



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

March 22, 2019

Martin P. Dunn
Morrison & Foerster LLP
mdunn@mof.com

Re: JPMorgan Chase & Co.
Incoming letter dated January 15, 2019

Dear Mr. Dunn:

This letter is in response to your correspondence dated January 15, 2019 and February 27, 2019 concerning the shareholder proposal (the "Proposal") submitted to JPMorgan Chase & Co. (the "Company") by the AFL-CIO Reserve Fund (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence from the Proponent dated February 14, 2019. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

M. Hughes Bates
Special Counsel

Enclosure

cc: Brandon J. Rees
AFL-CIO
brees@aflcio.org

March 22, 2019

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: JPMorgan Chase & Co.
Incoming letter dated January 15, 2019

The Proposal requests that the board adopt a policy prohibiting the vesting of equity-based awards for senior executives due to a voluntary resignation to enter government service.

There appears to be some basis for your view that the Company may exclude the Proposal under rule 14a-8(i)(7), as relating to the Company's ordinary business operations. In our view, the Proposal micromanages the Company by seeking to impose specific methods for implementing complex policies. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on rule 14a-8(i)(7).

Sincerely,

Jacqueline Kaufman
Attorney-Adviser

DIVISION OF CORPORATION FINANCE
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.

Writer's Direct Contact
+1 (202) 778.1611
MDunn@mofo.com

1934 Act/Rule 14a-8

February 27, 2019

VIA E-MAIL (shareholderproposals@sec.gov)

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: JPMorgan Chase & Co.
Shareholder Proposal of the AFL-CIO Reserve Fund

Dear Ladies and Gentlemen:

This letter concerns the request, dated January 15, 2019 (the "**Initial Request Letter**"), that we submitted on behalf of our client JPMorgan Chase & Co., a Delaware corporation (the "**Company**"), seeking confirmation that the staff (the "**Staff**") of the Division of Corporation Finance of the U.S. Securities and Exchange Commission (the "**Commission**") will not recommend enforcement action to the Commission if, in reliance on Rule 14a-8 under the Securities Exchange Act of 1934 (the "**Exchange Act**"), the Company omits the shareholder proposal (the "**Proposal**") submitted by the AFL-CIO Reserve Fund (the "**Proponent**") from the Company's proxy materials for its 2019 Annual Meeting of Shareholders (the "**2019 Proxy Materials**"). The Proponent submitted a letter to the Staff, dated February 14, 2019 (the "**Proponent Letter**"), asserting the view that the Proposal is required to be included in the 2019 Proxy Materials. The Proponent Letter is attached as Exhibit A to this letter.

We submit this letter on behalf of the Company to supplement the Initial Request Letter and respond to the assertions made in the Proponent Letter. We also renew our request for confirmation that the Staff will not recommend enforcement action to the Commission if the Company omits the Proposal from its 2019 Proxy Materials in reliance on Rule 14a-8.

We have concurrently sent copies of this correspondence to the Proponent.

I. THE PROPOSAL

We provided the Proposal and other correspondence relating to the Proposal as attachments to the Initial Request Letter. As discussed in the Initial Request Letter, the Company believes that it may properly omit the Proposal from its 2019 Proxy Materials in reliance on Rule 14a-8(i)(7), as the Proposal deals with matters related to the Company's ordinary business operations.

II. EXCLUSION OF THE PROPOSAL

The Proposal May Be Omitted in Reliance on Rule 14a-8(i)(7) Because It Relates to Ordinary Business Matters

As discussed in the Initial Request Letter, the Company is of the view that the Proposal may be properly omitted in reliance on Rule 14a-8(i)(7) because the Proposal seeks to micromanage the Company and the Proposal relates to the ordinary business matters of compensatory benefits that extend to employees broadly.

In the Proponent Letter, the Proponent asserts that the Initial Request Letter's argument that the Proposal seeks to impose specific timeframes or methods for implementation of the requested policy "is without merit." This assertion fails to consider the Staff's recent guidance in Staff Legal Bulletin No. 14J (Oct. 23, 2018) ("***SLB 14J***"), which provides that proposals "seek[ing] to impose specific time-frames or methods for implementing complex policies" are excludable under Rule 14a-8(i)(7) as seeking to micromanage a company. As was described in the Initial Request Letter, the Proposal explicitly seeks to require a new policy by which the Company must abide (the prohibition of vesting of specified equity-based awards to senior executives upon entry into government service) and also provides a specific timeframe for the Company's timing of the action sought (the Proposal would require action with regard to equity awards or plan amendments that shareholders approve after the date of the 2019 annual meeting).

Further to the above, the Proponent Letter concedes that the Proposal asks the Company to take specific action in the form of "discontinu[ing]" the practice related to a particular compensation policy. As was outlined in the Initial Request Letter, the Company remains of the view that such action necessitates highly complex determinations that are dependent on management's and the Board of Directors' underlying knowledge and expertise. The Proponent Letter appears to acknowledge the complexity inherent in "the design of [the Company's] equity-based awards," and the Company respectfully rejects the Proponent's attempt to separate the explicit action—prohibition of a compensatory benefit—from this complexity. While the Proponent asserts that the Proposal "does not request a specific method for implementation," the elimination of a complex compensatory benefit is, indeed, a specific method for implementation. Accordingly, the Proposal seeks to impose upon the Company's decision-making process regarding the compensation of its senior executives a mandated policy regarding the vesting of

equity-based awards for senior executives who enter government service, which would micromanage the Company.

For the reasons outlined in the Initial Request Letter, the Company further remains of the view that because the Proposal addresses a compensation practice that is available to any employee who receives equity awards, which constitutes thousands of the Company's employees, a "primary aspect of the targeted compensation is broadly available or applicable to the Company's general workforce" for purposes of SLB 14J and Rule 14a-8(i)(7). The Proponent Letter attempts to use the "plain language" of the Proposal to argue that it concerns only the Company's senior executives. While the Proposal indeed "expressly addresses" only senior executive compensation, SLB 14J addresses this precise point in providing the following example: "[. . .] a proposal that seeks to limit when senior executive officers will receive golden parachutes may be excludable under Rule 14a-8(i)(7) if the company's golden parachute provision broadly applies to a significant portion of its general workforce." The Staff has clearly contemplated a proposal which specifies "senior" compensation practices by its own terms and yet nonetheless implicates a compensation policy which "broadly applies" to a company's general workforce.

The Proponent Letter also attempts to argue that the Initial Request Letter fails to demonstrate that the Company's senior executives' eligibility to receive the compensation does not implicate significant compensation matters. However, SLB 14J provides a relevant application of this analysis as well, stating that "a proposal that seeks to limit when senior executive officers will receive golden parachutes may be excludable under Rule 14a-8(i)(7) if the company's golden parachute provision broadly applies to a significant portion of its general workforce. This is because the availability of certain forms of compensation to senior executives and/or directors that are also broadly available or applicable to the general workforce does not generally raise significant compensation issues that transcend ordinary business matters." Accordingly, because a primary aspect of the targeted compensation, vesting of equity-based awards due to a voluntary resignation to enter government service, is "broadly available or applicable to the general workforce," such availability firmly supports the Company's view that the Proposal does not raise significant compensation issues.

Lastly, the plain language of the Staff's guidance in SLB 14J supports a conclusion that the Proposal relates to the Company's ordinary business for purposes of Rule 14a-8(i)(7). In this regard, the Staff stated the following in SLB 14J:

"Proposals where the focus is on aspects of compensation that are available or apply to senior executive officers, directors, and the general workforce. Companies may generally rely on Rule 14a-8(i)(7) to omit the proposal from their proxy materials."

As discussed in the Initial Response Letter, the focus of the Proposal is the Company's policy on the vesting of equity-based awards due to a voluntary resignation to enter government service. That policy applies to any employee who receives an equity award, which includes thousands of

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
February 27, 2019
Page 4

the Company's employees. As a result and consistent with the above Staff guidance, the Proposal is *de facto* not significant to the Company because it relates to a compensation policy that is available broadly to the Company's employees. Accordingly, the Company is of the view that the Proposal may be omitted from the 2019 Proxy Materials as relating to the Company's ordinary business.

The Company remains of the view that it may exclude the Proposal pursuant to Rule 14a-8(i)(7) as the Proposal seeks to micromanage the Company and focuses on a compensation policy that is broadly available to the Company's employees.

III. CONCLUSION

For the reasons discussed in the Initial Request Letter and discussed further above, the Proponent Letter does not impact the application of Rule 14a-8(i)(7) to the Proposal and the Company continues to be of the view that it may properly omit the Proposal from its 2019 Proxy Materials in reliance on Rule 14a-8. If we can be of further assistance in this matter, please do not hesitate to contact me at (202) 778-1611.

Sincerely,



Martin P. Dunn
Morrison & Foerster LLP

Attachments

cc: Brandon J. Rees, Deputy Director, Corporations & Capital Markets, the AFL-CIO Reserve Fund
Molly Carpenter, Corporate Secretary, JPMorgan Chase & Co.

EXHIBIT A



AFL-CIO

AMERICA'S UNIONS

**American Federation
of Labor and
Congress of Industrial
Organizations**

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Gwen Mills
Charles Wowkanech
Bonnie Castillo
Gary Jones
Paul Shearon
Warren Fairley
Ernest A. Logan

Via E-Mail

February 14, 2019

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

**Re: JPMorgan Chase & Co. Request to Exclude a Shareholder
Proposal Submitted by the AFL-CIO Reserve Fund**

Dear Sir or Madam:

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, the AFL-CIO Reserve Fund (the "Fund") submitted a shareholder proposal (the "Proposal") to JPMorgan Chase & Co. (the "Company"). In a letter to the staff of the Division of Corporation Finance (the "Division Staff") dated January 15, 2019 (the "No-Action Request"), the Company stated that it intends to omit the Proposal from its proxy materials to be distributed to shareholders in connection with the Company's 2019 annual meeting of shareholders. The Company argues that it is entitled to exclude the Proposal in reliance on Rule 14a-8(i)(7) on the ground that the Proposal deals with the Company's ordinary business operations.

As discussed more fully below, the Company has not met its burden of proving that it is entitled to exclude the Proposal in reliance on Rule 14a-8(i)(7), and the Fund respectfully requests that the Company's request for relief be denied.

I. The Proposal

The Proposal states:

RESOLVED: Shareholders of JPMorgan Chase & Co. (the "Company") request that the Board of Directors adopt a policy prohibiting the vesting

of equity-based awards for senior executives due to a voluntary resignation to enter government service (a “Government Service Golden Parachute”).

For purposes of this resolution, “equity-based awards” include stock options, restricted stock and other stock awards granted under an equity incentive plan. “Government service” includes employment with any U.S. federal, state or local government, any supranational or international organization, any self-regulatory organization, or any agency or instrumentality of any such government or organization, or any electoral campaign for public office.

This policy shall be implemented so as not to violate existing contractual obligations or the terms of any compensation or benefit plan currently in existence on the date this proposal is adopted, and it shall apply only to equity awards or plan amendments that shareholders approve after the date of the 2019 annual meeting.

II. The Proposal Addresses a Significant Social Policy Issue

The Company’s No-Action Request claims the Proposal is excludable under Rule 14a-8(i)(7) because it relates to the Company’s management of its workforce. Rule 14a-8(i)(7) permits companies to omit any shareholder proposal from their proxy materials that “deals with a matter relating to the company’s ordinary business operations.” As explained below, the Company’s request for relief should be denied because the issue of Government Service Golden Parachutes is a significant social policy issue that transcends ordinary business matters.

