



DIVISION OF  
CORPORATION FINANCE

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

October 11, 2019

Elizabeth A. Ising  
Gibson Dunn & Crutcher LLP  
shareholderproposals@gibsondunn.com

Re: Visa Inc.  
Incoming letter dated September 13, 2019

Dear Ms. Ising:

This letter is in response to your correspondence dated September 13, 2019 concerning the shareholder proposal (the "Proposal") submitted to Visa Inc. (the "Company") by Jing Zhao (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence from the Proponent dated September 29, 2019. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

M. Hughes Bates  
Special Counsel

Enclosure

cc: Jing Zhao  
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October 11, 2019

**Response of the Office of Chief Counsel**  
**Division of Corporation Finance**

Re: Visa Inc.  
Incoming letter dated September 13, 2019

The Proposal recommends that the compensation committee reform the Company's executive compensation philosophy to include social factors to enhance the Company's social responsibility.

There appears to be some basis for your view that the Company may exclude the Proposal under rule 14a-8(i)(10). Based on the information you have presented, it appears that the Company's policies, practices and procedures compare favorably with the guidelines of the Proposal and that the Company has, therefore, substantially implemented the Proposal. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on rule 14a-8(i)(10).

Sincerely,

Dorrie Yale  
Attorney-Adviser

**DIVISION OF CORPORATION FINANCE**  
**INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS**

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.

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September 29, 2019

Via email [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov)  
U.S. Securities and Exchange Commission  
Office of Chief Counsel  
Division of Corporation Finance  
100 F Street, NE, Washington, DC 20549-2736

*Re: Shareholder Proposal to Visa 2020 Meeting*

Ladies and Gentlemen:

This is to disagree Visa Inc. (the Company)/Gibson, Dunn & Crutcher LLP letter of September 13, 2019. The Company has NOT substantially implemented my proposal. The letter did not provide the Company's actions to have satisfactorily addressed my proposal's underlying concerns as stated in my supporting statement, and the essential objective to reform the Company's executive compensation philosophy.

For example, the 2019 CD&A did not mention the CEO pay ratio at all. What is the purpose to disclose the CEO pay ratio? Why the Company dare not invite outside independent experts to provide advice on a proper CEO pay ratio?

As Fox Business reported: "Wealth inequality in US reached highest level in over 50 years, Census says" (by Megan Henney, September 26, 2019), Visa as a leading company must take actions now to help to solve this American social problem. I look forward Visa to substantially implementing my proposal.

Should you have any questions, please contact me at \*\*\* or \*\*\* .

Respectfully,



Jing Zhao

Cc: [shareholderproposals@gibsondunn.com](mailto:shareholderproposals@gibsondunn.com), Elizabeth A. Ising [easing@gibsondunn.com](mailto:easing@gibsondunn.com),  
Simona Katcher [skatcher@visa.com](mailto:skatcher@visa.com) , Visa Inc.

September 13, 2019

VIA E-MAIL

Office of Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: *Visa Inc.*  
*Stockholder Proposal of Jing Zhao*  
*Securities Exchange Act of 1934—Rule 14a-8*

Ladies and Gentlemen:

This letter is to inform you that Visa Inc. (the “Company”) intends to omit from its proxy statement and form of proxy for its 2020 Annual Meeting of Stockholders (collectively, the “2020 Proxy Materials”) a stockholder proposal (the “Proposal”) and statements in support thereof received from Jing Zhao (the “Proponent”).

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the “Commission”) no later than eighty (80) calendar days before the Company intends to file its definitive 2020 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”) provide that stockholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the “Staff”). Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to this Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

**THE PROPOSAL**

The Proposal provides:

Resolved: shareholders recommend that Visa Inc. (the Company) Compensation Committee reform the Company’s executive compensation

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philosophy to include social factors, such as CEO pay ratio, to enhance the Company's social responsibility.

A copy of the Proposal, the supporting statement and related correspondence from the Proponent is attached to this letter as Exhibit A.

