minority of shares must support such a meeting prior to its calling.

When reviewing proposals seeking to grant shareholders this right we typically consider:

- Company size;
- Shareholder base in both percentage of ownership and type of shareholder (e.g., hedge fund, activist investor, mutual fund, pension fund, etc);
- Responsiveness of board and management to shareholders evidenced by adopting progressive shareholder rights policies (e.g., majority voting, declassifying boards, etc.) and reaction to shareholder proposals;
- Company performance and the steps taken to improve poor performance (new executives/directors, spin-offs etc);
- The existence of anti-takeover protections or other entrenchment devices;
- Opportunities for shareholder action (e.g., proxy access, the ability to act by written consent); and

- Existing ability for shareholders to call a special meeting.

In this case, the Company currently maintains a provision that would allow shareholders with 20% of outstanding shares the ability to call a special meeting. The board also has in place certain best practice corporate governance provisions, such as a declassified board structure, the annual election of directors by majority vote, proxy access, and no poison pill. Despite these best practices, and given the Company's size and shareholder base, we believe that a 10% threshold is appropriate. Moreover, we believe that the Company can reasonably interpret and implement this proposal within the boundaries of applicable securities laws.

We recommend that shareholders vote **FOR** this proposal.

6.00: SHAREHOLDER PROPOSAL REGARDING INDEPENDENT CHAIR

PROPOSAL REQUEST:	That the chair of the board be an independent director	**SHAREHOLDER PROPONENT:**	Kenneth Steiner
BINDING/ADVISORY:	Precatory		
PRIOR YEAR VOTE RESULT (FOR):	47.7%	**REQUIRED TO APPROVE:**	Majority of votes cast

RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:

FOR -
- An independent chair is better able to oversee the executives of a company and set a pro-shareholder agenda

GLASS LEWIS REASONING

- An independent chair is better able to oversee the executives of a company and set a pro-shareholder agenda without the management conflicts that a CEO or other executive insiders often face, leading to a more proactive and effective board of directors;
- Separation of the roles of chair and CEO eliminates the conflict of interest that inevitably occurs when a CEO is responsible for self-oversight; and
- The presence of an independent chair fosters the creation of a thoughtful and dynamic board that is not dominated by the views of senior management.

PROPOSAL SUMMARY

Text of Resolution: *The shareholders request that the Board of Directors adopt an enduring policy, and amend the governing documents as necessary in order that 2 separate people hold the office of the Chairman and the office of the CEO as follows:*

Selection of the Chairman of the Board The Board requires the separation of the offices of the Chairman of the Board and the Chief Executive Officer.

Whenever possible, the Chairman of the Board shall be an Independent Director.

The Board has the discretion to select a Temporary Chairman of the Board who is not an Independent Director to serve while the Board is seeking an Independent Chairman of the Board.

The Chairman shall not be a former CEO of the company.

This policy could be phased in when there is a contract renewal for our current CEO or for the next CEO transition.

Proponent's Perspective

- This proposal topic has received high shareholder support at other companies;
- The roles of chair and CEO are fundamentally different and should be held by two directors, a CEO and a chair who is completely independent of the CEO and the Company;
- This proposal topic received 47% support at the Company's 2021 annual meeting;
- With the current CEO serving as chair this means giving up a substantial check and balance safeguard that can only occur with an independent chair; and
- A lead director is no substitute for an independent board chair, as they cannot call a special shareholder meeting and cannot call a special meeting of the board.

Board's Perspective

- The board has adopted a new general policy, upon the next CEO transition, that the chair and CEO positions shall be separate, subject to the board's determination of the leadership structure that best serves the Company and its shareholders at the time;
- The board believes that the determination of its leadership structure is a core board function and a key part of fulfilling its fiduciary duty to shareholders, and thus, it is important that the board retain the ability to determine the leadership structure that best serves the Company's shareholders;
- The new policy is reflected in the Company's corporate governance principles and provides for the board's independent oversight of management while also maintaining the board's ability to fulfill its fiduciary duty to determine the leadership structure that best serves shareholders;
- This proposal's criticisms of the lead independent director role are not applicable to Company as the lead independent director has the power to call special shareholder meetings and special meetings of the board; and
- Recent studies have not factually demonstrated a significant relationship between having separate chair and CEO roles and company performance.

GLASS LEWIS ANALYSIS

Glass Lewis believes that the appointment of a chair of the board who is independent of management, i.e. not also serving as CEO, is nearly always preferable to having a single individual lead both the board and the executive team. We view an independent chair as better able to oversee the executives of the Company and set a pro-shareholder agenda without the inherent conflicts that a CEO or other executive insiders face. This, in turn, leads to a more proactive, responsive and effective board of directors.

For more information on empirical evidence concerning the separation of chair and CEO, please see Glass Lewis' *In-Depth: Independent Board Chair*.

In this case, we recognize that the board has a lead director with the following roles and responsibilities:

- Having the authority to call a board meeting or a meeting of independent directors;
- Presiding at board meetings in the chair's absence or when otherwise appropriate;
- Approving agendas and adding agenda items for board meetings and meetings of independent directors;
- Acting as liaison between independent directors and the chair/CEO;
- Presiding over executive sessions of independent directors;
- Engaging and consulting with major shareholders and other constituencies, where appropriate;
- Providing advice and guidance to the CEO on executing long-term strategy;
- Guiding the annual performance review of the chair/CEO;
- Advising the CEO of the board's information needs;
- Guiding the annual independent director consideration of chair/CEO compensation;
- Meeting one-on-one with the chair/CEO following executive sessions of independent directors;
- Guiding the board in its consideration of CEO succession; and
- Guiding the self-assessment of the board.

(2022 DEF 14A, p. 23)

We recognize that the Company has appointed a lead independent director and has listed the duties and responsibilities of the position, providing some independent board leadership to balance the power of the combined chair and CEO. However, we ultimately believe vesting a single person with both executive and board leadership concentrates too much responsibility in a single person and inhibits independent board oversight of executives on behalf of shareholders.

We note that the board has adopted a policy whereby "upon the next CEO transition, that the Chair and CEO positions shall be separate, subject to the Board's determination of the leadership structure that best serves the Firm and its shareholders at the time" (2022 DEF 14A, p.96). Although we believe that the board should have some level of flexibility to account for the Company's unique circumstances, we find the language of this policy to be relatively weak, particularly in light of the fact that the Company states clearly that the board currently "has determined that the Firm is best served by a combined CEO and Char, and a strong Lead Independent Director with clearly defined duties." We, therefore, are not fully convinced that the board will necessarily change its longstanding position on this matter in light of a change in leadership. Further, the policy requires that the CEO and chair roles be *separate*, not that the board appoint an *independent* chair. This means that, under the terms of this policy, upon his retirement, Mr. Dimon could serve as the executive chair, as is common prior to re-combining the roles of chair and CEO, following a leadership transition. In this circumstance, the Company would have fully adhered to this policy. We, therefore, do not view this policy as necessarily being responsive to this request.

We believe adopting a policy requiring an independent chair may serve to protect shareholder interests by ensuring oversight of the Company on behalf of shareholders that the Company is led by an individual free from the insurmountable conflict of overseeing oneself. We believe that this resolution is reasonably crafted and that shareholders should support this proposal.

