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January 17, 2025

VIA STAFF ONLINE FORM

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

Re: Shareholder Proposal Submitted by
the National Legal and Policy Center

Ladies and Gentlemen:

This letter is submitted on behalf of JPMorgan Chase & Co., a Delaware corporation (the "Company"), pursuant to Rule 14a-8(j) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company requests that the staff of the Division of Corporation Finance (the "Staff") of the U.S. Securities and Exchange Commission (the "Commission") not recommend enforcement action if the Company omits from its proxy materials for the Company's 2025 Annual Meeting of Shareholders (the "2025 Annual Meeting") the shareholder proposal and supporting statement (the "Proposal") submitted by the National Legal and Policy Center (the "Proponent").

This letter provides an explanation of why the Company believes it may exclude the Proposal and includes the attachments required by Rule 14a-8(j). In accordance with relevant Staff guidance, we are submitting this letter and its attachments to the Staff through the Staff's online Shareholder Proposal Form. A copy of this letter also is being sent to the Proponent as notice of the Company's intent to omit the Proposal from the Company's proxy materials for the 2025 Annual Meeting.

Rule 14a-8(k) and Section E of Staff Legal Bulletin No. 14D (Nov. 7, 2008) provide that shareholder proponents are required to send companies a copy of any correspondence that the shareholder proponents elect to submit to the Commission or

the Staff. Accordingly, we are taking this opportunity to remind the Proponent that if the Proponent submits correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should be furnished concurrently to the Company.

Background

The Company received the Proposal via email on November 6, 2024, along with a cover letter from the Proponent. On November 12, 2024, the Company received an email from the Proponent with a copy of a letter from Fidelity Investments, verifying the Proponent's stock ownership in the Company. Copies of the Proposal, cover letter and related correspondence are attached hereto as Exhibit A.[1]

Summary of the Proposal

The text of the resolution contained in the Proposal follows:

> **Resolved:** Shareholders request the Board of Director's Compensation & Management Development Committee to revisit its incentive guidelines for executive pay, to identify and consider eliminating discriminatory DEI goals from compensation inducements.

Bases for Exclusion

We hereby respectfully request that the Staff concur in the Company's view that it may exclude the Proposal from the proxy materials for the 2025 Annual Meeting pursuant to:

- Rule 14a-8(i)(3) because the Proposal is materially false and misleading in violation of Rule 14a-9;
- Rule 14a-8(i)(10) because the Company has substantially implemented the Proposal as it requests the Company to reconsider its DEI-related factors in its executive compensation guidelines; and
- Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company's ordinary business operations.

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[1] Exhibit A omits correspondence between the Company and the Proponent that is irrelevant to this request, such as the aforementioned letter from Fidelity Investments and subsequent response. *See* the Staff's "Announcement Regarding Personally Identifiable and Other Sensitive Information in Rule 14a-8 Submissions and Related Materials" (Dec. 17, 2021), available at https://www.sec.gov/corpfin/announcement/announcement-14a-8-submissions-pii-20211217.

Analysis

As an initial matter, the Company believes that attracting and retaining the best talent and fostering an inclusive culture strengthen business and community trust. Our efforts are designed to strengthen our workforce, enhance community trust and drive business success. We remain fully committed to an inclusive workforce made up of top talent that includes diverse backgrounds and perspectives, which we believe is critical for generating the best ideas, enjoying a stronger corporate culture and delivering better results for our shareholders and, importantly, our customers.

Our Guiding Principles will help ensure that our programs align with our core values, are well-designed, and comply with the law while fostering an inclusive work environment.

Jamie Dimon, the Company's Chairman and Chief Executive Officer, noted in his April 2024 letter to shareholders (the "2024 Letter") that at the Company, "equity" means "equal treatment, equal opportunity and equal access … not equal outcomes" and that "[w]e would like to provide a fair chance for everyone to succeed — regardless of their background. And we want to make sure everyone who works at our company feels welcome."[2]

A. The Proposal Should Be Excluded Pursuant to Rule 14a-8(i)(3) Because the Proposal Is Materially False and Misleading in Violation of Rule 14a-9.