The Company’s argument that the Proposal may be excluded runs contrary to more than 25 years of no-action letters that shareholder proposals on senior executive compensation are not excludable under Rule 14a-8(i)(7). As explained in *Battle Mountain Gold* (February 13, 1992), “In view of the widespread public debate concerning executive and director compensation policies and practices, and the increasing recognition that these issues raise significant policy issues, it is the Division’s view that proposals relating to senior executive compensation no longer can be considered matters relating to a registrant’s ordinary business.”

The Proposal topic of Government Service Golden Parachutes addresses the exact type of significant social policy issue that the Division Staff contemplated when permitting shareholder proposals on executive compensation issues. The Proposal does not address the Company’s provision of severance benefits following a change-in-control (traditionally known as a “golden parachute”). Rather, the Proposal addresses the accelerated vesting of equity awards that is contingent on a voluntary resignation to enter government service. Whether such senior executive compensation arrangements encourage a “revolving door” between the Company and government regulators is a significant social policy issue that transcends ordinary business.

The issue of Government Service Golden Parachutes has received widespread public debate. For example, the appointment of Gary Cohn to the Trump Administration received significant media scrutiny for triggering Goldman Sachs' Government Service Golden Parachute provisions.¹ The practice of Wall Street firms paying Government Service Golden Parachutes to their senior executives also was widely covered in the press under the Obama Administration.² Legislation to prohibit Government Service Golden Parachutes has been introduced in both the House and Senate in consecutive sessions of Congress.³ The Democratic Party adopted a prohibition on Government Service Golden Parachutes as part of its 2016 party platform.⁴

In light of this widespread public debate about Government Service Golden Parachutes, the Division Staff have previously declined to concur with the exclusion of identical proposals submitted by the Fund under Rule 14a-8(i)(7) for ordinary business reasons. In *Citigroup Inc.* (March 7, 2018), the Division Staff stated that "We note that the Proposal focuses on senior executive compensation. Accordingly, we do not believe that the Company may omit the Proposal from its proxy materials in reliance on Rule 14a-8(i)(7)." Likewise, in *Lazard Ltd.* (January 20, 2016), the Division Staff explained that "the proposal focuses on the significant social policy issue of senior executive compensation and does not seek to micromanage the company to such a degree that exclusion of the proposal would be appropriate."

Whether other shareholders have "requested the type of action or information sought by the proposal" is one of the criteria that Staff Legal Bulletin No. 14J (October 23, 2018) identifies for analyzing whether a proposal constitutes ordinary business. In the Company's 2018 Proxy Statement, the Company's opposition statement to the Proposal acknowledged that "our shareholders have indicated they would like more information about our Government Office provisions." Moreover, the Company's own shareholders have increasingly supported the Proposal from year to year. The Proposal received the support of 25.9 percent of votes cast in 2016, 26.5 percent of votes cast in 2017, and 29 percent of votes cast in 2018.

¹ Ben McLannahan, *Cohn To Receive Exit Package of At Least \$100m From Goldman Sachs*, Financial Times, January 24, 2017; Kate Kelly, *Goldman's \$285 Million Package for Gary Cohn Is Questioned*, New York Times, January 25, 2017; Liz Hoffman, *Gary Cohn's Goldman Exit Tops \$100 Million - Trump Economic Official's Goldman Holdings Fully Vest After Departure For Washington*, Wall Street Journal, January 24, 2017.

² Kaja Whitehouse, *Wall St. Pays Its Execs To Jump Ship; Departures For Uncle Sam Rewarded*, USA Today, April 3, 2015; Donna Borak, *Democratic Debate Spotlights Wall Street-Washington Ties*, Wall Street Journal, March 10, 2016; Peter J. Henning, *With Cabinet Nominees, a Challenge to See Which Master Is Served*, New York Times, Dec. 20, 2016; Ben McLannahan, *'Golden Parachutes' Under Fire In US - Payouts For Bankers Moving To Government Prompt Democrats' Bill*, Financial Times, July 15, 2015.

³ Executive Branch Conflict of Interest Act, S. 156/H.R. 599, 116th Cong. (2019); Financial Services Conflict of Interest Act, S. 265/H.R. 859, 115th Cong. (2017).

⁴ 2016 Democratic Party Platform, Democratic Platform Committee, July 8-9, 2016, p. 10. Available at https://democrats.org/wp-content/uploads/2018/10/2016_DNC_Platform.pdf.

III. The Proposal Does Not Seek To Micromanage the Company

In the No-Action Request, the Company cites Staff Legal Bulletin No. 14J (October 23, 2018) to argue that the Proposal may be omitted because it seeks to micromanage the Company.

However, the Company's assertion that the Proposal seeks to impose specific timeframes or methods for implementation of the requested policy is without merit. The Proposal does not impose any timeframe for compliance with the requested policy. Rather, the Proposal text states that the policy shall only apply to future equity awards. This forward-looking language clarifies that the Proposal does not request that the Company violate its existing contractual obligations. Likewise, the proposal does not request a specific method for implementation of the policy.

Nor does the policy requested by the Proposal "probe too deeply into matters of a complex nature." The Proposal only seeks to address one aspect of the Company's equity awards to its senior executives. At most companies, equity vesting requirements are designed to retain senior executives. In contrast, the Company's Government Service Golden Parachute provisions work against this retention goal by incentivizing senior executives to resign voluntarily from the Company to enter into government service. The Proposal simply asks the Company to discontinue this practice. The fact that the Company has a large number of employees or unrelated complexity in the design of its equity-based awards does not mean that shareholders are unable exercise informed judgment on the clear-cut issue raised by the Proposal.

The no-action letters referenced by the Company where the Division Staff concurred with the exclusion of proposals on micromanagement grounds are easily distinguished from the Proposal. The Proposal does not reach the level of detail requested by the *SeaWorld Entertainment, Inc.* (March 30, 2017) proposal on orca seaside sanctuaries and virtual reality exhibits, the *JPMorgan Chase & Co.* (The Christensen Fund) (March 30, 2018) proposal on financing for tar sands oil production, or the *JPMorgan Chase & Co.* (Harrington) (March 30, 2018) proposal on financing related to indigenous peoples' rights. Rather, the Proposal is identical to the Government Service Golden Parachutes proposal in *Lazard Ltd.* (January 20, 2016) in which the Division Staff declined to concur with omission, stating that the proposal "does not seek to micromanage the company to such a degree that exclusion of the proposal would be appropriate."

IV. The Proposal's Requested Policy Does Not Extend to Employees Broadly

The plain language of the Proposal only seeks to address the compensation of the Company's senior executives. As in *Lazard Ltd.* (January 20, 2016), the Company conflates its own subjective reading of the Proposal (that it relates to general employee compensation) with the plain language of the Proposal (that expressly addresses only senior executive compensation). Moreover, the Proposal does not address the types of executive compensation issues that the Staff Legal Bulletin No. 14J (October 23, 2018) intended to address. As previously discussed,

proposals on Government Service Golden Parachutes address a distinct significant social policy issue that is separate and apart from proposals on change-in-control “golden parachutes.”

In Staff Legal Bulletin No. 14J, the Division Staff explained that:

*“a proposal that addresses senior executive and/or director compensation may be excludable under Rule 14a-8(i)(7) if a primary aspect of the targeted compensation is broadly available or applicable to a company’s general workforce **and** the company demonstrates that the executives’ or directors’ eligibility to receive the compensation does not implicate significant compensation matters” (emphasis added).*

The No-Action Request does not demonstrate that the Company’s Government Service Golden Parachutes are “broadly available or applicable to the company’s general workforce.” The No-Action Request only states that the Company’s equity awards are granted to “thousands of the Company’s employees” (p. 9) and that the Company has over 250,000 employees (p. 5). Even assuming for the sake of argument that 10,000 Company employees received equity awards that are subject to vesting on entering government service, this would amount to less than 4 percent of the Company’s global workforce. Such low eligibility to receive a Government Service Golden Parachute cannot reasonably be considered to be “broadly available.”

The Company also fails to show that its senior executives’ eligibility to receive Government Service Golden Parachutes is not a “significant compensation matter.” To the contrary, the dollar amounts in question are highly significant for the Company’s named executive officers. Page 77 of the Company’s 2018 Proxy Statement discloses the following information:

POTENTIAL PAYMENTS UPON TERMINATION TO ENTER GOVERNMENT SERVICE

James Dimon, Chairman and CEO	Stock awards	\$	10,616,255
	Performance share units	\$	85,714,167
Marianne Lake, Chief Financial Officer	Stock awards	\$	15,527,581
	Performance share units	\$	13,308,977
Mary Callahan Erdoes, CEO AWM	Stock awards	\$	25,656,082
	Performance share units	\$	21,709,315
Daniel Pinto, CEO CIB	Stock awards	\$	26,806,222
	Performance share units	\$	23,165,452
Gordon Smith, CEO CCB	Stock awards	\$	24,234,850
	Performance share units	\$	20,928,732

In other words, the Company's named executive officers were entitled to receive a combined total of \$268 million in Government Service Golden Parachute payments in 2017. In contrast, the vesting of equity awards for employees who are not senior executives (if they receive any equity awards at all) is not likely to be a material factor in their overall compensation.

V. Conclusion

For the forgoing reasons, the Company has failed to meet its burden of demonstrating that it is entitled to exclude the Proposal from its proxy materials under Rule 14a-8(i)(7). As the Company has failed to meet its burden of demonstrating that it is entitled to exclude the Proposal, the Proposal should come before the Company's shareholders. If you have any questions, please contact me at (202) 637-5152 or brees@aficio.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brandon J. Rees', written in a cursive style.

Brandon J. Rees

Deputy Director, Corporations and Capital Markets

cc: Martin Dunn, Morrison Foerster LLP



AFL-CIO

AMERICA'S UNIONS

**American Federation
of Labor and
Congress of Industrial
Organizations**

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Via E-Mail

February 14, 2019

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

**Re: JPMorgan Chase & Co. Request to Exclude a Shareholder
Proposal Submitted by the AFL-CIO Reserve Fund**

Dear Sir or Madam:

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As discussed more fully below, the Company has not met its burden of proving that it is entitled to exclude the Proposal in reliance on Rule 14a-8(i)(7), and the Fund respectfully requests that the Company's request for relief be denied.

I. The Proposal

The Proposal states:

RESOLVED: Shareholders of JPMorgan Chase & Co. (the "Company") request that the Board of Directors adopt a policy prohibiting the vesting

of equity-based awards for senior executives due to a voluntary resignation to enter government service (a “Government Service Golden Parachute”).

For purposes of this resolution, “equity-based awards” include stock options, restricted stock and other stock awards granted under an equity incentive plan. “Government service” includes employment with any U.S. federal, state or local government, any supranational or international organization, any self-regulatory organization, or any agency or instrumentality of any such government or organization, or any electoral campaign for public office.

This policy shall be implemented so as not to violate existing contractual obligations or the terms of any compensation or benefit plan currently in existence on the date this proposal is adopted, and it shall apply only to equity awards or plan amendments that shareholders approve after the date of the 2019 annual meeting.

II. The Proposal Addresses a Significant Social Policy Issue

The Company’s No-Action Request claims the Proposal is excludable under Rule 14a-8(i)(7) because it relates to the Company’s management of its workforce. Rule 14a-8(i)(7) permits companies to omit any shareholder proposal from their proxy materials that “deals with a matter relating to the company’s ordinary business operations.” As explained below, the Company’s request for relief should be denied because the issue of Government Service Golden Parachutes is a significant social policy issue that transcends ordinary business matters.

The Company’s argument that the Proposal may be excluded runs contrary to more than 25 years of no-action letters that shareholder proposals on senior executive compensation are not excludable under Rule 14a-8(i)(7). As explained in *Battle Mountain Gold* (February 13, 1992), “In view of the widespread public debate concerning executive and director compensation policies and practices, and the increasing recognition that these issues raise significant policy issues, it is the Division’s view that proposals relating to senior executive compensation no longer can be considered matters relating to a registrant’s ordinary business.”

