

JPMORGAN CHASE & CO
Form DEFA14A
May 02, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

(Amendment No. __)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to 240.14a-12

JPMorgan Chase & Co.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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- (1) Title of each class of securities to which the transaction applies:
- (2) Aggregate number of securities to which the transaction applies:
- (3) Per unit price or other underlying value of the transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
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- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

May
2019

2019 Proxy Supplemental Materials

The
entrance
to
the
building
is
indicated
by
the
STAR

Please note: the 10 South Dearborn Street entrance is
closed due to construction

Map and directions

Logistics

1

Date:

Tuesday, May 21, 2019

Time:

10:00 a.m. Central Time

Place:

Chase Tower

21 South Clark Street, 56th Floor

Chicago, Illinois 60603

Audiocast:

www.jpmorganchase.com/events-presentations

Phone:

(866) 541-2724 in the U.S. and Canada

(706) 634-7246 for international

Attending in

person:

You will be required to present a valid form of
government-issued photo identification, such as a
driver's license or passport, and proof of ownership
of our common stock as of our record date on
March 22, 2019. For more details, see 2019 Proxy
Statement pages 92-97

Matters to be voted on

Election of Directors

1

Advisory resolution to approve executive compensation

2

Ratification of independent registered public accounting firm

3

Gender pay equity report

4

Enhance shareholder proxy access

5

Cumulative voting

6

The Board of Directors
recommends

you

vote

FOR

each director nominee and

FOR

the following

proposals:

The Board of Directors
recommends you vote

AGAINST

each of the

following proposals:

Management proposals

Shareholder proposals

2

We demonstrated strong financial performance in 2018

We maintained or gained market share across our businesses, demonstrated strong expense discipline, continued to achieve high customer satisfaction scores and maintained a fortress balance sheet

2018 key highlights

strong performance continues to support shareholder value

Record

net income of

\$32.5 BILLION

Record

EPS of

\$9.00

ROE of

13%

ROTCE¹ of

17%

Book value per share

(BVPS) of

\$70.35

Tangible book value

per share (TBVPS)¹ of

\$56.33

Distributed

\$28.5 BILLION

to shareholders²

For additional information and footnotes, please see page 18

Total Shareholder Return ("TSR")³

\$100

investment in JPM at the end of 2008 would be valued at \$388 at the end of 2018

3

The Firm has demonstrated sustained, strong financial performance
Generated

strong
ROE
and
ROTCE
4

For additional information and footnotes, please see page 18

Delivered
sustained
growth
in
EPS,
BVPS
and
TBVPS

1

1

We are committed to commonsense corporate governance practices
Reviews the Firm's strategic objectives and plans

Evaluates the CEO's performance and provides talent management for other senior executives

Oversees the Firm's financial performance and condition

Oversees the Firm's risk management and internal control frameworks

Oversees the Firm's approach to environmental, social and governance (ESG) matters

Sets the cultural tone at the top

The Firm's Corporate Governance Principles require

the independent directors to appoint a Lead Independent Director if the role of

the Chairman is combined with that of the CEO

The Board reviews its leadership structure annually as part of its self-assessment process

Responsibilities of the Lead Independent Director include:

acts as liaison between independent directors and the CEO

acts as a sounding board to the CEO

provides advice and guidance to the CEO on executing long-term strategy

advises the CEO of the Board's information needs

meets one-on-one with the CEO following executive sessions of independent directors

has the authority to call for a Board meeting or a meeting of independent directors

approves agendas and adds agenda items for Board meetings and meetings of independent directors

presides over executive sessions of independent directors

engages and consults with major shareholders and other constituencies, where appropriate

guides annual performance review of the CEO

guides the annual independent director consideration of CEO compensation

guides full Board consideration of CEO succession

guides the self-assessment of the full Board

presides at Board meetings in the CEO's absence or when otherwise appropriate

Our Board provides independent oversight of the Firm's business and affairs

A strong Lead Independent Director role facilitates independent board oversight of management

