

Aaron Bertinetti
Head of ESG
Investor Relations

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

RE: JPM RFS - Comments on Glass Lewis Research published on our 2023 Annual Meeting

Thank you for the opportunity to participate in Glass Lewis' Report Feedback Statement service. We commend Glass Lewis for its commitment to providing accurate, reliable, transparent and timely data to shareholders, and its leadership in developing an additional avenue for shareholder engagement through this service. We are pleased to join with Glass Lewis in this effort by providing the information below regarding specific proposals in the JPMorgan Chase & Co. ("JPMC") 2023 proxy statement to facilitate informed voting decisions by our shareholders. For more information, our proxy statement ("Proxy") can be found online [here](#) and our proxy supplemental presentation ("Supplement") can be found [here](#).

We appreciate that Glass Lewis has acknowledged our extensive shareholder outreach across 172 meetings with 118 shareholders and the seriousness with which the Board has responded to our shareholders' concerns raised at the 2022 Annual Meeting.

We have focused our comments on your Proxy Paper report ("GL Report") to the recommendation and commentary on "Proposal 5: Shareholder Proposal Regarding Independent Chair."

PROPOSAL 5: SHAREHOLDER PROPOSAL REGARDING INDEPENDENT CHAIR

While we recognize that Glass Lewis believes an independent chairman "is nearly always preferable", the GL Report omits mention and analysis of three key reasons the Board has clearly disclosed as a rationale for why shareholders should not support this proposal. We believe these reasons warrant an exception under the "nearly always preferable" GL benchmark policy.

Succession planning and a successful CEO transition

Firstly, the GL Report omits mention of succession planning from its analysis, despite the Proxy (pp89-90) and Supplement (pp11) clearly disclosing this as a key reason for the specific wording of the Board's recently amended Corporate Governance Principles and why the Board did not support the proposal.

The GL Report recommends FOR this proposal stating "under the terms of this policy, upon his retirement, Mr. Dimon could serve as the (non-independent) chair, as is common prior to re-combining the roles of chair and CEO, following a leadership transition. In this circumstance, the Company would have fully adhered to this policy. We, therefore, do not view this policy as necessarily being responsive to this request."

Glass Lewis is correct that the policy could allow Mr. Dimon to serve as a non-independent chair, which is the very flexibility that the Board is seeking and disclosed given the importance of a change in the Company's leadership. At the time of the current CEO's retirement, the Board may determine that retaining the current CEO to serve as a non-independent Chairman would be an appropriate approach to maintaining continuity and promoting a successful transition that protects and enhances shareholder value.

This flexibility is responsive to feedback received from our shareholders. As detailed on pp97 of our 2022 Proxy, through an expanded shareholder outreach program we found while our shareholders recognized the importance of the Board's ability to determine its leadership structure in the context of the current structure, many expressed a general preference for separate Chair and CEO positions. However, a substantial majority of those with whom we engaged, including most of our top holders, indicated support for a policy that would enable our current CEO to serve as non-executive Chair at the next leadership transition, rather than the proponent's preferred approach of an independent chairman.

Further, as made plain in recent months with the change in economic headwinds, geopolitical risks, and instability in the banking sector, Mr. Dimon continues to demonstrate that he is a truly unique individual that any Board and the shareholders they represent would be very fortunate to have as a Chairman.

The proposal put forth by the proponent and currently supported by Glass Lewis would prevent the current CEO from serving as Chair upon his retirement and, therefore, would put restrictions on the Board's succession planning process and its ability to determine a leadership transition that best serves the Firm and its shareholders.

We believe Glass Lewis should reflect this matter transparently in its analysis as it is a significant component of the Board's response to the proposal.

Financial outperformance with a non-independent Chair

Secondly, the GL Report omits discussion of JPMC's long-term financial performance under the current leadership structure, which is an important component of determining what is best for shareholders.

As disclosed in the Supplement (pp11) and Proxy (pp90):

- Since Mr. Dimon became CEO, the Firm has delivered ROTCE that has consistently and substantially outperformed that of our PSU performance group by more than 400bps on average. This includes outperforming companies with independent chairs;
- An investment made in JPMC 10 years ago would have significantly outperformed that of the KBW Bank and S&P Financials indices by 88 and 151 percentage points, respectively. This includes outperforming companies with independent chairs; and
- This enduring outperformance demonstrates the capabilities of the current CEO in overseeing the Firm's business in the combined role. This includes during the recent downturn in markets and the collapse of some regional and international banks, in which the Firm has been a pillar of stability for shareholders and a leader in supporting the government response to stabilize the banking industry.

Further, as disclosed in the Supplement (pp7) and Proxy (pp44, 51), the Firm has outperformed most of its peers on ROTCE and TSR under the leadership structure of our Chair and Lead Independent Director.

This enduring outperformance has occurred while maintaining an independent Board with a Lead Independent Director, and disproves Glass Lewis' general and unsubstantiated claim that "an independent chair is better able to oversee the executives of a company and set a pro-shareholder agenda."

While Glass Lewis asserts that an independent chairman "is nearly always preferable," we believe it should acknowledge that JPMC's long-term financial performance has proven the merits to shareholders of an alternative leadership structure.

Shareholder engagement and our response to the proponent

Lastly, the GL Report omits that the Board-approved 2022 policy change reflected significant shareholder feedback. These changes are disclosed in the Supplement (pp11) and Proxy (pp90) and in the [Corporate Governance Principles](#) on the company's website.

Glass Lewis states that because of the flexibility that was included in our updated corporate governance principles "[w]e, therefore, do not view this policy as necessarily being responsive to this request."

This statement suggests the Board should prioritize a single shareholder proponent's request over the interests of a majority of shareholders who have opposed this proposal, including more than 60% of shareholders who did not support the proposal last year. The Board must balance the interests of all shareholders in a manner that is in the best interests of shareholders, not a single shareholder proponent.

The Board aligned our policy with approximately half of the principles proposed by the proponent, namely separating the roles, keeping the chairman independent when best for the Firm and shareholders, and phasing this change in at the next CEO transition. At the same time, the remainder of our policy is aligned with the feedback we received from a significant number of shareholders expressing support for the current CEO to serve as non-Executive Chair on transition. The majority of shareholders supported this approach, indicating that the Board had struck the right balance on an issue on which shareholders have divergent views.

Summary

Without an analysis of the above factors, the GL Report's recommendation does not appear to provide shareholders and Glass Lewis clients with a balanced and transparent account of the Board's rationale for the policy it has adopted.

Based on the foregoing, we request Glass Lewis to conduct a review of the facts and provide an updated analysis and recommendation that address these concerns and omissions.

Yours sincerely,

A handwritten signature in black ink, appearing to read "A. Bertinetti". The signature is written in a cursive style with a long horizontal stroke at the end.

Aaron Bertinetti