The Proposal topic of Government Service Golden Parachutes addresses the exact type of significant social policy issue that the Division Staff contemplated when permitting shareholder proposals on executive compensation issues. The Proposal does not address the Company’s provision of severance benefits following a change-in-control (traditionally known as a “golden parachute”). Rather, the Proposal addresses the accelerated vesting of equity awards that is contingent on a voluntary resignation to enter government service. Whether such senior executive compensation arrangements encourage a “revolving door” between the Company and government regulators is a significant social policy issue that transcends ordinary business.

The issue of Government Service Golden Parachutes has received widespread public debate. For example, the appointment of Gary Cohn to the Trump Administration received significant media scrutiny for triggering Goldman Sachs' Government Service Golden Parachute provisions.¹ The practice of Wall Street firms paying Government Service Golden Parachutes to their senior executives also was widely covered in the press under the Obama Administration.² Legislation to prohibit Government Service Golden Parachutes has been introduced in both the House and Senate in consecutive sessions of Congress.³ The Democratic Party adopted a prohibition on Government Service Golden Parachutes as part of its 2016 party platform.⁴

In light of this widespread public debate about Government Service Golden Parachutes, the Division Staff have previously declined to concur with the exclusion of identical proposals submitted by the Fund under Rule 14a-8(i)(7) for ordinary business reasons. In *Citigroup Inc.* (March 7, 2018), the Division Staff stated that "We note that the Proposal focuses on senior executive compensation. Accordingly, we do not believe that the Company may omit the Proposal from its proxy materials in reliance on Rule 14a-8(i)(7)." Likewise, in *Lazard Ltd.* (January 20, 2016), the Division Staff explained that "the proposal focuses on the significant social policy issue of senior executive compensation and does not seek to micromanage the company to such a degree that exclusion of the proposal would be appropriate."

Whether other shareholders have "requested the type of action or information sought by the proposal" is one of the criteria that Staff Legal Bulletin No. 14J (October 23, 2018) identifies for analyzing whether a proposal constitutes ordinary business. In the Company's 2018 Proxy Statement, the Company's opposition statement to the Proposal acknowledged that "our shareholders have indicated they would like more information about our Government Office provisions." Moreover, the Company's own shareholders have increasingly supported the Proposal from year to year. The Proposal received the support of 25.9 percent of votes cast in 2016, 26.5 percent of votes cast in 2017, and 29 percent of votes cast in 2018.

¹ Ben McLannahan, *Cohn To Receive Exit Package of At Least \$100m From Goldman Sachs*, Financial Times, January 24, 2017; Kate Kelly, *Goldman's \$285 Million Package for Gary Cohn Is Questioned*, New York Times, January 25, 2017; Liz Hoffman, *Gary Cohn's Goldman Exit Tops \$100 Million - Trump Economic Official's Goldman Holdings Fully Vest After Departure For Washington*, Wall Street Journal, January 24, 2017.

² Kaja Whitehouse, *Wall St. Pays Its Execs To Jump Ship; Departures For Uncle Sam Rewarded*, USA Today, April 3, 2015; Donna Borak, *Democratic Debate Spotlights Wall Street-Washington Ties*, Wall Street Journal, March 10, 2016; Peter J. Henning, *With Cabinet Nominees, a Challenge to See Which Master Is Served*, New York Times, Dec. 20, 2016; Ben McLannahan, *'Golden Parachutes' Under Fire In US - Payouts For Bankers Moving To Government Prompt Democrats' Bill*, Financial Times, July 15, 2015.

³ Executive Branch Conflict of Interest Act, S. 156/H.R. 599, 116th Cong. (2019); Financial Services Conflict of Interest Act, S. 265/H.R. 859, 115th Cong. (2017).

⁴ 2016 Democratic Party Platform, Democratic Platform Committee, July 8-9, 2016, p. 10. Available at https://democrats.org/wp-content/uploads/2018/10/2016_DNC_Platform.pdf.

III. The Proposal Does Not Seek To Micromanage the Company

In the No-Action Request, the Company cites Staff Legal Bulletin No. 14J (October 23, 2018) to argue that the Proposal may be omitted because it seeks to micromanage the Company.

However, the Company's assertion that the Proposal seeks to impose specific timeframes or methods for implementation of the requested policy is without merit. The Proposal does not impose any timeframe for compliance with the requested policy. Rather, the Proposal text states that the policy shall only apply to future equity awards. This forward-looking language clarifies that the Proposal does not request that the Company violate its existing contractual obligations. Likewise, the proposal does not request a specific method for implementation of the policy.

Nor does the policy requested by the Proposal "probe too deeply into matters of a complex nature." The Proposal only seeks to address one aspect of the Company's equity awards to its senior executives. At most companies, equity vesting requirements are designed to retain senior executives. In contrast, the Company's Government Service Golden Parachute provisions work against this retention goal by incentivizing senior executives to resign voluntarily from the Company to enter into government service. The Proposal simply asks the Company to discontinue this practice. The fact that the Company has a large number of employees or unrelated complexity in the design of its equity-based awards does not mean that shareholders are unable exercise informed judgment on the clear-cut issue raised by the Proposal.

The no-action letters referenced by the Company where the Division Staff concurred with the exclusion of proposals on micromanagement grounds are easily distinguished from the Proposal. The Proposal does not reach the level of detail requested by the *SeaWorld Entertainment, Inc.* (March 30, 2017) proposal on orca seaside sanctuaries and virtual reality exhibits, the *JPMorgan Chase & Co.* (The Christensen Fund) (March 30, 2018) proposal on financing for tar sands oil production, or the *JPMorgan Chase & Co.* (Harrington) (March 30, 2018) proposal on financing related to indigenous peoples' rights. Rather, the Proposal is identical to the Government Service Golden Parachutes proposal in *Lazard Ltd.* (January 20, 2016) in which the Division Staff declined to concur with omission, stating that the proposal "does not seek to micromanage the company to such a degree that exclusion of the proposal would be appropriate."

IV. The Proposal's Requested Policy Does Not Extend to Employees Broadly

The plain language of the Proposal only seeks to address the compensation of the Company's senior executives. As in *Lazard Ltd.* (January 20, 2016), the Company conflates its own subjective reading of the Proposal (that it relates to general employee compensation) with the plain language of the Proposal (that expressly addresses only senior executive compensation). Moreover, the Proposal does not address the types of executive compensation issues that the Staff Legal Bulletin No. 14J (October 23, 2018) intended to address. As previously discussed,

proposals on Government Service Golden Parachutes address a distinct significant social policy issue that is separate and apart from proposals on change-in-control “golden parachutes.”

In Staff Legal Bulletin No. 14J, the Division Staff explained that:

*“a proposal that addresses senior executive and/or director compensation may be excludable under Rule 14a-8(i)(7) if a primary aspect of the targeted compensation is broadly available or applicable to a company’s general workforce **and** the company demonstrates that the executives’ or directors’ eligibility to receive the compensation does not implicate significant compensation matters” (emphasis added).*

The No-Action Request does not demonstrate that the Company’s Government Service Golden Parachutes are “broadly available or applicable to the company’s general workforce.” The No-Action Request only states that the Company’s equity awards are granted to “thousands of the Company’s employees” (p. 9) and that the Company has over 250,000 employees (p. 5). Even assuming for the sake of argument that 10,000 Company employees received equity awards that are subject to vesting on entering government service, this would amount to less than 4 percent of the Company’s global workforce. Such low eligibility to receive a Government Service Golden Parachute cannot reasonably be considered to be “broadly available.”

The Company also fails to show that its senior executives’ eligibility to receive Government Service Golden Parachutes is not a “significant compensation matter.” To the contrary, the dollar amounts in question are highly significant for the Company’s named executive officers. Page 77 of the Company’s 2018 Proxy Statement discloses the following information:

POTENTIAL PAYMENTS UPON TERMINATION TO ENTER GOVERNMENT SERVICE

James Dimon, Chairman and CEO	Stock awards	\$	10,616,255
	Performance share units	\$	85,714,167
Marianne Lake, Chief Financial Officer	Stock awards	\$	15,527,581
	Performance share units	\$	13,308,977
Mary Callahan Erdoes, CEO AWM	Stock awards	\$	25,656,082
	Performance share units	\$	21,709,315
Daniel Pinto, CEO CIB	Stock awards	\$	26,806,222
	Performance share units	\$	23,165,452
Gordon Smith, CEO CCB	Stock awards	\$	24,234,850
	Performance share units	\$	20,928,732

In other words, the Company's named executive officers were entitled to receive a combined total of \$268 million in Government Service Golden Parachute payments in 2017. In contrast, the vesting of equity awards for employees who are not senior executives (if they receive any equity awards at all) is not likely to be a material factor in their overall compensation.

V. Conclusion

For the forgoing reasons, the Company has failed to meet its burden of demonstrating that it is entitled to exclude the Proposal from its proxy materials under Rule 14a-8(i)(7). As the Company has failed to meet its burden of demonstrating that it is entitled to exclude the Proposal, the Proposal should come before the Company's shareholders. If you have any questions, please contact me at (202) 637-5152 or brees@aficio.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. J. Rees', written in a cursive style.

Brandon J. Rees

Deputy Director, Corporations and Capital Markets

cc: Martin Dunn, Morrison Foerster LLP

Writer's Direct Contact
+1 (202) 778.1611
MDunn@mofocom

1934 Act/Rule 14a-8

January 15, 2019

VIA E-MAIL (shareholderproposals@sec.gov)

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: JPMorgan Chase & Co.
Shareholder Proposal of the AFL-CIO Reserve Fund

Dear Ladies and Gentlemen:

We submit this letter on behalf of our client JPMorgan Chase & Co., a Delaware corporation (the "**Company**"), which requests confirmation that the staff (the "**Staff**") of the Division of Corporation Finance of the U.S. Securities and Exchange Commission (the "**Commission**") will not recommend enforcement action to the Commission if, in reliance on Rule 14a-8 under the Securities Exchange Act of 1934 (the "**Exchange Act**"), the Company omits the enclosed shareholder proposal (the "**Proposal**") submitted by the AFL-CIO Reserve Fund (the "**Proponent**") from the Company's proxy materials for its 2019 Annual Meeting of Shareholders (the "**2019 Proxy Materials**").

Pursuant to Rule 14a-8(j) under the Exchange Act, we have:

- submitted this letter to the Staff no later than eighty (80) calendar days before the Company intends to file its definitive 2019 Proxy Materials with the Commission; and
- concurrently sent a copy of this correspondence to the Proponent.

Copies of the Proposal, the Proponent's cover letter submitting the Proposal, and other correspondence relating to the Proposal are attached hereto as Exhibit A.

Pursuant to the guidance provided in Section F of Staff Legal Bulletin 14F (Oct. 18, 2011), we ask that the Staff provide its response to this request to Martin Dunn, on behalf of the Company, via email at mdunn@mofo.com, and to the Proponent's representative via email at brees@aflcio.org.

I. THE PROPOSAL

On December 4, 2018, the Company received from the Proponent the Proposal for inclusion in the Company's 2019 Proxy Materials. The Proposal reads as follows:

“RESOLVED: *Shareholders of JPMorgan Chase & Co. (the “Company”)* request that the Board of Directors adopt a policy prohibiting the vesting of equity-based awards for senior executives due to a voluntary resignation to enter government service (a “Government Service Golden Parachute”).

For purposes of this resolution, “equity-based awards” include stock options, restricted stock and other stock awards granted under an equity incentive plan. “Government service” includes employment with any U.S. federal, state or local government, any supranational or international organization, any self-regulatory organization, or any agency or instrumentality of any such government or organization, or any electoral campaign for public office.