We are committed to commonsense corporate governance practices (cont d)

We have regular and ongoing discussions with shareholders throughout the year on a wide variety of topics, such as financial

performance, strategy, competitive environment, regulatory landscape, and ESG matters

In 2018, our shareholder engagement initiatives included:

Shareholder Outreach: Hosted

more than 60 discussions on strategy, financial performance, governance,

executive

compensation,

and

environmental

and

social

matters,

among

others,

with

shareholders

representing

>45%

of

our

outstanding common stock

Annual Investor Day: Senior management gave presentations at our annual Investor Day on the Firm's strategy and financial

performance

Meetings/Conferences:

Senior

management

hosted

more

than

50

investor

meetings

and

presented

at

12 investor conferences

Annual Shareholder Meeting: Our CEO and Lead Independent Director presented to shareholders at the Firm's 2018 annual

meeting

We actively engage with shareholders

6

Annual Board and committee assessment

Robust shareholder rights:

-

proxy access

-

right to call a special meeting

-

right to act by written consent

Majority voting for all director elections

Stock ownership requirements for directors

100% committee independence

Executive sessions of independent directors at each regular Board meeting

Our governance practices promote Board effectiveness and shareholder interests

1	
Management proposals	
7	
2	
Shareholder proposals	
14	

Proposal #1: Election of Directors
The Board recommends you vote FOR

each director nominee

For additional detail, see 2019 Proxy Statement pages 8-37

For
additional
information
and
footnotes,
please
see
page
18

The Board of Directors has nominated the 11 individuals listed below: 10 independent directors and the CEO

7

COMMITTEE MEMBERSHIP

Linda B. Bammann

63

0

Directors Risk Policy (Chair)

Director since 2013

James A. Bell

70

Retired Executive Vice President of The Boeing Company

3

Audit (Chair)

Director since 2011

Stephen B. Burke

60

Chief Executive Officer of NBCUniversal, LLC

1

Compensation & Management Development;

Director since 2004

Corporate Governance & Nominating

Todd A. Combs

48

Investment Officer at Berkshire Hathaway Inc.

0

Directors Risk Policy;

Director since 2016

Public Responsibility

James S. Crown

65

1

Directors Risk Policy

Director since 2004

James Dimon

63

0

Director since 2004

Timothy P. Flynn

62

Retired Chairman and Chief Executive Officer of KPMG

3

Audit;

Director since 2012

Public Responsibility (Chair)

Mellody Hobson

50

President of Ariel Investments, LLC

1

Audit;

Director since 2018

Public Responsibility

Laban P. Jackson, Jr.

76

0

Audit

Director since 2004

Michael A. Neal

66

0

Directors Risk Policy

Director since 2014

Lee R. Raymond

80

0

Compensation & Management Development (Chair);

(Lead Independent Director)

Corporate Governance & Nominating

Director since 2001

Chairman and Chief Executive Officer of Clear Creek

Properties, Inc.

Retired Vice Chairman of General Electric Company and Retired

Chairman and Chief Executive Officer of GE Capital

Retired Chairman and Chief Executive Officer of Exxon Mobil

Corporation

OTHER PUBLIC COMPANY

BOARDS (#)

Chairman and Chief Executive Officer of Henry Crown and

Company

NOMINEE/DIRECTOR OF JPMORGAN CHASE

SINCE ¹

Age

PRINCIPAL OCCUPATION

Retired Deputy Head of Risk Management of JPMorgan

Chase & Co.³

Chairman and Chief Executive Officer of JPMorgan Chase & Co.