We recommend that shareholders vote **FOR** this proposal.

7.00: SHAREHOLDER PROPOSAL REGARDING BOARD DIVERSITY

PROPOSAL REQUEST:	That the Company adopt a policy for improving board diversity	**SHAREHOLDER PROPONENT:**	National Legal and Policy Center
BINDING/ADVISORY:	Precatory		
PRIOR YEAR VOTE RESULT (FOR):	N/A	**REQUIRED TO APPROVE:**	Majority of votes cast

RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:
AGAINST - Not in the best interests of shareholders

GLASS LEWIS REASONING

- Given the Company provides appropriate disclosure concerning its diversity considerations and the diversity of its board, we do not believe that adoption of this resolution would necessarily serve shareholders' best interests.

Note: Glass Lewis recommends that shareholders carefully scrutinize proposals such as this that purport to seek more information about a company's purpose but may, in fact, be intended to frustrate company actions in that area.

PROPOSAL SUMMARY

Text of Resolution: *RESOLVED: The shareholders request the Board of JPMorgan Chase & Co. (the "Company") to adopt a policy (the "Policy") to encourage greater diversity for the Board of Directors. This would be accomplished by requiring that the initial lists of candidates from which new management-supported director nominees, recruited from outside the company, that are chosen by the board or relevant committee (each, an "Initial List"), should include qualified diverse candidates. The Policy should provide that any third-party consultant asked to furnish an Initial List will be requested to include such candidates.*

Each nominee's skills, experience and intellectual strengths shall be presented in a chart or matrix form, and shall be presented to the shareholders through the annual proxy statement and on the Company's website within six months of the date of the annual meeting and updated on an annual basis.

Proponent's Perspective

- Boards that incorporate diverse perspectives can think more critically and oversee corporate managers more effectively; and
- While the board currently boasts strong representation with experience from the upper echelons of corporate and financial decision-making, it could additionally benefit from individuals whose life experience and perspectives are diverse.

Board's Perspective

- The board has a robust director recruitment process in place that provides for ongoing evaluation of candidates for board membership and the candidate nomination process;
- In evaluating prospective directors, among other items, the corporate governance & nominating committee considers the Company's corporate governance principles, the Company's strategy and risk profile, current board composition, candidates' specific skills and experiences based on the needs of the Company, and candidate diversity, including diversity with respect to gender, race, ethnicity, nationality, perspectives, and viewpoints;
- The board recruitment process, including its commitment to diversity, is transparent;
- The board's recruitment process has resulted in the election of three women directors in the past four years, one of whom is a person of color, and the board is comprised of individuals with diverse experiences, skills and backgrounds;
- Candidates are nominated based on the skills, experience, personal attributes, and tenure needed to guide the Company's strategy, and to effectively oversee the Company's risk management and internal control framework, and management's execution of its responsibilities;
- The Company provides expanded disclosures for each director nominee in a matrix format, which lists the experience of each director, along with gender, race, ethnicity, and other characteristics, enabling investors to further evaluate the skills, experience, intellectual strengths, and perspectives of each

director nominee; and

- The Company's by-Laws provide for proxy access, by which a group of up to 20 shareholders who have continuously owned at least 3% of the Company's outstanding shares for at least three years may nominate up to 20% of the board, but in any event at least two directors.

GLASS LEWIS ANALYSIS

Glass Lewis believes the selection and screening process for identifying suitably qualified candidates for a company's board of directors is one which requires the judgment of many factors, some of which include the balance of skills and talents, as well as the breadth and diversity of experience of candidates and existing board members. We believe that diversity, viewed broadly, is ultimately a positive force for driving corporate performance, as qualified and committed directors with differing backgrounds, experiences and knowledge will likely enhance corporate performance. We believe that race and gender are but two aspects of diversity and that boards should be cognizant of ensuring that all directors, regardless of race or gender, possess the necessary skills, knowledge and experience that will ultimately drive corporate performance and enhance and create shareholder value. Companies operate in a myriad of different industries and locations and have unique strategies, challenges and opportunities. Simply adding women or racial minorities to the board for diversity's sake without careful consideration of qualifications and experience is unlikely to automatically effect any positive corporate change.

For more information regarding empirical evidence concerning this issue, please see Glass Lewis' *In-Depth: Board Gender Diversity*.

BOARD GENDER DIVERSITY AT THE COMPANY AND ITS PEERS

Following its 2022 election, assuming all directors are elected, the Company will have ten directors, four of whom are female (40%). Regarding racial diversity, of the Company's ten director nominees, one identifies as African American or Black (10%) (2022 DEF14A, p.13). In comparison, its peer companies have the following board diversity composition:

- Bank of America Corporation (NYSE: BAC): 14 directors, five of whom are women (36%) and three of whom are people of color (21%) (2022 DEF14A, p.12);
- Wells Fargo & Company (NYSE: WFC): 14 directors, five of whom are women (36%), four of whom are racially/ethnically diverse (29%) (2022 DEF14A, p.18); and
- Citigroup Inc. (NYSE: C): 12 directors, 7 of whom are women (58%) and one of whom are Black (8%) (2022 DEF12A, p.30).

In 2009, the SEC created a rule that required registrants to provide disclosure regarding the consideration of diversity in the process by which new director candidates are considered for nomination by a company's nominating committee. In this case, the Company states:

> *The Board seeks directors with expertise in executive fields who will bring experienced and fresh perspectives and insight, and come together to effectively challenge and provide independent oversight of management. The Board looks for candidates with a diversity of experience, perspectives and viewpoints, as well as diversity with respect to gender, race, ethnicity and nationality.*

(DEF 14A, p. 12)

To compare, Bank of America states in its most recent proxy filing:

> *When evaluating director candidates, our Corporate Governance, ESG, and Sustainability Committee reviews available or self-identified information regarding each candidate, including but not limited to, professional qualifications, experience, and expertise, as well as race, ethnicity, gender, nationality, national origin, sexual orientation, military service and other diverse characteristics.*

(2022 DEF14A, p.12)

To further compare, Wells Fargo states in its most recent proxy filing:

> *Although the GNC does not have a separate policy specifically governing diversity, as described in the Corporate Governance Guidelines and the GNC's charter, the GNC will consider, in identifying first-time candidates or nominees for director, and in evaluating individuals recommended by shareholders, the current composition of our Board and the interplay of the candidate's or nominee's experience, education, skills, background, gender, race, ethnicity, and other qualities and attributes with those of the other Board members. The GNC also incorporates this broad view of diversity into its director nomination process by taking into account all of the factors above.*

(2022 DEF14A, p.18)

Finally, Citigroup states in its most recent proxy filing:

