



**Media Contact:** Butler Associates, LLC. Strategic Communications  
Tom Butler 646.213.1802 [tbutler@butlerpr.com](mailto:tbutler@butlerpr.com)  
Christian Agredo 646.213.0286 [cagredo@butlerpr.com](mailto:cagredo@butlerpr.com)

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

*Measures Follow Jan 2022 Workforce Equity Policy Win at the Board Level for Retirees*

**COLD SPRING HARBOR, NY**, April 4, 2022 — Members of the non-profit [Association of BellTel Retirees, Inc.](#) have proposed shareholder proxies this year to strengthen the clawback policy and limit executive golden parachutes at [Verizon \(NYSE:VZ\)](#). The annual shareowners meeting will be held on May 12, 2022, in Irving, Texas.

The BellTel Retirees have a long history of shareowner proxy success at Verizon, acting as an integral check for better governance practices. The group has two proposals on the 2022 ballot.

BellTel is proposing a Shareholder Ratification of Executive Severance Packages [policy \(Item #6\)](#) that recommends shareowner approval of any new and renewed senior executive compensation packages that include severance or termination payments exceeding 2.99 times base salary plus target short-term bonus. A nearly identical retiree-supported proposal earned 38.1% support in 2021.

This measure seeks to strengthen the current “golden parachute” policy, which Verizon adopted following a successful 2003 BellTel-backed proxy measure that won with support from 59% of shares voted. The policy needs to be updated, as it fails to include the value of unearned Restricted Stock Units (RSU’s) and Performance Stock Units (PSU’s) that are supposed to be based on achieving certain levels of performance, but which a senior executive would immediately receive (regardless of performance) if that executive terminates following a change in control and in certain other circumstances.

Retiree shareowners believe more scrutiny is needed over exit packages, reflective of the one available to CEO Hans Vestberg. As disclosed in the [2022 Proxy](#), Mr. Vestberg could have received \$38.6 million, or more than seven (7) times his 2021 base salary plus a short-term bonus, upon termination following any change in control.

"In this era, far too many CEO golden parachutes are excessively bloated," **said Frank Bruzek, a BellTel board director.** "The company's existing practices do not align with the best interest of the company's stock or shareowners."

The group also supports a proposal, which achieved 36.8% support in 2021, to amend [Verizon's Senior Executive Compensation Clawback Policy \(Item #5\)](#). The current policy permits cancellation or recoupment of cash and equity compensation when executives engage in “willful misconduct” resulting in a material restatement of the corporation’s financial results.

The retirees believe the current wording is far too vague to be effective. The proposal urges changing the standard from “willful misconduct” to any misconduct that all employees are held accountable for and would not limit the harm to so large that it requires a material restatement of financial results.

“An enhanced clawback rule will be critical to eliminate a double standard where senior executives are immune from the same high expectations and duty-bound obligations that they hold their employees to,” **said BellTel Chairman Thomas Steed**, who submitted the proposal. “Since employees can be disciplined or dismissed for failure to execute their duties, senior executives, at least, should not be rewarded for incidents that harm the company’s reputation, or that result in having the corporation pay restitution or large fines for their lack of due diligence.”

The proposal also seeks to ensure that the board is transparent and reports the results of any clawback investigation and decision to shareowners. “The senior executive should hold themselves accountable above and beyond what they hold the 200,000 employees to,” **said Mr. Steed**. “This is the only way they can ‘lead by example.’”

In 2021, both measures won the support of Institutional Shareholder Services (ISS).

Retiree and employee shareowners whose shares are held within a Verizon savings/401k plan are required to vote by no later than [May 9, 2022](#).

Founded in 1996, the Association of BellTel Retirees Inc. has long championed Verizon retiree shareholder rights, including 12-proxy measures that have led to changes in corporate governance, three of those by outpolling the company in the shareowner vote.

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