2

All our nominees
possess:

Integrity

Judgment

Strong work ethic

Strength of
conviction

Collaborative
approach to
engagement and
oversight

Inquisitiveness

Objective
perspective

Willingness to
appropriately
challenge
management

11

10

7

9

9

11

7

11

11

Proposal #1: Election of Directors (cont'd)

The Board recommends you vote FOR

each director nominee

Profile of nominees (excluding our CEO)

Personal and professional attributes and skills of the nominees

For additional detail, see 2019 Proxy Statement pages 8-37

RISK

MANAGEMENT

AND

CONTROLS

Skills and experience in
assessment and management of business and financial risk factors
allow the Board to effectively oversee risk management and
understand the most significant risks facing the Firm

FINANCIAL

AND

ACCOUNTING

Knowledge
of
or
experience
in

accounting, financial reporting or auditing processes and standards is important to effectively oversee the Firm's financial position and condition and the accurate reporting thereof and to assess the Firm's strategic objectives from a financial perspective

FINANCIAL SERVICES

Experience in or with the financial services industry, including investment banking, global financial markets or consumer products and services, allows Board members to evaluate the Firm's business model, strategies and the industry in which we compete

INTERNATIONAL BUSINESS OPERATIONS

Experience in diverse geographic, political and regulatory environments is important because the Firm serves customers and clients across the globe

LEADERSHIP OF

A LARGE, COMPLEX ORGANIZATION

Executive experience managing business operations and strategic planning allows Board members to effectively oversee the Firm's complex worldwide operations

MANAGEMENT DEVELOPMENT AND SUCCESSION PLANNING

Experience in senior executive development, succession planning and compensation matters allows the Board to effectively oversee the Firm's efforts to recruit, retain and develop key talent and provide valuable insight in determining compensation of the CEO and other executive officers

PUBLIC COMPANY GOVERNANCE

Knowledge of public company governance matters, policies and best practices assists the Board in considering and adopting applicable corporate governance practices, interacting with stakeholders most interested in these issues and understanding the impact of various policies on the Firm's functions

TECHNOLOGY

Experience with or oversight of innovative technology, cybersecurity, information systems/data management, fintech or privacy is important in overseeing the security of the Firm's operations, assets and systems as well as the Firm's ongoing investment in and development of innovative technology

REGULATED
INDUSTRIES
AND
REGULATORY
ISSUES

Experience with regulated businesses, regulatory requirements and relationships with global regulators is important because the Firm operates in a heavily regulated industry

8

Proposal #2: Advisory resolution to approve executive compensation
The Board recommends you vote FOR

the executive compensation program

1

Mr. Pinto, who is based in the U.K., received a fixed allowance of \$7,635,000 paid in British pound sterling and a salary of £4

1. Strong performance

We

continued

to

deliver

strong

multi-year

financial

performance,

invest

in

our

future,

strengthen

our

risk

and

control

environment,

reinforce

the

importance

of

our

culture

and

values,

deliver

on

our

long-standing

commitment

to

serve

our

customers,

employees

and

communities,

and

conduct

business

in

a

responsible

way

to

drive
inclusive
growth.

2. Disciplined performance assessment to determine pay

The CMDC uses a balanced approach to determine annual compensation by assessing performance against four broad performance metrics. A material portion of Operating Committee compensation is delivered in the form of at-risk performance share units (PSUs) to align shareholder interests by linking the ultimate payout to pre-established absolute and relative goals.

3. Sound pay practices

We believe our compensation philosophy promotes an equitable and well-governed approach to compensation, including pay-for-performance. Our compensation practices, which are responsive to and aligned with shareholders, and encourage a shared success culture in support of our business purpose.

4. Pay is aligned with performance

CEO pay is strongly aligned to the Firm's short-, medium- and long-term performance, with approximately 83% of the CEO's variable pay deferred into equity, of which 100% is in at-risk PSUs. Other NEO pay is also strongly aligned to Firm and Line-of-Business (LOB) performance, with a majority 50% is in at-risk PSUs.

5. Rigorous accountability and recovery provisions

Our executive compensation program is designed to hold executives accountable, when appropriate, for meaningful actions or inactions that impact performance or the Firm's reputation in current or future years.

In response to last year's 93% Say-on-Pay support and positive shareholder feedback, the Compensation & Management Development Committee (CMDC) maintained the key features of our compensation program.