Under Rule 14a-8(i)(3), a shareholder proposal may be excluded from a company's proxy materials if the proposal or supporting statement is contrary to any of the Commission's proxy rules, including Rule 14a-9, which prohibits materially false or misleading statements in a company's proxy materials. *See* Staff Legal Bulletin No. 14B (Sept. 15, 2004) ("SLB 14B").

Rule 14a-9(a) prohibits any statement that is "false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading." The Staff has recognized that a proposal may be excluded pursuant to Rule 14a-8(i)(3) if "the company demonstrates objectively that a factual statement is materially false or misleading." SLB 14B. In accordance with SLB 14B, the Staff has permitted exclusion of proposals under Rule 14a-8(i)(3) where such proposals were false or misleading under Rule 14a-9. *See, e.g.*, *Netgear Inc.* (Apr. 9, 2021, *recon. denied* Apr. 23, 2021)[*] (permitting exclusion under Rule 14a-8(i)(3) of a proposal that contained a materially false factual statement about the company's existing special meeting rights); *Ferro Corp.* (Mar. 17, 2015) (permitting

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[2] *See* Chairman and CEO Letter to Shareholders, available at https://www.jpmorganchase.com/ir/annual-report/2023/ar-ceo-letters.

[*] Citations marked with an asterisk indicate Staff decisions issued without a letter.

exclusion under Rule 14a-8(i)(3) of a proposal that mischaracterized certain facets of Ohio and Delaware corporate law, noting that the company had "demonstrated objectively that certain factual statements in the supporting statement are materially false and misleading such that the proposal as a whole is materially false and misleading"); *AT&T Inc.* (Feb. 2, 2009) (permitting exclusion of a proposal requesting that the board adopt a bylaw to provide for an independent director where the proposal mischaracterized the independence definition set by the Council of Institutional Investors); *Jefferies Group, Inc.* (Feb. 11, 2008, *recon. denied* Feb. 25, 2008) (permitting exclusion of a proposal requesting a shareholder advisory vote at the annual meeting where the proposal claimed the advisory vote was to be "supported by company management"); *Entergy Corp.* (Feb. 14, 2007) (permitting exclusion of a proposal requesting that the board adopt a policy giving shareholders the opportunity to vote on an advisory management resolution to approve the compensation committee report where the supporting statement made objectively false statements regarding executive compensation at the company, director committee membership and director stock ownership).

In this case, the Proposal is materially false and misleading in a manner that would materially impact shareholders' views of the Proposal. Specifically, the entire theme and premise of the Proposal is that (1) half of the pay for the Company's executive officers is based on a mix of qualitative considerations that include diversity, equity and inclusion ("DEI") and (2) the inclusion of such considerations in executive pay guidelines results in quantitative goals, or "discriminatory quotas" that pose certain risks to the Company. In this regard, the supporting statement claims that compensation for the Company's executive officers is "50-percent determined" by the Compensation and Management and Development Committee ("CMDC") of the Board of Directors (the "Board") "based on a mix of qualitative metrics, which include the Company's 2025 Racial Equity Commitment" that includes explicit hiring targets. The supporting statement further claims that "[t]hese discriminatory quotas leave [the Company] ripe for regulatory, reputational and litigation risk." The Proposal's resolved clause then requests that the CMDC "revisit its incentive guidelines for executive pay, to identify and consider eliminating discriminatory DEI goals from compensation inducements." Taken together, the Proposal's resolution and supporting statement convey the impression that the CMDC takes into account the Company's achievement of specific numerical DEI goals (such as hiring targets) when determining 50% of executive officer compensation. These erroneous impressions are central elements of the Proposal and are materially false and misleading in violation of Rule 14a-9.

