

Retirees Fight to Strengthen Clawback Policy, Limit Executive Golden Parachutes at Verizon



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Members of the non-profit Association of BellTel Retirees, Inc. have two shareholder proposals for the 2023 Verizon (NYSE:VZ) shareowner meeting, aimed at strengthening the senior executive clawback policy while limiting executive golden parachutes. The annual meeting will be in Salt Lake City, Utah on May 11.

The BellTel Retirees have a long and successful history of shareowner advocacy at Verizon, acting as an integral check for better governance practices. Since 2003, they have achieved 12 changes to corporate governance, including three by majority vote (2013, 2007, 2003).

The Association of BellTel Retirees is proposing Item #8, a Shareholder Ratification of Annual Equity Awards policy (Aka: "Golden Parachute") which recommends shareowner approval of any new and renewed senior executive compensation packages that would include severance or termination payments exceeding 2.99 times base salary plus target short-term bonus. A nearly identical retiree proposal achieved a 44% vote in 2022.

This measure seeks to strengthen the current policy, which Verizon adopted following a successful 2003 BellTel-backed proposal that achieved 59% of shares voted. Retirees believe much more scrutiny is needed over exit packages, reflective of the one currently available to CEO Hans Vestberg. As disclosed in the 2023 Proxy, Mr. Vestberg could receive \$31.6 million, or more than six (6) times his 2022 base salary plus a short-term bonus, upon termination following any change in company control.

The second retiree proposal, by BellTel Chairman Thomas M. Steed, which achieved 37% in 2022, would amend Verizon's Senior Executive Compensation Clawback Policy (Item #7). The current policy allows cancellation or recoupment of cash and equity compensation when executives engage only in "willful misconduct" resulting in a material restatement of the corporation's financial results. BellTel believes the company's current policy wording is too vague and lenient to ever be effective.

Proposal #7 urges enhancing the standard from "willful misconduct" to "conduct" that can cause financial or reputational risk to the company.

"The executive clawback policy governing senior executives, should reflect the same expectations that all other employees of Verizon are duty-bound to follow. There should

not be a double standard,” **said Steed**, who submitted the proposal. “Since employees can be disciplined or dismissed for failing to execute their duties, senior executives should certainly not be rewarded for harm they cause to the company’s brand or reputation, or actions that result in Verizon needing to pay penalties or restitution.”

Retiree and employee shareowners whose shares are held within a Verizon savings/401k plan are required to vote by no later than **May 8, 2023**.

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