[JPMorgan Chase & Co.: Rule 14a-8 Proposal, December 4, 2020]
[This line and any line above it – *Not* for publication.]
ITEM 4* – External Corporate Governance Cost Disclosure

RESOLVED, shareholders ask that the board commission and disclose a study on the external costs created by the Company underwriting multi-class equity offerings and the manner in which such costs affect the majority of its shareholders who rely on overall stock market return.

Our Company underwrites initial public offerings providing perpetual control to insiders with high-vote stock,[1] contributing to poor governance that harms investors as a class, including companies with three classes of stock having 20, 1 and 0 votes, respectively.[2] As one rival advised investors, the Company's most critical stakeholder group, "[u]sing multi-class voting to insulate management from its own shareholders comes at a significant long-term cost."[3]

In addition to risk of poor returns for their own shareholders, these structures give unchecked power to insiders, whose concentrated interests are misaligned with the interests of typical diversified shareholders. As a working paper co-authored by a Nobel Laureate notes, "initial entrepreneurs are not well-diversified and so they want to maximize the value of their own company, not the joint value of all companies."[4]

By lending reputation and expertise to marketing governance structures that risk both underperformance and misalignment of corporate control with shareholder interests, the Company jeopardizes the viability of the one share, one vote governance model that creates significant economic wealth for shareholders and society. As a 2020 study noted, "if many similarly-situated companies [accept a higher cost of capital for multi-class shares], then the prevalence of dual class shares might have negative consequences for the economy as a whole."[5]

Understanding this information is essential to the Company's shareholders, who are almost all broadly diversified. Indeed, as of September 2020, the top three holders of our shares are Vanguard, BlackRock, and State Street—investment managers with indexed or otherwise broadly diversified investors. Their beneficial owners are materially harmed by facilitation of governance that may lower GDP, thus reducing equity market values.[6] While the Company may profit by ignoring externalized costs, its diversified shareholders ultimately pay them.

The Company's facilitation of poor corporate governance across the economy is a social issue of great importance. A study would help shareholders determine whether to seek a change in corporate direction, structure, or form in order to better serve their interests.

Please vote for: External Corporate Governance Cost Disclosure – Proposal [4*]
[This line and any below are *not* for publication]
Number 4* to be assigned by the Company

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[1] See, e.g., https://www.sec.gov/Archives/edgar/data/1792789/000119312520292381/d752207ds1.htm (Door Dash).
[2] See Adams and Ferreira, *One Share-One Vote: The Empirical Evidence*, 12 Rev. of Fin. 51 (2008); Bebchuk and Kastiel, The Untenable Case for Perpetual Dual-Class Stock, 103 Virginia L. Rev. 585, 594 (2017), https://www.jstor.org/stable/26400252?seq=1
[3] https://www.forbes.com/sites/simonconstable/2019/09/30/goldman-sachs-warning-one-share-one-vote-or-else-the-stocks-shares-will-suffer/?sh=6cb9916e71da
[4] Broccardo, Eleonora and Hart, Oliver D. and Zingales, Luigi, *Exit vs. Voice* (August 24, 2020), https://ssrn.com/abstract=3680815 or http://dx.doi.org/10.2139/ssrn.3680815
[5] https://www.capmktsreg.org/wp-content/uploads/2020/04/The-Rise-of-Dual-Class-Shares-04.08.20-1.pdf
[6] 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).