These assertions are materially false and misleading because compensation for the Company's executive officers is not the product of the achievement of any particular DEI metric or hiring targets, let alone discriminatory DEI goals. First, nothing in the Company's definitive proxy statement for its 2024 annual meeting of shareholders (the "2024 Proxy Statement") indicates that the Company uses hiring

quotas or discriminatory DEI goals in setting executive compensation; nor does the Proposal provide any examples or evidence of the Company's use of hiring quotas or discriminatory DEI goals in making executive compensation decisions. Second, it is erroneous to suggest that 50% of the compensation for the Operating Committee ("OC") is based on quotas or goals. The CMDC applies an approximately 50% weighting to its consideration of absolute and relative business results against the Company's strategic priorities over multiple years and an approximately 50% weighting to its qualitative consideration of risk, controls & conduct, customer/client/stakeholder and teamwork & leadership. The CMDC evaluates the Company's performance in DEI efforts as part of its balanced and holistic assessment of a broad range of qualitative factors. There is no quantitative calculation or assessment of DEI when setting compensation for senior executives. Thus, contrary to the core assertions that underlie the Proposal, the CMDC does not calculate executive compensation based on the accomplishment of DEI metrics or quotas.

Taken together, the Proposal's resolution and supporting statement is premised on, and conveys to shareholders, objectively false and misleading statements that would materially impact shareholders' views of the Proposal. Accordingly, the Proposal should be excluded pursuant to Rule 14a-8(i)(3) because it is materially false and misleading.

B. The Proposal Should Be Excluded Pursuant to Rule 14a-8(i)(10) Because the Company Has Substantially Implemented the Proposal as It Requests the Company to Reconsider Its DEI-Related Factors in Its Executive Compensation Guidelines.

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal if the company has already substantially implemented the proposal. The Commission adopted the "substantially implemented" standard in 1983 after determining that the "previous formalistic application" of the rule defeated its purpose, which is to "avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management." *See* Exchange Act Release No. 34-20091 (Aug. 16, 1983) (the "1983 Release"); Exchange Act Release No. 34-12598 (July 7, 1976). Accordingly, the actions requested by a proposal need not be "fully effected" provided that they have been "substantially implemented" by the company. *See* 1983 Release.

Applying this standard, the Staff has consistently permitted the exclusion of a proposal when it has determined that the company's policies, practices and procedures or public disclosures compare favorably with the guidelines of the proposal. For example, in *JPMorgan Chase & Co.* (Feb. 5, 2020), the Staff permitted exclusion under Rule 14a-8(i)(10) of a proposal requesting that the Company's Board exercise its fiduciary duties by reviewing the Statement of the Purpose of a Corporation, and provide oversight and guidance as to how the new statement of stakeholder theory

should alter the Company's governance and management system, and publish recommendations regarding implementation, where the Company represented, among other things, that the Corporate Governance & Nominating Committee of the Board had reviewed the Statement and determined that no additional action or assessment is required. In permitting exclusion, the Staff noted that the Board's actions "compare favorably with the guidelines of the [p]roposal and that the Company has, therefore, substantially implemented the [p]roposal." *See also, e.g., Eli Lilly and Co.* (Feb. 26, 2021)[*]; *Devon Energy Corp.* (Apr. 1, 2020)[*]; *Visa Inc.* (Oct. 11, 2019); *The Allstate Corp.* (Mar. 15, 2019); *The Bank of New York Mellon Corporation* (Feb. 15, 2019); *Johnson & Johnson* (Feb. 6, 2019); *United Cont'l Holdings, Inc.* (Apr. 13, 2018); *eBay Inc.* (Mar. 29, 2018); *Kewaunee Scientific Corp.* (May 31, 2017); *Wal-Mart Stores, Inc.* (Mar. 16, 2017).