> *Diversity is among the critical factors that the Nomination, Governance and Public Affairs Committee considers when evaluating the composition of the Board. For a Company like Citi, which operates in more than 100 countries around the globe, diversity includes race, ethnicity, nationality, and gender as well as the diversity of the communities and geographies in which Citi operates. Included in the qualifications for Directors listed in the Company's Corporate Governance Guidelines is "whether the candidate has special skills, expertise and background that would complement the attributes of the existing Directors, taking into consideration the diverse communities and geographies in which Citi operates." Citi's Board is committed to ensuring that it is composed of individuals whose backgrounds reflect the diversity represented by our employees, customers, and stakeholders. When considering new Director candidates, the Nomination, Governance and Public Affairs Committee instructs its recruiting firm to include diverse candidates in each slate. The candidates nominated for election at Citi's 2022 Annual Meeting exemplify that diversity: seven nominees are women and one nominee is racially diverse. In addition, each Director candidate contributes to the Board's overall diversity by providing a variety of perspectives, personal and professional experiences, and backgrounds, as well as other characteristics, such as global and international business experience. The Board believes that the current nominees reflect an appropriate diversity of gender, age, race, national origin, geographical background, and experience and is committed to continuing to consider diversity in evaluating the composition of the Board.*

(2022 DEF 14A, p. 30)

THE PROPONENT

This proposal should be carefully reviewed by socially responsible investors. The proponent of this proposal is the National Legal and Policy Center ("NLPC"), which has submitted shareholder proposals that, upon first impression, appear to be consistent with environmental and social proposals that call for information or action on enhancing companies' approaches to environmental and social factors but, upon further review, appear to be designed to inhibit companies' actions in such areas. The NLPC describes itself as a 501(c)(3) that "promotes ethics in public life through research, investigation, education, and legal action," and believes "the best way to promote ethics is to reduce the size of government."

The NLPC has targeted both corporations and members of government. For example, as part of its corporate integrity project, the NLPC recently announced that it submitted a shareholder resolution at Alphabet Inc. regarding concerns of government censorship in the U.S. However, it appears that the proposal is focused on frustrating the company's attempt to aid the Biden administration's efforts to combat misinformation related to the COVID-19 pandemic. Regarding its political activism, the organization submits complaints to government organizations, which appear to be primarily ethics complaints filed against Democratic politicians. For example, the organization filed a complaint regarding the dress worn by Representative Alexandria Ocasio-Cortez at the 2021 Met Gala. The NLPC website also promotes a video of Representative Lauren Boebert making Islamophobic remarks about her colleagues, including Representative Ilhan Omar. Here, the NLPC states that it has helped produce several stories about "Omar's self-dealing."

RECOMMENDATION

We are broadly supportive of initiatives that seek to ensure the diversity of boards. We believe that such diversity generally serves shareholders' best interests, by ensuring a broad mix of perspectives are included in a company's strategic decision-making. However, in this instance, we are unconvinced that adoption of this proposal would necessarily lead to a more diverse or inclusive board. Given the Company provides appropriate disclosure concerning its diversity considerations and the diversity of its board, we do not believe that adoption of this resolution would necessarily serve shareholders' best interests. Further, given our concerns with the proponent and its aims, we do not believe that shareholders should vote in favor of this proposal at this time.

We recommend that shareholders vote **AGAINST** this proposal.

8.00: SHAREHOLDER PROPOSAL REGARDING BECOMING A PUBLIC BENEFIT CORPORATION

PROPOSAL REQUEST:	That the board approve an amendment to the Company's Certificate to become a Public Benefit Corporation and submit it to shareholders for approval	**SHAREHOLDER PROPONENT:**	National Center for Public Policy Research
BINDING/ADVISORY:	Precatory		
PRIOR YEAR VOTE RESULT (FOR):	N/A	**REQUIRED TO APPROVE:**	Majority of votes cast

RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:
AGAINST - Not in the best interests of shareholders

GLASS LEWIS REASONING

- We do not find a clear showing by the proponent that shareholders should, in this instance, supplant the judgment of the board and management team or that adoption of this proposal will clearly lead to an increase in shareholder value; and
- The Company is able to consider and incorporate stakeholder considerations in its current corporate form.

Note: Glass Lewis recommends that shareholders carefully scrutinize proposals such as this that purport to seek more information about a company's purpose but may, in fact, be intended to frustrate company actions in that area.

PROPOSAL SUMMARY

Text of Resolution: *RESOLVED: JP Morgan Chase & Co. ('Company') shareholders request that our Board of Directors take the steps necessary to amend our certificate of incorporation and, if necessary, bylaws (including presenting such amendments to the shareholders for approval) to become a public benefit corporation (a "PBC") in light of its adoption of the Business Roundtable Statement of the Purpose of a Corporation (the "Statement").*

Proponent's Perspective

- The Company is a conventional Delaware corporation, so that directors' fiduciary duties emphasize the company and its shareholders, but not stakeholders, except to the extent that stakeholder-regarding decisions create value for shareholders over time;
- As one Delaware law firm reported to another signatory considering conversion, directors may consider stakeholder interests only if any decisions made with respect to such stakeholders are in the best interests of the corporation and its stockholders;
- Directors of a PBC must balance the interests of shareholders, stakeholders, and a specified public benefit, giving legal status to the Statement; and
- A company required to balance stakeholder interests could prioritize stakeholder interests, even if doing so sacrificed higher returns for shareholders.

Board's Perspective

- The Company is committed to putting its business to work for the benefit of its customers, employees, suppliers, and the communities in which it works, as well as its shareholders;
- The Company already is engaged in a number of initiatives that are designed to benefit its stakeholders in areas including racial equity, career development, community development, and climate and sustainability;
- In 2021, the board reviewed a third party report regarding the Company's potential conversion to a Delaware public benefit corporation, and concluded that such a conversion would not be in the best interests of its shareholders and stakeholders;
- In signing the Business Roundtable Statement of the Purpose of a Corporation, the Company's chair and CEO affirmed the Company's existing commitment to delivering value to customers, investing in employees, dealing fairly and ethically with suppliers, supporting the communities in which it works, and generating long-term value for shareholders;
- The Company has disclosed its third party report regarding its potential conversion to a Delaware public benefit corporation; and
- A conversion to a public benefit company could distract the board and management from executing the Company's strategy including the many initiatives the Company is already supporting.

GLASS LEWIS ANALYSIS

Glass Lewis recommends that shareholders take a close look at proposals such as this to determine whether the actions requested of the Company will clearly lead to the enhancement or protection of shareholder value. Glass Lewis believes that directors who are conscientiously exercising their fiduciary duties will typically have more and better information about the Company and its situation than shareholders. Those directors are also charged with making business decisions and overseeing management. Our default view, therefore, is that the board and management, absent a suspicion of illegal or unethical conduct, will make decisions that are in the best interests of shareholders.

BUSINESS ROUNDTABLE STATEMENT ON THE PURPOSE OF A CORPORATION

This proposal is largely centered around the Company's support for the Business Roundtable's ("BRT") 2019 Statement on the Purpose of a Corporation, and the Company's attendant endorsement of ensuring companies are taking into account stakeholder considerations.