We believe shareholders should consider five key factors in their evaluation of this year's proposal:

For additional detail, see 2019 Proxy Statement pages 38-77

2018 NEO compensation

The table above differs from how compensation is reported in the Summary Compensation Table on page 65 of the 2019 Proxy Statement for more information.

Name and principal position

INCENTIVE COMPENSATION

Salary

Cash

Restricted

stock units

Performance

share units

Total

James Dimon,

Chairman and CEO

\$ 1,500,000

\$ 5,000,000

\$

\$ 24,500,000

\$ 31,000,000

Daniel

Pinto

1

,

Co-President

and

Co-COO;

CEO

Corporate

&
Investment
Bank
8,276,026

6,861,987
6,861,987
22,000,000
Gordon Smith,
Co-President and Co-COO; CEO Consumer & Community Banking
750,000
8,500,000
6,375,000
6,375,000
22,000,000

Mary
Callahan
Erdoes,
CEO
Asset
&
Wealth
Management

750,000
7,900,000
5,925,000
5,925,000
20,500,000
Marianne Lake
, Chief Financial Officer
750,000
5,700,000
4,275,000
4,275,000
15,000,000

9
2
On April 17, 2019, JPMorgan Chase announced that Marianne Lake would become Chief Executive Officer of Consumer Lending Group.
Gordon
Smith,
and
would
remain
a
member
of
the
Firm's
Operating
Committee.

JPMorgan
Chase
also
announced
that
Jennifer
A.
Piepszak
would
become
Chief
Financial
Officer
of
the
Firm
and
a

member of the Firm's Operating Committee reporting to Jamie Dimon. All changes became effective May 1, 2019. For further information, please see the U.S. Securities and Exchange Commission filing on April 17, 2019.

2

Continued to invest significant time and effort on diversity and inclusion best practices
Increased hourly wages 10% on average for 22,000 employees and lowered medical
plan deductibles by \$750 for employees making less than \$60,000
Shareholder-aligned compensation
philosophy
Strong stock ownership guidelines and
retention requirements
Responsible use of equity for employee
compensation
No special executive benefits/severance or
golden parachutes
Client/Customer/Stakeholder Focus
Examples
of
external
recognition
3
we
received
in
2018
include:
o
CCB:
#1 in overall customer satisfaction among national banks
o
CIB:
#1 in global Markets revenue and Investment Banking fees
o
CB:
#1 multifamily lender
o
AWM: ETF Issuer of the Year
Continued
to
make
significant
investments
in
enhancing
customer
and
client
experience
through new and expanded digital capabilities
Strong performance
1
Risk, Controls, and Conduct
Continued to embed conduct risk in our risk management processes
Continued to invest in our cybersecurity capabilities

Formula

PSUs link ultimate payout to pre-established absolute and relative ROTCE goals

Disciplined performance assessment to determine pay

2

Sound

pay practices

3

Balanced Discretion

Variable pay award levels based on four broad categories:

Business Results

Risk, Controls & Conduct

For footnoted information please see page 18

Client/Customer/Stakeholder Focus

Teamwork & Leadership

\$32.5B

Net Income

\$9.00

EPS

13% ROE

17% ROTCE

1

\$28.5B

Net capital

Distributions

2

The Board awarded Mr. Dimon

\$31

million of total compensation for 2018, an
increase of \$1.5 million from 2017

The Board considered the Firm's
consistently strong multi-year
performance under Mr. Dimon's
stewardship

Pay is aligned with performance

4

Rigorous accountability and recovery provisions

5

Robust risk, controls and conduct review process can impact compensation pools and
individual pay

Strong cancellation and clawback
provisions cover both cash and equity awards

TRIGGER

5

VESTED

UNVESTED

Restatement

Misconduct

Risk-related

Protection

based

Shareholder Feedback

In response to our 93% Say-on-Pay support and positive shareholder feedback, the CMDC maintained the key features of our compensation program