In addition, the Staff has permitted exclusion under Rule 14a-8(i)(10) where the company already addressed the underlying concerns and satisfied the essential objectives of the proposal, even if the proposal had not been implemented exactly as proposed by the proponent. For example, in *The Boeing Company* (Feb. 17, 2011), the Staff permitted exclusion under Rule 14a-8(i)(10) of a proposal requesting that the company "review its policies related to human rights" and report its findings, where the company had already adopted human rights policies and provided an annual report on corporate citizenship. *See also, e.g., The Wendy's Co.* (Apr. 10, 2019) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting a report assessing human rights risks of the company's operations, including the principles and methodology used to make the assessment, the frequency of assessment and how the company would use the assessment's results, where the company had a code of ethics and a code of conduct for suppliers and disclosed on its website the frequency and methodology of its human rights risk assessments); *Verizon Communications Inc.* (Feb. 19, 2019) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting that the company's board establish a committee to oversee the company's policies and practices relating to public policy issues, including human rights, where the company's existing committees charters provided committee level oversight of public policy issues and "significant business risk exposures"); *MGM Resorts Int'l* (Feb. 28, 2012) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting a report on the company's sustainability policies and performance, including multiple objective statistical indicators, where the company published an annual sustainability report).

In this instance, the Company has substantially implemented the Proposal, the essential objective of which is for the Company to revisit its executive compensation guidelines and "identify and consider eliminating discriminatory DEI goals" from those guidelines. As a threshold matter, contrary to the Proposal's assertion and as noted above, the CMDC currently does not consider any DEI goals in determining executive compensation. Instead, the CMDC's consideration of the Company's performance in its DEI efforts factors into a holistic assessment of a broad range of qualitative factors

that account for approximately 50% of OC compensation. Thus, the CMDC has no "discriminatory DEI goals" to identify and consider eliminating in its executive compensation guidelines.

To the extent the essential objective of the Proposal could be viewed as requesting the CMDC to revisit its executive compensation guidelines and consider removing DEI-related factors generally, the Company also has substantially implemented the Proposal. As described below, the Board, the CMDC and the Company already have taken steps to evaluate the evolving legal landscape around corporate DEI initiatives, consider any necessary modifications and implement them, including with respect to executive compensation guidelines. In the 2024 Letter, Jamie Dimon summarized the Company's approach, announcing that the Company would "[o]f course . . . conform as the laws evolve," but after "scour[ing] our programs, our words and our actions to make sure they comply," the Company had determined it would be "thoughtfully continuing our diversity, equity and inclusion efforts."

As disclosed in the Company's 2024 Proxy Statement, the CMDC oversees the Company's compensation programs throughout the year, reviewing the Company's performance periodically during the course of the year and formally at least annually. As part of its overall compensation evaluation, the CMDC reviews, among other factors, the current market practices, pay mix of the Company's peers and shareholder feedback on executive compensation. The CMDC also is responsible for adopting pay practices and approving any necessary formulas, performance metrics or pool calculations in compliance with applicable U.S. and global regulatory, statutory or governance requirements as part of its oversight of the Company's overall compensation program. The CMDC holds an annual joint session with the Board's Risk Committee to review Company-wide HR and compensation practices, including, among other things: how the Company integrates risk, controls and conduct considerations into key HR practices including performance development, compensation and promotion, and regulatory updates that have impacted or may impact HR practices in the future.

As part of the process outlined above, the CMDC already has considered, and will continue to consider on an ongoing basis, whether and to what extent the Company's executive compensation guidelines should include DEI-related factors, including in light of the evolving legal risks related to corporate DEI initiatives. For instance, in October 2023, the Company's management presented to the CMDC updates on employee DEI programs, which outlined the Company's preliminary evaluation and potential modifications for the CMDC to consider regarding the Company's DEI principles and programs, particularly in light of the evolving legal landscape around DEI initiatives. At the meeting, the CMDC discussed, among other topics, potential legal risks related to the Company's DEI programs and how they inform the Company's

approach, with a focus on executive compensation and other HR guidelines and programs.

