

1745 Copperleaf Ct  
Concord, CA 94519  
October 10, 2019

SVP & Secretary  
AT&T Inc.  
208 S. Akard St, Suite 2954  
Dallas, Texas 75202  
(via certified mail & email g47603@att.com )

Re: Shareholder Proposal to 2020 Shareholders Meeting

Dear Secretary:

Enclosed please find my shareholder proposal for inclusion in our proxy materials for the 2020 annual meeting of shareholders and a letter of my shares ownership. I will continuously hold these shares through the 2020 annual meeting of shareholders.

Please set up an email account to communicate with shareholders, especially to receive shareholder proposals.

Should you have any questions, please contact me at 1-925-643-5034 or zhao.cpri@gmail.com.

Yours truly,



Jing Zhao

Enclosure: Shareholder proposal  
Shares ownership letter

## **Shareholder Proposal to Improve Guiding Principles of Executive Compensation**

Resolved: shareholders recommend that AT&T Inc. improve guiding principles of executive compensation.

### **Supporting Statement**

Section 953(b) of the Dodd-Frank Act directed the SEC to amend Item 402 of Regulation S-K to require each company to disclose the annual total compensation of the CEO, the median of the annual total compensation of all employees (except the CEO), and the ratio of these two amounts (CEO pay ratio). According to AT&T 2019 Proxy Statement, the median of the annual total compensation of all employees (except the CEO) is \$95,814, the annual total compensation of the CEO is \$29,118,118, and the CEO pay ratio is 304:1 (p.78). What is the justification of such a high ratio? Amazon's CEO pay ratio is 58:1 in 2018.

Nationwide, "Median compensation for 132 chief executives of S&P 500 companies reached \$12.4 million in 2018, up from \$11.7 million for the same group in 2017, according to a Wall Street Journal analysis." (March 17, 2019). "CEOs rake in 940% more than 40 years ago, while average workers earn 12% more" (CBSNEWS August 14, 2019). America's ballooning executive compensation is neither responsible for the society nor sustainable for the economy.

With 44,892 non-U.S. employees (p.78), AT&T is a global company, but there is not a foreign company in the peer group to assess market-based compensation for executive officers in 2018 (p.43). The executive compensation and CEO pay ratios of big Japanese and European companies are much less than one tenth of big American companies.

Reducing the CEO pay ratio should be included as a guiding principle of executive compensation. It is time for American executives as citizens to take the social responsibility on their own initiative rather than to be forced by the public. See 'Passive Income' to 'Two Cents': How Elizabeth Warren Honed Her Message, Wall Street Journal October 4, 2019.