2018 Update

Calibrated the Absolute ROTCE goal for the 2018 PSU award to 18% based on current forecast of future performance

Proposal #2: Advisory resolution to approve executive compensation (cont d)

The Board recommends you vote FOR the executive compensation program

Summary of factors for shareholder consideration

For additional detail, see 2019 Proxy Statement pages 38-77

10

\$

1.5M Salary

Has not changed from 2017

Has not changed from 2017

\$

5M Cash Incentive

\$1.5M from 2017

~95% of pay is at-risk

3% -

5%

38% -

39%

29%

29%

Salary

\$

24.5M PSUs

Cash Incentive

PSUs

Restricted Stock Units (RSUs)

~95 -

97% of pay is at-risk

Total

Compensation

\$31M

Total

Compensation

\$15M-\$22M

Mr. Dimon

Other NEOs

4

Plan Feature
Performance Year 2018 PSU Award Description

Vehicle

Value of units moves with stock price during performance period; units are settled in shares at vesting

Time Horizon

3-year cliff vesting, plus an additional 2-year holding period (for a combined 5-year holding period)

Performance

Measure

The

CMDC

selected

ROTCE

1

,

a

fundamental

performance

metric,

which

measures

the

Firm's

net

income

applicable

to

common

equity

as

a

percentage

of

average

tangible

common

equity.

ROTCE

is

meaningful

to

the

Firm,

as

well

as

investors

and

analysts,

in

assessing

the

earnings

power
of
common
shareholders
equity
capital
and
is
a
useful
metric
for
comparing
the
profitability
of
the
Firm
with that of competitors.

Payout Grid

Payout under the PSU plan is calculated annually over the three-year performance period based on absolute and relative ROTCE using the formulaic payout grid below. Absolute and relative performance metrics help promote a reasonable outcome for both shareholders and participants. Annual payout calculations prevent excessive weightings attributable to a single year within the year performance period. For the 2018 PSU award, the CMDC set the maximum payout at an ROTCE level of 18% (or greater) compared to 14% in 2015 and 2016 and 17% in 2017.

Minimum Risk-based Hurdle

If
the
Firm's
common
equity
Tier
1
(CET1)
capital
ratio
2
is
less
than
7.5%
at
any
year-end,
then
unvested
PSUs
referencing
that

performance year will be subject to downward adjustment by the CMDC. This feature was first introduced with the 2017 PSU

PSU

Performance

Companies

In determining companies to include in the relative ROTCE scale, the CMDC selected competitors with business activities that with at least 30% of the Firm's revenue mix. These are unchanged from prior years and include Bank of America, Barclays, C

One Financial, Citigroup, Credit Suisse, Deutsche Bank, Goldman Sachs, HSBC, Morgan Stanley, UBS and Wells Fargo.

Narrow

Adjustment

Provision

The CMDC may make adjustments (up or down) to maintain the intended economics of the award in light of changed circumstances (e.g., change in accounting rules/policies or changes in capital structure). The CMDC may also make additional downward

adjustments in relation to Mr. Pinto's PSUs (see note 1 on page 52 of the 2019 Proxy Statement).

Proposal #2: Advisory resolution to approve executive compensation (continued)

The Board recommends you vote FOR

the executive compensation program

1

ROTCE is calculated for each year in the performance period using unadjusted reported data as set forth in public financial disclosures

2

The CET1 ratio is a key regulatory capital measure; for further explanation, see page 101 of the 2019 Proxy Statement.

Performance Share Unit (PSU) program overview

For additional detail, see 2019 Proxy Statement pages 38-77

11

Payout by relative

ROTCE Scale

Proposal #2: Advisory resolution to approve executive compensation (cont'd)
The Board recommends you vote FOR

the executive compensation program

Determining absolute and relative PSU performance goals

Each year the CMDC sets the absolute ROTCE goal for that year's award of PSUs by reviewing the Firm's historical performance, possible net income and capital outcomes over the next three years. For the 2018 PSU award granted in January 2019, these outcomes are considered in the context of (among other things) the expected impacts of: the TCJA; regulatory capital requirements; annual stress tests; international economic environment, all of which affect the range of ROTCE outcomes in the medium-term.