More recently, in July 2024, the Company's management presented to the full Board updates on the Company's DEI principles and programs (the "Board Presentation"), which outlined updates on the Company's evaluation and implementation of any changes for the Board to consider regarding the Company's DEI initiatives and strategies, including legal risks. The Board Presentation addressed challenges and risks that the Board should be aware of, including heightened legal and political scrutiny in the DEI space, and specific actions the Company took or was taking in response. Those actions included a risk analysis on the full inventory of the Company's DEI programs in light of the Supreme Court's *SFFA v. Harvard* decision and a reevaluation, redesign and strengthening of a number of the Company's processes related to DEI's operations and controls.

Given the CMDC's periodic and ongoing review of executive compensation practices, including any risks posed by the evolving landscape around DEI initiatives, as well as a focused review of DEI as it relates to the Company's executive compensation and other HR guidelines and programs in October 2023, the CMDC already has reviewed whether any consideration of DEI-related factors in determining OC compensation should be modified or discontinued, including in light of the Supreme Court's decision in *Students for Fair Admissions v. Harvard College*. Therefore, even under an expansive reading of the Proposal, the Company has satisfied the Proposal's essential objective and the CMDC's review compares favorably with the Proposal's request.

Accordingly, the Proposal has been substantially implemented and may be excluded pursuant to Rule 14a-8(i)(10).

C. The Proposal Should Be Excluded Pursuant to Rule 14a-8(i)(7) Because the Proposal Deals with Matters Relating to the Company's Ordinary Business Operations.

Under Rule 14a-8(i)(7), a shareholder proposal may be excluded from a company's proxy materials if the proposal "deals with matters relating to the company's ordinary business operations." In Exchange Act Release No. 34-40018 (May 21, 1998) (the "1998 Release"), the Commission stated that the policy underlying the ordinary business exclusion rests on two central considerations. The first recognizes 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. The second consideration 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. As demonstrated below, the Proposal implicates this second consideration.

The Staff has consistently agreed that shareholder proposals attempting to micromanage a company by probing too deeply into matters of a complex nature upon which shareholders, as a group, are not in a position to make an informed judgment are excludable under Rule 14a-8(i)(7). *See* 1998 Release; *see also, e.g.*, *Air Products and Chemicals, Inc.* (Nov. 29, 2024); *Johnson & Johnson* (Mar. 1, 2024); *JPMorgan Chase & Co.* (Mar. 22, 2019); *Royal Caribbean Cruises Ltd.* (Mar. 14, 2019); *Walgreens Boots Alliance, Inc.* (Nov. 20, 2018); *RH* (May 11, 2018); *Amazon.com, Inc.* (Jan. 18, 2018, *recon. denied* Apr. 5, 2018). As the Commission has explained, a proposal may probe too deeply into matters of a complex nature if it "involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies." 1998 Release. In Staff Legal Bulletin No. 14L (Nov. 3, 2021), the Staff explained that a proposal can be excluded on the basis of micromanagement based "on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management."