### **BASIS FOR EXCLUSION**

We hereby respectfully request that the Staff concur in our view that the Proposal may properly be excluded from the 2020 Proxy Materials pursuant to Rule 14a-8(i)(10) because the Company has substantially implemented the Proposal.

### **ANALYSIS**

#### **The Proposal May Be Excluded Under Rule 14a-8(i)(10) As Substantially Implemented.**

##### *A. Rule 14a-8(i)(10) Background*

Rule 14a-8(i)(10) permits a company to exclude a stockholder proposal from its proxy materials if the company has substantially implemented the proposal. The Commission stated in 1976 that the predecessor to Rule 14a-8(i)(10) was “designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management.” Exchange Act Release No. 12598 (July 7, 1976). Originally, the Staff narrowly interpreted this predecessor rule and granted no-action relief only when proposals were “‘fully’ effected” by the company. *See* Exchange Act Release No. 19135 (Oct. 14, 1982). By 1983, the Commission recognized that the “previous formalistic application of [the Rule] defeated its purpose” because proponents were successfully convincing the Staff to deny no-action relief by submitting proposals that differed from existing company policy by only a few words. Exchange Act Release No. 20091, at § II.E.6. (Aug. 16, 1983) (the “1983 Release”). Therefore, in 1983, the Commission adopted a revision to the rule to permit the omission of proposals that had been “substantially implemented.” 1983 Release. The 1998 amendments to the proxy rules reaffirmed this position. *See* Exchange Act Release No. 40018 at n.30 and accompanying text (May 21, 1998).

Applying this standard, the Staff has noted “a determination that the company has substantially implemented the proposal depends upon whether [the company’s] particular policies, practices and procedures compare favorably with the guidelines of the proposal.” *Texaco, Inc.* (avail. Mar. 28, 1991). In other words, substantial implementation under Rule 14a-8(i)(10) requires a company’s actions to have satisfactorily addressed the proposal’s underlying concerns and its essential objective. *See, e.g., Anheuser-Busch Cos.*,

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*Inc.* (avail. Jan. 17, 2007); *ConAgra Foods, Inc.* (avail. Jul. 3, 2006); *Johnson & Johnson* (avail. Feb. 17, 2006); *Talbots Inc.* (avail. Apr. 5, 2002); *Masco Corp.* (avail. Mar. 29, 1999). Accordingly, Rule 14a-8(i)(10) permits exclusion of a stockholder proposal when a company has already substantially implemented the essential objective of the proposal, even if by means other than those specifically requested by the stockholder proponent. *See, e.g., The Procter & Gamble Co.* (avail. Aug. 4, 2010); *Wal-Mart Stores, Inc. (AFL-CIO Reserve Fund et al.)* (avail. Mar. 30, 2010). Differences between a company's actions and a stockholder proposal are permitted as long as the company's actions satisfactorily address the proposal's essential objectives. *See, e.g., Exxon Mobil Corp. (Rossi)* (avail. Mar. 19, 2010). When a company can demonstrate that it already has taken actions to address the underlying concerns and essential objectives of a stockholder proposal, the Staff has concurred that the proposal has been "substantially implemented" and may be excluded as moot. *See, e.g., Bank of America Corp.* (avail. Jan. 19, 2018); *Amazon.com, Inc.* (avail. Mar. 3, 2016); *Bank of America Corp.* (avail. Dec. 15, 2010); *Exelon Corp.* (avail. Feb. 26, 2010); *Exxon Mobil Corp. (Burt)* (avail. Mar. 23, 2009); *Exxon Mobil Corp.* (avail. Jan. 24, 2001).

*B. The Company Has Substantially Implemented The Proposal*

The Proposal requests that the "Compensation Committee reform the Company's executive compensation philosophy to include social factors, such as CEO pay ratio, to enhance the Company's social responsibility." The Proposal is excludable under Rule 14a-8(i)(10) because the Proposal has already been substantially implemented. Specifically, as described below and as demonstrated in the Company's 2018 Corporate Responsibility & Sustainability Report (the "Sustainability Report"),<sup>1</sup> the Compensation Committee already includes "social factors . . . [that] enhance the Company's social responsibility" in the Company's "executive compensation philosophy."