Since 1978, the BRT has periodically issued Principles of Corporate Governance that include language on the purpose of a corporation. Each version of that document issued since 1997 has stated that corporations exist principally to serve their shareholders. In August 2019, the BRT amended its Statement on the Purpose of a Corporation ("the Statement") to reflect an enhanced focus on all stakeholders, rather than just shareholders. The document was signed by 181 CEOs, with additional signatures added in the following months. The signatories committed to:

- Delivering value to customers by furthering the tradition of American companies leading the way in meeting or exceeding customer expectations;
- Investing in employees, including fair compensation, providing important benefits, training and education to help develop new skills for a rapidly changing world, and fostering diversity and inclusion, dignity, and respect;
- Dealing fairly and ethically with suppliers through a dedication to serving as good partners to the other companies, large and small, that help them meet their missions;
- Supporting the communities in which they work by respecting the people in their communities and protecting the environment by embracing sustainable practices across their businesses; and
- Generating long-term value for shareholders, who provide the capital that allows companies to invest, grow and innovate, while committing to transparency and effective engagement with shareholders.

Public Sentiment of the Statement of Purpose

Following its release, many lauded the Statement and its signatories. For example, the World Economic Forum echoed the BRT's sentiments in its *Davos Manifesto 2020: The Universal Purpose of a Company in the Fourth Industrial Revolution*. The Manifesto leads with:

> *The purpose of a company is to engage all its stakeholders in shared and sustained value creation. In creating such value, a company serves not only its shareholders, but all its stakeholders – employees, customers, suppliers, local communities and society at large. The best way to understand and harmonize the divergent interests of all stakeholders is through a shared commitment to policies and decisions that strengthen the long-term prosperity of a company.*

Further, Martin Lipton, founding partner of the corporate law firm Wachtell, Lipton, Rosen & Katz, has also supported the Statement. According to Lipton:

> *The failure to recognize the existential threats of inequality and climate change, not only to business corporations but also to asset managers, institutional investors and all shareholders, will invariably lead to legislation that will regulate not only corporations but also investors and take from them the ability to use their voting power to influence the corporations in which they invest. Inequality and climate change will not be mitigated without adherence to the BRT governance principles not just by members of the BRT, but by all business corporations.*

However, the Statement has not been universally accepted. For example, the Council of Institutional Investors "respectfully disagree[d]" with the statement, noting that obligations to shareholders were placed last among the list of obligations to other stakeholders, while "referencing shareholders simply as providers of capital rather than as owners." Others have noted that the Statement is meaningless unless it translates to real change, so the corporate signatories are likely to be scrutinized as to whether they will back up their commitments with actions (David Gelles, David Yaffe-Bellany. " Shareholder Value Is No Longer Everything, Top C.E.O.s Say." *The New York Times*. August 19, 2019). Harvard Law School's Lucian Bebchuk and Roberto Tallarita are of the view that this "stakeholderism [...] would impose substantial costs on stakeholders and society, as well as on shareholders." The academics argue that, because corporate leaders have incentives to not benefit stakeholders at shareholder expense, the expectation that they could guard stakeholder interests is futile. Bebchuk and Tallarita also argue that acceptance of stakeholderism would insulate corporate leaders from shareholder pressures and make them less accountable, noting that their current support of the movement is likely at least partially motivated by a desire to obtain insulation from hedge fund activists and institutional investors.

PUBLIC BENEFIT CORPORATIONS

Public benefit corporations ("PBCs") are for-profit corporations that are intended to produce one or more public benefits and to operate in a responsible and sustainable manner. A key distinction between a public benefit corporation and a conventional corporation is that a board must manage a PBC in a manner that balances:

(i) the shareholders' pecuniary interests;

(ii) the best interests of those materially affected by the corporation's conduct (e.g., employees, customers,

suppliers, local communities, etc.); and

(iii) the public benefit or public benefits identified in the public benefit corporation's certificate of incorporation.

In July 2020, Delaware adopted new amendments to its public benefit corporation statute which make it much easier for public companies to become PBCs. Among other things, the amendments:

(i) reduced impediments to use of the public benefit corporation form by eliminating supermajority voting requirements and appraisal rights in connection with converting to, or merging with, a public benefit corporation;

(ii) clarified the conflict of interest rules and provide statutory default protection for directors in connection with their duty to balance interests; and

(iii) clarified shareholder ownership requirements for bringing a lawsuit to enforce the balancing requirements required of public benefit corporations.

This is still a fairly uncommon corporate form. Four years after PBCs were introduced, the first PBC, Laureate Education, went public. July 2020 saw two other PBCs go public: insurance startup Lemonade and pasture-raised egg brand Vital Farms. More recently, January 2021 saw the first public company convert to a PBC — cloud-computing solutions company Veeva Systems (Benjamin D. Stone. "Public Benefit Corporations Are Going Public." *The National Law Review*. March 2, 2021).

Research and Commentary on PBCs

At best, PBCs are hailed as the future of the corporation, while on the contrary, they can be perceived as merely public relations moves or "purpose washing." In the first empirical study on early-stage investment in PBCs, University of California, Berkeley researchers found that neither answer is entirely correct. Instead, they determined that PBCs are finding success, as 295 PBCs received investment from venture capital firms, amounting to over $2.5 billion in aggregate. However, the PBCs were being funded over a range of mostly consumer-focused industries, such as banking, food, education, and technology, implying that investment is more likely for those firms where the PBC's business strategy suggests that its status as a PBC will benefit a for-profit mission. Also, the research suggests that PBC round sizes are smaller compared to traditional corporations, implying that venture capital firms are taking less risk with these businesses. The researchers conclude that laws about auditing and fiduciary duty need testing and fleshing out, which only continued usage of the PBC form can bring (p.66).

In response to a similar proposal submitted to the Company at a previous annual meeting asking it to report on potentially converting to a PBC, the Company hired outside legal help to respond to the proposal and analyze the issue. The report includes a number of relevant factors and considerations for shareholders to weigh when evaluating a transition to this corporate form:

(i) The ability to obtain the requisite shareholder vote for PBC conversion is uncertain;

(ii) There is a lack of precedent for the board to look to in making its decision as to whether converting to a PBC would be beneficial in the long run for shareholders;

(iii) There is an existing ability of directors of conventional Delaware corporations to consider the interests of all stakeholders;

(iv) There is a lack of precedence regarding the governance of publicly-traded public benefit corporations;

(v) There is regulatory uncertainty and oversight by financial regulators;

(vi) There is market uncertainty with respect to this corporate form;

(vii) There is an uncertain impact on the ability of a PBC to attract and retain employees;

(viii) The impact on international operations as a PBC is uncertain;

(ix) There may be some difficulty in identifying public business purpose(s);

(x) There could be significant costs for the adoption of this corporate form; and

(xi) There are many considerations regarding whether to obtain third-party certification.

Legal Risks for PBCs

Alongside a greater focus on stakeholder concerns, conversion to a PBC does come with notable legal risks. As previously mentioned, the Delaware PBC statute has been amended in recent years to address a number of concerns. Notably, a 2020 amendment provided PBC shareholders with the ability to bring a derivative lawsuit against a company with the goal of enforcing the requirement that the company balance the interests of those it affects and its stated public

benefit with the financial interests of its shareholders. To bring such a suit, an individual or group of shareholders must own at least 2% of the firm's outstanding shares, or for corporations listed on a national securities exchange, share ownership must equal the lesser of either $2 million or 2% of outstanding shares.

