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

# FORM 10-K

Annual report pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

| | |
|---|---|
| For the fiscal year ended December 31, 2013 | Commission file number 1-5805 |

# JPMorgan Chase & Co.

(Exact name of registrant as specified in its charter)

| | |
|---|---|
| Delaware | 13-2624428 |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. employer identification no.) |
| 270 Park Avenue, New York, New York | 10017 |
| (Address of principal executive offices) | (Zip code) |

Registrant's telephone number, including area code: (212) 270-6000
Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Name of each exchange on which registered |
|---|---|
| Common stock | The New York Stock Exchange |
| | The London Stock Exchange |
| | The Tokyo Stock Exchange |
| Warrants, each to purchase one share of Common Stock | The New York Stock Exchange |
| Depositary Shares, each representing a one-four hundredth interest in a share of 5.50% Non-Cumulative Preferred Stock, Series O | The New York Stock Exchange |
| Depositary Shares, each representing a one-four hundredth interest in a share of 5.45% Non-Cumulative Preferred Stock, Series P | The New York Stock Exchange |
| Guarantee of 6.70% Capital Securities, Series CC, of JPMorgan Chase Capital XXIX | The New York Stock Exchange |
| Alerian MLP Index ETNs due May 24, 2024 | NYSE Arca, Inc. |

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| ☒ Large accelerated filer | ☐ Accelerated filer | ☐ Non-accelerated filer<br>(Do not check if a smaller reporting company) | ☐ Smaller reporting company |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The aggregate market value of JPMorgan Chase & Co. common stock held by non-affiliates as of June 30, 2013: $197,931,024,385

Number of shares of common stock outstanding as of January 31, 2014: 3,786,825,346

Documents incorporated by reference: Portions of the registrant's Proxy Statement for the annual meeting of stockholders to be held on May 20, 2014, are incorporated by reference in this Form 10-K in response to Items 10, 11, 12, 13 and 14 of Part III.

# Report of independent registered public accounting firm

**To the Board of Directors and Stockholders of JPMorgan Chase & Co.:**

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows present fairly, in all material respects, the financial position of JPMorgan Chase & Co. and its subsidiaries (the "Firm") at December 31, 2013 and 2012 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Firm maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013 based on criteria established in *Internal Control - Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Firm's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying "Management's report on internal control over financial reporting". Our responsibility is to express opinions on these financial statements and on the Firm's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP

February 19, 2014

**PricewaterhouseCoopers LLP • 300 Madison Avenue • New York, NY 10017**

## Note 10 – Employee stock-based incentives

### Employee stock-based awards

In 2013, 2012 and 2011, JPMorgan Chase granted long-term stock-based awards to certain employees under its Long-Term Incentive Plan, which was last amended in May 2011 ("LTIP"). Under the terms of the LTIP, as of December 31, 2013, 266 million shares of common stock were available for issuance through May 2015. The LTIP is the only active plan under which the Firm is currently granting stock-based incentive awards. In the following discussion, the LTIP, plus prior Firm plans and plans assumed as the result of acquisitions, are referred to collectively as the "LTI Plans," and such plans constitute the Firm's stock-based incentive plans.

Restricted stock units ("RSUs") are awarded at no cost to the recipient upon their grant. Generally, RSUs are granted annually and vest at a rate of 50% after two years and 50% after three years and are converted into shares of common stock as of the vesting date. In addition, RSUs typically include full-career eligibility provisions, which allow employees to continue to vest upon voluntary termination, subject to post-employment and other restrictions based on age or service-related requirements. All RSUs awards are subject to forfeiture until vested and contain clawback provisions that may result in cancellation under certain specified circumstances. RSUs entitle the recipient to receive cash payments equivalent to any dividends paid on the underlying common stock during the period the RSUs are outstanding and, as such, are considered participating securities as discussed in Note 24 on page 311 of this Annual Report.

Under the LTI Plans, stock options and stock appreciation rights ("SARs") have generally been granted with an exercise price equal to the fair value of JPMorgan Chase's common stock on the grant date. The Firm typically awards SARs to certain key employees once per year; the Firm also periodically grants employee stock options and SARs to individual employees. The 2013, 2012 and 2011 grants of SARs become exercisable ratably over five years (i.e., 20% per year) and contain clawback provisions similar to RSUs. The 2013, 2012 and 2011 grants of SARs contain full-career eligibility provisions. SARs generally expire ten years after the grant date.

The Firm separately recognizes compensation expense for each tranche of each award as if it were a separate award with its own vesting date. Generally, for each tranche granted, compensation expense is recognized on a straight-line basis from the grant date until the vesting date of the respective tranche, provided that the employees will not become full-career eligible during the vesting period. For awards with full-career eligibility provisions and awards granted with no future substantive service requirement, the Firm accrues the estimated value of awards expected to be awarded to employees as of the grant date without giving consideration to the impact of post-employment restrictions. For each tranche granted to employees who will become full-career eligible during the vesting period, compensation expense is recognized on a straight-line basis from the grant date until the earlier of the employee's full-career eligibility date or the vesting date of the respective tranche.

The Firm's policy for issuing shares upon settlement of employee stock-based incentive awards is to issue either new shares of common stock or treasury shares. During 2013, 2012 and 2011, the Firm settled all of its employee stock-based awards by issuing treasury shares.

In January 2008, the Firm awarded to its Chairman and Chief Executive Officer up to 2 million SARs. The terms of this award are distinct from, and more restrictive than, other equity grants regularly awarded by the Firm. Effective January 2013, the Compensation Committee and Board of Directors determined that, while all the requirements for vesting of these awards have been met, vesting should be deferred for a period of up to 18 months (i.e., up to July 22, 2014), to enable the Firm to make progress against the Firm's strategic priorities and performance goals, including remediation relating to the CIO matter. The SARs, which will expire in January 2018, will become exercisable no earlier than July 22, 2014, and have an exercise price of $39.83 (the price of JPMorgan Chase common stock on the date of grant). Vesting will be subject to a Board determination taking into consideration the extent of such progress and such other factors as it deems relevant. The expense related to this award is dependent on changes in fair value of the SARs through the date when the vested number of SARs are determined, if any, and the cumulative expense is recognized ratably over the service period, which was initially assumed to be five years but, effective in the first quarter of 2013, has been extended to six and one-half years. The Firm recognized $14 million, $5 million and $(4) million in compensation expense in 2013, 2012 and 2011, respectively, for this award.