By way of background, in the Company's proxy statement for its 2019 Annual Meeting of Stockholders, the Compensation Discussion & Analysis ("2019 CD&A") stated the following about the Company's "executive compensation philosophy" under the heading "Compensation Philosophy and Objectives":

We maintain compensation plans that tie a substantial portion of our named executive officers' overall target annual compensation to the achievement of

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<sup>1</sup> The Sustainability Report is available at <https://usa.visa.com/dam/VCOM/download/corporate-responsibility/visa-2018-corporate-responsibility-report.pdf>. Since 2016, the Company has published an annual corporate responsibility report, describing the Company's efforts to operate responsibly to support strong governance, the highest ethical standards, and environmental sustainability across its business and operations.

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our corporate performance goals. The Compensation Committee employs multiple *performance measures* and strives to award an appropriate mix of annual and long-term equity incentives to avoid overweighting short-term objectives. (*emphasis added*)

While this section of the 2019 CD&A did not go into detail about the role of “social factors” in the Company’s executive compensation philosophy and program, other parts of the 2019 CD&A explained their inclusion. Specifically, the 2019 CD&A explained with respect to the “performance measures” referenced in the “executive compensation philosophy”:

- how the Company’s executive incentive compensation program is tied to the Company’s long-term strategy by “rewarding [executive officers for] their achievement of *goals* and fulfillment of activities that support our *strategic pillars*;”
- the pillars are seven *strategic pillars* (which are described at a high level in the 2019 CD&A) that the Company maintains “to position the Company competitively and thereby deliver superior performance, which will in turn create value for our stockholders;”
- with respect to the Company’s annual incentive plan, “[a] significant portion of [the Company’s] executive officers’ individual performance goals is tied to one or more of [the Company’s] *strategic pillars*;” and
- by way of example, with respect to the *pillar* called Developing Best Talent, performance goals include “creating a unique and inclusive environment for [Company] employees” as well as “a commitment to attract, develop and retain diverse employees, including women and underrepresented talent.”

The 2019 CD&A also explained that the Compensation Committee is responsible for setting the Company’s executive compensation philosophy: the Board’s Compensation Committee “is responsible for establishing and reviewing the overall compensation philosophy and program for our named executive officers,” and approves all performance goals for executive officers. Thus, by including the above-cited “social factors” as part of executive officers’ individual performance goals, the Compensation Committee has already linked the level of the Company’s executive compensation to “social factors,” and thus, has already included “social factors” as part of the Company’s “executive compensation philosophy.”

In addition, the Company’s Sustainability Report explains in more detail how “social factors” are part of the Company’s “executive compensation philosophy.” Specifically, under the heading “Board & Executive Compensation Programs and Philosophy,” the

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Sustainability Report (in relevant part) repeats the discussion from the 2019 CD&A regarding the Company’s “executive compensation philosophy” and continues by explaining with respect to the philosophy that “[e]nvironmental, social, and governance (ESG) practices are important elements of [the Company’s] long-term corporate strategy.” It then explains that as part of the Company’s executive compensation program, the Compensation Committee measures individual performance of the Company’s executive officers by reviewing their achievement of pre-established goals that further one or more of the Company’s seven strategic pillars (which, as noted above, are intended to further corporate strategy)—and several of these “individual goals promote and incorporate ESG factors, including diversity and inclusion, employee leadership and development, cybersecurity and data privacy, and financial inclusion and access.”<sup>2</sup> For example, one strategic pillar is “Develop Best Talent,” which addresses diversity and inclusion and employee leadership and development goals. Another strategic pillar is the “Expand Access” strategic pillar, which addresses financial inclusion and access goals, whereby the Company “helps put people on a path out of poverty, creates productive empowered citizens, fosters business opportunities and fuels economic growth.”<sup>3</sup> Also relevant is the “Champion Security” pillar, wherein the Company has implemented a security strategy that advances the security of the broader payments ecosystem.<sup>4</sup>