This policy shall be implemented so as not to violate existing contractual obligations or the terms of any compensation or benefit plan currently in existence on the date this proposal is adopted, and it shall apply only to equity awards or plan amendments that shareholders approve after the date of the 2019 annual meeting.

SUPPORTING STATEMENT:

Our Company provides its senior executives with vesting of equity-based awards after their voluntary resignation of employment to pursue a career in government service. In other words, our Company gives a “golden parachute” for entering government service. For example, Company President and CEO James Dimon was entitled to \$96.3 million in unvested equity awards if he resigned to enter government service on December 31, 2017.

At most companies, equity-based awards vest over a period of time to compensate executives for their labor during the commensurate period. If an executive voluntarily resigns before the vesting criteria are satisfied, unvested awards are usually forfeited. While government service is commendable, we question the practice of providing Government Service Golden Parachutes to senior executives.

The vesting of equity-based awards over a period of time is a powerful tool for companies to attract and retain talented employees. But contrary to this goal, our Company provides for the vesting of equity awards to executives if they voluntarily resign from the Company to enter into government service and have not yet met the Company's "full-career eligibility" criteria for continued vesting of equity awards.

Last year in its opposition statement to this resolution, the Company asserted that these "provisions do not grant any additional reward for entering government service" and "are intended to help the Firm attract and retain talented employees." However, in our view, the vesting of equity awards that would otherwise be forfeited after a voluntary termination is a windfall payment, not a form of deferred compensation for previous service.

We believe that compensation plans should align the interests of senior executives with the long-term interests of the Company. We oppose compensation plans that provide windfalls to executives that are unrelated to their performance. For these reasons, we question how our Company benefits from providing Government Service Golden Parachutes. Surely our Company does not expect to receive favorable treatment from its former executives?"

II. EXCLUSION OF THE PROPOSAL

A. Basis for Excluding the Proposal

As discussed more fully below, the Company believes it may properly omit the Proposal from its 2019 Proxy Materials in reliance on Rule 14a-8(i)(7), as the Proposal deals with matters related to the Company's ordinary business operations.

B. The Proposal May Be Omitted in Reliance on Rule 14a-8(i)(7), as It Deals With Matters Relating to the Company's Ordinary Business Operations

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a shareholder proposal that relates to the company's "ordinary business operations." According to the Commission, the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting." *Exchange Act Release No. 40018, Amendments to Rules on Shareholder Proposals*, [1998 Transfer Binder] Fed. Sec. L. Rep. (CCH) 86,018, at 80,539 (May 21, 1998) (the "**1998 Release**"). In the 1998 Release, the Commission described the two "central considerations" for the ordinary business exclusion. One consideration of the 1998 Release relates to "the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." The other is that certain tasks are "so fundamental to management's ability

to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight” and, as such, may be excluded, unless the proposal raises policy issues that are sufficiently significant to transcend day-to-day business matters. *Id.* at 86,017-18 (footnote omitted).

On October 23, 2018, the Staff released Staff Legal Bulletin No. 14J (“**SLB 14J**”) to provide new guidance as to how the Staff evaluates a company’s arguments for omission under Rule 14a-8(i)(7) of a shareholder proposal which addresses senior executive and/or director compensation and ordinary business matters. SLB 14J confirmed the Staff’s position of concurring in the exclusion of proposals that, while styled as senior executive and/or director compensation proposals, have had as their underlying concern ordinary business matters. *See, e.g., Delta Air Lines, Inc.* (Mar. 27, 2012) (concurring in the exclusion of a proposal requesting that the board prohibit payment of incentive compensation to executive officers unless the company first adopted a process to fund the retirement accounts of certain retired employees, on the grounds that the focus of the proposal was on the ordinary business matter of employee benefits rather than senior executive compensation matters). SLB 14J also stated that the Staff’s current policy is that a proposal that addresses senior executive and/or director compensation may be excludable under Rule 14a-8(i)(7) “if a primary aspect of the targeted compensation is broadly available or applicable to a company’s general workforce and the company demonstrates that the executives’ or directors’ eligibility to receive the compensation does not implicate significant compensation matters.”

Further, SLB 14J acknowledged that while historically the Staff has not agreed with the exclusion of proposals addressing senior executive and/or director compensation on the basis of micromanagement, upon reconsideration the Staff is of the view that there is not “a basis for treating executive compensation proposals differently than other types of proposals” in this regard. Therefore, the Division may agree that proposals addressing such compensation matters are excludable under Rule 14a-8(i)(7) as unduly micromanaging a company’s business operations.

1. The Proposal May be Omitted Because it Seeks to Micromanage the Company

It is the Company’s view that the Proposal may be properly omitted in reliance on Rule 14a-8(i)(7) because the Staff has repeatedly recognized that a proposal that seeks to micromanage the determinations of a company’s management regarding day-to-day decisions is excludable under Rule 14a-8(i)(7) as a component of “ordinary business.”

The Proposal requests that the Company “adopt a policy prohibiting the vesting of equity-based awards for senior executives due to a voluntary resignation to enter government service (a ‘Government Service Golden Parachute’).” Staff Legal Bulletin No. 14J (Oct. 23, 2018) (“**SLB 14J**”) provides that proposals “seek[ing] to impose specific time-frames or methods for implementing complex policies” are excludable under Rule 14a-8(i)(7) as seeking to micromanage a company. As discussed further below, the Proposal seeks for the Company to

implement a policy that specifically prohibits a particular type of compensation benefit for senior executives. As executive and employee benefits involve myriad considerations and significant complexity, the Proposal seeks to micromanage management's decisions relating to its executive and employee compensation.

The Company's conclusion that the Proposal seeks to micromanage its business affairs is supported by SLB 14J, which provides that "proposals addressing senior executive and/or director compensation that seek intricate detail, or seek to impose specific timeframes or methods for implementing complex policies can be excluded under Rule 14a-8(i)(7) on the basis of micromanagement." The Proposal explicitly seeks to require a new policy by which the Company must abide (the prohibition of vesting of specified equity-based awards to senior executives upon entry into government service) and also provides a specific timeframe for the Company's timing of the action sought (the Proposal would require action with regard to equity awards or plan amendments that shareholders approve after the date of the 2019 annual meeting). Accordingly, the Proposal seeks to micromanage management's decisions by imposing a specific outcome and a specific timeframe with regard to executive and employee benefits, a determination that involves complex matters that the management and the Board of the Company are well positioned to consider, and shareholders as a group are not.

The Company is a global financial services firm and is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management. The Company has over 250,000 employees and operates in a very competitive environment for executive and employee talent. As such, the Company's decisions with respect to its compensation policies involve complex, day-to-day operational determinations of management that are dependent on management's underlying expertise with respect to the myriad components of determining individual compensation and benefits in addition to, relatedly, broader Company operating expenses. The Proposal attempts to dictate that the Company cannot engage in an entire category of features included in senior executive equity-based compensation, based on high-level statistics regarding equity-based awards that the Proponent finds objectionable. That explicit direction within the Proposal would clearly impact the Company's policies and procedures with respect to how the Company evaluates its existing and potential senior executives and the ongoing decisions the Company makes with respect to those senior executives. For example, the vesting of equity-based awards upon resignation for government service is one of numerous factors that go into the Company's decisions related to how it will compensate its senior executives, among whom there is a vast range in qualifications, experience, and tenure. The elimination of these types of policies related to senior executive equity-based awards would undoubtedly impact senior executive compensation in other respects. Those decisions involve complex, day-to-day operational determinations of the Company that are specific to each senior executive. As the Proposal seeks a specific, over-riding requirement regarding the compensation of senior executives, the Company is of the view that the Proposal seeks to micromanage the Company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.

Per the guidance in SLB 14J, a proposal is excludable on the basis of micromanagement, regardless of subject matter, if it “probe[s] too deeply into matters of a complex nature.” The Company’s management invests a significant amount of time, energy and effort on a regular basis in determining how the Company will offer compensation to its senior executive and employees broadly, while generating an attractive return to the Company’s shareholders. The Board and management focus extensively on establishing appropriate standards for making compensation decisions for senior executives and employees more broadly, which are then applied in a manner that seeks to attract competitive senior executive and employee talent and retain those employees through practices that are more attractive or comparable to the Company’s peers, among many other goals. Given the complexity of policy decisions relating to the Government Service Golden Parachute benefit specifically, and executive and employee benefits generally, the Proposal seeks to micromanage the Company by dictating a particular outcome regarding matters of a complex nature.

The Company’s conclusion that the Proposal seeks to micromanage the Company is supported by recent Staff decisions. In *SeaWorld Entertainment, Inc.* (March 30, 2017), the proposal similarly sought a specific outcome – the “retire[ment of] the current resident orcas to seaside sanctuaries and replace[ment of] the captive-area exhibits with innovative virtual and augmented reality or other types of non-animal experiences.” The company argued, among other things, that the proponent sought to micromanage the company’s decisions with respect to the entertainment products it offered to customers because those decisions involved myriad complex factors about which shareholders are not in a position to make an informed judgment. The Staff concurred in the omission of the proposal under Rule 14a-8(i)(7) as the proposal sought to “micromanage the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” As was the case in *SeaWorld Entertainment, Inc.*, the Proposal seeks to dictate specific actions to be taken by the Company with respect to complex matters that management and the Board of the Company are well positioned to consider, and shareholders as a group are not.

Similarly, in *JPMorgan Chase & Co. (The Christensen Fund)* (Mar. 30, 2018), the Staff concurred in the exclusion of a proposal which asked for a report on the reputational, financial and climate risks associated with project and corporate lending, underwriting, advising and investing for tar sands production and transportation. The Staff found that the proposal would micromanage the Company in that it sought to “impose specific methods for implementing complex policies.” In *JPMorgan Chase & Co. (Harrington)* (Mar. 30, 2018), the Staff concurred in the exclusion of a proposal which asked the Company to establish a human and indigenous peoples’ rights committee that, among other things, would adopt policies and procedures to require consideration of human and indigenous peoples’ rights in connection with certain financing decisions. The Staff found that the proposal would micromanage the Company for purposes of Rule 14a-8(i)(7) as the proposal sought to “impose specific methods for implementing complex policies.” As was the case in *JPMorgan Chase & Co. (The Christensen Fund)* and *JPMorgan Chase & Co. (Harrington)*, where the proposal implicated specific outcomes to the Company’s business practices, the Proposal seeks a specific outcome – the

prohibition of vesting of specified equity-based awards to senior executives – regarding complex policies, which would result in micromanagement of the Company for purposes of Rule 14a-8(i)(7).

Although the proposals cited in the Staff no-action decisions above related to ordinary course decisions regarding the Company’s products and services, the underlying rationale in those letters similarly applies to the Proposal. In SLB 14J, the Staff noted that historically it has not agreed with the exclusion of proposals addressing senior executive and/or director compensation on the basis of micromanagement, but concluded that, going forward, there is not “a basis for treating executive compensation proposals differently than other types of proposals” with respect to micromanagement. Consistent with that Staff guidance, the Company is of the view that the Proposal, like the proposals in the Staff responses cited above, seeks to dictate a specific outcome regarding complex policies, policies relating to senior and employee compensation, and therefore is excludable as seeking to micromanage the Company.

Similar to the Staff decisions cited above, the Proposal seeks to impose upon the Company’s decision-making process regarding the compensation of its senior executives a mandated policy regarding the vesting of equity-based awards for senior executives who enter government service. Each of the Company’s determinations regarding the appropriate compensation policies and practices to implement requires deep knowledge of the Company’s business and operations and the compensation practices of the Company’s competitors – information to which the Company’s shareholders do not have access. Determining the appropriate policies and practices for decisions regarding the equity-based awards of senior executives requires a complex analysis of numerous factors, including the various features attached to any equity-based award. As a result, the Proposal may be omitted pursuant to Rule 14a-8(i)(7) as it seeks to micromanage the Company.

