

AT&T is moving down the low road.....



Send them a message with your vote as an AT&T shareholder.

The 2016 Notice of Annual Meeting & Proxy Statement has been mailed. Anyone who is an AT&T shareholder has the right to vote on management and shareholder proposals. You should submit your vote by April 29, 2016.

As we continue bargaining with AT&T for new a contract, we see the company heading down a harmful road for workers, customers and shareholders. As a result, CWA has some voting recommendations.

CWA is working hard to put AT&T back on the high road. The hard-working members of CWA built this company, and we are concerned about AT&T's future. Send the company a strong message by exercising your rights as a shareholder. We are also sending a delegation to greet those attending this year's shareholder meeting in Billings, Montana.

Vote: by telephone or internet, by April 29 (see the other side for voting recommendations). *See proposal #4

AT&T PROXY RECOMMENDATIONS-

1. Election of 12 Directors (#1 on proxy) – Management proposal

This is a vote for individual Directors. EVALUATION: **1. VOTE CONSCIENCE**

2. Auditor – Management proposal

This is a vote to approve Ernst & Young as auditor. EVALUATION: Ernst & Young has been the auditor for AT&T and previously SBC since at least 1995. The wisdom in corporate governance circles is that such lengthy relationships become incestuous. **2. VOTE AGAINST**

3. Advisory approval of executive compensation (#3 on proxy) – Management proposal

Asks that shareholders approve the pay and the method of paying total 5 executives in company
EVALUATION: 1. AT&T is typically considered to be overpaying its executives **2. VOTE AGAINST**

4. Approval of 2016 Incentive Plan (#4 on proxy) – Management proposal

Plan replaces 2011 Incentive Plan. Plan permits company to reward managers with equity and cash awards. Company expects top 7,000 managers to be eligible. Plan authorizes issuance of 90 million shares over a 10-year period. Evaluation: 1. the proposal extends the excesses shown to the top 5 executives to the next tiers 2. This generosity does not show up at the bargaining table **3. VOTE AGAINST**

5. Political spending report (#5 on proxy) – Proposal from Domini Social Equity Fund

Requests that company produce a report every six months on political. EVALUATION expenditures – direct expenditures and indirect (through trade associations). Report should include the amounts given and recipients. Report should also disclose the names and titles of those in AT&T who authorized payment. Report does not need to include expenditures on lobbying. 1. This is a good governance proposal supported by many shareholder activists. 2. AT&T already publishes a semi-annual report on political expenditures. Not as detailed as what is requested and it does not include indirect expenditures **3. VOTE FOR**

6. Lobbying report (#6 on proxy) – Proposal from Walden Asset Management

Requests that company produce an annual report on lobbying policy – direct. EVALUATION indirect (through trade associations) and grassroots lobbying communications. Report should also include direct and indirect expenditures as well as payments to grassroots organizations. In this report AT&T should disclose membership in any organization that produces model legislation. The report should detail decision making process on why expenditures made and why company decided to affiliate with other organizations. 1. This is a good governance proposal 2. It gets at membership in ALEC which has produced nasty model legislation on Right to Work among others pieces of legislative mischief **3. VOTE FOR**

7. Independent board chairman (#7 on proxy) – Proposal from unknown shareholder

Requests that the Chair be an “independent” member of the Board – in other words, not employed by AT&T. This proposal gets a high percentage from institutional shareholder because it curbs conflicts of interest. Both the Council of Institutional Directors and CalPERS recommend independent board chairs. 1. This is a good governance proposal **2. VOTE FOR**

Vote: by telephone or internet, by April 29