Consistent with the Firm's pay-for-performance philosophy, in setting the relative ROTCE performance goals, the CMDC determines that for previously granted PSU awards should be limited to instances in which the Firm outperforms its competitors on a relative basis occurring in instances of under performance. Achievement of median relative performance results in target payout (100%), while outstanding performance, and with what the CMDC believes is a reasonable outcome. Outstanding relative performance, which results in a payout of 150% for the Firm achieving a ROTCE in the top 25%, or top three, of the competitor group.

Performance

Share

Units

5-year

time

horizon

PSUs awarded for performance years 2015, 2016 and 2017

The Firm reported ROTCE of 13%, 12%, and 17% in 2016, 2017, and 2018 respectively, resulting in 1st Quartile relative performance and a payout of 150% for each tranche of the 2015, 2016 and 2017 PSU awards referencing those years. In assessing the Firm's 2018 performance against the absolute goal established in the 2015 PSU award, the CMDC reviewed information related to the estimated impact of enactment of the TCJA on the Firm's performance and determined no adjustment was required to the ultimate payout of that award based on intended economics. On March 25, 2019, the 2015 PSU award vested at 150%.

For additional detail, see 2019 Proxy Statement pages 38-77

12

PSU goal is set at beginning of performance period and is the same for all 3 years

Annual payout calculation results in:

NO

catch-up for poor performance years

NO

rollover for very strong years

Proposal
#3:

The
Board
recommends
you
vote
FOR
ratification
of

PricewaterhouseCoopers LLP (PwC)

The members of the Audit Committee and the Board believe that continued retention of PwC as the Firm's independent external auditor is in the best interests of JPMorgan Chase and its shareholders

Engagement of independent registered public accounting firm

The Audit Committee annually reviews PwC's qualifications, performance and independence in connection with its determination as to whether to retain PwC. In conducting its review, the Audit Committee considers, among other factors:

The professional qualifications of PwC and that of the key members of the audit team

PwC's performance on the Firm's audit, including its professional skepticism and objectivity

The audit quality of PwC, including recent Public Company Accounting Oversight Board (PCAOB) reports, peer self-reviews and legal risks and significant proceedings affecting PwC

The independence of PwC

Audit committee annually reviews PwC

The Audit Committee assesses PwC's independence throughout the year. This includes reviewing with PwC its practices for maintaining independence

It is JPMorgan Chase's policy not to use PwC for any other services other than audit, audit-related and tax services in certain circumstances

In accordance with SEC rules and PwC policies, audit partners are subject to rotation requirements to limit the number of consecutive years of service an individual partner may provide audit services to our Firm

The lead audit partner and quality review partner may provide services to our Firm for a maximum of five consecutive years

The current lead audit partner is expected to serve in this capacity through the end of the 2020 audit

The Board believes there are significant benefits to having an auditor with extensive history with the Firm, including: the high quality of their audit work and accounting advice, their audit efficiency and effectiveness, and the time and expense that would be avoided to onboard a new auditor

Board oversight of PwC

For additional detail, see 2019 Proxy Statement pages 78-83

13

1	
Management proposals	
7	
2	
Shareholder proposals	
14	

For additional detail, see 2019 Proxy Statement pages 85-87
14

JPMorgan Chase already conducts periodic pay equity reviews that take into account factors that potentially impact pay. Globally, women at the Firm are paid 99% of what men are paid, taking into account factors that potentially impact pay. This is a more representative measure of comparable pay for similar work than a review focusing solely on median earnings of male and female employees