COMPANY DISCLOSURE

In response to this proposal, the Company states:

> *In signing the Business Roundtable Statement of the Purpose of a Corporation, our Chairman and CEO affirmed JPMorgan Chase's existing commitment to delivering value to customers, investing in employees, dealing fairly and ethically with suppliers, supporting the communities in which we work, and generating long-term value for shareholders. Tangible evidence of our commitment includes: our $30 billion Racial Equity Commitment; expansion of our commitment to the Second Chance program which provides individuals with criminal backgrounds a second chance by supporting their reentry into the workforce, community and local economies; and our commitment to align key sectors of our financing portfolio with the goals of the Paris Agreement.*

(2022 DEF 14A, p.100).

THE PROPONENT

This proposal should be carefully reviewed by socially responsible investors. The proponent of this proposal is the National Center for Public Policy Research ("NCPPR"), which has a history of submitting shareholder proposals that, upon first impression, appear consistent with environmental and social proposals that call for information or action on enhancing companies' approaches to environmental and social factors but, upon further review, appear to be designed to inhibit companies' actions in such areas. The NCPPR describes itself as a "communications and research foundation supportive of a strong national defense and dedicated to providing free-market solutions to today's public policy problems" that believes "the principles of a free market, individual liberty and personal responsibility provide the greatest hope for meeting the challenges facing America in the 21st century." A division of the NCPPR, the Free Enterprise Project, routinely engages companies on issues such as healthcare, immigration, gun rights, energy, taxes, religious freedom, media bias, corporate free speech, and ideological diversity, among other issues, often by questioning executives at annual meetings or through the submission of shareholder proposals.

The NCPPR is known to be a source of controversy at a number of companies in the past. For example, in 2013, an NCPPR representative challenged Duke Energy's CEO about his support of renewable energy legislation (John Downey. "Duke Energy's Jim Rogers Opposes Repeal of NC Renewable-Energy Law." *Charlotte Business Journal*. May 2, 2013). Three years prior, the NCPPR presented a shareholder proposal at Duke's annual meeting requesting that it account for all of its lobbying efforts in support of federal cap-and-trade program ms to control carbon dioxide emissions (John Downey. "Duke Energy Criticized for Supporting Carbon Regs." *Charlotte Business Journal*. May 6, 2010). This shareholder proposal was defeated, receiving just 9.3% support, excluding abstentions and broker non-votes. Additionally, the NCPPR used to be a member of the Cooler Heads Coalition, which is "focused on dispelling the myths of global warming by exposing flawed economic, scientific, and risk analysis" and has issued press releases lauding companies that have criticized trade associations that promote sustainability initiatives.

The NCPPR is also noted to have caused significant controversy at Apple's 2014 annual meeting, where it had submitted a shareholder proposal requesting that Apple prepare a report disclosing its membership in and payments to trade associations or organizations that promote sustainability; the proposal was defeated, receiving just 2.1% support, excluding abstentions and broker non-votes. At this meeting, the NCPPR asked Apple's CEO, Tim Cook, to "disclose the costs of Apple's energy sustainability programs and make a commitment to doing only those things that were profitable." Mr. Cook responded stating that return on investment was not the primary consideration for a number of issues, including those related to the environment, worker safety, and other areas that don't have an immediate profit. According to Cook, Apple does "a lot of things for reasons besides profit motive. We want to leave the world a better place than we found it," and further told the proponent to "get out of this stock" if it was looking to do things for only return on investment reasons (Steve Denning. " Why Tim Cook Doesn't Care About 'The Bloody ROI'." *Forbes*. March 7, 2014).

RECOMMENDATION

Glass Lewis believes that shareholders should strongly assert their prerogatives with respect to the division of power between directors and shareholders. This proposal, however, does not concern that division of power; rather, it requests that shareholders assert their business judgment in place of that of the directors. Upon review, we do not find a clear showing by the proponents that shareholders should, in this instance, supplant the judgment of the board and management team or that adoption of this proposal will clearly lead to an increase in shareholder value. While we believe it is prudent for investors to monitor the Company's actions with respect to its stakeholder considerations, we believe that management and the board typically have more and better information about the Company and its operations and are

therefore in the best position to determine what actions should be taken, if any, with regard to the structure of its corporate form.

We recommend that shareholders vote **AGAINST** this proposal.

9.00: SHAREHOLDER PROPOSAL REGARDING ALIGNING GHG REDUCTIONS WITH UNEP FI RECOMMENDATIONS

PROPOSAL REQUEST:	That the Company set absolute contraction targets for its financed GHG emissions	**SHAREHOLDER PROPONENT:**	The Sierra Club Foundation
BINDING/ADVISORY:	Precatory		
PRIOR YEAR VOTE RESULT (FOR):	N/A	**REQUIRED TO APPROVE:**	Majority of votes cast

RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:
AGAINST - Not in the best interests of shareholders

SASB MATERIALITY

PRIMARY SASB INDUSTRY: Investment Banking & Brokerage

FINANCIALLY MATERIAL TOPICS:

- *Employee Diversity & Inclusion*
- *Business Ethics*
- *Systemic Risk Management*
- *Incorporation of Environmental, Social, and Governance Factors in Investment Banking & Brokerage Activities*
- *Professional Integrity*
- *Employee Incentives & Risk Taking*

GLASS LEWIS REASONING

- Given the Company has provided a clear rationale for its use of intensity-based targets and that it is not an outlier with regard to this matter, we are not convinced that support for this resolution is warranted at this time.

PROPOSAL SUMMARY

Text of Resolution: *RESOLVED: Shareholders request that the Board of Directors issue a report that sets absolute contraction targets for the Company's financed greenhouse gas emissions, in accordance with United Nations Environmental Program Finance Initiative (UNEP FI) recommendations to the G20 Sustainable Finance Working Group, for credible net zero commitments.*

Proponents request that, in the discretion of board and management, the report address the lack of need for new fossil fuel development beyond projects already committed as of 2021, as set forth in the UNEP FI recommendations.

Proponent's Perspective

- The Company's current decarbonization plan is not aligned with a credible net zero pathway;
- Targeting portfolio carbon efficiency by itself, without adopting absolute greenhouse gas emission reduction standards for its financing, allows for an increase in the Company's total fossil fuel financing;
- The UNEP FI has stated that a financial institution establishing a net-zero commitment should begin aligning with the required assumptions and implications of IPCC 1.5°C no/low overshoot pathways as soon as possible, and that all no/low overshoot scenarios indicate an immediate reduction in fossil fuels, signaling that investment in new fossil fuel development is not aligned with 1.5°C;
- The Company has no policy to halt financing new oil and gas exploration and development;
- The proponent is concerned that the Company may face greenwashing accusations; and
- By underwriting or lending to projects which are unneeded under the UNEP FI recommendations, the Company is also knowingly loading potentially stranded assets onto its clients' balance sheets, or its own, creating financial and litigation risk.

The proponent has filed an exempt solicitation detailing its rationale in support of this proposal.

