



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

April 3, 2023

Ronald O. Mueller  
Gibson, Dunn & Crutcher LLP

Re: Amazon.com, Inc. (the "Company")  
Incoming letter dated January 20, 2023

Dear Ronald O. Mueller:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by Jing Zhao for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal recommends that the board establish a public policy committee.

We are unable to concur in your view that the Company may exclude the Proposal under Rule 14a-8(i)(7). In our view, the Proposal does not seek to micromanage the Company.

Copies of all of the correspondence on which this response is based will be made available on our website at <https://www.sec.gov/corpfin/2022-2023-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Jing Zhao

January 20, 2023

VIA E-MAIL

Office of Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: *Amazon.com, Inc.*  
*Shareholder Proposal of Jing Zhao*  
*Securities Exchange Act of 1934—Rule 14a-8*

Ladies and Gentlemen:

This letter is to inform you that our client, Amazon.com, Inc. (the “Company”), intends to omit from its proxy statement and form of proxy for its 2023 Annual Meeting of Shareholders (collectively, the “2023 Proxy Materials”) a shareholder proposal (the “Proposal”) and statement in support thereof (the “Supporting Statement”) received from Jing Zhao (the “Proponent”).

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the “Commission”) no later than eighty (80) calendar days before the Company intends to file its definitive 2023 Proxy Materials with the Commission; and
- concurrently sent a copy of this correspondence to the Proponent.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”) provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the “Staff”). Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to the Proposal, a copy of such correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

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## THE PROPOSAL

The Proposal and Supporting Statement state, in relevant part:

Resolved: stockholders recommend that the Board of Amazon.com, Inc. establish a Public Policy Committee.

...

Amazon needs a Public Policy Committee to assist the Board to oversee public policy issues including human rights, corporate social responsibility, diversity, equity, inclusion, climate pledge, renewable energy, net-zero carbon shipment, vendor chain management, charitable giving, political activities and expenditures, governmental regulations, international relations, unionization and other public issues that affect Amazon 's [*sic*] operations, performance, public reputation, and shareholders' value.

A copy of the Proposal and the Supporting Statement, as well as correspondence with the Proponent directly relevant to this no-action request, is attached to this letter as Exhibit A.

## BASIS FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2023 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal relates to the Company's ordinary business operations and seeks to micromanage the Company's operations.

## ANALYSIS

### **The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because The Proposal Relates To The Company's Ordinary Business Operations.**

#### *A. Background On The Ordinary Business Standard.*

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a shareholder proposal that relates to the company's "ordinary business" operations. According to the Commission's release accompanying the 1998 amendments to Rule 14a-8, the term "ordinary business" "refers to matters that are not necessarily 'ordinary' in the common meaning of the word," but instead the term "is rooted in the corporate law concept providing management with

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flexibility in directing certain core matters involving the company's business and operations." Exchange Act Release No. 40018 (May 21, 1998) (the "1998 Release").

In the 1998 Release, the Commission stated that the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting," and identified two central considerations that underlie this policy. As relevant here, one of those considerations is related to "the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." *Id.* (citing Exchange Act Release No. 12999 (Nov. 22, 1976)). The 1998 Release further states that "[t]his consideration may come into play in a number of circumstances, such as where the proposal involves intricate detail, or seeks to impose specific . . . methods for implementing complex policies" (emphasis added).

In Staff Legal Bulletin No. 14L, Part B.2 (November 3, 2021) ("SLB 14L"), the Staff reaffirmed the standards set forth in the 1998 Release. In addition, SLB 14L clarified that in considering arguments for exclusion based on micromanagement, "the staff will take a measured approach to evaluating companies' micromanagement arguments – recognizing that proposals seeking detail or seeking to promote timeframes or methods do not per se constitute micromanagement. Instead, [the Commission] will focus on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management." The Staff stated, "[t]his approach is consistent with the Commission's views on the ordinary business exclusion, which is designed to preserve management's discretion on ordinary business matters but not prevent shareholders from providing *high-level direction* on large strategic corporate matters." *Id.* (emphasis added).

Applying the foregoing standards, the Staff consistently has concurred with the exclusion of proposals based on micromanagement where the proposal attempts to inappropriately limit the discretion of the board or management with respect to complex matters. For example, in *The Coca-Cola Co.* (avail. Feb. 16, 2022), the Staff concurred with exclusion of a proposal that requested that the company submit any proposed "political statement" to the next shareholder meeting for approval prior to issuing such statement publicly. The company argued that the proposal sought to micromanage the company by implicating the complex issue of determining what statements are "political" and inappropriately limiting discretion of the board or management in making statements to the public, which would "undermine management's and the board's decision-making process." The company also asserted that the

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proposal sought to “dictate[] the content of and process by which the [c]ompany may make certain public statements by interfering with and impermissibly limiting the fundamental discretion of management . . . .” The Staff concurred that the proposal was properly excludable as it sought to micromanage the company’s board and management.