### RSUs, employee stock options and SARs activity

Compensation expense for RSUs is measured based on the number of shares granted multiplied by the stock price at the grant date, and for employee stock options and SARs, is measured at the grant date using the Black-Scholes valuation model. Compensation expense for these awards is recognized in net income as described previously. The following table summarizes JPMorgan Chase's RSUs, employee stock options and SARs activity for 2013.

| Year ended December 31, 2013 (in thousands, except weighted-average data, and where otherwise stated) | RSUs: Number of shares | RSUs: Weighted-average grant date fair value | Options/SARs: Number of awards | Options/SARs: Weighted-average exercise price | Options/SARs: Weighted-average remaining contractual life (in years) | Options/SARs: Aggregate intrinsic value |
|---|---|---|---|---|---|---|
| Outstanding, January 1 | 142,006 | $ 40.49 | 115,906 | $ 42.44 | | |
| Granted | 46,171 | 46.92 | 12,563 | 46.77 | | |
| Exercised or vested | (62,331) | 43.28 | (35,825) | 37.32 | | |
| Forfeited | (4,605) | 40.77 | (4,007) | 39.44 | | |
| Canceled | NA | NA | (1,562) | 104.49 | | |
| **Outstanding, December 31** | 121,241 | $ 41.47 | 87,075 | $ 44.24 | 5.6 | $ 1,622,238 |
| Exercisable, December 31 | NA | NA | 46,855 | 47.50 | 4.2 | 904,017 |

The total fair value of RSUs that vested during the years ended December 31, 2013, 2012 and 2011, was $2.9 billion, $2.8 billion and $5.4 billion, respectively. The weighted-average grant date per share fair value of stock options and SARs granted during the years ended December 31, 2013, 2012 and 2011, was $9.58, $8.89 and $13.04, respectively. The total intrinsic value of options exercised during the years ended December 31, 2013, 2012 and 2011, was $507 million, $283 million and $191 million, respectively.

### Compensation expense

The Firm recognized the following noncash compensation expense related to its various employee stock-based incentive plans in its Consolidated Statements of Income.

| Year ended December 31, (in millions) | **2013** | 2012 | 2011 |
|---|---|---|---|
| Cost of prior grants of RSUs and SARs that are amortized over their applicable vesting periods | **$ 1,440** | $ 1,810 | $ 1,986 |
| Accrual of estimated costs of RSUs and SARs to be granted in future periods including those to full-career eligible employees | **779** | 735 | 689 |
| **Total noncash compensation expense related to employee stock-based incentive plans** | **$ 2,219** | $ 2,545 | $ 2,675 |

At December 31, 2013, approximately $848 million (pretax) of compensation cost related to unvested awards had not yet been charged to net income. That cost is expected to be amortized into compensation expense over a weighted-average period of 1.0 year. The Firm does not capitalize any compensation cost related to share-based compensation awards to employees.

### Cash flows and tax benefits

Income tax benefits related to stock-based incentive arrangements recognized in the Firm's Consolidated Statements of Income for the years ended December 31, 2013, 2012 and 2011, were $865 million, $1.0 billion and $1.0 billion, respectively.

The following table sets forth the cash received from the exercise of stock options under all stock-based incentive arrangements, and the actual income tax benefit realized related to tax deductions from the exercise of the stock options.

| Year ended December 31, (in millions) | **2013** | 2012 | 2011 |
|---|---|---|---|
| Cash received for options exercised | **$ 166** | $ 333 | $ 354 |
| Tax benefit realized[(a)] | **42** | 53 | 31 |

(a) The tax benefit realized from dividends or dividend equivalents paid on equity-classified share-based payment awards that are charged to retained earnings are recorded as an increase to additional paid-in capital and included in the pool of excess tax benefits available to absorb tax deficiencies on share-based payment awards.

### Valuation assumptions

The following table presents the assumptions used to value employee stock options and SARs granted during the years ended December 31, 2013, 2012 and 2011, under the Black-Scholes valuation model.

| Year ended December 31, | **2013** | 2012 | 2011 |
|---|---|---|---|
| **Weighted-average annualized valuation assumptions** | | | |
| Risk-free interest rate | **1.18%** | 1.19% | 2.58% |
| Expected dividend yield | **2.66** | 3.15 | 2.20 |
| Expected common stock price volatility | **28** | 35 | 34 |
| Expected life (in years) | **6.6** | 6.6 | 6.5 |

The expected dividend yield is determined using forward-looking assumptions. The expected volatility assumption is derived from the implied volatility of JPMorgan Chase's stock options. The expected life assumption is an estimate of the length of time that an employee might hold an option or SAR before it is exercised or canceled, and the assumption is based on the Firm's historical experience.

**JPMorgan Chase & Co.**
270 Park Avenue
New York, New York 10017-2070

April 9, 2014

Dear fellow shareholders:

We are pleased to invite you to the annual meeting of shareholders to be held on May 20, 2014, at our Highland Oaks Campus in Tampa, Florida. As we have done in the past, in addition to considering the matters described in the proxy statement, we will provide an update on the Firm's activities and performance.

We hope that you will attend the meeting in person. We strongly encourage you to designate the proxies named on the proxy card to vote your shares even if you are planning to come. This will ensure that your common stock is represented at the meeting. The proxy statement explains more about proxy voting.

As you will see, we have made substantial changes to the format of our proxy statement this year. We did this in response to comments we received from many of you asking for a simpler, more easily understood document. We hope that you will find the discussion and presentation helpful. Please read it carefully. We look forward to your participation.

Sincerely,

James Dimon

**James Dimon**
Chairman and Chief Executive Officer

JPMorgan Chase & Co.

## 2013 NAMED EXECUTIVE OFFICER COMPENSATION

The table below sets forth compensation awarded to our NEOs in connection with 2013, including salary and performance-based compensation paid in 2014 for 2013 performance. The table also contains compensation with respect to 2011 and 2012, for those individuals who were NEOs in those years and reported in the Summary Compensation Table ("SCT").

| | ANNUAL COMPENSATION (FOR PERFORMANCE YEAR) | | | | | |
|---|---|---|---|---|---|---|
| | | | INCENTIVE COMPENSATION | | | |
| NAME AND PRINCIPAL POSITION | YEAR | SALARY | CASH | RSUs | SARs | TOTAL |
| **James Dimon** Chairman and Chief Executive Officer | 2013 | $1,500,000 | $ – | $18,500,000 | $ – | **$20,000,000** |
| | 2012 | 1,500,000 | – | 10,000,000 | – | 11,500,000 |
| | 2011 | 1,500,000 | 4,500,000 | 12,000,000 | 5,000,000 | 23,000,000 |
| **Marianne Lake**[1] Chief Financial Officer | 2013 | 750,000 | 3,100,000 | 4,650,000 | – | **8,500,000** |
| **Michael J. Cavanagh** Former Co-CEO Corporate & Investment Bank | 2013 | 750,000 | 6,500,000 | 9,750,000 | – | **17,000,000** |
| **Daniel E. Pinto**[2] CEO Corporate & Investment Bank | 2013 | 750,000 | 8,125,000 | 8,125,000 | – | **17,000,000** |
| | 2012 | 750,000 | 8,125,000 | 7,125,000 | 1,000,000 | 17,000,000 |
| **Matthew E. Zames** Chief Operating Officer | 2013 | 750,000 | 6,500,000 | 9,750,000 | – | **17,000,000** |
| | 2012 | 750,000 | 6,100,000 | 9,150,000 | 1,000,000 | 17,000,000 |

1 In connection with Ms. Lake's appointment as Chief Financial Officer on January 1, 2013, her base salary was increased from $500,000 to $750,000, effective February 1, 2013.

2 For Mr. Pinto, the terms and composition of his compensation reflects applicable U.K. legal standards, which require at least half of his incentive compensation to be paid in equity with the remainder paid in cash, subject to certain restrictions and deferrals, the details of which are set forth in Note 9 of the Summary Compensation Table.