Board's Perspective

- The Company is actively addressing climate change-related risks and opportunities, including by operationalizing Paris-aligned targets for financed emissions in the Oil & Gas, Electric Power, and Automotive Manufacturing sectors, and pursuing a $1 trillion target for financing and facilitating climate action through 2030;
- The Company's targets for both emission reductions and financing encompass both energy supply and demand, consistent with the challenges and opportunities of the low carbon transition;
- The Company uses carbon intensity targets for its Paris-aligned approach to financing activities in key sectors, based on a thoughtful consideration of strategic and practical benefits;
- The Company has engaged extensively with its shareholders regarding its approach to climate change-related risks and opportunities, and shareholders have been largely supportive, including with respect to its use of emission intensity;
- Management is best positioned to decide the details of the Company's Paris-aligned initiatives, such as the optimal format of emission reduction targets, as a fundamental part of conducting the Company's core business in the interests of its shareholders and stakeholders;
- A core principle of the Company's strategy is to work with traditional energy clients to help develop their long-term business strategies to reduce their carbon emissions and improve their carbon disclosures; and
- UNEP FI observes that there is not clear evidence that this

[absolute contraction approach], as a standalone approach, contributes to financing the global economic transition as well as others might.

GLASS LEWIS ANALYSIS

In general, we believe it is prudent for management to assess its potential exposure to all risks, including environmental and social concerns and regulations pertaining thereto in order to incorporate this information into its overall business risk profile. When there is no evidence of egregious or illegal conduct that might suggest poor oversight or management of environmental or social issues that may threaten shareholder value, Glass Lewis believes that management and reporting of environmental and social issues associated with business operations are generally best left to management and the directors who can be held accountable for failure to address relevant risks on these issues when they face re-election.

In this case, this resolution is effectively requesting that the Company set an absolute emissions reduction target as opposed to an intensity-based target. The difference between the two types of targets can be meaningful for Companies and shareholders. With respect to an absolute emissions target, a company would be expected to reduce its total emissions by a specific amount. This would mean that, even if a company significantly expanded its operations, undertook a merger, or spun off assets, the reduction target would remain static. However, an intensity-based target generally means that emissions are relative to another metric, such as revenues. This means that a company's target would expand and contract relative to this metric, so if a company sold off part of its business, it would not realize an artificial emissions reduction, and similarly, if a company grows or acquires new assets, the emissions reduction target would take such growth into account. Critics of intensity-based targets contend that adopting a relative target could mean that a company, in theory, could meet or exceed its intended target, but ultimately end up producing more emissions if the company's growth is substantial enough.

It is our view that the decision whether to adopt a relative or absolute target should be determined by the company in the context of its operational profile, growth trajectory, and ultimate goals. The Company currently employs intensity-based metrics, which it addresses in its 2021 Carbon Compass Report. Specifically, the Company states that intensity-based targets are decision-useful and impact-oriented because their use:

- *Allows us to set informative targets that are aligned with science-based scenarios, which require constraining total emissions on a pathway that ultimately achieves net-zero*
- *Enables us to meaningfully engage with new and existing clients and provide the capital necessary to help finance their transition, while reducing the carbon intensity of our portfolio*
- *Enables us to evaluate both individual companies' and whole sectors' performance against decarbonization trajectories that must be achieved to align with the Paris Agreement*
- *More effectively reflects the progress that high-emitting companies and sectors are making in transitioning to lower-carbon production and products*
- *Allows for easier comparison across a portfolio of companies within a sector and between companies of different sizes*
- *Is less affected than absolute emissions by year-to-year emissions volatility, such as changes in companies' production*

As detailed in Proposal 4, the Company either leads or is aligned with its peers with respect to this matter. While Wells Fargo has a net zero target, it has yet to set interim targets so it is unclear what standard it will employ. However, the Company, Bank of America and Citi all use intensity-based targets.

Given the Company has provided a clear rationale for its use of intensity-based targets and that it is not an outlier with regard to this matter, we are not convinced that support for this resolution is warranted. Establishing appropriate targets is a complex undertaking and companies must take into account a number of factors when establishing them, as they can have implications for the Company's broader operations. Moreover, as noted in Proposal 4, we currently do not believe that there is significant evidence to demonstrate that the Company is not working in good faith toward its stated climate commitments. Accordingly, we do not believe that shareholders should impose additional restrictions on the Company's financing activities. We will continue to monitor the Company's progress in this regard and may recommend in favor of future shareholder proposals or against directors at future meetings should it become clear that the Company is not making sufficient progress towards meeting its goals. However, at this time, we believe that shareholders should vote against this proposal.

We recommend that shareholders vote **AGAINST** this proposal.

COMPETITORS / PEER COMPARISON

	JPMORGAN CHASE & CO.	BANK OF AMERICA CORPORATION	CITIGROUP INC.	WELLS FARGO & COMPANY
Company Data (MCD)				
Ticker	JPM	BAC	C	WFC
Closing Price	$121.42	$36.25	$49.60	$44.58
Shares Outstanding (mm)	2,937.1	8,062.1	1,941.9	3,789.9
Market Capitalization (mm)	$356,622.7	$292,251.2	$96,318.2	$168,953.5
Enterprise Value (mm)	$293,992.7	$530,761.2	$413,366.2	$100,625.5
Latest Filing (Fiscal Period End Date)	12/31/21	12/31/21	12/31/21	12/31/21
Financial Strength (LTM)				
Current Ratio	-	-	-	-
Debt-Equity Ratio	0.00x	0.00x	0.00x	0.00x
Profitability & Margin Analysis (LTM)				
Revenue (mm)	$130,898.0	$93,707.0	$74,990.0	$82,948.0
Gross Profit Margin	-	-	-	-
Operating Income Margin	45.8%	36.3%	36.6%	35.1%
Net Income Margin	36.9%	34.1%	29.3%	26.0%
Return on Equity	16.9%	11.8%	10.9%	12.4%
Return on Assets	1.4%	1.1%	1.0%	1.2%
Valuation Multiples (LTM)				
Price/Earnings Ratio	9.1x	10.4x	5.9x	9.2x
Total Enterprise Value/Revenue	2.2x	5.7x	5.5x	1.2x
Total Enterprise Value/EBIT	-	-	-	-
Growth Rate* (LTM)				
5 Year Revenue Growth Rate	7.5%	3.2%	3.2%	-0.4%
5 Year EPS Growth Rate	19.9%	19.1%	16.4%	4.4%
Stock Performance (MCD)				
1 Year Stock Performance	-19.7%	-9.1%	-32.0%	-1.1%
3 Year Stock Performance	6.1%	19.4%	-28.6%	-7.0%
5 Year Stock Performance	38.6%	53.3%	-16.5%	-18.1%

Source: Capital IQ

MCD (Market Close Date): Calculations are based on the period ending on the market close date, 04/27/22.
LTM (Last Twelve Months): Calculations are based on the twelve-month period ending with the Latest Filing.
*Growth rates are calculated based on a compound annual growth rate method.
A dash ("-") indicates a datapoint is either not available or not meaningful.