The Staff also has permitted exclusion on the basis of micromanagement of shareholder proposals urging the adoption of policies that impose specific methods for implementing complex policies. For example, in *AT&T Inc.* (Mar. 15, 2023), the Staff permitted exclusion on the basis of micromanagement of a proposal requesting the board to adopt a policy of obtaining shareholder approval for any future agreements and corporate policies relating to certain payments or awards to senior executives upon their death. The company argued, in part, that the proposal would inappropriately limit discretion of the board or management by imposing a specific method to address the complex issue of executive compensation design and administration. In its response, the Staff noted that "the [p]roposal micromanages the [c]ompany." *See also NetApp, Inc.* (July 19, 2024) (permitting exclusion on the basis of micromanagement of a proposal that would have required the company to replace a section of its bylaws with entirely new language prescribed by the proposal concerning the compensation of directors); *Rite Aid Corporation* (Apr. 23, 2021)[*] (permitting exclusion on the basis of micromanagement of a proposal requesting the board to adopt a policy that would prohibit any equity compensation grant to senior executives if the company's current stock price is lower than the grant date market price of any prior equity compensation grants to such executive); *Juniper Networks, Inc.* (Feb. 25, 2020)[*] (permitting exclusion on the basis of micromanagement of a proposal requesting that the company reduce CEO pay ratio by 5% each year until it reaches 50:1); *Navient Corporation* (Feb. 25, 2020) (permitting exclusion on the basis of micromanagement of a proposal requesting the board to adopt a policy that when a financial performance metric is adjusted to exclude legal or compliance costs when evaluating performance for purposes of determining the amount or vesting of any senior executive compensation award, it provide an explanation of why the precise exclusion is warranted and a breakdown of the litigation costs); *JPMorgan Chase & Co.* (Mar. 30, 2018) (permitting exclusion on the basis of micromanagement of a proposal that requested 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, noting that the proposal sought to "impose specific methods for implementing complex policies").

In this instance, while the Company has substantially implemented the Proposal's explicit request to "identify and consider eliminating discriminatory DEI goals" from executive compensation guidelines as explained above, to the extent the Proposal could be read as requesting that the Company abandon using any DEI goals in determining executive compensation, the Proposal seeks to micromanage the Company by imposing a specific method for implementing complex policies. Although the Proposal's resolution clause is couched as a request to "consider" eliminating discriminatory DEI goals from executive compensation guidelines, the entire theme of the Proposal is, as the title of the Proposal states, to "revisit DEI goals in executive pay incentives." In this regard, the bulk of the supporting statement focuses on alleged legal risks related to corporate DEI programs, noting that "'there has been a sharp uptick in litigation challenging corporate DEI programs and initiatives'" due to the Supreme Court's decision in *Students for Fair Admissions v. Harvard College* and "'ongoing scrutiny of perceived hiring quotas and set asides, particularly those that may appear to be incentivized by bonuses for management or company leadership" is expected.'" The supporting statement then asserts that the CMDC's use of "discriminatory quotas" related to the Company's racial equity commitment in determining a portion of executive compensation leaves the Company "ripe for regulatory, reputational and litigation risk." Thus, viewed in its entirety, the Proposal could be interpreted as requesting the CMDC to stop using any DEI goals as part of executive compensation guidelines, which would be an attempt to micromanage the Company.

Decisions concerning executive compensation, including which factors to consider to what extent, entail complex business judgments by the Board. In this regard, as described in the 2024 Proxy Statement, the Board – through the CMDC – exercises its business judgment and discretion to further the business objectives of attracting and retaining qualified officers to remain competitive. As noted above, the 2024 Proxy Statement elaborates on the CMDC's processes for determining the appropriate form and level of executive compensation, noting that the CMDC assesses OC members' performance against the Company's strategic priorities, as well as four broad financial and non-financial performance dimensions in a balanced and holistic way in accordance with the Company's compensation philosophy. To determine OC compensation, the CMDC considers both what progress has been made against long-term strategic priorities, and how that progress has been achieved. Specifically, the CMDC applies (1) approximately 50% weighting to its consideration of absolute and relative business results (what they have accomplished) and (2) approximately 50% weighting to its qualitative consideration of risk, controls & conduct; client/customer/stakeholder; and teamwork & leadership (how they have accomplished results). The latter category comprises a broad range of qualitative factors, including two factors that specifically relate to the Company's DEI efforts – "Delivery on external

DEI commitments" and "Delivery on internal DEI initiatives." While these factors do not involve any numerical or quantitative metrics as described above, the Proposal requests the CMDC to categorically abandon consideration of any DEI goals in determining executive compensation regardless of its business judgment. Further, the Proposal also does not define DEI, which Company deems to include programs related to Military and Veterans affairs, Next Generation for Early Career Professionals, Administrative Professionals and many others not even referenced in the Proposal. As a result, the Proposal seeks to prescribe a specific method for implementing complex policies and, therefore, probes too deeply into matters of a complex nature upon which stockholders, as a group, are not in a position to make an informed judgment. Therefore, the Proposal attempts to micromanage the Company and is precisely the type of effort that Rule 14a-8(i)(7) is intended to prevent.