### Interpreting 2013 NEO compensation

The table above is presented to show how the CMDC viewed compensation awarded for 2013. It differs from how compensation is reported in the SCT, which is required by the SEC, and is not a substitute for the information required by the SCT. There are two principal differences between the SCT and the table above:

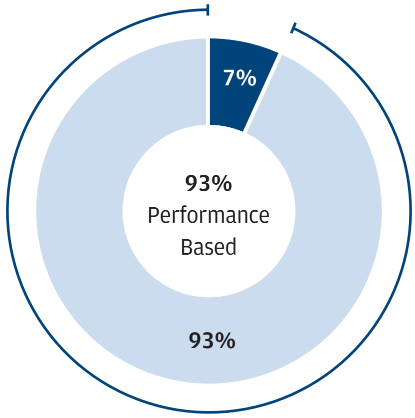
1. The Firm grants both cash and equity incentive compensation after the earnings for a performance year have been announced. In both the table above and the SCT, cash incentive compensation paid in 2014 for 2013 performance is shown as 2013 compensation. The table above treats equity awards (restricted stock units ["RSUs"] and stock appreciation rights ["SARs"]) similarly, so that equity awards granted in 2014 for 2013 performance are shown as 2013 compensation. The SCT reports the value of equity awards in the year in which they are made. As a result, equity awards shown in the SCT reflect awards granted in 2013 in respect of 2012 performance.
2. The SCT reports the change in pension value and nonqualified deferred compensation and all other compensation. These amounts are not shown above.

## PAY MIX

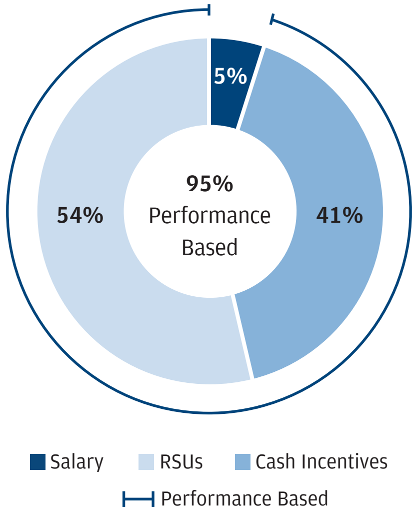
**Our compensation program provides for an appropriate mix between base salary, cash incentives and equity incentives that vest over time.** We firmly believe that the vast majority of our NEO pay should be performance-based, wherein pay levels are directly linked to the achievement of business goals and key imperatives. In addition, to encourage our NEOs to focus on the long-term success of the Firm while avoiding excessive risk-taking, we defer the majority of incentive compensation into long-term equity, awarding it in the form of restricted stock units ("RSUs") which vest over three years and are subject to extensive recovery provisions.

**For 2013, the Board deferred 100% of Mr. Dimon's incentive compensation into restricted stock units** in order to continue to align the future value of his incentives to the performance of the Firm, including progress on the Firm's regulatory and control agenda. For the other NEOs, approximately 60% of incentive compensation was deferred into restricted stock units pursuant to our firmwide deferral guidelines, established by the CMDC (excluding Mr. Pinto whose compensation mix reflects legally required U.K. standards). The following exhibit sets forth our CEO and other NEOs' actual 2013 pay mix.

**CEO PAY MIX**




**NEO AVERAGE PAY MIX**



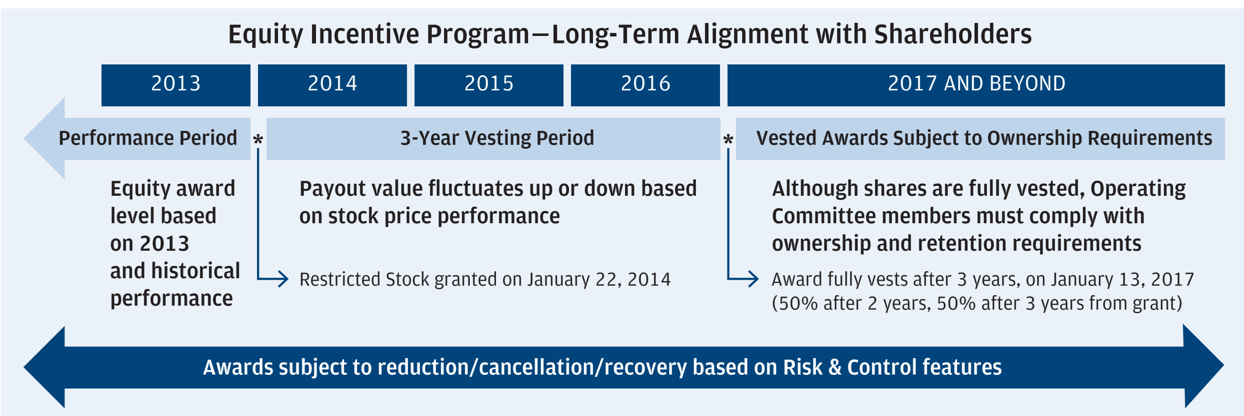
## DIRECT PAY ELEMENTS

We believe that our pay elements serve a fundamental role in motivating our executives to deliver sustained shareholder value. The exhibit below sets forth our direct compensation elements for 2013.

| | PAY ELEMENTS | DESCRIPTION | |
|---|---|---|---|
| FIXED | **Salary** | • Salary is a fixed portion of total pay that enables us to attract and retain top performing talent.<br>• Base salaries of Operating Committee members have remained flat since 2011. | |
| VARIABLE | **Annual Cash Incentives** | • NEOs' actual variable compensation levels are based on performance and determined under the Pay-For-Performance Framework set forth on page 33.<br>• After the CMDC sets NEOs' variable incentive levels, the Committee determines the appropriate mix between annual cash incentives and long-term equity incentives. | • The cash portion of variable compensation is paid shortly following the performance year, generally in January.<br>• Annual cash incentives are subject to potential repayment in the event of material restatement of our financials. |
| VARIABLE | **Long-Term Equity Incentives** | | • To align NEOs' and shareholders' interests, long-term equity is awarded in the form of RSUs.<br>• RSU grants generally vest over three years, 50% after two years and 50% after three years or, if applicable, in accordance with applicable U.K. legal standards.<br>• Shares received upon vesting are subject to the retention/ownership policy applicable to the Operating Committee.<br>• Equity-related compensation for Operating Committee members is subject to further restriction and recovery as described on pages 44-45. |

## LONG-TERM EQUITY INCENTIVE PROGRAM

Our equity incentive program is performance-based, drives corporate results and aligns both the short- and long-term interests of our NEOs with those of shareholders. In determining award levels to NEOs, the CMDC (and independent Board members for the CEO) considers performance during the year, as well as historical performance. This approach supports our commitment to sustained shareholder value by motivating our NEOs to achieve long-term goals (versus short-term milestones only). Once an award is made, it is subject to a three-year vesting period with the ultimate payout value based on our stock price at the time of vesting. Furthermore, our ownership requirements subject a significant portion of our NEOs' equity to the movement in our stock price, thus further aligning their interests with those of shareholders. RSUs carry no voting rights; however, dividend equivalents are paid on the RSUs at the time actual dividends are paid on JPMorgan Chase common stock. The exhibit below provides an overview of how our equity program works, and illustrates our focus on driving sustained shareholder value, by compensating our NEOs based on their long-term performance and holding them accountable (through clawback provisions) for any applicable risks identified during and after vesting.