The Proposal does not dictate which “social factors” should be incorporated into the Company’s “executive compensation philosophy.” While it provides, for example, CEO Pay ratio as one such factor, the express text of the Proposal makes clear that the goal of the Proposal is the inclusion of “social factors” in order “to enhance the Company’s social responsibility.” Here, the Compensation Committee has incorporated various “social factors” in the Company’s “executive compensation philosophy”—such as “diversity and inclusion, employee leadership and development, cybersecurity and data privacy, and financial inclusion and access.” Various commentators have observed that the “S” in ESG includes similar matters.<sup>5</sup> Moreover, the Company’s corporate website explains the

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<sup>2</sup> A copy of the relevant portion of the Sustainability Report is attached to this letter as Exhibit B.

<sup>3</sup> See “Financial Inclusion,” Visa, *available at* <https://usa.visa.com/about-visa/financial-inclusion.html>.

<sup>4</sup> See Sustainability Report at 20-23.

<sup>5</sup> See, e.g., Laura Blecher, *Where is the S in ESG investing?*, Financial Times, November 21, 2017 (“the S-factor . . . is often associated with employment rights”), *available at* <https://www.ft.com/content/df915480-bb33-11e7-9bfb-4a9c83ffa852>; and Casey O’Connor and Sarah Labowitz, *Putting the “S” in ESG: Measuring Human Rights Performance for Investors*, NYU Stern: Center for Business and Human Rights, March 2017 (“Regulation is also increasingly specific with regard to social issues . . . cover[ing] issues such as gender equality and diversity, workplace health and safety, issues of forced or child labor in supply chains, and efforts to combat corruption”), *available at*

(Cont’d on next page)

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Company's commitment to social responsibility in these various areas.<sup>6</sup> As a result, as demonstrated in the Sustainability Report,<sup>7</sup> the Company's "executive compensation philosophy" (which the Compensation Committee oversees) already includes "social factors . . . [that] enhance the Company's social responsibility."

Finally, we note the reference in the Proposal's supporting statement to the Proponent's views that "[o]utside non-paid independent experts should have a voice to the Compensation Committee to reform the executive compensation philosophy to include social factors . . . to enhance the Company's social responsibility." The proxy statement for the Company's 2019 Annual Meeting of Stockholders made clear how various stakeholders (including such "experts") can contact the Compensation Committee and the Board and express their views to the Compensation Committee on a variety of matters, including on the subject matter of the Proposal. Moreover, as discussed in the Sustainability Report under the heading "Shareholder Engagement":

Our Board and management team greatly value the opinions and feedback of our shareholders, and we are committed to proactive, ongoing engagement with our stockholders throughout the year. In 2018, in addition to regular interaction of our Chief Executive Officer, Chief Financial Officer and Investor Relations team with investors, we reached out to our top 50 investors, representing more than 50 percent of our outstanding Class A common stock. We also held in-person and telephonic meetings with 26 institutional shareholders representing approximately 37 percent of our outstanding Class A common stock.

Topics covered during our discussions with investors included:

. . .

- Our executive compensation program and philosophy

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*(Cont'd from previous page)*

<https://static1.squarespace.com/static/547df270e4b0ba184dfc490e/t/58cad912e58c6274180b58b6/1489688854754/Metrics-Report-final-1.pdf>.

<sup>6</sup> See, e.g., "Diversity + Inclusion," Visa, available at <https://usa.visa.com/about-visa/diversity-inclusion.html>.

<sup>7</sup> The Company intends to also include this disclosure regarding its "executive compensation philosophy" in the 2020 Proxy Materials.