The Staff has also consistently concurred with the exclusion of proposals based on micromanagement where the proposal implicates a level of granularity that is inappropriate for shareholder action. For example, in *Verizon Communications Inc. (National Center for Public Policy Research)* (avail. Mar. 17, 2022), the proposal requested that the company’s board publish annually the written and oral content of diversity, inclusion, equity, or related employee-training materials offered to the company’s employees by the company or with its consent, as well as any such materials that were sponsored by the company in whole or part. The company argued that requesting publication of all written and oral diversity, equity, and inclusion content (or related employee training materials) was “precisely the level of granularity that the Staff highlighted in SLB 14L” for evaluating micromanagement arguments. The Staff concurred that the proposal was properly excludable under Rule 14a-8(i)(7), noting that the proposal “micromanage[d] the [c]ompany by probing too deeply into matters of a complex nature by seeking disclosure of intricate details regarding the [c]ompany’s employment and training practices.” *See also Deere & Co.* (avail. Jan. 3, 2022) (concurring with the exclusion of a substantially similar proposal under Rule 14a-8(i)(7) as micromanagement).

*B. The Proposal Is Excludable Because It Seeks To Micromanage The Company.*

By mandating the formation of a Public Policy Committee to oversee 13 or more varied and unrelated environmental, social, regulatory, and human capital topics,<sup>1</sup> the Proposal reflects a high level of granularity that inappropriately seeks to limit the discretion of the Company’s board of directors (the “Board”) on how best to allocate oversight responsibilities within the Board and among its committees. As such, the Proposal intrudes too deeply into matters of a complex nature upon which shareholders, as a group, are not in a position to make an informed judgment. Decisions around the appropriate allocation of oversight responsibilities

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<sup>1</sup> The Supporting Statement argues that the reason the proposed Public Policy Committee is needed is so it could oversee a plethora of varied and unrelated topics, including (1) human rights; (2) corporate social responsibility; (3) diversity, equity, and inclusion; (4) climate pledge; (5) renewable energy; (6) net-zero carbon shipment; (7) vendor chain management; (8) charitable giving; (9) political activities and expenditures; (10) governmental regulations; (11) international relations; (12) unionization; and (13) other public issues that affect the Company’s operations, performance, public reputation, and shareholders’ value.

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among committees of the Board are complex and do not lend themselves to direct shareholder input. Such determinations require the Board, in the exercise of its fiduciary duties, to carefully balance considerations around board and committee meeting effectiveness, efficiency, and scheduling; experience and background of individual directors; time allocation at board and committee meetings; and related management-level organizational structures and reporting processes. In addition, the Board’s oversight structure is not static, but rather is assessed periodically, including as part of the annual Board evaluation process, and evolves over time to meet the changing needs of the Company.<sup>2</sup> As a result, shareholders are simply not well-positioned to make decisions about the appropriate allocation of Board oversight responsibilities for the array of environmental, social, regulatory, and human capital matters specified in the Proposal.

Through its Proposal, the Proponent seeks to mandate a specific oversight structure for a variety of environmental, social, regulatory, and human capital matters, notwithstanding that the Board has already considered and provided for appropriate oversight of these matters through its existing committees. Specifically, as shown in the following chart, the Board has already delegated oversight responsibilities related to most of these topics to its existing committees, which are comprised solely of independent directors, and any matters not specifically delegated are overseen by the full Board, as appropriate.

Oversight Topic	Committee that Currently Oversees
Human Rights	Nominating and Corporate Governance Committee <sup>3</sup>
Corporate Social Responsibility	Nominating and Corporate Governance Committee
Diversity, Equity and Inclusion	Leadership Development and Compensation Committee <sup>4</sup>
Climate Pledge	Nominating and Corporate Governance Committee

<sup>2</sup> For example, as reported in the Company’s proxy statement for its 2022 annual meeting of shareholders, in 2022 the Board formed an ad hoc committee to oversee data protection and cybersecurity matters, which was previously a responsibility of the Audit Committee.