## 3. What are our pay practices?
Pay practices are aligned with the interests of shareholders

We design our executive compensation program to be performance driven, competitive with the market and responsibly governed with direct oversight by the Board, as set forth in the table below.

| STRONG ALIGNMENT WITH SHAREHOLDERS (WHAT WE DO) | |
|---|---|
| ✓ **Compensation principles**<br>We believe our compensation principles promote a best practice approach to compensation, including: (1) aligning with shareholder interests; (2) attracting and retaining top talent; (3) integrating risk with compensation; (4) maintaining strong governance; and (5) tying pay to performance. | ✓ **Hedging/pledging policy**<br>Operating Committee members and Directors are prohibited from any hedging of our shares, including short sales; hedging/pledging of unvested RSUs, unexercised options or SARs; and hedging of any shares personally owned outright or through deferred compensation. |
| ✓ **Pay at risk**<br>Majority of Operating Committee compensation is “at-risk” and contingent on achievement of business goals that are integrally linked to shareholder value and safety and soundness. | ✓ **Strong clawback policy**<br>Comprehensive recovery provisions enable us to cancel or reduce unvested awards, or require repayment of cash or equity compensation already paid. |
| ✓ **Pay for sustained performance**<br>The majority of NEOs’ variable compensation is in JPMorgan Chase common stock, and is subject to mandatory three-year deferral. A substantial portion of awards is subject to cancellation if thresholds are not met over this period, with final payout levels based on our stock price at time of vesting (i.e., if our stock price goes down, award value goes down and vice-versa). | ✓ **Competitive benchmarking**<br>To make fully informed decisions on pay levels and pay practices, we benchmark ourselves against Board-designated peer groups. We believe external market data is an important component of attracting and retaining top talent, while driving shareholder value. |
| ✓ **Risk events impact pay**<br>In making pay decisions, we consider material risk and control issues, at both the Firm and line-of-business levels, and make adjustments to compensation, when appropriate. | ✓ **Responsible use of equity**<br>We manage our equity program responsibly, using only approximately 1.5% of common shares outstanding in 2013. In addition, our share buyback program significantly reduces shareholder dilution. |
| ✓ **Strong share ownership guidelines**<br>Operating Committee members, including NEOs, are required to own a minimum of 200,000 to 400,000 shares of our common stock; CEO must own a minimum of 1,000,000 shares. | ✓ **Shareholder outreach**<br>Each year, we solicit from our investors feedback on our compensation programs and practices. We consider this feedback when making compensation decisions. |

| SOUND GOVERNANCE PRACTICES (WHAT WE DON’T DO) | |
|---|---|
| ⃠ **No golden parachute agreements**<br>We do not provide additional payments or benefits in connection with a change-in-control event. | ⃠ **No guaranteed bonuses**<br>We do not provide guaranteed bonuses, except for select individuals at hire for one year. |
| ⃠ **No special severance**<br>We do not provide special severance. All employees, including NEOs, participate at the same level of severance, based on years of service, capped at 52 weeks up to a maximum credited salary. | ⃠ **No special executive benefits**<br>• No private club dues, car allowances, financial planning or tax gross-ups for benefits<br>• No special health or medical benefits<br>• No 401(k) Savings Plan matching contribution<br>• No special pension credits |

Shareholder feedback has helped us improve a number of our pay practices.

- Twice a year we invite shareholder comments on governance matters, executive compensation and shareholder proposals.
- In addition, throughout the year we meet with shareholders and other organizations interested in discussing our practices. In 2013 we held discussions with shareholders representing nearly 40% of the Firm's voting shares.

We made several enhancements to our compensation practices in 2013 to further align our program with shareholder interests.

- **Enhanced risk review process** to further strengthen the connection between risks, controls and compensation.
- **Eliminated use of stock appreciation rights for 2013,** with equity awards now 100% in RSUs that vest over three years.
- **Added share ownership requirement for Operating Committee members** to bolster existing share retention guidelines. Operating Committee members (including all NEOs) must continuously own a significant amount of our shares, thereby further aligning their interests with those of shareholders.
- **Enhanced disclosure,** including new CD&A presentation, in response to shareholder feedback and to improve clarity and transparency.

NEO compensation decisions are made by independent Board members, and our compensation framework is reinforced by strong corporate governance and Board oversight.

- The Board, through the CMDC, oversees our compensation programs including overall incentive pools, the percentage paid in cash and stock, and the terms and conditions of equity awards.
- The CMDC approves compensation for Operating Committee members (including NEOs), and makes a recommendation on CEO compensation to the independent members of the Board for ratification. No member of the Operating Committee other than the CEO has a role in recommending to the CMDC the compensation of any Operating Committee member.
- The CMDC and Board of Directors elected not to engage the services of a compensation consultant in 2013. Instead, the Firm's Human Resources department provided the CMDC and the Board with both internal and external compensation data and regular updates in an effort to comply with relevant rules and guidance from our regulators and applicable laws.

## CMDC REVIEW PROCESS

As illustrated in the exhibit below, the CMDC reviews performance goals for our Operating Committee members in the beginning of each year and actively monitors and reviews progress against those goals throughout the year, with final year-end compensation determinations taking place in January of the following year.

| 1ST QUARTER | 2ND & 3RD QUARTERS | 4TH QUARTER | 1ST QUARTER—FOLLOWING YEAR |
|---|---|---|---|
| **Review Performance Goals** CMDC reviews performance goals for Operating Committee members including Firm, business and individual goals. | **Review Progress Against Goals** CMDC monitors and reviews progress against goals and receives updates. Talent, succession planning and diversity related matters are also actively reviewed. | **Review Preliminary Performance Against Goals** CMDC reviews preliminary performance against goals and the CEO's assessment and discusses potential incentive compensation levels based on preliminary results. | **Assess Final Performance Results & Determine Pay** CMDC determines Operating Committee pay levels pursuant to the Pay-For-Performance Framework on page 33 based on year-end results, CEO's assessment, and the external market (CEO pay is determined by independent Board members). |

**Variable pay of Operating Committee members is tied to performance goals set in the beginning of the year**

## OTHER COMMITTEE RESPONSIBILITIES

In addition to approving compensation for Operating Committee members, each year the CMDC, with the Firm's Chief Risk Officer, reviews the Firm's compensation programs and their relationship with risk. The objective is to ensure that compensation programs do not encourage unnecessary or excessive risk-taking. The CMDC also meets at least annually with the Risk Policy Committee and the Chief Risk Officer. The CMDC also reviews the compensation of a number of the Firm's highly compensated individuals globally, as well as certain senior employees, including U.K. employees covered by regulations of the Prudential Regulation Authority and U.S. employees covered by guidance of the Federal Reserve. This is to ensure consistency with applicable regulatory standards in the principal jurisdictions in which the Firm operates.

In addition, the CMDC approves the formula, pool calculation and performance goals for the shareholder approved Key Executive Performance Plan ("KEPP") as required by Section 162(m)(1) of the U.S. Internal Revenue Code. The CMDC does not require all compensation to be awarded in a tax-deductible manner, but it is their intent to do so when consistent with overall corporate objectives.

The CMDC has delegated authority to the Head of Human Resources to administer and amend our compensation and benefits programs.

## EVALUATING MARKET PRACTICES

In order to effectively attract, motivate, and retain our executives, the CMDC periodically examines market data for both pay levels and pay practices. While benchmarking data provides the CMDC with useful information regarding our competitors, the CMDC does not target any specific positioning (e.g., 25th percentile, 50th percentile, etc.), nor does it use a formulaic approach in determining competitive pay levels. Instead, the CMDC uses this data as a reference, which is considered in the context of the executives' performance during the year. In addition, since the Firm rotates some of its executive officers among the leadership positions of its businesses and key functions as part of their development, the CMDC also places importance on the internal pay relationships among members of the Operating Committee.