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These investors often engage with public companies regarding their executive compensation programs and disclosures (including CEO pay ratio) and, as demonstrated above, already have a “voice to the Compensation Committee” to “provide non-paid advisory suggestions” about “includ[ing] social and economic factors” and other executive compensation matters.

The Company’s implementation of the Proposal is similar to the action taken by other companies in response to similar stockholder proposals. For example, in *Dunkin’ Brands Groups, Inc.* (avail. Mar. 6, 2019), the Staff concurred with the exclusion of a proposal requesting a report on the feasibility of integrating sustainability metrics into the company’s compensation program where the company had addressed the proposal’s essential objective through disclosures in its biannual corporate social responsibility reports and the Compensation Discussion and Analysis in its proxy statement. *See also eBay Inc.* (avail. Mar. 29, 2018) (concurring with the exclusion of a proposal requesting a report assessing the feasibility of integrating sustainability metrics, such as senior executive diversity, into the performance measures of the CEO where the company had already made the assessment and had already incorporated such measures in a “holistic view of [the CEO’s] performance during the year”).

Moreover, the inclusion of “social factors” in the Company’s “executive compensation philosophy” is analogous to situations where companies have demonstrated that they have already implemented a request to include ESG-related metrics in their executive compensation programs. *See, e.g., Wal-Mart Stores, Inc.* (avail. Mar. 25, 2015) (concurring with the exclusion of a proposal requesting the inclusion of at least one employee engagement-related metric into senior executive incentive compensation where the company’s incentive plan included a diversity and inclusion metric related to employee engagement); *Hilton Hotels Corp.* (avail. Mar. 7, 2001) (concurring with the exclusion of a proposal requesting franchisee satisfaction as a measure for performance-based compensation where franchisee satisfaction, as determined through written surveys, was a component of “individual goal achievement” for executives responsible for franchise operations); *Raytheon Co. (John W. Wilson)* (avail. Feb. 26, 2001) (concurring with the exclusion of a proposal requesting the incorporation of “human capital” measures in performance awards where the company factored in “People Metrics” in performance awards, which included human capital measures such as employee training, morale, and safety).

In contrast, in *Equity Residential* (avail. Mar. 23, 2011), the Staff denied no-action relief where the company did not address the specific factors called. There, the stockholder proposal requested that the company include sustainability measures in the executive compensation program and specifically defined sustainability as “how environmental, social and financial considerations are integrated into corporate strategy over the long term.” The

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company argued that sustainability was incorporated through the consideration of related matters such as “developing solutions to reduce energy, water and waste usage, improving the sustainability features of [c]ompany offices space as well as office employee awareness with respect to sustainability, and establishing processes to increase the [c]ompany’s ability to measures its efficiency and sustainability efforts.” *See also Raytheon Co. (John A. Duggan)* (avail. Feb. 26, 2001) (denying exclusion of a proposal requesting a review of linking employee satisfaction measures to executive compensation where the company argued that its “People Metrics” evaluated a number of employee satisfaction measures and executives’ recruiting and retention efforts, but did not explain the impact, if any, these measures had on compensation) (“*Raytheon (Duggan)*”). Here, unlike in *Equity Residential* and *Raytheon (Duggan)*, the Company’s “executive compensation philosophy” already includes exactly what the Proposal requests. That is, the Company’s executive compensation program, which the Compensation Committee oversees, includes “social factors.”

Thus, as in *Dunkin’ Brands* and the related precedent cited above, the Company has already addressed the essential objectives of the Proposal. Accordingly, the Company has substantially implemented the Proposal, and it may be excluded from the 2020 Proxy Materials in reliance on Rule 14a-8(i)(10).

## CONCLUSION

Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its 2020 Proxy Materials.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to [shareholderproposals@gibsondunn.com](mailto:shareholderproposals@gibsondunn.com). If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 955-8287 or Simona Katcher, the Company’s Senior Counsel and Assistant Secretary, at (650) 432-7945.

Sincerely,



Elizabeth A. Ising

Enclosures

cc: Simona Katcher, Visa Inc.  
Jing Zhao

**EXHIBIT A**

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July 23, 2019

Visa Inc.