VOTE RESULTS FROM LAST ANNUAL MEETING MAY 18, 2021

Source: 8-K (sec.gov) dated May 21, 2021

RESULTS

NO.	PROPOSAL	FOR	AGAINST/WITHHELD	ABSTAIN	GLC REC
1.1	Elect Linda B. Bammann	97.59%	2.24%	0.17%	For
1.2	Elect Stephen B. Burke	91.43%	8.38%	0.20%	For
1.3	Elect Todd A. Combs	95.10%	3.90%	1.00%	For
1.4	Elect James S. Crown	98.35%	1.45%	0.20%	For
1.5	Elect James Dimon	91.22%	8.25%	0.53%	For
1.6	Elect Timothy P. Flynn	98.08%	1.71%	0.22%	For
1.7	Elect Mellody Hobson	92.31%	7.51%	0.18%	For
1.8	Elect Michael A. Neal	96.82%	2.97%	0.20%	For
1.9	Elect Phebe N. Novakovic	98.77%	1.05%	0.19%	For
1.10	Elect Virginia M. Rometty	95.90%	3.92%	0.19%	For
2.0	Advisory Vote on Executive Compensation	90.12%	9.27%	0.61%	For
3.0	Amendment to the Long-Term Incentive Plan	96.32%	3.28%	0.39%	For
4.0	Ratification of Auditor	95.12%	4.68%	0.20%	For

SHAREHOLDER PROPOSALS*

NO.	PROPOSAL	FOR	AGAINST	GLC REC
5.0	Shareholder Proposal Regarding Reducing Ownership Threshold Required to Act by Written Consent	47.32%	52.68%	For
6.0	Shareholder Proposal Regarding Racial Equity Audit	40.52%	59.48%	For
7.0	Shareholder Proposal Regarding Independent Chair	47.74%	52.26%	For
8.0	Shareholder Proposal Regarding Report on Political Expenditures and Values Congruency	29.96%	70.04%	Against

*Abstentions excluded from shareholder proposal calculations.

APPENDIX

Questions or comments about this report, GL policies, methodologies or data? Contact your client service representative or go to www.glasslewis.com/public-company-overview/ for information and contact directions.

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Arabesque Methodology

Arabesque S-Ray® is designed to streamline vast amounts of ESG information into one easy-to-use, smart application. Leveraging big data through the power of machine learning, Arabesque S-Ray systematically combines over 250 environmental, social and governance (ESG) metrics with news signals from over 30,000 sources published in over 170 countries. The methodology follows a 3-step process. Company-level long-term input data and short-term corrections are combined into 22 thematic features ('topics'), which are then used in various ways as the building blocks for scoring the sustainability of around 7,000 of the world's largest corporations.

S-Ray® provides information on corporate sustainability in the following complementary ways:
1) GC SCORE (0-100) - provides a normative assessment of companies based on the four core principles of the United Nations Global Compact (GC) to approximate reputational risk: human rights, labour rights, the environment and anti-corruption. The four sub-scores are combined using a non-compensatory aggregation approach, where low performance on any of the pillars is weighted extra. Quantitatively, every GC category starts with a weight of 25%, but gets more weight allocated as the score starts dropping below 50 (i.e. the neutral centre).
2) ESG SCORE (0-100) - identifies companies that are better positioned to outperform over the long-term by measuring what is financially material for future profitability. Sustainability features that are more material to financial performance are weighted more heavily in the overall ESG scores (i.e. when computing the ESG score of a company, the algorithm will only consider that information that significantly helps explain future risk-adjusted performance).
3) ALIGNMENT TOOL - allows to monitor 15 business involvements of companies. Revenue-based thresholds and involvement flags align portfolio companies with personal values.

LEAD ANALYSTS & SPECIALISTS

Governance:	**Compensation:**	**Shareholder Proposals:**
Aaron Wendt	Maria Vu	Courteney Keatinge

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JPMORGAN CHASE & CO.

John H. Tribolati
Corporate Secretary
Office of the Secretary

May 4, 2022

Glass Lewis
255 California Street, Suite 1100
San Francisco, CA 94111

RE: JPM RFS - Glass Lewis Research published on April 27, 2022 (the "Report")

We appreciate the opportunity to participate in Glass Lewis' Report Feedback Statement Service. We commend Glass Lewis for its commitment to providing accurate, reliable, transparent and timely data to shareholders, and its leadership in developing an additional avenue for shareholder engagement through this service. In furtherance of your efforts, we write to bring to your attention key information regarding proposals in the JPMorgan Chase & Co. ("JPMC") 2022 proxy statement and to facilitate informed voting decisions by our shareholders and sound Glass Lewis research. For more information, our proxy statement can be found online here.

While we have addressed most of our concerns about accuracy, completeness, consistency and adherence to methodology through the Glass Lewis portal, we are writing directly with respect to two areas of significant concern: "Proposal 2: Advisory Vote on Executive Compensation" and "Proposal 6: Shareholder Proposal Regarding Independent Chair". We have detailed our concerns in the following pages, but in summary:

> We believe that your analysis of Proposal 2: Advisory Vote on Executive Compensation does not give consideration to the distinguishing context of special awards awarded by JPMC in connection with succession planning, does not acknowledge or refer to significant features of the awards which align pay to performance and describes other features in a manner which may cause confusion absent more context.
>
> With respect to Proposal 6: Shareholder Proposal Regarding Independent Chair, the analysis does not appear to consider JPMC's new policy regarding the roles of chairman and CEO at the next leadership transition, nor the extensive engagement and consultation the firm has had with shareholders, which demonstrate the Board's responsiveness to shareholder concerns from prior shareholder meetings on this issue. The report copies verbatim entire sections of its analysis from last year to justify its recommendations, without analyzing these concrete developments that specifically address shareholder feedback.

We believe that these concerns merit a revised report and reconsideration of the Glass Lewis recommendations for Proposals 2 and 6.

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PROPOSAL 6: SHAREHOLDER PROPOSAL REGARDING INDEPENDENT CHAIR

While we recognize that Glass Lewis believes an independent chairman is usually preferable, there are limits to how far this can be taken by a board without abdicating its responsibility to consider facts and circumstances so that the interests of shareholders are served, particularly regarding policies that look well into the future.

As detailed on page 37 of the Report, the shareholder proponent requests that the Board of Directors adopt an enduring policy, and amend the governing documents as necessary, so that two separate people hold the office of the Chairman and the office of the CEO as follows:

A. The Board requires the separation of the offices of the Chairman of the Board and the Chief Executive Officer.
B. Whenever possible, the Chairman of the Board shall be an Independent Director.
C. The Board has the discretion to select a Temporary Chairman of the Board who is not an Independent Director to serve while the Board is seeking an Independent Chairman of the Board.
D. The Chairman shall not be a former CEO of the company.
E. This policy could be phased in when there is a contract renewal for our current CEO or for the next CEO transition.

JPMC Efforts in the Past Year

While we are confident that JPMC's long-term shareholders derive significant benefits from the combination of our Chairman/CEO roles, the Board has directly and specifically addressed shareholder feedback with respect to our next CEO transition. However, the Glass Lewis Report does not consider the very substantial changes the Board has adopted, which are explained in the 2022 proxy statement.