<sup>3</sup> See Nominating and Corporate Governance Committee Charter, available at <https://ir.aboutamazon.com/corporate-governance/documents-and-charters/nominating-and-corporate-governance-committee/default.aspx>.

<sup>4</sup> See Leadership Development and Compensation Committee Charter, available at <https://ir.aboutamazon.com/corporate-governance/documents-and-charters/leadership-development-and-compensation-committee/default.aspx>.

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Oversight Topic	Committee that Currently Oversees
Renewable Energy	Nominating and Corporate Governance Committee
Net-Zero Carbon Shipment	Nominating and Corporate Governance Committee
Vendor Chain Management	Nominating and Corporate Governance Committee
Political Activities and Expenditures	Audit Committee <sup>5</sup>
Governmental Regulations	Audit Committee
Charitable Giving	Full Board
International Relations	Full Board
Unionization	Leadership Development and Compensation Committee
Other Public Issues that Affect the Company's Operations, Performance, Public Reputation, and Shareholders' Value	Full Board and various Committees

The Proposal's mandate to establish a single committee to oversee a broad array of varied and unrelated topics, effectively seeks to micromanage the Company by probing too deeply into matters about which shareholders as a group are not in a position to make an informed judgment. In particular, the Proposal would inappropriately limit the discretion of the Board to make decisions regarding how best to allocate Board-level responsibility for various environmental, social, regulatory, and human capital matters that arise from the Company's global operations and multiple lines of business, which, as discussed above, implicates complex judgments by the Board as to the appropriate allocation of responsibilities among Board committees, and does not contemplate the possibility of the Board making future changes to its structure in the exercise of its fiduciary duties to take into account changing circumstances. Moreover, implementing the Proposal's mandate would require the Company to completely unwind its existing committee structure, which has been developed over years based on the Board's informed judgment regarding these complex considerations, and to reallocate the division of responsibility and risk oversight outlined above (and provided for in the committee charters for each committee of the Board) to conform with the rigid structure demanded by the Proposal. In this regard, the Proposal is similar to the proposal in

<sup>5</sup> See Audit Committee Charter, available at <https://ir.aboutamazon.com/corporate-governance/documents-and-charters/audit-committee/default.aspx>.

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*Coca-Cola*. In both cases, the proposals seek to dictate and create new processes for overseeing complex matters—the issuance of political statements in *Coca-Cola* and the oversight of diverse environmental, social, regulatory, and human capital matters in the Proposal—thereby taking away the board’s and management’s discretion to determine the appropriate allocation of oversight responsibilities.

Notably, the Proposal does not address a topic on which there is robust public discussion and analysis, or reference a well-established national or international governance framework.<sup>6</sup> Indeed, in 2022, only approximately 7% of the companies in the S&P 500 had a separate board committee responsible for public policy or social and corporate responsibility, a number which has been declining over the past decade,<sup>7</sup> and (while such data has not been compiled) it is unlikely that any such committee has responsibility for the extensive and diverse list of topics provided for in the Proposal.

In addition, the sheer number of topics that the proposed committee would be required to be responsible for also demonstrates that the Proposal seeks to micromanage the Company. By specifying that the purpose of the proposed committee is so that it will be responsible for at least 13 different topics as part of its oversight of “public policy” issues,<sup>8</sup> the Proposal goes well beyond “providing high-level direction on large strategic corporate matters” and instead implicates a level of granularity that is inappropriate for shareholder action, consistent with the distinction made in SLB 14L. In this regard, the granularity of the Proposal is similar to that of the proposals in *Verizon* and *Deere*, which sought to require publication of all written and oral diversity, equity, and inclusion content (and related employee training materials). In all three cases, the proposals go well beyond “providing high-level direction on large strategic corporate matters,” the standard reaffirmed in SLB 14L to distinguish when proposals are appropriate for shareholder action.

By proposing formation of a single board committee to oversee a granular and extensive list of varied and unrelated topics, the Proposal also differs from ones where shareholders have

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<sup>6</sup> Cf. SLB 14L, listing considerations relevant in assessing whether a proposal probes matters that are too complex for shareholders, as a group, to make an informed judgment.

<sup>7</sup> See 2022 U.S. Spencer Stuart Board Index, at 42, available at [https://www.spencerstuart.com/-/media/2022/october/ssbi2022/2022\\_us\\_spencerstuart\\_board\\_index\\_final.pdf](https://www.spencerstuart.com/-/media/2022/october/ssbi2022/2022_us_spencerstuart_board_index_final.pdf).