Accordingly, the Proposal should be excluded pursuant to Rule 14a-8(i)(7) as relating to the Company's ordinary business operations.

Conclusion

On the basis of the foregoing, the Company respectfully requests the concurrence of the Staff that the Proposal may be excluded from the Company's proxy materials for the 2025 Annual Meeting. If you have any questions or would like any additional information regarding the foregoing, please do not hesitate to contact me at (202) 371-7180. Thank you for your prompt attention to this matter.

Very truly yours,

Brian V. Breheny

Enclosures

cc: John H. Tribolati
Corporate Secretary
JPMorgan Chase & Co.

Luke Perlot
National Legal and Policy Center

EXHIBIT A

(see attached)

NATIONAL LEGAL AND POLICY CENTER

November 6, 2024

Mr. John H. Tribolati
Office of the Secretary
JPMorgan Chase & Co.
383 Madison Avenue, 39th Floor
New York, NY 10179

VIA UPS & EMAIL: [redacted]

Dear Mr. Tribolati/Corporate Secretary:

I hereby submit the enclosed shareholder proposal ("Proposal") for inclusion in JPMorgan Chase & Co.'s ("Company") proxy statement to be circulated to Company shareholders in conjunction with the next annual meeting of shareholders. The Proposal is submitted under Rule 14(a)-8 (Proposals of Security Holders) of the U.S. Securities and Exchange Commission's proxy regulations.

National Legal and Policy Center (NLPC) is the beneficial owner of 47 shares of the Company's common stock with a value exceeding $2,000, which shares have been held continuously for more than three years prior to this date of submission. NLPC intends to hold the shares through the date of the Company's next annual meeting of shareholders. A proof of ownership letter is forthcoming and will be delivered to the Company.

The Proposal is submitted in order to promote shareholder value by requesting the Board of Director's Compensation & Management Development Committee to revisit its incentive guidelines for executive pay, to identify and consider eliminating discriminatory DEI goals. Either an NLPC representative or I will present the Proposal for consideration at the annual meeting of shareholders.

I and/or an NLPC representative can meet with the Company via teleconference to discuss the proposal on November 19 at 10 a.m. or November 21 at 10 a.m., in the Eastern Time Zone (U.S.). While we can potentially accommodate other dates and times that would align with Company representatives' schedules, NLPC will *not* be able to meet with the Company outside the time window of 10 to 30 days from the date of the Proposal's submission, as specified by SEC guidelines. I can be reached at ([redacted]) [redacted]-[redacted] or at [redacted].

Nat'l Headquarters: [redacted]

Phone: ([redacted]) [redacted] Email: [redacted]

If you have any questions, please contact me at the above phone number. Copies of correspondence or a request for a "no-action" letter should be forwarded to me via email or sent to my attention at [redacted].

Sincerely,

Luke Perlot
Associate Director
Corporate Integrity Project

Enclosure: "Revisit DEI Goals in Executive Pay Incentives" proposal

Revisit DEI Goals in Executive Pay Incentives

Whereas: Since the June 2023 U.S. Supreme Court decision in *Students for Fair Admissions v. Harvard College*,[1] hundreds of higher education institutions have shuttered their diversity, equity and inclusion (DEI) programs and positions.[2]

Consequently, "there has been a sharp uptick in litigation challenging corporate DEI programs and initiatives, alleging that they require unlawful employment and contracting decisions to be made on the basis of race, in violation of Title VII of the Civil Rights Act of 1964…"[3]