2. *The Proposal May be Omitted because it Relates to Ordinary Business Matters, per SLB 14J, as it Relates to Compensatory Benefits that Extend to Employees Broadly and Not Only to Senior Executives*

It is the Company’s view that the Proposal may be properly omitted in reliance on Rule 14a-8(i)(7) because the Proposal relates to ordinary business matters. In this regard, SLB 14J states the following:

The Division believes that a proposal that addresses senior executive and/or director compensation may be excludable under Rule 14a-8(i)(7) if a primary aspect of the targeted compensation is broadly available or applicable to a company’s general workforce and the company demonstrates that the executives’ or directors’ eligibility to receive the compensation does not implicate significant compensation matters. For example, a proposal that seeks to limit when senior executive officers will receive golden parachutes may be excludable under Rule 14a-8(i)(7) if the company’s golden parachute provision broadly applies to a significant portion of its general workforce. This is because the availability of

certain forms of compensation to senior executives and/or directors that are also broadly available or applicable to the general workforce does not generally raise significant compensation issues that transcend ordinary business matters. In this regard, it is difficult to conclude that a proposal does not relate to a company's ordinary business when it addresses aspects of compensation that are broadly available or applicable to a company's general workforce, even when the proposal is framed in terms of the senior executives and/or directors.

In SLB No. 14A, we took the position that where the focus of a proposal is on aspects of compensation that are available or apply only to the general workforce, companies may generally rely on Rule 14a-8(i)(7) to omit the proposal from their proxy materials. Similar to the approach in SLB No. 14A with respect to Rule 14a-8(i)(7) submissions concerning proposals that relate to shareholder approval of equity compensation plans, we will take the following approach with respect to proposals that address aspects of senior executive and/or director compensation that are also available or applicable to a company's general workforce:

- *Proposals where the focus is on aspects of compensation that are available or apply only to senior executive officers and/or directors. Companies may generally not rely on Rule 14a-8(i)(7) to omit these proposals from their proxy materials.*
- *Proposals where the focus is on aspects of compensation that are available or apply to senior executive officers, directors, and the general workforce. Companies may generally rely on Rule 14a-8(i)(7) to omit the proposal from their proxy materials.*

The Proposal requests that the Company adopt a policy prohibiting the vesting of equity-based awards for senior executives due to a voluntary resignation to enter government service. Importantly, the Proposal falls squarely in the category of proposals that SLB 14J states may be properly excluded as relating to ordinary business matters. Specifically, the policy requested by the Proposal focuses “on aspects of compensation that are available or apply to senior executive officers, directors, and the general workforce.” As stated in SLB 14J, “[c]ompanies may generally rely on Rule 14a-8(i)(7) to omit [such a] proposal from their proxy materials.” The focus of the Proposal is one that applies far beyond senior executives of the Company; in this regard, the Company confirms that the policy of vesting equity-based awards due to a voluntary resignation to enter government service applies to any recipient of an equity award, which includes thousands of the Company's employees.¹ The Company acknowledges recent decisions in which the Staff declined to concur with exclusion of a substantially similar proposal. *See, e.g., Citigroup, Inc.* (Mar. 7, 2018) (declining to extend relief under Rule 14a-8(i)(7) and Rule 14a-8(i)(5) of a proposal prohibiting the vesting of equity-based awards for senior executives due

¹ A representative sample of the terms and conditions relating to an equity award that contains government service vesting provisions made available to equity award recipients is attached as [Exhibit B](#).

to a voluntary resignation to enter government service). However, the updated approach in SLB 14J strongly supports a finding that the Proposal is focused on the Company's ordinary business operations because a primary aspect of the targeted compensation, vesting of equity-based awards due to a voluntary resignation to enter government service, is "broadly available or applicable to the Company's general workforce." The Company is of the view that a compensation practice that is available to any employee who receives equity awards, which constitutes thousands of the Company's employees, is "broadly available or applicable to the Company's general workforce" for purposes of SLB 14J and Rule 14a-8(i)(7).

With regard to the application of the "ordinary business" exclusion, SLB 14J states that the Proposal's focus on a compensation practice that "is broadly available or applicable to the general workforce. . .does not generally raise significant compensation issues that transcend ordinary business matters." As an application of this analysis, SLB 14J states:

For example, a proposal that seeks to limit when senior executive officers will receive golden parachutes may be excludable under Rule 14a-8(i)(7) if the company's golden parachute provision broadly applies to a significant portion of its general workforce. This is because the availability of certain forms of compensation to senior executives and/or directors that are also broadly available or applicable to the general workforce does not generally raise significant compensation issues that transcend ordinary business matters.

Accordingly, the Company is of the view that the Proposal relates to an ordinary business matter and does not involve a significant policy issue for purposes of Rule 14a-8(i)(7).

The Proposal expressly falls within the category of compensation proposals that may be excluded as ordinary business matters that may be excluded in reliance on Rule 14a-8(i)(7). For the foregoing reasons, the Company is of the view that the Proposal may be excluded in reliance on Rule 14a-8(i)(7).

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
January 15, 2019
Page 10

III. CONCLUSION

For the reasons discussed above, the Company believes that it may properly omit the Proposal from its 2019 Proxy Materials in reliance on Rule 14a-8. As such, we respectfully request that the Staff concur with the Company's view and not recommend enforcement action to the Commission if the Company omits the Proposal from its 2019 Proxy Materials. If we can be of further assistance in this matter, please do not hesitate to contact me at (202) 778-1611.

Sincerely,



Martin P. Dunn
Morrison & Foerster LLP

Attachments

cc: Brandon J. Rees, Deputy Director, Corporations & Capital Markets, the AFL-CIO Reserve Fund
Molly Carpenter, Corporate Secretary, JPMorgan Chase & Co.

EXHIBIT A

Ashton, Deb

From: Brandon Rees <brees@aficio.org>
Sent: Tuesday, December 04, 2018 2:10 PM
To: Corporate Secretary; Carpenter, Molly
Cc: Scott, Linda E
Subject: AFL-CIO shareholder proposal submission for the 2019 annual meeting
Attachments: AFL-CIO shareholder proposal for the 2019 JPMorgan Chase AGM.pdf

Categories: EXTERNAL

Dear Ms. Carpenter:

Please see the attached letter submitting the AFL-CIO Reserve Fund's shareholder proposal for the 2019 annual meeting of JPMorgan Chase. A printed copy of this correspondence is also being sent by UPS air. We welcome the opportunity to discuss our proposal with you.

Sincerely,

Brandon Rees
brees@aficio.org
202-637-5152



AFL-CIO

AMERICA'S UNIONS

**American Federation
of Labor and
Congress of Industrial
Organizations**

815 16th St., NW
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December 4, 2018

Office of the Corporate Secretary
JPMorgan Chase & Company
270 Park Avenue
New York, New York 10017-2070

EXECUTIVE COUNCIL

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Michael Sacco
Robert A. Scardelletti
Harold Schaitberger
Clyde Rivers
Cecil Roberts
Leo W. Gerard
Fred Redmond
Matthew Loeb
Randi Weingarten
Fredric V. Rolando
D. Michael Langford
Baldemar Velasquez
James Boland
Bruce R. Smith
Lee A. Saunders
Terry O'Sullivan
Lawrence J. Hanley
Loretta Johnson
James Callahan
DeMaurice Smith
Sean McGarvey
J. David Cox Sr.
David Durkee
D. Taylor
Kenneth Rigmalden
Stuart Appelbaum
Harold Daggett
Bhairavi Desai
Paul Rinaldi
Mark Dimondstein
Cindy Estrada
Capt. Timothy Canoll
Sara Nelson
Marc Perrone
Eric Dean
Joseph Sellers Jr.
Christopher Shelton
Lonnie R. Stephenson
Richard Lanigan
Robert Martinez
Gabrielle Carters
Mark McManus
Elissa McBride
John Samuelsen
George E. McCubbin III
Vonda McDaniel
Gwen Mills
Charles Wowkanech
Bonnie Castillo
Gary Jones
Paul Shearon
Warren Fairley
Ernest A. Logan

Dear Corporate Secretary:

On behalf of the AFL-CIO Reserve Fund (the "Fund"), I write to give notice that pursuant to the 2018 proxy statement of JPMorgan Chase & Company (the "Company"), the Fund intends to present the attached proposal (the "Proposal") at the 2019 annual meeting of shareholders (the "Annual Meeting"). The Fund requests that the Company include the Proposal in the Company's proxy statement for the Annual Meeting.

The Fund is the beneficial owner of 2160 shares of voting common stock (the "Shares") of the Company. The Fund has held at least \$2,000 in market value of the Shares for over one year, and the Fund intends to hold at least \$2,000 in market value of the Shares through the date of the Annual Meeting. A letter from the Fund's custodian bank documenting the Fund's ownership of the Shares is enclosed.

The Proposal is attached. I represent that the Fund or its agent intends to appear in person or by proxy at the Annual Meeting to present the Proposal. I declare that the Fund has no "material interest" other than that believed to be shared by stockholders of the Company generally. Please direct all questions or correspondence regarding the Proposal to me at 202-637-5152 or brees@aflcio.org.

Sincerely,

Brandon J. Rees, Deputy Director
Corporations & Capital Markets

Attachments

BJR/sdw
opeiu#2, afl-cio

RESOLVED: Shareholders of JPMorgan Chase & Co. (the “Company”) request that the Board of Directors adopt a policy prohibiting the vesting of equity-based awards for senior executives due to a voluntary resignation to enter government service (a “Government Service Golden Parachute”).

For purposes of this resolution, “equity-based awards” include stock options, restricted stock and other stock awards granted under an equity incentive plan. “Government service” includes employment with any U.S. federal, state or local government, any supranational or international organization, any self-regulatory organization, or any agency or instrumentality of any such government or organization, or any electoral campaign for public office.

This policy shall be implemented so as not to violate existing contractual obligations or the terms of any compensation or benefit plan currently in existence on the date this proposal is adopted, and it shall apply only to equity awards or plan amendments that shareholders approve after the date of the 2019 annual meeting.

SUPPORTING STATEMENT:

Our Company provides its senior executives with vesting of equity-based awards after their voluntary resignation of employment to pursue a career in government service. In other words, our Company gives a “golden parachute” for entering government service. For example, Company President and CEO James Dimon was entitled to \$96.3 million in unvested equity awards if he resigned to enter government service on December 31, 2017.

At most companies, equity-based awards vest over a period of time to compensate executives for their labor during the commensurate period. If an executive voluntarily resigns before the vesting criteria are satisfied, unvested awards are usually forfeited. While government service is commendable, we question the practice of providing Government Service Golden Parachutes to senior executives.

The vesting of equity-based awards over a period of time is a powerful tool for companies to attract and retain talented employees. But contrary to this goal, our Company provides for the vesting of equity awards to executives if they voluntarily resign from the Company to enter into government service and have not yet met the Company’s “full-career eligibility” criteria for continued vesting of equity awards.

Last year in its opposition statement to this resolution, the Company asserted that these “provisions do not grant any additional reward for entering government service” and “are intended to help the Firm attract and retain talented employees.” However, in our view, the vesting of equity awards that would otherwise be forfeited after a voluntary termination is a windfall payment, not a form of deferred compensation for previous service.

We believe that compensation plans should align the interests of senior executives with the long-term interests of the Company. We oppose compensation plans that provide windfalls to executives that are unrelated to their performance. For these reasons, we question how our Company benefits from providing Government Service Golden Parachutes. Surely our Company does not expect to receive favorable treatment from its former executives?