P.O. Box 193243

San Francisco, CA 94119

ATTN: Corporate Secretary

(Also via [corporatesecretary@visa.com](mailto:corporatesecretary@visa.com), [board@visa.com](mailto:board@visa.com) )

Re: Shareholder Proposal 2020

Dear Corporate 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 until the 2020 annual meeting of shareholders.

Please set an email account to receive shareholder proposals, as the SEC and many other companies do. This will make certain that a proposal can be submitted on the same date of the confirming letter of the shares. I received my shares letter today after the post offices have closed so I will mail them to you tomorrow, but I am sending you via emails tonight too.

Should you have any questions, please contact me at \*\*\* or

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Yours truly,



Jing Zhao

Enclosure: Shareholder proposal, Shares ownership letter

## **Shareholder Proposal on Executive Compensation Philosophy**

Resolved: shareholders recommend that Visa Inc. (the Company) Compensation Committee reform the Company's executive compensation philosophy to include social factors, such as CEO pay ratio, to enhance the Company's social responsibility.

### **Supporting Statement**

According to the Company's Notice of 2019 Annual Meeting and Proxy Statement "Corporate Responsibility and Sustainability" section (pages 15-17), the Company has integrated approach to corporate responsibility. However, the Company's Compensation Committee's "Compensation Philosophy and Objectives" (pages 49-50) do not have any social factor to check the ballooning executive compensation, such as the CEO pay total \$24,523,500 (page 51).

While the Compensation Committee may have "engaged FW Cook as its independent consultant" (page 48), that fact is that one paid-consultant cannot provide necessary independent advise on executive compensation matters. Outside non-paid independent experts should have a voice to the Compensation Committee to reform the executive compensation philosophy to include social factors, such as CEO pay ratio (very high at 147:1 in 2018, page 66), American people's income change, international comparison (for example, Japanese large companies' CEO pay ratios are less than 20:1), to enhance the Company's social responsibility. The Compensation Committee has the flexibility to select outside independent experts to provide non-paid advisory suggestions to include social and economic factors.

"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). America's ballooning executive compensation is neither responsible for the society nor sustainable for the economy.

With more than 3.3 billion cards were available in more than two hundred countries and territories to be used at nearly 54 million business and merchant locations (Annual Report 2018, pages 4-5), the Company's social reputation is vital to its business.

07/23/2019

Jing Zhao  
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Re: Your TD Ameritrade Account Ending in \*\*\*

Dear Jing Zhao,

Thank you for allowing me to assist you today. According to our records, your account has held a position of 20 shares of V - VISA from June 25th, 2018 through the open of business today, July 23rd, 2019.

If we can be of any further assistance, please let us know. Just log in to your account and go to the Message Center to write us. You can also call Client Services at 800-669-3900. We're available 24 hours a day, seven days a week.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andrew Weinberg', written over a horizontal line.

Andrew Weinberg  
Resource Specialist  
TD Ameritrade

This information is furnished as part of a general information service and TD Ameritrade shall not be liable for any damages arising out of any inaccuracy in the information. Because this information may differ from your TD Ameritrade monthly statement, you should rely only on the TD Ameritrade monthly statement as the official record of your TD Ameritrade account.

Market volatility, volume, and system availability may delay account access and trade executions.

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**From:** Katcher, Simona  
**Sent:** Tuesday, August 6, 2019 9:32 AM  
**To:** \*\*\*  
**Subject:** RE: Shareholder Proposal 2020

Hi, Jing.

Also attached for your reference is a copy of Rule 14a-8.

Kind regards,  
Simona

**From:** Katcher, Simona  
**Sent:** Tuesday, August 6, 2019 8:56 AM  
**To:** \*\*\*  
**Subject:** RE: Shareholder Proposal 2020

Hi, Jing.

