Shareholder Proposal to Separate Roles of Chair and CEO Fails at JPMorgan by a Wide Margin

Large Majority of Votes Cast Against the Proposal; Reflects Thoughtful Shareholder Consideration of Actual CEO and Company Performance

In one of the most widely publicized shareholder proposals in many years, the shareholders of JPMorgan Chase & Co. overwhelmingly defeated a shareholder proposal to separate the roles of chair and CEO. Based on preliminary results announced by JPMorgan at today's annual shareholder meeting, the proposal received only approximately 32% of the votes cast, despite the endorsement of Institutional Shareholder Services and Glass Lewis & Co. This was down from over 40% of votes cast on a similar proposal in 2012. Thus far in 2013, shareholder proposals to separate the roles of chair and CEO have received, on average, lower levels of support than they did in 2012.

The continued success of many issuers in defeating these proposals is noteworthy. It demonstrates companies’ ability to defend their chosen governance structure to their shareholders, rather than acquiescing to the demands of activist shareholders or to purported “best practices” in corporate governance that may not make sense for the particular company. Companies with a proven track record as to performance and governance should feel comfortable continuing to use the leadership structure that they believe is best suited to their company, provided that they make appropriate efforts to explain their choice to shareholders.
SULLIVAN & CROMWELL LLP

Despite the recommendations of activists and proxy advisory firms, shareholders more broadly, including large institutional shareholders, appear receptive to the view that a combined CEO and chair, when coupled with a strong lead independent director, may be the best structure for a company, particularly when performance is strong.

* * *
Shareholder Proposal to Separate Roles of Chair and CEO Fails at JPMorgan by a Wide Margin
May 21, 2013
Shareholder Proposal to Separate Roles of Chair and CEO Fails at JPMorgan by a Wide Margin

May 21, 2013

Washington, D.C.
- Rebecca S. Coccaro +1-202-956-7690 coccaror@sullcrom.com
- Janet T. Geldzahler +1-202-956-7515 geldzahlerj@sullcrom.com
- Eric J. Kadel Jr. +1-202-956-7640 kadelej@sullcrom.com
- Robert S. Risoleo +1-202-956-7510 risoleor@sullcrom.com

Los Angeles
- Patrick S. Brown +1-310-712-6603 brownp@sullcrom.com
- Eric M. Krautheimer +1-310-712-6678 krautheimere@sullcrom.com
- Alison S. Ressler +1-310-712-6630 resslera@sullcrom.com

Palo Alto
- Sarah P. Payne +1-650-461-5669 paynesa@sullcrom.com
- John L. Savva +1-650-461-5610 savvaj@sullcrom.com

London
- Nikolaos G. Andronikos +44-20-7959-8470 andronikosn@sullcrom.com
- Kathryn A. Campbell +44-20-7959-8580 campbellk@sullcrom.com
- Richard C. Morrissey +44-20-7959-8520 morrisseyr@sullcrom.com
- John O’Connor +44-20-7959-8515 oconnorj@sullcrom.com
- David Rockwell +44-20-7959-8575 rockwelld@sullcrom.com
- George H. White III +44-20-7959-8570 whiteg@sullcrom.com

Paris
- Krystian Czerniecki +33-1-7304-5880 czernieckik@sullcrom.com
- William D. Torchiana +33-1-7304-5890 torchianaw@sullcrom.com

Frankfurt
- Krystian Czerniecki +49-69-4272-5525 czernieckik@sullcrom.com
- David Rockwell +49-69-4272-5533 rockwelld@sullcrom.com

Melbourne
- Robert Chu +61-3-9635-1506 chur@sullcrom.com

Sydney
- Waldo D. Jones Jr. +61-2-8227-6702 jonesw@sullcrom.com

Tokyo
- Izumi Akai +81-3-3213-6145 akaii@sullcrom.com
- Keiji Hatano +81-3-3213-6171 hatanok@sullcrom.com
Shareholder Proposal to Separate Roles of Chair and CEO Fails at JPMorgan by a Wide Margin
May 21, 2013
SC1:3434921.4