Given the diversity of the Firm's businesses, it is challenging to develop a single set of peer companies for purposes of compensation benchmarking. For example, while certain companies conduct business activities similar to ours, many are smaller in size and scope. To address this challenge, the CMDC has developed both a primary peer group (composed of large financial service companies that the Firm competes with directly, for both business and talent) and a secondary peer group (composed of large, global leaders across multiple industries). Specific factors considered in determining companies for inclusion in the Firm's peer groups include:

- Financial services industry
- Significant global presence
- Global iconic brand
- Industry leader
- Large size (revenue greater than $50 billion)
- Recruits top talent

In benchmarking our NEO pay levels, the CMDC uses market data from both peer groups, and considers the size of the companies and the nature of their businesses in using this data. The table below lists the companies in both our peer groups.

Due to our diverse operations, the CMDC also references other firms for comparison, including Barclays, BNY Mellon, BlackRock, Capital One Financial, Credit Suisse, Deutsche Bank, HSBC and UBS.

**PEER GROUPS**

| Primary Peer Group | Secondary Peer Group | | | |
|---|---|---|---|---|
| American Express | Altria | ExxonMobil | Oracle | Walmart |
| Bank of America | Boeing | GE | PepsiCo | 3M |
| Citigroup | Chevron | Hewlett-Packard | Pfizer | |
| Goldman Sachs | Cisco | IBM | Procter & Gamble | |
| Morgan Stanley | Comcast | Johnson & Johnson | Time Warner | |
| Wells Fargo | Disney | Merck | United Technologies | |

## 4. How do we address risk & control?
Pay is tied to extensive risk & control features

We designed our executive compensation program to hold executives accountable, when appropriate, for material actions or items that negatively impact business performance in current or future years. We have put in place rigorous and extensive clawback/recoupment provisions on both cash incentives and equity awards, which enable us to reduce or cancel unvested awards and recover previously paid compensation in certain situations. Furthermore, we have mandatory share ownership and share retention requirements, and a strict no-hedging/pledging policy, which further bolster individual accountability.

### CLAWBACK/RECOVERY OF VESTED AND UNVESTED AWARDS

Incentive awards are intended and expected to vest according to their terms, but strong recovery provisions permit recovery of incentive compensation awards in appropriate circumstances. We also retain the right to reduce current year incentives to redress any prior imbalance that we have subsequently determined to have existed. The table below provides details on the extensive clawback provisions that apply to our Operating Committee members (including the NEOs):

| LONGSTANDING EQUITY CLAWBACK PROVISIONS | | AWARD TYPE | |
|---|---|---|---|
| CLAWBACK TYPE | CLAWBACK TRIGGER | VESTED | UNVESTED |
| **Restatement** | • In the event of a **material restatement of the Firm's financial results** for the relevant period (under our recoupment policy adopted in 2006)<br>• This provision **also applies to cash incentives** | ✓ | ✓ |
| **Misconduct** | • If the employee engaged in **conduct detrimental** to the Firm that causes material financial or reputational harm to the Firm | ✓ | ✓ |
| | • If award was based on **materially inaccurate performance metrics**, whether or not the employee was responsible for the inaccuracy | ✓ | ✓ |
| | • If award was based on a **material misrepresentation** by the employee | ✓ | ✓ |
| **Performance contingency**[1,2] | • If **performance** in relation to the priorities for their position, or the Firm's performance in relation to the priorities for which they share responsibility as a member of the Operating Committee, has been **unsatisfactory for a sustained period of time** | | ✓ |
| **Risk-related** | • If the employee improperly or with gross negligence **failed to identify**, raise or assess, in a timely manner and as reasonably expected, issues and/or concerns with respect to **risks material to the Firm** | ✓ | ✓ |
| Protection-based vesting (RSUs)[2] | • If awards granted to participants in a line of business for which the Operating Committee member exercises responsibility were in whole or in part cancelled because the line of business **did not meet its annual line of business financial threshold** | | ✓ |
| | • If for any one calendar year during the vesting period, **pre-provision net income is negative**, as reported by the Firm | | ✓ |
| | • If, for the three calendar years preceding the vesting date, the Firm **does not meet a 15% cumulative return on tangible common equity** | | ✓ |

[1] Unexercisable SARs may be cancelled or deferred if the CEO determines that such action is appropriate based on a set of determination factors, including net income, net revenue, return on equity, earnings per share and capital ratios of the Firm, both on an absolute basis and, as appropriate, relative to peer firms.

[2] Provisions apply to RSUs granted in 2012 and after to members of the Operating Committee and may result in cancellation of up to a combined total of 50% of the award.

## RECOVERY PROCEDURES

Issues that may require recovery determinations may be raised at any time, including in meetings of the Firm's risk committees, quarterly Human Resources risk assessments, annual assessments of employee performance and when material risk-takers resign or their employment is terminated by the Firm. We believe it is important to have a well-defined process to govern these determinations as described below.

- A formal compensation review would occur following a determination that the cause and materiality of a risk-related loss, issue or other sets of facts and circumstances warranted such a review, and in the circumstances set forth under the protection-based vesting provisions described in the exhibit on page 44.
- The CMDC is responsible for determinations involving Operating Committee members (determinations involving the CEO are subject to ratification by independent members of the Board). The CMDC has delegated authority for determinations involving other employees to the Director of Human Resources.
- The Head of Human Resources is responsible for determinations involving all other employees based on reviews and recommendations made by a committee generally composed of the Firm's senior Risk, Human Resources, Legal, Compliance and Financial officers and the chief executive officer of the line of business for which the review was undertaken.

## EMPLOYEE PERFORMANCE ASSESSMENTS

In addition to formal recovery and protection-based vesting provisions, management has implemented a number of compensation practices that we believe discourage inappropriate employee behavior. Employee performance reviews include risk and control considerations, and we retain the flexibility to reduce current year incentives. When warranted, employment may be terminated and individuals may be required to forfeit unvested awards, with certain previously distributed shares also subject to recovery.

## NO HEDGING/PLEDGING

Directors and Operating Committee members are expressly prohibited from hedging the economic risk of their ownership of our shares, even for shares owned outright. In addition, short sales, hedging of unvested RSUs or unexercised options or SARs, and hedging of deferred compensation are strictly prohibited for Directors and all employees (including Operating Committee members). Employees (other than Operating Committee members) that own shares outright, are permitted to hedge shares, subject to compliance with window period policies that restrict transactions in JPMorgan Chase's shares pending the release of earnings and applicable preclearance rules. In addition, shares held directly by an Operating Committee member or Director may not be held in margin accounts or otherwise pledged.

## OWNERSHIP GUIDELINES AND RETENTION REQUIREMENTS

In addition to our longstanding executive share retention policy, new ownership requirements were added to the policy in 2013 and became effective January 1, 2014. Operating Committee members, including our NEOs, are required to own a minimum of between 200,000 to 400,000 shares of the Firm's common stock, with the CEO required to own a minimum of 1,000,000 shares, in each case while a member of the Operating Committee. These threshold amounts include shares owned outright and 50% of unvested RSUs (but do not include options or stock appreciation rights). Operating Committee members must retain 75% of their shares until they meet threshold levels, and must retain 50% after meeting threshold levels. NEOs below their respective threshold have six years from the effective date of the policy to meet their required level. This policy by design increases share ownership above the NEOs' threshold levels for long-tenured members of our Operating Committee, thus further aligning their interests with those of shareholders.