Please be advised that we received your stockholder proposal on executive compensation philosophy. Thank you for being a stockholder of Visa and sending your letter to us. We are interested in hearing more about your concerns. Are you available to meet next week? If so, kindly advise as to a few dates/times that you are available, and I will set-up a meeting/call.

In the interim, attached please find a procedural deficiency notice.

Kindly confirm receipt of this e-mail. Thank you, and I look forward to hearing from you.

Kind regards,  
Simona

**Simona B. Katcher | Senior Counsel and Assistant Secretary | Visa Inc. |**  
**T: 650-432-7945 | M: 415-279-1234 | E: [skatcher@visa.com](mailto:skatcher@visa.com)**

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From: JING ZHAO  
Sent: Tuesday, July 23, 2019 10:39:16 PM (UTC-08:00) Pacific Time (US & Canada)  
To: Corporate Secretary; [Board@visa.com](mailto:Board@visa.com)  
Subject: Shareholder Proposal 2020

Please see the attached files.

Regards,

Jing Zhao



August 6, 2019

**VIA OVERNIGHT MAIL AND EMAIL**

Jing Zhao

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Dear Mr. Zhao:

I am writing on behalf of Visa, Inc. (the "Company"), which received on July 23, 2019, your stockholder proposal entitled "Shareholder Proposal on Executive Compensation Philosophy" submitted pursuant to Securities and Exchange Commission ("SEC") Rule 14a-8 for inclusion in the proxy statement for the Company's 2020 Annual Meeting of Stockholders (the "Proposal").

The Proposal contains certain procedural deficiencies, which SEC regulations require us to bring to your attention. Under Rule 14a-8(b) of the Exchange Act, a stockholder must have continuously held at least \$2,000 in market value, or 1%, of the Company's securities entitled to be voted on the Proposal at the stockholders' meeting for at least one year as of the date the Proposal was submitted to the Company, and must provide to the Company a written statement of the stockholder's intent to continue to hold the required number or amount of shares through the date of the stockholders' meeting at which the Proposal will be voted on by the stockholders. We believe that your written statement in your July 23, 2019 correspondence that you will "hold these shares *until* the 2020 annual meeting of shareholders" (emphasis added) is not adequate to confirm that you intend to hold the required number or amount of the Company's shares *through* the date of the 2020 Annual Meeting of Stockholders. To remedy this defect, you must submit a written statement that you intend to continue holding the required number or amount of Company shares *through* the date of the Company's 2020 Annual Meeting of Stockholders.

The SEC's rules require that any response to this letter be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please address any response to me P.O. Box 193243, San Francisco, CA 94119. Alternatively, you may transmit any response by email to me at [skatcher@visa.com](mailto:skatcher@visa.com).

Please do not hesitate to contact me at (650) 432-7945 should you have any questions.

Kind regards,

Simona Katcher  
Senior Counsel and Assistant Secretary

**From:** JING ZHAO \*\*\*  
**Sent:** Wednesday, August 7, 2019 1:59 PM  
**To:** Katcher, Simona <[skatcher@visa.com](mailto:skatcher@visa.com)>  
**Subject:** Re: Shareholder Proposal 2020

Hi Simona,

It is a pleasure to hear from you again.

Please see the attached letter to confirm that I will continuously hold 20 shares of Visa Inc. from June 25th, 2018 through the 2020 annual meeting of shareholders.

I am flexible next week, anytime between 9am-3pm is good for me.

Best regards,  
Jing

Jing Zhao  
US-Japan-China Comparative Policy Research Institute

\*\*\*

August 7, 2019

Visa Inc.  
P.O. Box 193243  
San Francisco, CA 94119  
ATTN: Corporate Secretary  
(Also via skatcher@visa.com )

Re: Shareholder Proposal 2020 -2

Dear Ms. Simona Katcher:

Thank you for your August 6, 2019 letter. I will continuously hold 20 shares of Visa Inc. from June 25th, 2018 through the 2020 annual meeting of shareholders.

I don't think my July 23, 2019 letter containing any procedural deficiency, because I used the word "until" for my many proposal letters without any problem. However, I thank you for your kind teaching of my English.