December 4, 2018

Office of the Corporate Secretary
JPMorgan Chase & Company
270 Park Avenue
New York, New York 10017-2070

Dear Corporate Secretary:

Amalgatrust, a division of Amalgamated Bank of Chicago, is the record holder of 2160 shares of Common Stock (the "Shares") of JPMorgan Chase & Co. beneficially owned by the AFL-CIO Reserve Fund as of December 4, 2018. The AFL-CIO Reserve Fund has continuously held at least \$2,000 in market value of the Shares for over one year as of December 4, 2018. The Shares are held by Amalgatrust at the Depository Trust Company in our participant account No. 2567.

If you have any questions concerning this matter, please do not hesitate to contact me at (312) 822-3112.

Sincerely,



Mary C. Murray
Senior Vice President

cc: Brandon J. Rees
Deputy Director, AFL-CIO Corporations & Capital Markets

EXHIBIT B

**JPMORGAN CHASE & CO. LONG-TERM INCENTIVE PLAN
TERMS AND CONDITIONS OF JANUARY 16, 2018
RESTRICTED STOCK UNIT AWARD**

Award Agreement	<p>These terms and conditions are made part of the Award Agreement dated as of January 16, 2018 (“Grant Date”) awarding Restricted Stock Units (“RSUs”) pursuant to the terms of the JPMorgan Chase & Co. Long-Term Incentive Plan (“Plan”). To the extent the terms of the Award Agreement (all references to which will include these terms and conditions) conflict with the Plan, the Plan will govern. The Award Agreement, the Plan and Prospectus supersede any other agreement, whether written or oral, that may have been entered into by the Firm and you relating to this award.</p> <p>This award was granted on the Grant Date subject to the Award Agreement. Unless you decline by the deadline and in the manner specified in the Award Agreement, you will have agreed to be bound by these terms and conditions, effective as of the Grant Date. If you decline the award, it will be cancelled as of the Grant Date.</p> <p>Capitalized terms that are not defined in “Definitions” below or elsewhere in the Award Agreement will have the same meaning as set forth in the Plan.</p> <p>JPMorgan Chase & Co. will be referred to throughout the Award Agreement as “JPMorgan Chase” and together with its subsidiaries as the “Firm”.</p>
Form and Purpose of Award	<p>Each RSU represents a non-transferable right to receive one share of Common Stock as of the applicable vesting date as set forth in your Award Agreement.</p> <p>The purpose of this award is to motivate your future performance for services to be provided during the vesting period and to align your interests with those of the Firm and its shareholders.</p>
Dividend Equivalents	<p>If dividends are paid on Common Stock while RSUs under this award are outstanding, you will be paid an amount equal to the dividend paid on one share of Common Stock, multiplied by the number of RSUs outstanding under this award as of the dividend record date.</p>
Vesting	<p>This award is intended and expected to vest on the vesting date(s), provided that you are continuously employed by the Firm through such vesting date, or you meet the requirements for continued vesting described under the subsections “--Job Elimination”, “--Full Career Eligibility”, “--Government Office” or “--Disability”. However, vesting and the number of RSUs in which you vest are subject to these terms and conditions (including, but not limited to, sections captioned “Recapture Provisions” and “Remedies”.</p>
Vesting Period	<p>The period from the Grant Date to the last vesting date is the “vesting period” (see subsections captioned “--Amendment” pursuant to which the Firm may extend the vesting period and “--No Ownership Rights” pursuant to which the Firm may place restrictions on delivered shares of Common Stock following a vesting date).</p>
Bonus Recoupment	<p>In consideration of the grant of this award, you agree that you are subject to the JPMorgan Chase Bonus Recoupment Policy (or successor policy) as in effect from time to time as it applies both to the cash incentive compensation awarded to you for performance year 2017 and to this award. You can access this policy as currently in effect through the following link:</p> <p>http://www.jpmorganchase.com/corporate/About-JPMC/corporate-governance-principles.htm#recoupment</p> <p>For the avoidance of doubt, nothing in these terms and conditions in any way limits the rights of the Firm under the JPMorgan Chase Bonus Recoupment Policy (or successor policy).</p>
Recapture Provisions (Detrimental Conduct and Other Recapture Provisions)	<p>Notwithstanding any terms of this Award Agreement to the contrary, JPMorgan Chase reserves the right in its sole discretion to cancel up to 100% of your outstanding RSUs under this award and, to the extent set forth in “Remedies” below, to recover from you up to an amount equal to the Fair Market Value (determined as of the applicable vesting date) of the gross number of shares of Common Stock previously distributed (including shares withheld for tax purposes) under this award if the Firm in its sole discretion determines that:</p> <ul style="list-style-type: none">• you engaged in conduct detrimental to the Firm insofar as it causes material financial or reputational harm to the Firm or its business activities, or• this award was based on materially inaccurate performance metrics, whether or not you were responsible for the inaccuracy, or• this award was based on a material misrepresentation by you, or• your employment was terminated for Cause (see section captioned “Definitions” below) or, in the case of a determination after the termination of your employment, that your employment could have been terminated for Cause. <p>See section captioned “Remedies” for additional information.</p>

JPMorgan Chase's right to cancel and/or recover the value of this award (or any cash bonus) under the JPMorgan Chase Bonus Recoupment Policy and the other provisions of this award relate to the "organizational goals" of the Firm as that term is defined by regulations issued under Section 409A of the Internal Revenue Code ("Code").

Termination of Employment

Except as explicitly set forth below under the subsections captioned "--Job Elimination", "--Full Career Eligibility", "--Government Office" or "--Disability" below or under the section captioned "Death", any RSUs outstanding under this award will be cancelled effective on the date your employment with the Firm terminates for any reason.

Subject to these terms and conditions (including, but not limited to, sections captioned "Bonus Recoupment", "Recapture Provisions", "Your Obligations" and "Remedies"), you will be eligible to continue to vest (on the original vesting schedule) with respect to your award in accordance with its terms and conditions following the termination of your employment if one of the following circumstances applies to you:

➤ **Job Elimination**

Job Elimination:

In the event that the Director of Human Resources or nominee in his or her sole discretion determines that

- the Firm terminated your employment because your job was eliminated, and
- after you are notified that your job will be eliminated, you provided such services as requested by the Firm in a cooperative and professional manner, and
- you satisfied the Release/Certification Requirements set forth below.

➤ **Full Career Eligibility**

Full Career Eligibility:

In the event that the Director of Human Resources or nominee in his or her sole discretion determines that

- you voluntarily terminated your employment with the Firm, had completed at least five years of continuous service with the Firm immediately preceding your termination date, and
- the sum of your age and Recognized Service (as defined below) on your date of termination equaled or exceeded 60, and
- you provided at least 90 days advance written notice to the Firm of your intention to voluntarily terminate your employment under this provision, during which notice period you provided such services as requested by the Firm in a cooperative and professional manner and you did not perform any services for any other employer, and
- continued vesting shall be appropriate, which determination shall be made prior to your termination and will be based on your performance and conduct (before and after providing notice), and
- for 36 months from the date of grant of this award you do not either perform services in any capacity (including self-employment) for a Financial Services Company (as defined below) or work in your profession (whether or not for a Financial Services Company); provided that you may work for a government, education or Not-for-Profit Organization (as defined below), and
- you satisfy the Release/Certification Requirements set forth below.

After receipt of such advance written notice, the Firm may choose to have you continue to provide services during such 90-day period as a condition to continued vesting or shorten the length of the 90-day period at the Firm's discretion, but to a date no earlier than the date you would otherwise meet the age and service requirements.

Additional advance notice requirements may apply for employees subject to notice period policies (see "Notice Period" below).

➤ **Government Office**

Government Office:

In the event that you voluntarily terminate your employment with the Firm to accept a Government Office or become a candidate for an elective Government Office, as described at the end of these terms and conditions under the section captioned "Government Office Requirements". See also definition of Government Office in the section captioned "Definitions".

➤ **Disability**

Disability:

In the event that

- your employment with the Firm terminates because (i) you are unable to return to work while you are receiving benefits under the JPMorgan Chase Long Term Disability Plan, or for non-U.S. employees, under the equivalent JPMorgan Chase sponsored local country plan (in either case, "LTD Plan"), or (ii) if you are not covered by a LTD Plan, you are unable to return to work due to a long-term disability that would qualify for benefits under the applicable LTD Plan, as determined by the Firm or a third-party designated by the Firm; provided that you (x) request in writing continued vesting due to such disability within 30 days of the date your employment terminates, and (y) provide any requested supporting documentation and (z) receive the Firm's written consent to such treatment, and
- you satisfy the Release/Certification Requirements set forth below.

**Release/
Certification**

To qualify for continued vesting after termination of your employment under any of the foregoing circumstances:

- you must timely execute and deliver a release of claims in favor of the Firm, having such form and terms as the Firm shall specify,
- with respect to "Full Career Eligibility", prior to the termination of your employment, you must confirm with management that you meet the eligibility criteria (including providing at least 90 days advance written

notification), advise that you are seeking to be treated as an individual eligible for “Full Career Eligibility”, and receive written consent to such continued vesting,

- with respect to “Disability”, you must satisfy the notice and documentation described above and receive written consent to such continued vesting,
- with respect to “Full Career Eligibility”, it is your responsibility to take the appropriate steps to certify to the Firm prior to each vesting date while the employment restrictions are outstanding, on the authorized form of the Firm, that you have complied with the employment restrictions applicable to you (as described herein) from your date of termination of employment through the applicable vesting date, and
- in all cases, complied with all other terms of the Award Agreement. (See section captioned “Your Obligations”.)

Death

If you die while you are eligible to vest in RSUs under this award, the RSUs will immediately vest and will be distributed in shares of Common Stock (after applicable tax withholding) to your designated beneficiary on file with the Firm’s Stock Administration Department, or if no beneficiary has been designated or survives you, then to your estate. Any shares will be distributed no later than the end of the calendar year immediately following the calendar year which contains your date of death; however, our administrative practice is to register such shares in the name of your beneficiary or estate within 60 days of the Firm’s receipt of any required documentation.

Your Obligations

In consideration of the grant of this award, you agree to comply with and be bound by the obligations set forth below next to the subsections captioned “--Non-Solicitation of Employees and Customers”, “--Confidential Information”, “--Non-Disparagement”, “--Cooperation”, “--Compliance with Award Agreement” and “--Notice Period.”

➤ **Non-Solicitation of Employees and Customers**

During your employment by the Firm and for the longer of the (i) one year period following the termination of your employment or, (ii) if your award is not cancelled as of your termination date, the three year period from Grant Date, you will not directly or indirectly, whether on your own behalf or on behalf of any other party, without the prior written consent of the Director of Human Resources: (i) solicit, induce or encourage any of the Firm’s then current employees to leave the Firm or to apply for employment elsewhere, (ii) hire any employee or former employee who was employed by the Firm at the date your employment terminated, unless the individual’s employment terminated because his or her job was eliminated, or the individual’s employment with the Firm has been terminated for more than six months, (iii) to the fullest extent enforceable under applicable law, solicit or induce or attempt to induce to leave the Firm, or divert or attempt to divert from doing business with the Firm, any then current customers, suppliers or other persons or entities that were serviced by you or whose names became known to you by virtue of your employment with the Firm, or otherwise interfere with the relationship between the Firm and such customers, suppliers or other persons or entities. This does not apply to publicly known institutional customers that you service after your employment with the Firm without the use of the Firm’s confidential or proprietary information.

These restrictions do not apply to authorized actions you take in the normal course of your employment with the Firm, such as employment decisions with respect to employees you supervise or business referrals in accordance with the Firm’s policies.