### TALENT MANAGEMENT, DEVELOPMENT AND SUCCESSION PLANNING

As part of our resolve to deliver long-term sustained performance, a top priority of the Board is to ensure the Firm is developing leaders for the future. To do so, we maintain a disciplined process of talent reviews focused on thorough assessments, enhanced executive development programs and rotations of top executives to prepare them for greater responsibility. We are committed to having a strong and diverse pipeline to deal with succession for our Operating Committee, including the CEO position.

As part of the management succession process, there is a disciplined approach to the identification of "ready-now" and potential future successors to each member of the Operating Committee. Similar processes focused on present and future leaders occur within each of the Firm's lines of business and functions. Directors have frequent interaction with senior executives as part of Board and committee meetings and in other less formal settings.

Succession planning is discussed frequently and is required to be discussed at least annually by the independent directors with the CEO. The CMDC reviews the succession plan for the CEO in preparation for Board discussion led by the Lead Independent Director. The CMDC also reviews the succession plan for members of the Operating Committee other than the CEO.

## Compensation & Management Development Committee report

The Compensation & Management Development Committee has reviewed the Compensation Discussion and Analysis and discussed that analysis with management.

Based on such review and discussion with management, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement and our Annual Report on Form 10-K for the year ended December 31, 2013. This report is provided as of March 18, 2014, by the following independent directors, who comprise the Compensation & Management Development Committee:

Lee R. Raymond (Chairman)

Stephen B. Burke

William C. Weldon

**The Compensation Discussion and Analysis is intended to describe our 2013 performance, the compensation decisions for our Named Executive Officers and the Firm's philosophy and approach to compensation. The following tables on pages 47–55 present additional information required in accordance with SEC rules, including the Summary Compensation Table.**

# Executive compensation tables

## I. SUMMARY COMPENSATION TABLE (SCT)

The following table and related narratives present the compensation for our Named Executive Officers in the format specified by the SEC. The table below reflects equity awards made in 2013 for 2012 performance. The table of "2013 Named Executive Officer Compensation" on page 38 shows how the CMDC viewed compensation actions.

| Name and principal position | Year | Salary ($) [1] | Bonus ($) [2] | Stock awards ($) [3] | Option awards ($) [3] | Change in pension value and non-qualified deferred compensation earnings ($) [4] | All other compen-sation ($) | Total ($) |
|---|---|---|---|---|---|---|---|---|
| **James Dimon** | 2013 | $1,500,000 | $ – | $ 10,000,000 | $ – | $ – | $ 291,833 [5] | $11,791,833 |
| Chairman and CEO | 2012 | 1,500,000 | – | 12,000,000 | 5,000,000 | 46,993 | 170,020 | 18,717,013 |
| | 2011 | 1,416,667 | 4,500,000 | 12,000,000 | 5,000,000 | 45,471 | 143,277 | 23,105,415 |
| **Marianne Lake** [6] Chief Financial Officer | 2013 | 729,167 | 3,100,000 | 1,040,000 | 3,268,000 | – | 91,221 [7] | 8,228,388 |
| **Michael J. Cavanagh** [6] Former Co-CEO CIB | 2013 | 750,000 | 6,500,000 | 7,950,000 | 1,000,000 | – | – | 16,200,000 |
| **Daniel E. Pinto** [6,8] | 2013 | 743,442 | 8,125,000 [9] | 7,125,000 | 1,000,000 | 136 | 238,062 [10] | 17,231,640 |
| CEO CIB | 2012 | 751,631 | 8,125,000 [9] | 7,145,400 | 730,000 | – | 257,766 | 17,009,797 |
| **Matthew E. Zames** [6] | 2013 | 750,000 | 6,500,000 | 9,150,000 | 1,000,000 | – | – | 17,400,000 |
| Chief Operating Officer | 2012 | 750,000 | 6,100,000 | 9,012,000 | 730,000 | 12,301 | – | 16,604,301 |

1 Salary reflects the actual amount paid in each year.

2 Includes amounts awarded, whether paid or deferred. Cash incentive compensation reflects compensation for the period presented, which was awarded in the following year.

3 Includes amounts awarded during the year shown. Amounts are the fair value on the grant date (or, if no grant date was established, on the award date). The Firm's accounting for employee stock-based incentives (including assumptions used to value employee stock options and SARs) granted during the years ended December 2013, 2012 and 2011 is described in Note 10 to the Firm's Consolidated Financial Statements in the 2013 Annual Report on pages 247–248. Our Annual Report may be accessed on our website at jpmorganchase.com, under Investor Relations.

4 Amounts for years 2012 and 2011 are the aggregate change in the actuarial present value of the accumulated benefits under all defined benefit and actuarial pension plans (including supplemental plans). For 2013, the NEOs, other than Ms. Lake and Mr. Pinto, had a reduction in pension value: Mr. Dimon, $(13,930), Mr. Cavanagh, $(38,689) and Mr. Zames, $(5,625), respectively. Amounts shown also include earnings in excess of 120% of the applicable federal rate on deferred compensation balances where the rate of return is not calculated in the same or in a similar manner as earnings on hypothetical investments available under the Firm's qualified plans. For Mr. Pinto this amount is $136 for 2013 and $0 for 2012.

5 The "All other compensation" column for Mr. Dimon includes: $125,973 for personal use of corporate aircraft; $31,041 for personal use of cars; $134,728 for the cost of residential and related security paid by the Firm; and $91 for the cost of life insurance premiums paid by the Firm (for basic life insurance coverage equal to one times salary up to a maximum of $100,000, which program covers all benefit-eligible employees).

Incremental costs are determined as follows:

- Aircraft: operating cost per flight hour for the aircraft type used, developed by an independent reference source, including fuel, fuel additives and lubricants; landing and parking fees; crew expenses; small supplies and catering; maintenance, labor and parts; engine restoration costs; and a maintenance service plan.
- Cars: annual lease valuation of the assigned cars; annual insurance premiums; fuel expense; estimated annual maintenance; other miscellaneous expense; and annual drivers' compensation, including salary, overtime, benefits and bonus. The resulting total is allocated between personal and business use based on mileage.

6 Ms. Lake and Mr. Cavanagh were not NEOs in 2012 or 2011; Mr. Pinto and Mr. Zames were not NEOs in 2011.

7 Ms. Lake is a U.K. citizen located in the U.S. The "All other compensation" column for Ms. Lake includes $26,313 in employer contributions to a non-U.S. defined contribution plan and $64,908 for tax settlement payments made on behalf of Ms. Lake in connection with her international assignment in the U.S. at the Firm's request and consistent with the Firm's policy for employees working on international assignments in jurisdictions other than their home countries. The Firm's expatriate assignment policy provides that the Firm will be responsible for any incremental U.S. and State income taxes due on home-country employer-provided benefits that would not otherwise be taxable to the employee in their home country.

[8] Mr. Pinto is located in London and his annual salary is designated as £475,000, paid monthly. The blended applicable spot rate used to convert Mr. Pinto's salary to U.S. dollars for the 12 months in 2013 and 2012 was 1.56514 and 1.58238 U.S. dollars per pound sterling, respectively.