Should you have any questions, please contact me at \*\*\* or

\*\*\*

Yours truly,



Jing Zhao

**EXHIBIT B**

## Board & Executive Compensation Programs & Philosophy

We provide our named executive officers (NEOs) with short- and long-term compensation opportunities that encourage improving performance to enhance shareholders' value while avoiding excessive risk-taking.

We maintain compensation plans that tie a substantial portion of NEOs' overall target annual compensation to the achievement of the company's corporate performance goals. The Compensation Committee employs multiple performance measures and strives to award an appropriate mix of annual and long-term equity incentives to avoid overweighting short-term objectives.

Environmental, social and governance (ESG) practices are important elements of Visa's long-term corporate strategy (and included in the company's seven strategic pillars), and contribute to Visa being a sustainable and responsible corporate citizen. As part of our annual incentive plan, the Compensation Committee measures individual performance of Visa's executive officers by reviewing their achievement of pre-established goals that further one or more of the company's seven strategic pillars. A number of these individual goals promote and incorporate ESG factors, including diversity and inclusion, employee leadership and development, cybersecurity and data privacy, and financial inclusion and access. In addition, individual performance, which is tied to the strategic pillars, is considered when setting the value of the officers' long-term equity award.

Our non-employee directors receive a combination of cash and equity compensation for their service on our Board, reflecting their significant commitment of time and the skill level required of members of our Board. Our Compensation Committee structures this compensation with the goal of attracting and retaining a high caliber of directors and aligning their interests with those of our shareholders.

A detailed review of executive and board compensation is provided in our proxy statement.

## Risk Oversight

The Board recognizes the importance of effective risk oversight in running a successful business and in fulfilling its fiduciary responsibilities to Visa and our shareholders. While our senior leadership team is responsible for the day-to-day management of risk, our Board is responsible for promoting an appropriate culture of risk management within the Company to set the right "tone at the top." The Board is also responsible for overseeing our aggregate risk profile and monitoring how we address specific risks, such as strategic and competitive risks, financial risks, brand and reputation risks, cybersecurity and technology risks, legal and compliance risks, regulatory risks and operational risks.

More information on the oversight of risk by the Board and its committees can be found in Visa's 2019 Proxy Statement.



## 2018 Committee Updates

**In 2018, the committees focused on the following priorities:**

- The Audit and Risk Committee reviewed the key risks facing Visa and oversaw the Company's response to several regulatory developments, including adoption of the GDPR in Europe and corporate tax reform in the U.S.
- The Compensation Committee continued with its commitment to paying for performance and preferring variable over fixed pay through the use of multiple metrics, compensation types and measurement periods designed to support shareholder value creation, while avoiding undue risk.
- The Nominating and Corporate Governance Committee continued to focus on Board composition and structure, including adding a new member to the Board and forming a Finance Committee to assist the Board in its oversight of the Company's financial matters.

## Shareholder Engagement

Our Board and management team greatly value the opinions and feedback of our shareholders, and we are committed to proactive, ongoing engagement with our shareholders throughout the year. In 2018, in addition to regular interaction of our Chief Executive Officer, Chief Financial Officer and Investor Relations team with investors, we reached out to our top 50 investors, representing more than 50 percent of our outstanding Class A common stock. We also held in-person and telephonic meetings with 26 institutional shareholders representing approximately 37 percent of our outstanding Class A common stock.

Topics covered during our discussions with investors included:

- Board composition and refreshment, including diversity and skills criteria
- Board risk oversight, including cybersecurity and privacy
- Our executive compensation program and philosophy
- Additional corporate responsibility and sustainability topics, including human capital management and environmental sustainability

A summary of the feedback we received was discussed and considered by the Board, and we have made enhancements to our disclosures to improve transparency in these areas.

Further details of our governance practices are provided in our [Corporate Governance Guidelines](#) and our [2019 Proxy Statement](#).