We are committed to fairness in compensation practices for all employees. The report requested on the median pay gap is primarily influenced by the representation of women at different levels of the organization and is not reflective of the Firm's commitment to diversity, expanding advancement opportunities for women and minorities, and fairness in compensation. We do not believe it is a meaningful metric to present to shareholders

JPMorgan Chase is committed to diversity and inclusion best practices and devotes significant resources to programs, policies and analyses that we believe have a greater impact than the proposed pay gap report

Request that the Firm report on the company's global median pay gap between male and female employees

Proposal #4: Gender pay equity report

The
Board
recommends
you
vote
AGAINST
this
shareholder
proposal

Proposal #5: Enhance shareholder proxy access
The Board recommends you vote

AGAINST

this shareholder proposal

The Firm's proxy access By-law strikes an appropriate balance between providing shareholders with meaningful access to the right and protecting against potential abuse by shareholders whose interests are not aligned with the majority of long-term shareholders

The By-law requiring that nominees receive at least 20% support to be eligible for re-nomination protects shareholders from the expense and disruption of voting on repeat nominees who fail to garner significant shareholder support and provides opportunity for shareholders to nominate other qualified candidates

The Firm's By-law, including our re-nomination threshold, is aligned with current best practices

For additional detail, see 2019 Proxy Statement pages 88-89

Recommend that our Board amend its proxy access bylaw provisions so that a director candidate shall not need to obtain a specific percentage vote in order to qualify as a shareholder proxy access director candidate

15

Proposal #6: Cumulative voting

The Board recommends you vote AGAINST

this shareholder proposal

One share, one vote best serves shareholder interests

Cumulative voting is inconsistent with majority voting for directors and increases the risk of disproportionate representation of special interests

The Firm has strong corporate governance standards that promote long-term shareholder value

Because each director oversees the management of the Firm for the benefit of all shareholders, the Board believes that changing the current voting procedures would not be in the best interests of all shareholders

For additional detail, see 2019 Proxy Statement pages 90-91

Recommend that our Board take the steps necessary to adopt cumulative voting

16

Notes

Notes on non-GAAP financial measures

1.
In
addition
to
analyzing
the
Firm's
results
on
a
reported
basis,
management
reviews
Firmwide
results
on
a
managed
basis;
these
Firmwide
managed
basis
results
are
non-GAAP
financial
measures.

The
Firm
also
reviews
the results of the lines of business on a managed basis. The Firm's definition of managed basis starts, in each case, with the reported results of the Firm (and each of the reportable business segments) on a fully taxable-equivalent basis. Accordingly, revenue from investments is reported on a basis comparable to taxable investments and securities. These non-GAAP financial measures allow management to assess the performance of the Firm. The corresponding income tax impact related to tax-exempt items is recorded within income tax expense. These adjustments have no effect on the Firm's reported income tax expense. For a reconciliation of the Firm's results from a reported to managed basis, see page 57 of the 2018 Form 10-K.

2.
TCE, ROTCE and TBVPS are each non-GAAP financial measures. TCE represents the Firm's common stockholders' equity (other than mortgage servicing rights), net of related deferred tax liabilities. ROTCE measures the Firm's net income applicable to common stockholders at period-end divided by common shares at period-end. TCE, ROTCE and TBVPS are utilized by the Firm, as well as investors and analysts, in the performance evaluation and calculations of these measures for the periods presented.

Non-GAAP reconciliations

(a)
Represents deferred tax liabilities related to tax-deductible goodwill and to identifiable intangibles created in nontaxable transactions, which are netted against goodwill and other intangibles when calculating TCE.

(b)
Represents net income applicable to common equity / average common stockholders' equity.

Notes on key performance measures

1.

The Basel III common equity Tier 1 (CET1) ratio (which was fully phased-in effective January 1, 2019) is considered a key measure utilized by analysts to assess and monitor the Firm's capital position. For additional information on these measures, see Capital Risk Management.

2.

Core loans represent loans considered central to the Firm's ongoing businesses; and exclude loans classified as trading assets, loans is a measure utilized by the Firm and its investors and analysts in assessing actual growth in the loan portfolio.

