

[Salesforce.com, Inc.: Rule 14a-8 Proposal, December 30, 2020]
[This line and any line above it – *Not* for publication.]
ITEM 4* – Transition to Public Benefit Corporation

RESOLVED: Salesforce.com, Inc. (the “Company”) shareholders request our Board of Directors take steps necessary to amend our certificate of incorporation and, if necessary, bylaws (including presenting such amendments to the shareholders for approval) to become a public benefit corporation (a “PBC”) in light of its adoption of the Business Roundtable Statement of the Purpose of a Corporation (the “Statement”).¹

SUPPORTING STATEMENT: The Company signed the Statement, which proclaims “we share a fundamental commitment to all of our stakeholders. . . . We commit to deliver value to all of them, for the future success of our companies, our communities and our country.”

However, the Company is a conventional Delaware corporation, so that directors’ fiduciary duties emphasize the company and its shareholders, but not stakeholders (except to the extent they create value for shareholders over time). Accordingly, when the interests of shareholders and stakeholders such as workers or customers clash, the Company’s legal duty excludes all but shareholders.

As one Delaware law firm reported to another signatory considering conversion, directors may consider stakeholder interests only if “*any decisions made with respect to such stakeholders are in the best interests of the corporation and its stockholders.*”² That contradicts the commitment made in the Statement, as well the intention of management to run our Company for a purpose beyond maximizing financial returns.³

Consistent with the business philosophy of our founder,⁴ directors of a PBC “balance” the interests of shareholders, stakeholders and a specified benefit,⁵ giving legal status to the Statement’s empty promise.

This matters. A recent study determined that listed companies create annual social and environmental costs of \$2.2 trillion⁶. These costs have many sources, including pollution, climate change and employee stress.⁷ A company required to balance stakeholder interests could prioritize lowering these costs, even if doing so sacrificed higher return.

¹ <https://s3.amazonaws.com/brt.org/BRT-StatementonthePurposeofaCorporationOctober2020.pdf>

² <https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2020/harringtonwellsfargo021220-14a8.pdf>

³ See, e.g., <https://www.cnbc.com/2020/08/25/salesforces-marc-benioff-claims-a-victory-for-stakeholder-capitalism.html>

⁴ <https://www.nytimes.com/2019/10/14/opinion/benioff-salesforce-capitalism.html>

⁵ 8 Del C, §365.

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<https://www.schroders.com/en/sysglobalassets/digital/insights/2019/pdfs/sustainability/sustainex/sustainex-short.pdf>

⁷ Id.

That matters to our shareholders, the majority of whom are beneficial owners with broadly diversified interests. As of the 2020 proxy statement, the Company's top three holders were Vanguard, State Street and BlackRock, which are generally indexed or otherwise broadly diversified.

Such shareholders and beneficial owners are unalterably harmed when companies follow the "shareholder primacy" model and impose costs on the economy that lower GDP, which reduces the overall value of equities.⁸ Thus, a legal commitment to balance such interests *independently of financial return to the Company* will benefit our shareholders, and ensure our Company's commitment to stakeholders is authentic and lasting, even through changes in management or circumstance.

Please vote for: Transition to Public Benefit Corporation – Proposal [4*]
[This line and any below are *not* for publication]
Number 4* to be assigned by the Company

⁸ See, e.g., <https://www.advisorperspectives.com/dshort/updates/2020/11/05/market-cap-to-gdp-an-updated-look-at-the-buffett-valuation-indicator> (total market capitalization to GDP "is probably the best single measure of where valuations stand at any given moment") (quoting Warren Buffet).