[9] Under rules applicable in the U.K., a portion (60%) of Mr. Pinto's cash bonus shown in this table was deferred, with half of the deferred amount payable at the end of 18 months and the balance payable at the end of three years. Such mandatory deferral is subject to terms and conditions similar to those for RSUs. Until paid, such amounts accrue interest.

[10] The "All other compensation" column for Mr. Pinto includes $21,928 in employer contributions to a non-U.S. defined contribution plan and $216,134 for interest accrued on balances from mandatory bonus deferrals prior to 2014. During 2013, the applicable rate of interest on mandatory deferral balances was 1.91% for the first six months and 1.67% for the last six months of 2013.

## II. 2013 GRANTS OF PLAN-BASED AWARDS [1]

The following table shows grants of plan-based awards made in 2013 for the 2012 performance year.

| | | | Stock awards | Option awards | | | |
|---|---|---|---|---|---|---|---|
| **Name** | **Grant date** | **Approval date** | **Number of shares of stock or units (#) [2]** | **Number of securities underlying options (#) [3]** | **Exercise price ($/Sh)** | **Closing price on option grant date ($/Sh)** | **Grant date fair value ($)** |
| **James Dimon** | 1/17/2013 | 1/15/2013 | 214,685 | – | | | $ 10,000,000 |
| **Marianne Lake** | 1/17/2013 | 1/15/2013 | 22,328 | | | | 1,040,000 |
| | 1/17/2013 | 1/15/2013 | | 341,842 | $ 46.58 | $ 46.44 | 3,268,000 |
| **Michael J. Cavanagh** | 1/17/2013 | 1/15/2013 | 170,675 | | | | 7,950,000 |
| | 1/17/2013 | 1/15/2013 | | 104,603 | 46.58 | 46.44 | 1,000,000 |
| **Daniel E. Pinto** | 1/17/2013 | 1/15/2013 | 152,964 | | | | 7,125,000 |
| | 1/17/2013 | 1/15/2013 | | 104,603 | 46.58 | 46.44 | 1,000,000 |
| **Matthew E. Zames** | 1/17/2013 | 1/15/2013 | 196,437 | | | | 9,150,000 |
| | 1/17/2013 | 1/15/2013 | | 104,603 | 46.58 | 46.44 | 1,000,000 |

[1] Equity grants are awarded as part of the annual compensation process and as part of employment offers for new hires. In each case, the grant price is not less than the average of the high and the low prices of JPMorgan Chase common stock on the grant date. Grants made as part of the annual compensation process are generally awarded in January after earnings are released. RSUs carry no voting rights; however, dividend equivalents are paid on the RSUs at the time actual dividends are paid on shares of JPMorgan Chase common stock. The Firm does not grant options with restoration rights and prohibits repricing of stock options and SARs.

Effective January 22, 2014, the Firm awarded RSU awards as part of the 2013 annual incentive compensation. Because these awards were granted in 2014, they do not appear in this table, which is required to include only equity awards actually granted during 2013. These 2014 awards are reflected in the "2013 Named Executive Officer Compensation" table on page 38. No SARs were awarded in 2014 with respect to 2013 compensation.

[2] For all Named Executive Officers except Mr. Pinto, the RSUs vest in two equal installments on January 13, 2015 and 2016. Under rules applicable in the U.K., for Mr. Pinto, 69,773 RSUs vested on the grant date, 41,595 RSUs vest on July 25, 2014 and 41,596 RSUs vest on January 13, 2016; these RSUs are subject to a six-month hold period post-vesting. Each RSU represents the right to receive one share of common stock on the vesting date and non-preferential dividend equivalents, payable in cash, equal to any dividends paid during the vesting period.

[3] These SARs will become exercisable 20% per year over the five-year period from the date of grant. Shares resulting from exercise must be held at least five years from the grant date.

### III. OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2013

The following table shows the number of shares of the Firm's common stock underlying (i) exercisable and unexercisable stock options and SARs and (ii) RSUs that had not yet vested held by the Firm's Named Executive Officers on December 31, 2013.

| | | Option awards | | | | Stock awards | |
|---|---|---|---|---|---|---|---|
| Name | Option/ stock award grant date [1] | Number of securities underlying unexercised options: # exercisable [1,2] | Number of securities underlying unexercised options: # unexercisable [1,2] | Option exercise price ($) | Option expiration date | Number of shares or units of stock that have not vested [1] | Market value of shares or units of stock that have not vested ($) [2] |
| **James Dimon** | | | | | | | |
| | 1/20/2005 | 600,481 | – [a] | $ 37.47 | 1/20/2015 | – | |
| | 1/22/2008 | – | 2,000,000 [b] | 39.83 | 1/22/2018 | – | |
| | 2/3/2010 | 338,136 | 225,426 [c] | 43.20 | 1/20/2020 | – | |
| | 2/16/2011 | 146,950 | 220,427 [c] | 47.73 | 2/16/2021 | 125,708 [a] | |
| | 1/18/2012 | 112,486 | 449,944 [c] | 35.61 | 1/18/2022 | 337,032 [a] | |
| | 1/17/2013 | – | – | | | 214,685 [a] | |
| Total awards (#) | | 1,198,053 | 2,895,797 | | | 677,425 | $39,615,814 |
| Market value of in-the-money options ($) | | $21,935,091 | $53,404,319 | | | | |
| **Marianne Lake** | | | | | | | |
| | 1/20/2009 | – | 10,000 [c] | $ 19.49 | 1/20/2019 | – | |
| | 1/20/2010 | – | 40,000 [c] | 43.20 | 1/20/2020 | – | |
| | 1/19/2011 | – | 39,000 [c] | 44.29 | 1/19/2021 | 8,130 [a] | |
| | 1/18/2012 | – | 67,492 [c] | 35.61 | 1/18/2022 | 17,976 [a] | |
| | 1/17/2013 | – | 341,842 [c] | 46.58 | 1/17/2023 | 22,328 [a] | |
| Total awards (#) | | – | 498,334 | | | 48,434 | $ 2,832,420 |
| Market value of in-the-money options ($) | | $ – | $ 7,165,972 | | | | |
| **Michael J. Cavanagh** | | | | | | | |
| | 1/20/2005 | 200,000 | – [a] | $ 37.47 | 1/20/2015 | – | |
| | 10/20/2005 | 250,000 | – [d] | 34.78 | 10/20/2015 | – | |
| | 10/19/2006 | 200,000 | – [d] | 46.79 | 10/19/2016 | – | |
| | 1/22/2008 | 300,000 | – [c] | 39.83 | 1/22/2018 | – | |
| | 1/20/2009 | 80,000 | 40,000 [c] | 19.49 | 1/20/2019 | – | |
| | 2/3/2010 | 99,452 | 66,302 [c] | 43.20 | 1/20/2020 | – | |
| | 1/19/2011 | 30,769 | 46,155 [c] | 44.29 | 1/19/2021 | 57,582 [a] | |
| | 1/18/2012 | 44,994 | 179,978 [c] | 35.61 | 1/18/2022 | 122,174 [a] | |
| | 1/17/2013 | – | 104,603 [c] | 46.58 | 1/17/2023 | 170,675 [a] | |
| Total awards (#) | | 1,205,215 | 437,038 | | | 350,431 | $20,493,205 |
| Market value of in-the-money options ($) | | $24,164,451 | $ 8,588,507 | | | | |

