

Microsoft 2023

Microsoft (MSFT) developed an augmented reality headset to provide night vision, thermal sensing, and monitoring of vital signs, initially intended for gaming purposes, then the US Army adapted this product to be used for military training and combat.¹

In March 2021, our Company was awarded a \$479 million Integrated Visual Augmentation System (IVAS) contract with the US Department of the Army. This later became a \$22 billion contract for a semi-custom version of IVAS to rapidly develop, test, and manufacture a single platform that soldiers can use to fight, rehearse, and train **that provides increased lethality**, mobility, and situational awareness necessary to achieve overmatch against our current and future adversaries.

In 2019, amidst the contract negotiation with the military, MSFT employees pushed back in a letter to the Company stating they “do not want to become war profiteers” and they “did not sign up to develop weapons” and “demand a say in how our work is used”²;

“It will be deployed on the battlefield and works by turning warfare into a simulated ‘video game,’ further distancing soldiers from the grim stakes of war and the reality of bloodshed,” Microsoft workers warn. Simply put, the application of HoloLens within the IVAS system is “designed to help people kill.”

Further revelations surrounding the problematic nature are noted as “Lawmakers cited concerns over the HoloLens 2-based device’s field tests, where the headset struggled with environmental, sight calibration, and other issues. Device assessments also explained how the headset led to soldier “impairments” such as motion sickness, headaches, and other concerns.”³

Regardless of how our Company positions itself by making public statements, the outcome is a significant contract with the US military and Microsoft is actively working to develop what employees, other stakeholders, including shareholders, and the public view as a weapons system used in war.

¹ <https://www.forbes.com/sites/jasonevangelho/2019/02/23/microsoft-employees-upset-about-hololens-as-u-s-military-weapon/?sh=160424bb4822>

² <https://www.newsweek.com/what-hololens-microsoft-workers-call-bosses-drop-us-military-contract-we-did-1341560>

³ <https://www.xrtoday.com/mixed-reality/microsoft-to-cut-back-us-army-ivas-staff-amid-layoffs/>

Involvement in the development of weapons poses a serious risk to a company's reputation, especially for investors and stakeholders. Is it prudent for our Company to be identified as a weapons developer?

BE IT RESOLVED,

Shareholders request that the board issue an independent, third-party report, at reasonable expense and excluding proprietary information, to assess the reputational and financial risks to the company for being identified as a company involved in the development of weapons used by the military for training and/or combat purposes.
