



From: Association of BellTel Retirees Inc.

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Verizon Retirees Win 2013 Executive Compensation Change

Propose Two Additional Proxies to Rein-In Excessive Golden Parachutes & Allow Long-Term Verizon Shareowners to Nominate Board Candidates

Cold Spring Harbor, NY -- April 2, 2013 -- Retirees of Verizon Communications Inc. (NYSE: VZ) have launched their 15th annual proxy campaign to call upon major shareholders at one of America's largest publicly traded companies to vote for retiree resolutions that limit "excessive Executive Golden Parachutes" and allow long-term Verizon shareowners owning at least 3% of the company's shares to nominate candidates for election to the company's board.

The 128,000-member Association of BellTel Retirees (www.belltelretirees.org), has proposed a series of successful corporate governance and executive compensation changes over the last 15 years, first when the company was NYNEX, then Bell Atlantic and now Verizon.

The retiree group has achieved unprecedented nine-victories, two by a majority vote (2003 Executive Severance- with support from 59% of shares voting; AND 2007 Say on Pay - with support from 50.18% of shares voting) and seven others the company and its successor boards negotiated off the proxy ballot.

The retirees' most recent victory comes in 2013. As its proxy statement discloses, Verizon agreed to substantially reduce the payouts of performance-based stock that its senior executives can earn for below-average stock returns. After the retirees filed their proposal, the company's board of directors approved a reduction in the amount of the Performance Stock Unit payout so that it became more closely aligned with the retiree's proposal.

The retiree association has two other proxies that will be on the ballot leading up to Verizon's 2013 Annual Meeting on May 2 in Tulsa, Oklahoma. The proxies include:

Ballot Item # 8 – The retirees proposed a new Severance Approval Policy for Excessive Golden Parachutes, closing an existing loophole in the company's executive severance rules. Severance packages exceeding a total cost of 2.99 times an executive's base salary plus target would require shareowner approval.

In 2003 when the company was still Bell Atlantic, an Association proxy proposal requiring shareholder approval for severance packages with a cash value exceeding 2.99 times base salary plus target bonus received a majority vote (59% of the shares voting). It was the first time any Bell System company's board lost a proxy vote.

However, when Verizon's Board adopted the policy the following year, it included a loophole that excludes the waiver of performance conditions on "Performance Share Units" (PSUs) and "Restricted Stock Units" (RSUs). Although the accelerated vesting of PSUs and RSUs can amount to many millions of dollars, the cost isn't counted as part of the termination payments that require shareholder ratification. The retiree proposal would close this loophole, consistent with the intent of the 2003 proxy approved by shareholders.

Ballot Item # 7 -- Would amend Verizon's bylaws to allow shareholders to nominate a limited number of directors for election to the Board. The retirees say shareholders should be able to nominate a candidate for Verizon's board, so long as the shareholder (or a group of shareholders) own 3% of Verizon common stock for a period of 3 years or more. The retiree association believes this bylaw amendment would lead to enhanced accountability and allow long-term Verizon shareowners to have a true voice in electing directors that are not solely hand-picked by Verizon management. Hewlett Packard adopted this same rule this year, as it was approved at H-P's annual meeting with the support of 68% of outstanding common stock.

"Retirees of Verizon have a significant vested interest in Verizon and we want to see it do well," said C. William Jones, president and founder of the retiree association. "The fact is 90% of the Association of BellTel Retirees' members are Verizon customers and 72% are shareowners, many of us supported the company via stock purchases in our working years and have long had grave concerns about management excesses."

He continued, "The BellTel Retirees have demonstrated over and over again that a group of small but very engaged shareholders can reshape the compensation and governance policies of a corporate giant in a manner that benefits all company owners."

Past Successful BellTel Retiree Proxy Campaigns

1. 2013 VZ board agreed to partially adopt a retiree proposal tightening standards for awarding Performance Share Payouts to senior executives when Verizon's performance is below the median compared to its Dow Jones peer index;
2. 2007 "Say on Pay" Advisory Vote on Executive Compensation- Retirees win with 50.18% of the vote, effective for 2009;
3. 2007 Corporate Governance Guidelines-The Board partially adopted a retiree proxy limiting the number of boards a Verizon director can serve on. A director who is an executive officer of a public company is limited to three public company boards; other directors are limited to six company boards.
4. 2006 Performance Based Equity Compensation-Retiree proxy asked that at least 75% of future senior executive equity compensation be performance-based.
5. 2005 Supplemental Executive Retirement Plan (SERP) - The Verizon board agreed to rein in senior executive SERP. Previous SERP contributions were 32% of combined salary plus bonus for every dollar above \$210,000 of salary. The old SERP was frozen and the new contribution level reduced from 32% down to the rank-and-file level of 4% to 7%.
6. 2005 Board Composition-Revised guidelines to reduce the Verizon board headcount from 21 to 12 or fewer members. Further, over time Verizon agreed to align the board to meet the Association's proxy definition of an "independent" board.
7. 2004 Binding Executive Severance-Following the board's failure to implement the 2003 proxy mandated by shareowners, the Association proposed a new binding proxy causing the Verizon board to agree to adopt the requirement of a shareholder vote to approve large new severance packages.
8. 2003 Exclude Pension Credits (Phantom Earnings) from Calculation of Executive Compensation- Verizon's board agreed to stop using Shadow Profits to enhance senior executive bonuses after retirees receive over 40% vote in previous year balloting.
9. 2003 Executive Severance – Retirees receive 59% yes vote. The change limits overly generous golden parachutes and requires shareholder approval for packages over the limit. It is the first time an outsider proxy opposed by the company board wins at a Bell System/former Bell company.