

**RESOLVED:** Shareholders of Amazon.com Inc (“Amazon” or the “Company”) urge the Board of Directors (the “Board”) to adopt a policy to require that the Chair of the Board shall be an independent director who has not previously served as an executive officer of the Company.

This policy should be implemented so as not to violate any contractual obligations, with amendments to the Company’s governing documents as needed. The policy should also specify the process for selecting a new independent Chair if the current Chair ceases to be independent between annual meetings of shareholders. Compliance with the policy may be excused if no independent director is available and willing to be Chair.

## **SUPPORTING STATEMENT**

Amazon’s Chief Executive Officer (CEO) Jeff Bezos also serves as Board Chair. We believe the combination of these two roles in a single person weakens a corporation’s governance, which can harm shareholder value. The Board’s oversight of management can be diminished when the Chair is not an independent director.

According to Institutional Shareholder Services, “the past decade has witnessed a significant rise in the number of companies with independent Chairs and a corresponding decline in the prevalence of combined CEO-Chairs.”<sup>i</sup> In 2019, 34 percent of S&P 500 companies had an independent Chair, up from 31 percent in the previous year and 16 percent in 2009.<sup>ii</sup>

According to Glass Lewis, “shareholders are better served when the board is led by an independent chairman who we believe is better able to oversee the executives of the Company and set a pro-shareholder agenda without the management conflicts that exists when a CEO or other executive also serves as chairman.”<sup>iii</sup>

An independent Chair will be particularly useful at Amazon to provide more robust oversight of risk, including on environmental, social, and governance issues. An independent Chair will strengthen the ability of the Board to provide objective feedback to the CEO and enhance management accountability.

Amazon has faced increasing criticism over its relationships with key constituencies, such as small businesses,<sup>iv</sup> workers,<sup>v</sup> and communities in which it operates.<sup>vi</sup> Amazon has also been criticized regarding workplace safety practices related to COVID-19<sup>vii</sup> and warehouse injuries.<sup>viii</sup> The Company’s surveillance technology has provoked concerns.<sup>ix</sup> The Company has also been criticized regarding gender<sup>x</sup> and racial<sup>xi</sup> diversity.

These controversies and operating challenges may have resulted from Amazon’s rapid growth, but they threaten to damage our Company’s corporate reputation and financial performance. An independent Chair would more likely result in improved policies and practices to mitigate these business risks.

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<sup>i</sup> <https://www.issgovernance.com/library/independent-board-leadership-matters/>

<sup>ii</sup> [https://www.spencerstuart.com/-/media/2019/ssbi-2019/us\\_board\\_index\\_2019.pdf](https://www.spencerstuart.com/-/media/2019/ssbi-2019/us_board_index_2019.pdf)

<sup>iii</sup> <https://www.glasslewis.com/wp-content/uploads/2016/03/2016-In-Depth-Report-INDEPENDENT-BOARD-CHAIRMAN.pdf>

<sup>iv</sup> <https://www.yalelawjournal.org/note/amazons-antitrust-paradox>; [https://iilsr.org/amazons\\_tollbooth/](https://iilsr.org/amazons_tollbooth/)

<sup>v</sup> <https://www.vice.com/en/article/5dp3yn/amazon-leaked-reports-expose-spying-warehouse-workers-labor-union-environmental-groups-social-movements>; <https://www.vox.com/recode/2020/10/6/21502639/amazon-union-busting-tracking-memo-spoc>

<sup>vi</sup> <https://www.nytimes.com/2019/02/14/opinion/amazon-hq2-new-york.html>;

<https://www.theatlantic.com/business/archive/2018/02/amazon-warehouses-poor-cities/552020/>

<sup>vii</sup> <https://www.nytimes.com/2020/05/07/technology/amazon-coronavirus-whistleblowers.html>

<sup>viii</sup> <https://www.revealnews.org/article/how-amazon-hid-its-safety-crisis/>

<sup>ix</sup> <https://www.washingtonpost.com/technology/2019/11/19/police-can-keep-ring-camera-video-forever-share-with-whomever-theyd-like-company-tells-senator/>; <https://www.nytimes.com/2020/11/27/opinion/amazon-halo-surveillance.html>

<sup>x</sup> <https://www.nytimes.com/2017/10/20/technology/amazon-sexual-harassment.html>

<sup>xi</sup> <https://www.nytimes.com/2020/06/24/technology/amazon-racial-inequality.html>