| Name | Option/ stock award grant date [1] | Option awards: Number of securities underlying unexercised options: # exercisable [1,2] | Number of securities underlying unexercised options: # unexercisable [1,2] | Option exercise price ($) | Option expiration date | Stock awards: Number of shares or units of stock that have not vested [1] | Market value of shares or units of stock that have not vested ($) [2] |
|---|---|---|---|---|---|---|---|
| **Daniel E. Pinto** | | | | | | | |
| | 10/20/2005 | 50,000 | – [d] | $ 34.78 | 10/20/2015 | – | |
| | 10/19/2006 | 100,000 | – [d] | 46.79 | 10/19/2016 | – | |
| | 10/18/2007 | 200,000 | – [c] | 45.79 | 10/18/2017 | – | |
| | 1/20/2009 | – | 100,000 [c] | 19.49 | 1/20/2019 | – | |
| | 1/20/2010 | 51,000 | 34,000 [c] | 43.20 | 1/20/2020 | – | |
| | 1/19/2011 | 30,000 | 45,000 [c] | 44.29 | 1/19/2021 | 48,860 [e] | |
| | 1/18/2012 | 16,423 | 65,692 [c] | 35.61 | 1/18/2022 | 58,155 [e] | |
| | 1/17/2013 | – | 104,603 [c] | 46.58 | 1/17/2023 | 83,191 [e] | |
| Total awards (#) | | 447,423 | 349,295 | | | 190,206 | $11,123,247 |
| Market value of in-the-money options ($) | | $ 6,472,574 | $ 7,804,222 | | | | |
| **Matthew E. Zames** | | | | | | | |
| | 1/20/2009 | – | 100,000 [c] | $ 19.49 | 1/20/2019 | – | |
| | 1/20/2010 | – | 34,000 [c] | 43.20 | 1/20/2020 | – | |
| | 1/19/2011 | – | 45,000 [c] | 44.29 | 1/19/2021 | 109,236 [a] | |
| | 1/18/2012 | – | 65,692 [c] | 35.61 | 1/18/2022 | 253,111 [a] | |
| | 1/17/2013 | – | 104,603 [c] | 46.58 | 1/17/2023 | 196,437 [a] | |
| Total awards (#) | | – | 349,295 | | | 558,784 | $32,677,688 |
| Market value of in-the-money options ($) | | $ – | $ 7,804,222 | | | | |

[1] The awards set forth in the table have the following vesting schedules:

[a] Two equal installments, in years two and three

[b] In January 2008, the Firm awarded Mr. Dimon up to 2 million SARs. The terms of this award are distinct from, and more restrictive than, other equity grants periodically awarded by the Firm. Effective January 2013, the CMDC determined that, while all the requirements for vesting of these awards have been met, vesting should be deferred for a period of up to 18 months (i.e., up to July 22, 2014), to enable the Firm to make progress against the Firm's strategic priorities and performance goals, including remediation relating to the CIO matter. The SARs, which will expire in January 2018, will become exercisable no earlier than July 22, 2014, and have an exercise price of $39.83 (the price of JPMorgan Chase common stock on the date of the grant). Vesting will be subject to a Board determination taking into consideration the extent of such progress and such other factors as it deems relevant. The expense related to this award is dependent on changes in fair value of the SARs through the date when the vested number of SARs are determined, if any, and the cumulative expense is recognized ratably over the service period, which was initially assumed to be five years but, effective in the first quarter of 2013, has been extended to six and one-half years. The Firm recognized $14 million, $5 million and $(4) million in compensation expense in 2013, 2012 and 2011, respectively, for this award.

[c] Five equal installments, in years one, two, three, four and five

[d] Three equal installments, in years three, four and five

[e] Two equal installments, in 18 months and 36 months

[2] Value based on $58.48, the closing price per share of our common stock on December 31, 2013

## IV. 2013 OPTION EXERCISES AND STOCK VESTED TABLE

The following table shows the number of shares acquired and the value realized during 2013 upon the exercise of stock options and the vesting of RSUs previously granted to each of the Named Executive Officers.

| | Option awards | | Stock awards | |
|---|---|---|---|---|
| Name | Number of shares acquired on exercise (#) | Value realized on exercise ($) [1] | Number of shares acquired on vesting (#) | Value realized on vesting ($) [2] |
| James Dimon | – | $ – | 223,559 | $ 10,241,238 |
| Marianne Lake | 202,033 | 3,632,673 | 15,191 | 695,900 |
| Michael J. Cavanagh | 80,000 | 2,835,000 | 97,874 | 4,483,608 |
| Daniel E. Pinto | 400,000 | 14,224,000 | 261,862 | 12,653,563 |
| Matthew E. Zames | 347,423 | 4,030,824 | 243,280 | 11,144,657 |

1 Values were determined by multiplying the number of shares of our common stock, to which the exercise of the options related, by the difference between the per-share fair market value of our common stock on the date of exercise and the exercise price of the options.

2 Values were determined by multiplying the number of shares or units, as applicable, that vested by the per-share fair market value of our common stock on the vesting date.

## V. 2013 PENSION BENEFITS

The table below sets forth the retirement benefits expected to be paid to our Named Executive Officers under the Firm's current retirement plans, as well as plans closed to new participants. The terms of the plans are described below the table. No payments were made under these plans during 2013 to our NEOs.

| Name | Plan name | Number of years of credited service (#) | Present value of accumulated benefit ($) |
|---|---|---|---|
| James Dimon | Retirement Plan | 13 | $ 118,408 |
| | Excess Retirement Plan | 13 | 334,659 |
| Marianne Lake | – | – | – |
| Michael J. Cavanagh | Retirement Plan | 13 | 116,353 |
| | Excess Retirement Plan | 13 | 169,347 |
| Daniel E. Pinto | – | – | – |
| Matthew E. Zames | Retirement Plan | 9 | 45,862 |

**Retirement Plan**—The JPMorgan Chase Retirement Plan is a qualified noncontributory U.S. defined benefit pension plan that provides benefits to substantially all U.S. employees. Benefits to participants are based on their salary and years of service, with the Plan employing a cash balance formula (in the form of pay and interest credits) to determine amounts at retirement. Pay credits are equal to a percentage (ranging from 3% to 5%) of base salary up to $100,000, based on years of service. Employees begin to accrue plan benefits after completing one year of service, and benefits generally vest after three years of service. Interest credits generally equal the yield on one-year U.S. Treasury bills plus 1% (subject to a minimum of 4.5%). Account balances include the value of benefits earned under prior heritage company plans, if any. Benefits are payable as an actuarially equivalent lifetime annuity with survivorship rights (if married) or optionally under a variety of other payment forms, including a single-sum distribution. As of December 31, 2013, the NEOs were earning the following pay credit percentages: Mr. Dimon, 4%; Mr. Cavanagh, 4%; and Mr. Zames, 3%. Ms. Lake and Mr. Pinto are not eligible to participate in U.S. benefit plans.

**Legacy Plan**—The following plan is closed to new participants:

- *Excess Retirement Plan*—Benefits were determined under the same terms and conditions as the Retirement Plan, but reflecting base salary in excess of IRS limits up to $1 million and benefit amounts in excess of IRS limits. Benefits are generally payable in a lump sum in the year following termination. Accruals under the plan were discontinued as of May 1, 2009.