➤ **Confidential Information**

You will not, either during your employment with the Firm or thereafter, directly or indirectly (i) use or disclose to anyone any confidential information related to the Firm’s business, or (ii) communicate with the press or other media about matters related to the Firm, its customers or employees, including matters and activities relating to your employment, or the employment of others, by the Firm, in the case of either (i) or (ii), except as explicitly permitted by the JPMorgan Chase Code of Conduct and applicable policies or law or legal process. In addition, following your termination of employment, you will not, without prior written authorization, access the Firm’s private and internal information through telephonic, intranet or internet means. “Confidential information” shall have the same meaning for the Award Agreement as it has in the JPMorgan Chase Code of Conduct.

Nothing in this award precludes you from reporting to the Firm’s management or directors, the government, a regulator, a self-regulatory agency, your attorneys or a court, conduct you believe to be in violation of the law or concerns of any known or suspected Code of Conduct violation. It is also not intended to prevent you from responding truthfully to questions or requests from the government, a regulator or in a court of law.

➤ **Non-Disparagement**

You will not, either during your employment with the Firm or thereafter, make or encourage others to make any public statement or release any information in verbal, written, electronic or any other form, that is intended to, or reasonably could be foreseen to, disparage, embarrass or criticize the Firm or its employees, officers, directors or shareholders as a group. This shall not preclude you from reporting to the Firm’s management or directors or to the government or a regulator conduct you believe to be in violation of the law or the Firm’s Code of Conduct or responding truthfully to questions or requests for information to the government, a regulator or in a court of law in connection with a legal or regulatory investigation or proceeding.

➤ **Cooperation**

You will cooperate fully with and provide full and accurate information to the Firm and its counsel with respect to any matter (including any audit, tax proceeding, litigation, investigation or governmental proceeding) with respect to which you may have knowledge or information, subject to reimbursement for actual, appropriate and reasonable out-of-pocket expenses incurred by you.

➤ **Compliance with Award Agreement** You will provide the Firm with any information reasonably requested to determine compliance with the Award Agreement, and you authorize the Firm to disclose the terms of the Award Agreement to any third party who might be affected thereby, including your prospective employer.

➤ **Notice Period** If you are subject to a notice period or become subject to a notice period after the Grant Date, whether by contract or by policy, that requires you to provide advance written notice of your intention to terminate your employment (“Notice Period”), then as consideration for this award and continued employment, you will provide the Firm with the necessary advance written notice that applies to you, as specified by such contract or policy.

After receipt of your notice, the Firm may choose to have you continue to provide services during the applicable Notice Period or may place you on a paid leave for all or part of the applicable Notice Period. During the Notice Period, you shall continue to devote your full time and loyalty to the Firm by providing services in a cooperative and professional manner and not perform any services for any other employer and shall receive your base salary and certain benefits until your employment terminates. You and the Firm may mutually agree to waive or modify the length of the Notice Period.

Regardless of whether a Notice Period applies to you, you must comply with the 90-day advance notice period described under the subsection captioned “--Full Career Eligibility” in the event you wish to terminate employment under that same subsection.

Remedies

➤ **Cancellation** In addition to the cancellation provisions described under the sections captioned “Bonus Recoupment”, “Recapture Provisions” and “Termination of Employment”, your outstanding RSUs under this award may be cancelled if the Firm in its sole discretion determines that:

- you have failed to comply with any of the advance notice/cooperation requirements or employment restrictions applicable to your termination of employment, or
- you have failed to return the required forms specified under the section captioned “Release/Certification” by the specified deadline, or
- you have violated any of the provisions as set forth above in the section captioned “Your Obligations”.

To the extent provided under the subsection captioned “--Amendment” below, JPMorgan Chase reserves the right to suspend vesting of this award and/or distribution of shares under this award, including, without limitation, during any period that JPMorgan Chase is evaluating whether this award is subject to cancellation and/or recovery and/or whether the conditions for distributions of shares under this award are satisfied. JPMorgan Chase is not responsible for any price fluctuations during any period of suspension and, if applicable, suspended units will be reinstated consistent with Plan administration procedures. See also “subsection captioned “--No Ownership Rights”.

➤ **Recovery** In addition, you may be required to pay the Firm up to an amount equal to the Fair Market Value (determined as of the applicable vesting date) of the gross number of shares of Common Stock previously distributed under this award as follows:

- Payment may be required with respect to any shares of Common Stock distributed within the three year period prior to a notice-of-recovery under this section, if the Firm in its sole discretion determines that:
 - you committed a fraudulent act, or engaged in knowing and willful misconduct related to your employment,
 - you violated any of the provisions as set forth above in the section captioned “Your Obligations”, or
 - you violated the employment restrictions set forth in the subsection “--Full Career Eligibility” following the termination of your employment.
- In addition, payment may be required with respect to any shares distributed within the one year period prior to notice-of-recovery under this section, if the Firm in its sole discretion determines appropriate pursuant to the provisions in the section captioned “Recapture Provisions”.

Notice-of-recovery under this subsection is a written (including electronic) notice from the Firm to you either requiring payment under this subsection or stating that JPMorgan Chase is evaluating requiring payment under this subsection. Without limiting the foregoing, notice-of-recovery will be deemed provided if the Firm makes a good faith attempt to provide written (including electronic) notice at your last known address maintained in the Firm’s employment records. For the avoidance of doubt, a notice-of-recovery that the Firm is evaluating requiring payment under this subsection shall preserve JPMorgan Chase’s rights to require payment as set forth above in all respects and the Firm shall be under no obligation to complete its evaluation other than as the Firm may determine in its sole discretion.

For purposes of this subsection, shares distributed under this award include shares withheld for tax purposes. However, it is the Firm’s intention that you only be required to pay the amounts under this subsection with respect to shares that are or may be retained by you following a determination of tax liability and that you will not be required to pay amounts with respect to shares representing irrevocable tax withholdings or tax payments previously made (whether by you or the Firm) that you will not be able to recover, recapture or reclaim (including as a tax credit,

refund or other benefit). Accordingly, JPMorgan Chase will not require you to pay any amount that the Firm or its nominee in his or her sole discretion determines is represented by such withholdings or tax payments.

Payment may be made in shares of Common Stock or in cash. You agree that any repayment will be a recovery of shares to which you were not entitled under the terms and conditions of your Award Agreement and is not to be construed in any manner as a penalty. You also acknowledge that a violation or attempted violation of the obligations set forth herein will cause immediate and irreparable damage to the Firm, and therefore agree that the Firm shall be entitled as a matter of right to an injunction, from any court of competent jurisdiction, restraining any violation or further violation of such obligations; such right to an injunction, however, shall be cumulative and in addition to whatever other remedies the Firm may have under law or equity.

Nothing in the section in any way limits your obligations under "Bonus Recoupment".

Administrative Provisions

Withholding Taxes: The Firm, in its sole discretion, may (i) retain from each distribution the number of shares of Common Stock required to satisfy applicable tax obligations or (ii) implement any other desirable or necessary procedures, so that appropriate withholding and other taxes are paid to the competent authorities with respect to the vested shares, dividend equivalents and the award. This may include but is not limited to (i) a market sale of a number of such shares on your behalf substantially equal to the withholding or other taxes, (ii) to the extent required by law, withhold from cash compensation, an amount equal to any withholding obligation with respect to the award, shares that vest under this award, and/or dividend equivalents, and (iii) retaining shares that vest under this award or dividend equivalents until you pay any taxes associated with the award, vested shares and/or the dividend equivalents directly to the competent authorities.

Right to Set Off: Although the Firm expects to settle this award in share(s) of Common Stock as of the applicable vesting date, as set forth in your Award Agreement, the Firm may, to the maximum extent permitted by applicable law (including Section 409A of the Code to the extent it is applicable to you), retain for itself funds or the Common Stock resulting from any vesting of this award to satisfy any obligation or debt that you owe to the Firm. Notwithstanding any account agreement with the Firm to the contrary, the Firm will not recoup or recover any amount owed from any funds or unrestricted securities held in your name and maintained at the Firm pursuant to such account agreement to satisfy any obligation or debt or obligation owed by you under this award without your consent. This restriction on the Firm does not apply to accounts described and authorized in "No Ownership Rights" described below.

No Ownership Rights: RSUs do not convey the rights of ownership of Common Stock and do not carry voting rights. No shares of Common Stock will be issued to you until after the RSUs have vested and any applicable restrictions have lapsed. Shares will be issued in accordance with JPMorgan Chase's procedures for issuing stock. By accepting this award, you authorize the Firm, in its discretion, to establish on your behalf a brokerage account in your name with the Firm or book-entry account with our stock plan administrator and/or transfer agent and deliver to that account any vested shares derived from the award.

With respect to any applicable vesting date, JPMorgan Chase may impose for any reason, as of such vesting date for such period as it may specify in its sole discretion, such restrictions on the Common Stock to be issued to you as it may deem appropriate, including, but not limited to, restricting the sale, transfer, pledging, assignment, hedging or encumbrance of such shares of Common Stock. By accepting this award, you acknowledge that during such specified period should there be a determination that the cancellation or recovery provisions of this award apply, then you agree that any shares subject to such restrictions (notwithstanding the limitation set forth set forth in the Right to Set Off section above) may be cancelled in whole or part. (See sections captioned "Bonus Recoupment", "Recapture Provisions", "Termination of Employment" and "Remedies", as well as the subsection captioned "--Amendment" permitting suspension of vesting.)

Binding Agreement: The Award Agreement will be binding upon any successor in interest to JPMorgan Chase, by merger or otherwise.

Not a Contract of Employment: Nothing contained in the Award Agreement constitutes a contract of employment or continued employment. Employment is "at-will" and may be terminated by either you or JPMorgan Chase for any reason at any time. This award does not confer any right or entitlement to, nor does the award impose any obligation on the Firm to provide, the same or any similar award in the future and its value is not compensation for purposes of determining severance.

Section 409A Compliance: To the extent that Section 409A of the Code is applicable to this award, distributions of shares and cash hereunder are intended to comply with Section 409A of the Code, and the Award Agreement, including these terms and conditions, shall be interpreted in a manner consistent with such intent.

Notwithstanding anything herein to the contrary, if you (i) are subject to taxation under the Code, (ii) are a specified employee as defined in the JPMorgan Chase 2005 Deferred Compensation Plan and (iii) have incurred a separation from service (as defined in that Plan with the exception of death) and if any units/shares under this award represent deferred compensation as defined in Section 409A and such shares are distributable (under the terms of this award) within six months following, and as a result of your separation from service, then those shares will be delivered to you during the first calendar month after the expiration of six full months from date of your separation from service.

Further, if your award is not subject to a substantial risk of forfeiture as defined by regulations issued under Section 409A of the Code, then the remainder of each calendar year immediately following (i) each applicable vesting date set forth in your Award Agreement shall be a payment date for purposes of distributing the vested portion of the award and (ii) each date that JPMorgan Chase specifies for payment of dividends declared on its Common Stock, shall be the payment date(s) for purposes of distributing dividend equivalent payments.

Change in Outstanding Shares: In the event of any change in the outstanding shares of Common Stock by reason of any stock dividend or split, recapitalization, issuance of a new class of common stock, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to stockholders of Common Stock other than regular cash dividends, the Committee will make an equitable substitution or proportionate adjustment, in the number or kind of shares of Common Stock or other securities issued or reserved for issuance pursuant to the Plan and to any RSUs outstanding under this award for such corporate events.

Interpretation/Administration: The Committee has sole and complete authority to interpret and administer this Award Agreement, including, without limitation, the power to (i) interpret the Plan and the terms of this Award Agreement; (ii) determine the reason for termination of employment; (iii) determine application of the post-employment obligations and cancellation and recovery provisions; (iv) decide all claims arising with respect to this award; and (v) delegate such authority as it deems appropriate. Any determination contemplated hereunder by the Committee, the Firm, the Director of Human Resources or their respective delegates or nominees shall be binding on all parties.