As detailed on page 97, following significant shareholder support for a proposal to appoint an independent chair at the firm's 2021 annual meeting, the firm expanded its shareholder outreach program, and received feedback from shareholders across more than 50 engagements, representing approximately half of the firm's outstanding common stock, and presented the results of the engagements to the Board. This outreach included participation by the Lead Independent Director of the Board of Directors in engagements with some of JPMC's largest shareholders.

While our shareholders recognized the importance of the Board's ability to determine its leadership structure in the context of the current structure, many expressed a general preference for separate Chair and CEO positions. Notably, a substantial majority of those with whom we engaged, including most of our top holders, indicated support for a policy that would enable our current CEO to serve as non-executive Chair at the next leadership transition, rather than the proponent's preferred approach of an independent chairman.

In consideration of this feedback, the Board adopted a new policy, for the first time during the CEO's 17-year tenure, to separate the roles upon the next CEO transition, subject to the Board's determination of the leadership structure that best serves the firm and its shareholders at the time. This policy aligns with the principles articulated in the proposal on separation of the roles and effecting any change at succession (articulated A and E above). On independence and not having a former CEO serve (articulated in B and D above), the policy responds to the views of a significant number of shareholders who expressed support for the current CEO to serve as non-Executive Chair on transition. This is disclosed on pages 22, 96 and 97 of the 2022 proxy statement and also appears in the Corporate Governance Principles on the company's website.

JPMC continues to have a Lead Independent Director, which Glass Lewis acknowledges provides independent board leadership and is consistent with Glass Lewis' guidelines for best practice of boards that do not have an independent chairman. In addition, the Board's new policy addresses many of the concerns that Glass Lewis raised in last year's report and repeated again verbatim in the Report.

Without an analysis of the above factors, the Report's recommendation appears to be an academic or philosophical exercise. Instead, the Report should address the ways in which JPMC has responded to specific shareholder concerns and not simply reproduce verbatim last year's recommendation.

Peer/Market analysis

We also note that Glass Lewis generally conducts meaningful peer and/or market analysis of shareholder proposals in support of its recommendations against proposals, but that is not the case with this proposal. If such a peer analysis were conducted, it would reveal that the majority of large and complex U.S. banks and financial services firms have combined chairman and CEO roles, indicating that it is a standard market and industry practice for both the firm's major competitors and top shareholders who own approximately 25% of the firm.

Based on the foregoing, we request Glass Lewis to conduct a review of the facts and provide an updated analysis and recommendation that acknowledges and reflects the significance of the Board's action at this critical time to ensure the company's future leadership and performance.

<u>PROPOSAL 2: ADVISORY VOTE ON EXECUTIVE COMPENSATION</u>

Context of the Special Awards

The CEO Special Award made in 2021 is only the second one-off grant over the CEO's 17 year term with JPMC; the prior award was granted toward the beginning of that tenure. The grant is focused on the Board's desire for Jamie Dimon, our CEO, to continue leading the firm for a significant number of future years in light of the firm's succession plans. This grant incentivizes a successful leadership transition by requiring the CEO's leadership for at least five years before the awards vest and another five years until he may sell any vested shares. This also ensures direct alignment with shareholder returns over the next decade and accountability for the success of the leadership transition. This was a tangible signal to the CEO and all stakeholders that the firm wants him to continue to lead it for a significant period.

Daniel Pinto has been promoted to sole President and COO and has relocated to the United States, to be similarly focused on a successful transition through the holding period. Mr. Pinto has previously served as acting co-CEO when Mr. Dimon had a health emergency, and while Mr. Dimon is in good health, the Board is acting responsibly in shareholders' best interests in case Mr. Pinto needs to once again serve as CEO as a result of unforeseen circumstances.

This deliberate and considered approach enables the firm to maintain stability through a leadership transition, while continuing to maintain our fortress balance sheet, expansion of market share, and long-term value creation, as disclosed in our annual report and earnings. The Report's analysis does not give adequate consideration to these important factors.

Analysis of Grant Structural Features

The Report's incomplete descriptions of key features understate the award's level of alignment between performance and pay and overstates their value.

The key terms of the Special Awards are as follows:

- Stock appreciation rights, which are options that settle in shares (rather than cash),
- Vesting and deferral - Exercisable after five years into shares and are then required to be held for up to an additional five years before they may be sold
- 50% subject to performance conditions as part of the protection based vesting provisions, i.e. RoTCE, income and strategic priorities
- Clawback and recovery provisions
- Exercise price of $148.73 for the CEO and $159.095 for the COO (as disclosed on page 75 of the proxy in the Grants of Plan Based Awards table)

On page 22, the Report mischaracterizes the Special Awards as "shares" instead of as options or stock appreciation rights. This is an important distinction since, unlike shares, the options have exercise prices set at the respective market prices at the time of grant, and are therefore worthless if the firm's share price does not appreciate by the time they expire after their respective 10-year terms.

The summary compensation chart and related analysis also does not identify the additional five year holding period after the Special Awards' cliff-vest/become exercisable after five years (i.e., for 10 years from the grant date the grantees are required to hold any net shares received on exercise), and seemingly gives this feature no consideration.

Finally, the Report states that the awards will vest after the beginning of the third year of service. This is incorrect. Except for very limited circumstances related to death or government service, the options vest (or become exercisable) in 5 years.

Consider: Inconsistent Methodology

We note that the Report's D grade this year on Pay for Performance is an improvement from last year's pay for performance grade of F, when Glass Lewis recommended shareholders vote FOR the firm's executive compensation proposal because, "on balance, we believe the Company maintains an adequate compensation program. While mindful of the CEO's relatively high compensation, we note that 79% of the CEO's total compensation consists of PSU awards. As a result, a significant portion of the CEO's total compensation is tied to long-term performance targets."

The Report has not explained why its recommendation has changed, when by its own analysis the alignment between pay and performance has improved this year to a grade of D, and the CEO's total compensation is now more long-term equity focused, having increased from 79% to 92% according to Glass Lewis' analysis on page 19. Indeed, Glass Lewis has recommended support for the firm's executive compensation since 2016 despite its apparent concerns, even when the firm has been awarded a D or F grade. This year's recommendation is inconsistent with Glass Lewis' own track record of applying its methodology to its analysis and recommendations on the firm's executive compensation proposal.

We further note that the Report is inconsistent in comparing the quantum of compensation to peers. On page 23, its comparison is based on revenue and employees only, but on page 12, the comparison includes EPS and indicates that the firm's EPS was approximately 3 times that of the median of Glass Lewis peers, which is closely aligned with the CEO's compensation being 3.4 times that of peers. As disclosed on pages 39 and 66 of the 2022 proxy statement, the CEO has historically been the lowest paid of peers relative to the firm's net income, with peers paying up to 270% more.

In addition, we note that the report's "Fair" grade on Disclosure is inconsistent with the "Good" grade awarded last year, given that our disclosure has continued to be enhanced this year in response to shareholder feedback. We believe this may be explained by our concerns with the Report's accuracy, completeness and consistency, regarding which we have submitted comments through the Glass Lewis portal.

Based on the foregoing, we request Glass Lewis to conduct a review of the facts and provide an updated analysis and recommendation that corrects or completes these references and reflects the context and additional features of the Special Awards.

Yours sincerely,

John Tribolati

Corporate Secretary