Corporate compliance lawyers now advise clients that "DEI initiatives and programs that are not open to all applicants or those that apply an explicit race- or gender-based focus will likely face continued and heightened scrutiny." Also: "We also expect to see ongoing scrutiny of perceived hiring quotas and set asides, particularly those that may appear to be incentivized by bonuses for management or company leadership."[4]

Further, "companies, and their management teams and boards, should be prepared for increased employment-related litigation including litigation that seeks to hold executive officers and directors personally liable for purported breaches of their fiduciary duties in connection with the corporation's DEI policies."[5]

Many corporations dramatically reduced or eliminated their DEI programs,[6] and companies face retribution for their discrimination. For example, Starbucks was the subject of a $28.3 million judgment after a former worker claimed she was fired for being white.[7]

Supporting Statement: The DEI webpage for JPMorgan Chase & Co. ("Company") advertises special programs for black, Hispanic, LGBTQ, and other "diverse" groups. The site also advertises the Company's hiring statistics, including that "49% of global new hires are women" and "58% of U.S. new hires are racially or ethnically diverse.[8] Further, JPMorgan has set a "racial equity commitment" which includes explicit hiring targets, also known as quotas.[9]

Chairman and CEO Jamie Dimon maintains that he is a "full-throated, red-blooded, patriotic, unwoke, capitalist CEO,"[10] but the Company's rhetoric and actions say otherwise. [11]

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[1] https://www.supremecourt.gov/opinions/22pdf/20-1199_hgdj.pdf
[2] https://www.chronicle.com/article/tracking-higher-eds-dismantling-of-dei
[3] https://www.wilmerhale.com/insights/client-alerts/20240627-corporate-dei-landscape-one-year-after-sffa
[4] https://www.skadden.com/insights/publications/2023/12/2024-insights/esg/the-supreme-courts-affirmative-action-opinion
[5] https://corpgov.law.harvard.edu/2024/02/14/how-boards-should-be-thinking-about-the-supreme-courts-sffa-affirmative-action-decision/
[6] https://nypost.com/2024/09/03/us-news/how-robby-starbuck-is-prompting-brands-like-ford-to-ditch-dei/
[7] https://www.cnn.com/2023/08/17/business/starbucks-payment-racial-discrimination-white/index.html
[8] https://www.jpmorganchase.com/impact/diversity-equity-and-inclusion
[9] https://media.chase.com/news/jpmc-provides-update-on-30-billion-racial-equity-commitment
[10] https://fortune.com/2024/01/24/jpmorgan-jamie-dimon-dei-diversity-finance-banking-capitalism/
[11] https://nypost.com/2024/04/27/us-news/jpmorgan-chase-dei-style-guide-nixes-terms-like-manpower-and-blacklist/

Pay for executive officers is 50-percent determined by the Compensation & Management Development Committee based on a mix of qualitative metrics, which include the Company's 2025 Racial Equity Commitment.

These discriminatory quotas leave JPMorgan ripe for regulatory, reputational and litigation risk. Its attempt to cram DEI's non-GAAP nature into the proxy statement's compensation discussion demands either a legally dubious quota regime, or it fails SEC compliance.[12] The Council of Institutional Investors' general counsel stated that research shows "companies are engaging in an opportunistic use of non-GAAP earnings to justify higher executive pay."

FTI Consulting advises there is a "heightened focus" on "litigation risk," which "has transitioned from being merely an operational concern to becoming a strategic priority for the highest levels of corporate governance."[13]

Resolved: Shareholders request the Board of Director's Compensation & Management Development Committee to revisit its incentive guidelines for executive pay, to identify and consider eliminating discriminatory DEI goals from compensation inducements.

[12] https://tax.thomsonreuters.com/news/council-of-institutional-investors-again-urges-sec-to-close-loophole-on-non-gaap-in-executive-pay/

[13] https://www.fticonsulting.com/insights/articles/de-risking-litigation-exposure-conflict-management-integral-business-administration