Notwithstanding anything herein to the contrary, the determinations of the Director of Human Resources, the Firm, the Committee and their respective delegates and nominees under the Plan and the Award Agreements are not required to be uniform. By way of clarification, the Committee, the Firm, the Director of Human Resources and their respective delegates and nominees shall be entitled to make non-uniform and selective determinations and modifications under Award Agreements and the Plan.

Amendment: The Committee or its nominee reserves the right to amend this Award Agreement in any manner, at any time and for any reason; provided, however, that no such amendment shall materially adversely affect your rights under this Award Agreement without your consent except to the extent that the Committee or its delegate considers advisable to (x) comply with applicable laws or changes in or interpretation of applicable laws, regulatory requirements and accounting rules or standards and/or (y) make a change in a scheduled vesting date or impose the restrictions described above under "No Ownership Rights", in either case, to the extent permitted by Section 409A of the Code if it is applicable you. This Award Agreement may not be amended except in writing signed by the Director of Human Resources of JPMorgan Chase.

Severability: If any portion of the Award Agreement is determined by the Firm to be unenforceable in any jurisdiction, any court or arbitrator of competent jurisdiction or the Director of Human Resources may reform the relevant provisions (e.g., as to length of service, time, geographical area or scope) to the extent the Firm (or court/arbitrator) considers necessary to make the provision enforceable under applicable law.

Accelerated Distribution for Ethics or Conflict Reasons Resulting From Employment by a Government Entity: Upon receipt of satisfactory evidence that applicable United States federal, state, local, foreign or supranational ethics or conflict of interest laws or regulations require you to divest your interest in JPMorgan Chase RSUs, the Firm may accelerate the distribution of all or part of your outstanding award effective on or before the required divestiture date; provided that no accelerated distribution shall occur if the Firm determines that such acceleration will violate Section 409A of the Code. Accelerated distribution under this paragraph does not impact the dates as set forth in the "Recovery" section above. The time period for recovery shall be determined by the originally scheduled vesting date or distribution date prior to any acceleration event.

If you have voluntarily terminated your employment and have satisfied the requirements of the section captioned "Government Office Requirements", acceleration shall apply (to extent required) to the percentage of your outstanding award that would continue to vest under that section. In the case of a termination of employment where the award is outstanding as a result of the subsections entitled "--Job Elimination" or "--Full Career Eligibility", then acceleration shall apply, to the extent required, to the full outstanding award.

Notwithstanding accelerated distribution pursuant to the foregoing, you will remain subject to the applicable terms of your Award Agreement as if your award had remained outstanding for the duration of the original vesting period and shares had been distributed as scheduled as of each applicable vesting date, including, but not limited to, repayment obligations set forth in the section captioned "Remedies" and the employment restrictions in the sections captioned "Government Office Requirements" and the subsection "--Full Career Eligibility".

Use of Personal Data: By accepting this award, you have acknowledged that the Firm may process your personal data (including sensitive personal data) for purposes, including but not limited to (i) determining your compensation, (ii) payroll activities, including, but not limited to, tax withholding and regulatory reporting, which tax and regulatory reporting and withholding may include, but is not limited to, the United States, your work country (including countries to which you travel on Firm business) and country of residence, (iii) registration of shares and units, (iv) establishing brokerage account on your behalf, and (v) all other lawful purposes related to your employment and this award and that the Firm may provide such data to third party vendors with whom it has contracted to provide such services

and/or other bodies, including regulators, supervisory bodies, law enforcement and other government agencies. You are acknowledging and agreeing that your personal data will be transferred to, and processed in, countries and locations that do not have the same data privacy laws and statutory protection for personal data as your work country, country of residence, or country of nationality. If your personal data is subject to data privacy laws or statutory protection for personal data and they so provide for termination of the foregoing authorization, you may terminate the authorization at any time except with respect to tax and regulatory reporting and subject always to the Firm's legal and regulatory obligations. In the event you terminate this authorization, your award will be cancelled.

Governing Law: This award shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of law principles.

Choice of Forum: By accepting this award under the Plan, you agree (and have agreed) that to the extent not otherwise subject to arbitration under an arbitration agreement between you and the Firm, any dispute arising directly or indirectly in connection with this award or the Plan shall be submitted to arbitration in accordance with the rules of the American Arbitration Association if so elected by the Firm in its sole discretion. In the event such a dispute is not subject to arbitration for any reason, you agree to accept the exclusive jurisdiction and venue of the United States District Court for the Southern District of New York with respect to any judicial proceeding in connection with this award or the Plan. You waive, to the fullest extent permitted by law, any objection to personal jurisdiction or to the laying of venue of such dispute and further agree not to commence any action arising out of or relating to this award or the Plan in any other forum.

Waiver of Jury Trial/Class Claims: By accepting this award, you agree, with respect to any claim brought in connection with your employment with the Firm in any forum (i) to waive the right to a jury trial and (ii) that any judicial proceeding or arbitration claim will be brought on an individual basis, and you hereby waive any right to submit, initiate, or participate in a representative capacity or as a plaintiff, claimant or member in a class action, collective action, or other representative or joint action.

Litigation: By accepting any award under the Plan, you agree (and have agreed) that in any action or proceeding by the Firm (other than a derivative suit in the right of the Firm) to enforce the terms and conditions of this Award Agreement or any other Award Agreement where the Firm is the prevailing party, the Firm shall be entitled to recover from you its reasonable attorney fees and expenses incurred in such action or proceeding. In addition, you agree that you are not entitled to, and agree not to seek, advancement of attorney fees and indemnification under the Firm's By-Laws in the event of such a suit by the Firm.

Non-transferability: Neither this award or any other outstanding awards of RSUs, nor your interests or rights in any such awards, shall be assigned, pledged, transferred, hedged, hypothecated or subject to any lien. An award may be transferred following your death by will, the laws of descent or by a beneficiary designation on file with the Firm.

Outstanding Awards: The Administrative provisions set forth above shall apply to any award of RSUs outstanding as of the date hereof, and such awards are hereby amended.

Definitions

"Cause" means a determination by the Firm that your employment terminated as a result of your (i) violation of any law, rule or regulation (including rules of self-regulatory bodies) related to the Firm's business, (ii) indictment or conviction of a felony, (iii) commission of a fraudulent act, (iv) violation of the JPMorgan Chase Code of Conduct or other Firm policies or misconduct related to your duties to the Firm (other than immaterial and inadvertent violations or misconduct), (v) grossly inadequate performance of the duties associated with your position or job function or failure to follow reasonable directives of your manager, or (vi) any act or failure to act that is injurious to the interests of the Firm or its relationship with a customer, client or an employee.

"Financial Services Company" means a business enterprise that employs you in any capacity (such as an employee, contractor, consultant, advisor, or self-employed individual, whether paid or unpaid) and engages in:

- commercial or retail banking, including, but not limited to, commercial, institutional and personal trust, custody and/or lending and processing services, originating and servicing mortgages, issuing and servicing credit cards, payment servicing or processing or merchant services,
- insurance, including but not limited to, guaranteeing against loss, harm, damage, illness, disability or death, providing and issuing annuities, acting as principal, agent or broker for purpose of the foregoing,
- financial, investment or economic advisory services, including but not limited to, investment banking services (such as advising on mergers or dispositions, underwriting, dealing in, or making a market in securities or other similar activities), brokerage services, investment management services, asset management services, and hedge funds,
- issuing, trading or selling instruments representing interests in pools of assets or in derivatives instruments,
- advising on, or investing in, private equity or real estate, or
- any similar activities that the Director of Human Resources or nominee determines in his or her sole discretion constitute financial services.

"Government Office" means (i) a full-time position in an elected or appointed office in local, state, or federal government (including equivalent positions outside the U.S. or in a supranational organization), not reasonably anticipated to be a full-career position, or (ii) conducting a bona fide full-time campaign for such an elective public

office after formally filing for candidacy, where it is customary and reasonably necessary to campaign full-time for the office.

“Not-for-Profit Organization” means an entity exempt from tax under state law and under Section 501(c)(3) of the Code. Section 501(c)(3) only includes entities organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary or educational purposes, or to foster national or international amateur sports competition or for the prevention of cruelty to children or animals. Not-for-Profit Organization shall also mean entities outside the United States exempt from local and national tax laws because they are organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary or educational purposes, or to foster national or international amateur sports competition or for the prevention of cruelty to children or animals.

“Recognized Service” means the period of service as an employee set forth in the Firm’s applicable service-related policies.

Government Office Requirements

You may be eligible to continue vesting in all or part of your award if you voluntarily resign to accept a Government Office (as defined above) or to become a candidate for an elective Government Office.

Full Career Eligibility:

“Government Office Requirements” does not apply to you if you satisfy the subsection captioned “--Full Career Eligibility” as of the date that you voluntarily terminate your employment with the Firm.

Eligibility:

Eligibility for continued vesting is conditioned on your providing the Firm:

- At least 60 days’ advance written notice of your intention to resign to accept or pursue a Government Office (see section captioned “Definitions”), during which period you must perform in a cooperative and professional manner services requested by the Firm and not provide services for any other employer. The Firm may elect to shorten this notice period at the Firm’s discretion.
- Confirmation, in a form satisfactory to the Firm, that vesting in this award pursuant to this provision would not violate any applicable law, regulation or rule.
- Documentation in a form satisfactory to the Firm that your resignation is for the purpose of accepting a Government Office or becoming a candidate for a Government Office. (See section captioned “Definitions”).

Portion of Your Awards Subject to Continued Vesting:

Subject to the conditions below, the percentage of your outstanding awards that will continue to vest in accordance with this award’s original schedule will be based on your years of continuous service completed with the Firm immediately preceding your termination date, as follows:

- 50% if you have at least 3 but less than 4 years of continuous service,
- 75% if you have at least 4 but less than 5 years of continuous service, or
- 100% if you have 5 or more years of continuous service.

The portion of each award subject to continued vesting above is referred to as the “CV Award” and the portion not subject to continued vesting will be cancelled on the date your employment terminates.

Conditions for Continued Vesting of Awards:

- You must remain in a non-elective Government Office for two or more years after your employment with the Firm terminates to receive in full your CV Award; provided that if your non-elective Government Office is for a period less than two years, you will be entitled to retain any portion of the CV Award with a vesting date during your period of Government Service; or
- In the case of resignation from the Firm to campaign for an elective Government Office, your name must be on the primary or final public ballot for the election. (If you are not elected, see below for employment restrictions.)

Satisfaction of Conditions:

If your service in a Government Office ends two years or more after your employment with the Firm terminates, or in the case of resignation from the Firm to campaign for a Government Office, your name is on the primary or final public ballot for the election and you are not elected, any CV Awards then outstanding and any such awards that would have then been outstanding but for an accelerated distribution of shares (as described in the subsection captioned “Accelerated Distribution for Ethics or Conflict Reasons Resulting From Employment by a Government Entity”) will be subject for the remainder of the applicable vesting period to the same terms and conditions of this Award Agreement, including employment restrictions during the vesting period, as if you had resigned from the Firm having met the requirements for Full Career Eligibility.

Failure to Satisfy Conditions:

If you do not satisfy the above “Conditions for Continued Vesting of Awards”, any outstanding RSUs under each CV Award will be cancelled. You also will be required to repay the Fair Market Value of the number of shares (before tax and other withholdings) of Common Stock distributed to you that would have been outstanding as RSUs on the date you failed to satisfy the “Condition for Continued Vesting of Awards” but for their accelerated distribution (as described in the subsection captioned “Accelerated Distribution for Ethics or Conflict Reasons Resulting From Employment by a Government Entity”). Fair Market Value for this purpose will be determined as the date that the shares were distributed.