

[AMZN: Rule 14a-8 Proposal, December 9, 2021]
[This line and any line above it – *Not* for publication.]



Proposal 4* - **Address Wealth Inequality Through an Ownership Culture**

Resolved: Amazon.com Inc ("Company") shareholders request the Board's Compensation, Nominating and Governance and Corporate Governance Committee ("Committee") issue a report annually assessing the distribution of stock-based incentives throughout the workforce (such as but not limited to performance share units, employee stock purchase plans, restricted stock units, and options). The report should include a matrix, sorted by EEO-1 employee classification or another appropriate classification scheme with four or more categories chosen by the Committee, showing aggregate amounts of stock ownership granted and utilized by all U.S Company employees and including associated voting power, if any. The Committee should issue the report before or concurrent with the next annual proxy statement.

Supporting Statement:

Wealth inequality in the United States has increased dramatically,¹ is widely recognized as a *significant social policy issue*,² and brings many problems, such as political polarization.³ Employee ownership is key to addressing this social policy in a bipartisan manner.⁴

Providing stock ownership incentives to boards and executives but not to all U.S. company employees has led to glaring inequality. Our Company's "pay ratio" is "small," 1 to 58, because Mr. Bezos's "pay" mainly consisted of costs related to security. A similar ratio comparing stock ownership by named executives with those of typical U.S. employees would be much higher at our Company and nationally at other companies.

From 1973 to 2018, inflation-adjusted wages for nonsupervisory American workers were flat. Meanwhile, a dollar's worth of stock grew (in real terms) to \$14.09. Hourly wages stagnated. Income from capital ownership accelerated. The top 10% of American households earned 97% of capital gains. Typical White families own nearly 10x the average Black family. Single women own only 36% of what typical men own. That gap is greater for women of color.⁵ Strengthening employee ownership would help address these inequities.⁶

¹ <https://inequality.org/facts/wealth-inequality/>

² <https://www.pewresearch.org/fact-tank/2020/02/07/6-facts-about-economic-inequality-in-the-u-s/>

³ https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2649215

⁴ <https://thehill.com/blogs/congress-blog/politics/512413-employee-ownership-the-wealth-gap-and-the-current-crisis>

⁵ <https://ownershipamerica.org/the-problem/>

⁶ https://smlr.rutgers.edu/sites/default/files/Documents/Centers/Institute_Employee_Ownership/rutgerskelloggreport_april2019.pdf

Our Company recognizes stock ownership as an incentive for directors and named executives, reporting annually on utilization. We ask our Company to track and disclose similar information and associate voting power for all U.S. employees using meaningful classifications.

Widespread employee ownership is correlated with better firm performance, fewer layoffs, better employee compensation and benefits, higher median household wealth, longer median job tenure, and reduced racial and gender wealth gaps.⁷ It also has a long history of bipartisan support.⁸ Our Company should educate and promote ownership plans and progress towards an engaged employee ownership culture.⁹

Employee engagement and trust are crucial to success. Expanding the Committee's perspective beyond executive compensation would give them "a better grasp on how human talent matters for the company's business strategy and operations."¹⁰ Our Company could benefit shareholders, employees, and the economy by leading on this issue.

Increase Long-Term Shareholder Value
Vote to **Create an Ownership Culture** – Proposal [4*]
[This line and any below, *except for footnotes*, are *not* for publication.]
Number 4* to be assigned by AMZN

The graphic included above is intended to be published with the rule 14a-8 proposal. It would be the same size as the largest management graphic (or highlighted management text) used in conjunction with a management proposal or opposition to a Rule 14a-8 shareholder proposal in the 2022 proxy.

The proponent is willing to discuss mutual elimination of both shareholder graphic and any management graphic in the proxy in regard to this specific proposal. Reference SEC Staff Legal Bulletin No. 14I (CF) [16].

Companies should not minimize or otherwise diminish the appearance of a shareholder's graphic. For example, if the Company includes its own graphics in its proxy statement, it should give similar prominence to a shareholder's graphics. If a company's proxy statement appears in black and white, however, the shareholder proposal and accompanying graphics may also appear in black and white.

Notes: This proposal conform with Staff Legal Bulletin No. [14B](#) (CF), September 15, 2004 including (emphasis added):

Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(i)(3) in the following circumstances:

- the Company objects to factual assertions because they are not supported;

⁷ <https://secureservercdn.net/192.169.220.85/111.986.myftpupload.com/wp-content/uploads/2021/10/WhitePaper-TurningEmployeesIntoOwners.pdf> and <https://www.nceo.org/article/research-employee-ownership>

⁸ <https://www.thirdway.org/report/having-a-stake-evidence-and-implications-for-broad-based-employee-stock-ownership-and-profit-sharing>

⁹ <https://smlr.rutgers.edu/faculty-research-engagement/institute-study-employee-ownership-and-profit-sharing>

¹⁰ <https://www.edelman.com/trust/2021-trust-barometer/belief-driven-employee/new-employee-employer-compact>



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- the Company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
- the Company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the Company, its directors, or its officers; and/or
- the Company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.

See also Sun Microsystems, Inc. (July 21, 2005)

I also take this opportunity to remind you of the SEC's recent guidance and my request that you acknowledge receipt of this shareholder proposal submission. SLB 14L Section F, <https://www.sec.gov/corpfin/staff-legal-bulletin-14l-shareholder-proposals>, Staff "encourages both companies and shareholder proponents to acknowledge receipt of emails when requested."