<sup>8</sup> (1) human rights; (2) corporate social responsibility; (3) diversity, equity, and inclusion; (4) climate pledge; (5) renewable energy; (6) net-zero carbon shipment; (7) vendor chain management; (8) charitable giving; (9) political activities and expenditures; (10) governmental regulations; (11) international relations; (12) unionization; and (13) other public issues that affect the Company’s operations, performance, public reputation, and shareholders’ value.



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sought to assure that a committee of the board is responsible for oversight of a specific subject. For example, in *Alphabet Inc. (Wannen)* (avail. Apr. 11, 2022), where the Staff was unable to concur in the exclusion of the proposal which sought the creation of a board committee to oversee and review policies and provide guidance on matters relating to environmental sustainability, the oversight focus of the committee requested by the proposal was limited to a single topic (environmental sustainability).

In contrast, however, the Proposal goes to an extreme in proposing that the committee be formed so that it can oversee at least 13 different and unrelated topics addressing environmental, social, regulatory, and human capital matters. As a result, the Proposal's prescriptiveness and level of granularity goes well beyond the proposal in *Alphabet*, and is more akin to other corporate governance-related proposals where the Staff has concurred that a proposal improperly seeks to micromanage how a board or board committee operates. For example, in *Exxon Mobil Corp. (Seitchik)* (Mar. 6, 2020), the Staff concurred in the exclusion of a proposal requesting the board create a new committee on climate risk. In *Exxon Mobil*, the company argued that the request for a newly-formed committee related to the company's ordinary business operations by impermissibly seeking to "micromanage" the company by not only establishing a new committee to oversee climate related risks at the company, but also imposing specific instructions for how the newly-created committee should undertake its fiduciary responsibilities to oversee these risks at the company. Similarly, the Proposal does not merely seek a committee to oversee "public policy" matters, it attempts to dictate how the committee conducts itself by specifying a plethora of different and unrelated topics as the reason for formation of the new committee. *See also General Electric Co.* (avail. Jan. 25, 2012) (concurring with the exclusion on micromanagement grounds of a corporate governance proposal requesting that the board of directors adopt a director nomination process that included a numerical rating system, where the director with the worst overall peer ranking would not be eligible to be nominated for reelection). Like the proposals in *Exxon Mobil* and *General Electric*, the Proposal is overly prescriptive and goes far beyond the level of granularity appropriate for shareholder action.

As with each of *Coca-Cola*, *Verizon*, *Deere*, *Exxon Mobil*, and *General Electric* precedents cited above, and consistent with the considerations and standards set forth in SLB 14L, the Proposal inappropriately limits the discretion of the Board on a complex matter by mandating the establishment of a new committee and ignoring the Board's existing oversight structure, and is overly prescriptive in terms of the multitude of different topics that the committee must cover as part of its oversight of these issues. As such, the Proposal seeks to micromanage the Company and, therefore, may be excluded under Rule 14a-8(i)(7).

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**CONCLUSION**

Based upon the foregoing analysis, the Company intends to exclude the Proposal from its 2023 Proxy Materials pursuant to Rule 14a-8(i)(7), and we respectfully request that the Staff concur that the Proposal may be excluded under Rule 14a-8.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to [shareholderproposals@gibsondunn.com](mailto:shareholderproposals@gibsondunn.com). If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 955-8671, or Mark Hoffman, the Company's Vice President & Associate General Counsel, Corporate and Securities, and Legal Operations, and Assistant Secretary, at (206) 266-2132.

Sincerely,



Ronald O. Mueller

Enclosures

cc: Mark Hoffman, Amazon.com, Inc.  
Jing Zhao

**EXHIBIT A**

██████████  
██████████  
November 9, 2022

Corporate Secretary

Amazon.com, Inc.

410 Terry Avenue North

Seattle, Washington 98109

via post mail & email to David A. Zapolsky ██████████, Mark Hoffman ██████████,  
Sarah Oxford ██████████

Re: Proposal to 2023 Stockholders Meeting

Dear Secretary:

Enclosed please find my stockholder proposal for inclusion in our company's proxy materials for the 2023 annual meeting of stockholders and a letter confirming my shares. I will continuously hold these shares through the 2023 annual meeting of stockholders.

The SEC and many companies have had email accounts to receive shareholder proposals for many years. I would request that Amazon provide an email account to officially receive proposals from stockholders.

I encourage Amazon to engage with shareholders on important public policy issues. I am available in person in San Francisco Bay Area to meet you and via teleconference between 9am – 5pm Monday-Friday at ██████████ or via ██████████ from today to December 15, 2022 and beyond.

