

RESOLVED that shareholders of Alphabet Inc. (“Alphabet”) urge the Board of Directors to adopt a policy that Alphabet will not engage in any Inequitable Employment Practice. “Inequitable Employment Practices” are mandatory arbitration of employment-related claims, non-compete agreements with employees, agreements with other companies not to recruit one another’s employees, and involuntary non-disclosure agreements (“NDAs”) that employees are required to sign in connection with settlement of claims that any Alphabet employee engaged in unlawful discrimination or harassment.

SUPPORTING STATEMENT

In recent years, companies have increasingly relied on a suite of contractual arrangements involving their employees, Inequitable Employment Practices that burden the economy, impede labor mobility and prevent the discovery and redress of misconduct. As a result, there is a robust public debate over their use, including responses by legislators, regulators and state attorneys general.

“No-poaching” pacts, in which companies agree not to recruit one another’s employees, introduce labor market inefficiencies and inhibit innovation. In 2015, Alphabet settled software engineers’ claims that it had a no-poaching agreement with Apple and Google. Federal legislation has been introduced to ban the practice, and 11 attorneys general are investigating fast food franchisees’ agreements.

Companies increasingly seek to impose non-compete restrictions, originally designed for higher-level knowledge workers, on entry-level workers. The Obama Administration opposed this expansion, and measures to curb it have been introduced in Congress and many states, including New York. There is evidence that non-compete provisions stifle innovation and entrepreneurship, which in turn harms the broader economy.

Mandatory arbitration and NDAs undermine public policy by limiting remedies for wrongdoing and keeping misconduct secret. Mandatory arbitration precludes employees from suing in court for wrongs like wage theft, discrimination and harassment, and requires them to submit to private arbitration, which has been found to favor companies and discourage claims. The recent high-profile sexual harassment cases of former Fox News anchor Gretchen Carlson and Uber’s Susan Fowler highlighted the impact of arbitration clauses. In December 2017, the “Ending Forced Arbitration of Sexual Harassment” bill was introduced in Congress by legislators from both parties. All 56 state and territorial attorneys general urged Congressional leaders to support it.

NDAs, which can be used in both court settlements and arbitration, may conceal patterns of misbehavior. The secrecy NDAs provide can allow a toxic culture to flourish, increasing the severity of eventual consequences and harming employee morale. NDAs were allegedly used to keep sexual harassment by Harvey Weinstein and Bill O’Reilly secret, and the #MeToo movement has drawn substantial attention to this problem.

Washington State recently banned the use of NDAs in sexual harassment cases and similar legislation has been proposed in New York, California and Pennsylvania. Federal legislation has been introduced to limit employers’ ability to secure NDAs upfront and require employers to disclose information about sexual harassment claims.

Our Proposal asks Alphabet to commit not to use any of the Inequitable Employment Practices, which we believe will encourage focus on human capital management and improve accountability. We urge shareholders to vote for this Proposal.

RESOLVED that shareholders of CBS, Corp. (“CBS”) urge the Board of Directors to adopt a policy that CBS will not engage in any Inequitable Employment Practice. “Inequitable Employment Practices” are mandatory arbitration of employment-related claims, non-compete agreements with employees, agreements with other companies not to recruit one another’s employees, and involuntary non-disclosure agreements (“NDAs”) that employees are required to sign in connection with settlement of claims that any CBS employee engaged in unlawful discrimination or harassment.

SUPPORTING STATEMENT

In recent years, companies have increasingly relied on a suite of contractual arrangements involving their employees, Inequitable Employment Practices that burden the economy, impede labor mobility and prevent the discovery and redress of misconduct. As a result, there is a robust public debate over their use, including responses by legislators, regulators and state attorneys general.

“No-poaching” pacts, in which companies agree not to recruit one another’s employees, introduce labor market inefficiencies and inhibit innovation. In 2015, CBS settled software engineers’ claims that it had a no-poaching agreement with Apple and Google. Federal legislation has been introduced to ban the practice, and 11 attorneys general are investigating fast food franchisees’ agreements.

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Mandatory arbitration and NDAs undermine public policy by limiting remedies for wrongdoing and keeping misconduct secret. Mandatory arbitration precludes employees from suing in court for wrongs like wage theft, discrimination and harassment, and requires them to submit to private arbitration, which has been found to favor companies and discourage claims. The recent high-profile sexual harassment cases of former Fox News anchor Gretchen Carlson and Uber’s Susan Fowler highlighted the impact of arbitration clauses. In December 2017, the “Ending Forced Arbitration of Sexual Harassment” bill was introduced in Congress by legislators from both parties. All 56 state and territorial attorneys general urged Congressional leaders to support it.

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Washington State recently banned the use of NDAs in sexual harassment cases and similar legislation has been proposed in New York, California and Pennsylvania. Federal legislation has been introduced to limit employers’ ability to secure NDAs upfront and require employers to disclose information about sexual harassment claims.

Our Proposal asks CBS to commit not to use any of the Inequitable Employment Practices, which we believe will encourage focus on human capital management and improve accountability. We urge shareholders to vote for this Proposal.