3.

On December 22, 2017, the TCJA was signed into law. The Firm's results for the year ended December 31, 2017, included a \$406 million (after-tax) benefit related to a settlement with the FDIC receivership for Washington Mutual and with Deutsche Bank per share, which exclude the impact of these significant items, are each non-GAAP financial measures. Management believes that these items are not representative of the Firm's ongoing business.

(c)

Represents net income applicable to common equity / average TCE.

(d)

Represents common stockholders' equity at period-end / common shares at period-end.

(e)

Represents TCE at period-end / common shares at period-end.

17

Footnotes

Additional information regarding slide 3: We demonstrated strong financial performance in 2018

1.
ROTCE and TBVPS are each non-GAAP financial measures; for a reconciliation and further explanation, see footnote 2 on slide 17.
2.
Reflects common dividends and common stock repurchases, net of common stock issued to employees.
3.
TSR shows the actual return of the stock price, with dividends reinvested.
Additional information regarding slide 4: The Firm has demonstrated sustained, strong financial performance
1.
ROTCE and TBVPS are each non-GAAP financial measures; for a reconciliation and further explanation, see footnote 2 on slide 17.
2.
Excluding the impact of the enactment of the Tax Cuts and Jobs Act (TCJA) of \$(2.4) billion and a legal benefit of \$406 million, adjusted EPS has been \$6.87. Adjusted ROTCE and adjusted EPS are each non-GAAP financial measures; for further explanation, see footnote 3.
Additional
information
regarding
slide
7:
Proposal
#1:
Election
of
Directors
1.
Director of a heritage company of the Firm as follows: Bank One Corporation: Mr. Burke (2003 2004), Mr. Crown (1996 2000); Mr. Crown (1991 1996); and J.P. Morgan & Co. Incorporated: Mr. Raymond (1987 2000).
2.
Principal standing committee.
3.
Retired from JPMorgan Chase & Co. in 2005.
Additional
information
regarding
slide
10:
Proposal
#2:
Advisory
resolution
to
approve
executive
compensation
(cont d)
1.
ROTCE is a non-GAAP financial measure; for a reconciliation and further explanation, see footnote 2 on slide 17.
2.
Reflects common dividends and common stock repurchases, net of common stock issued to employees.
3.
For
external

recognition
sources
for
CIB
and
AWM,
refer
to
pages
59-60
of
the
2019
Proxy
Statement.
CCB
recognition
is
from
J.D.
Power's
2018
National
Banking
Study;
CB
recognition
is
from
S&P
Global
Market
Intelligence as of December 31, 2018.

4.

Total compensation range for Other NEOs includes Mr. Pinto. Pay Mix components for Other NEOs exclude Mr. Pinto. The table excludes Mr. Pinto's compensation for 2018 due to the new SEC compensation disclosure regulations. For additional information on Mr. Pinto's pay mix, see footnote 1 on page 52 of the 2019 Proxy Statement.

5.

See page 63 of the 2019 Proxy Statement for more details on clawbacks.

18

Forward-looking statements

These Proxy Supplemental Materials contain forward-looking statements. These statements can be identified by the fact that th

not relate strictly to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe or other words of similar meaning. Forward-looking statements provide JPMorgan Chase & Co.'s (JPMorgan Chase or the Firm) current expectations or forecasts of future events, circumstances, results or aspirations and are subject to significant risks and uncertainties. These risks and uncertainties could cause the Firm's actual results to differ materially from those set forth in such forward-looking statements. Certain of such risks and uncertainties are described in JPMorgan Chase's Annual Report on Form 10-K for the year ended December 31, 2018. JPMorgan Chase does not undertake to update the forward-looking statements included in these Proxy Supplemental Materials to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made.

This document is only a summary of certain information in JPMorgan Chase & Co.'s 2019 Proxy Statement, and shareholders should read the Proxy Statement in its entirety before voting their shares.