Yours truly,



Jing Zhao

Enclosure: Stockholder proposal

Letter of shares

## **Stockholder Proposal on Establishing a Public Policy Committee**

Resolved: stockholders recommend that the Board of Amazon.com, Inc. establish a Public Policy Committee.

### **Supporting Statement**

The board has established an Audit Committee, a Leadership Development and Compensation Committee, and a Nominating and Corporate Governance Committee, each of which is comprised entirely of independent directors.

The name of Nominating and Corporate Governance Committee indicates that nomination, audit and compensation are not corporate governance issues. The Nominating and Corporate Governance Committee had total 4 meetings only, mainly reviewing and assessing nomination issues in 2021, without meaningful time to oversee public policy issues.

Amazon needs a Public Policy Committee to assist the Board to oversee public policy issues including human rights, corporate social responsibility, diversity, equity, inclusion, climate pledge, renewable energy, net-zero carbon shipment, vendor chain management, charitable giving, political activities and expenditures, governmental regulations, international relations, unionization and other public issues that affect Amazon 's operations, performance, public reputation, and shareholders' value. Many public policy issues have been voted at our previous shareholders meetings, many more public policy issues will come because we don't have a Public Policy Committee.

To respond to my proposals (which I withdrew), Microsoft established a Regulatory and Public Policy and Committee in 2012 besides a Governance and Nominating Committee. The Regulatory and Public Policy and Committee changes to an Environmental, Social, and Public Policy Committee. Amazon needs a Public Policy Committee more than Microsoft and other big companies.

January 27, 2023

Via email [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov)  
U.S. Securities and Exchange Commission  
Office of Chief Counsel  
Division of Corporation Finance  
100 F Street, NE, Washington, DC 20549-2736

*Re: Shareholder Proposal to 2023 Amazon.com Meeting*

Ladies and Gentlemen:

This is to respond to the Gibson Dunn-Amazon.com (the Company) letter of January 20, 2023. My proposal does not relate to the Company's ordinary business operations. It does not seek to micromanage the Company's operations.

The letter listed some irrelevant cases with irrelevant topics, such of "political statement" and "publication of all written and oral diversity, equity, or related employee-training materials," but failed to establish any similarity or logic connected to my proposal's contents. My proposal is simple and clear for shareholders to vote; it does not "intrude too deeply into matters of a complex nature upon which shareholders, as a group, are not in a position to make an informed judgment." To exclude my proposal is to "prevent shareholders from providing *high-level direction* on large strategic corporate matters."

The Company's public policy issues listed in my proposal's Supporting Statement have been negatively reported widely in the media and voted at previous shareholders meetings, because there is not a Public Policy Committee and the Nominating and Corporate Governance Committee had total 4 meetings only, mainly reviewing and assessing nomination issues in 2021, without meaningful time to oversee public policy issues. There is no need to establish one committee for each of the public policy issues. That would be a waste of the Company's very limited leadership resource.

The letter admitted that "approximately 7% of the companies in the S&P 500 had a separate

board committee responsible for public policy,” i.e., about 35 companies have established a public policy or social and corporate responsibility committee. Considering Amazon’s giant size and complex operations of business worldwide, even if there are only 3 or 4 companies (0.7% of 500) having a public policy committee, Amazon must be one of them. Whether or not to establish a public policy committee is exactly the “*high-level direction* on large strategic corporate matters,” the Company should not “prevent shareholders from providing *high-level direction* on large strategic corporate matters.” There is no base to exclude my proposal.

When I am thinking how to respond to the baseless letter this week, there are many public policy related news appeared in the media, such as this: “Amazon workers in Britain went on strike for the first time, dragging the e-commerce giant into the wave of labor unrest that has been sweeping the U.K. and other European economies.” (<https://www.wsj.com/>) The letter’s table (pages 5-6) also revealed the failure of the Company’s board structure to deal with the increasingly diversified public policy issues. The Company needs a public policy committee, now.

Should you have any questions, please contact me at [REDACTED] PII or

[REDACTED] PII .

Respectfully,



Jing Zhao

Cc: Ronald O. Mueller [RMueller@gibsondunn.com](mailto:RMueller@gibsondunn.com) & [shareholderproposals@gibsondunn.com](mailto:shareholderproposals@gibsondunn.com),  
Victor Twu [VTwu@gibsondunn.com](mailto:VTwu@gibsondunn.com), Mark F. Hoffman [markhoff@amazon.com](mailto:markhoff@amazon.com)