

**2016 VERIZON ANNUAL MEETING OF SHAREHOLDERS
MAY 5, 2016 – Albuquerque N.M.- Proposal Number 8 –
“Severance Approval Policy” for Excessive ‘Golden Parachutes’**

Mr. McAdam, Mr. Horton, members of the board and fellow shareholders. My name is Jack Cohen and I am the sponsor of Proxy voting Item # 8, the proposal that addresses Executive Severance Agreements. I am also a former manager with over 26 years of dedicated service, having retired in 1994. In addition, I am Chairman of the Board of Directors of the Association of BellTel Retirees Inc.

A decade ago my Association spearheaded a winning shareholder proposal designed to rein in runaway executive compensation. That proposal required that any Golden Parachute severance agreement that paid out more than three times an executive’s base salary plus target bonus must be approved by shareholders. It was the first time in the history of any telephone company that a shareowner proposal actually won a majority among shares voted.

A person can get lost in the Accounting Gymnastics relating to accelerated RSU’s and PSU’s, designed to circumvent the SPIRIT OF PURPOSE of that vote in 2003. The harsh reality of life is that for a termination due to a change of ownership our CEO can achieve a “Golden Parachute” slightly in excess of \$40M (That is illustrated in a lovely chart on page 60, under the caption: “Change in Control and Termination Without Cause \$”) – It is also detailed vividly at the end of the last full paragraph on page # 45. That is not exactly three times base salary plus target bonus. This “accelerated vesting” loophole results in over SEVEN times annual salary plus target bonus. I would say that it is a great job of circumventing the intent of the shareholder mandate of 2003.

Leadership keeps trying to suggest that all this “performance-based” equity is “at risk” – and consequently avoids inclusion in the restriction of 2003 - but the only “risk” is whether - at the end of the 3-year performance cycle (when Verizon actually cuts the check) – the executive receives, for example, \$45 per share or \$46. What is not at risk is whether they receive 100% of the “target” number of shares, regardless of how Verizon performs over the 3-year cycle. (Otherwise, their % of the “target” number of shares, would vary based on Verizon’s performance relative to the 34 Dow Peers performance. – One can get lost in the verbiage. That is why we have lawyers both writing it and reading it for interpretation.

We can argue semantics all day long and still our proposal was approved by the S.E.C. and endorsed by the I.S.S. - The Institutional Shareholder Services.

The 2016 Proxy Statement (Page 47) shows \$114M going to the top four executives in compensation during the last three years alone; \$41 million in just 2015, to just four people.

The average household income these days is about \$50,000. Do the math...FOUR VERIZON EXECUTIVES made as much as 820 households in 2015, representing according to the U.S. Census, about 2,167 people – give or take a few here and there.

The objection is that in the midst of obscenely lavishing millions of dollars in compensation and Golden Parachute POTENTIAL to a handful of senior executives, our Corporation is engaged in a Strike. WHY IS THIS SIGNIFICANT TO SHAREHOLDERS?

- **Bargaining started 10 months ago in June**
- **The company placed a list of demands on the table from which, I am told, they have hardly budged**

- The previous contract was up in August, but still in good faith the Unions continued bargaining **WITHOUT A CONTRACT FOR 8 MORE MONTHS!** They exercised patience and hope.
- **HOW DID VERIZON LEADERSHIP RECOGNIZE THAT PATIENCE?** - How did the VERIZON leadership, upon which it appears to be raining millions of dollars **IN SALARY AND BENEFITS AND CONTRIBUTIONS TO QUALIFIED SAVINGS PLANS AND LIFE INSURANCE**, and other of what has been called: **EXEC-U-PORK**, react to our Unions working without a contract - *continuing service to our customers for eight more months over their contract termination date?* How did our executive leadership reciprocate the patience exhibited by the C.W.A and I.B.E.W? (Pause)

I'm glad you asked:

TWO WEEKS - into the strike the Unions were informed that **WE** are taking away their healthcare until they come back.

I say **"WE"** because as shareholders, **WE** are the company and the leadership acts on our behalf.

Verizon's demands during collective bargaining are targeted to **CONSTRICTING** of discretionary income to those Union workers currently on **STRIKE**. While we provide a literal swimming pool of money to our senior executives we offer a contract designed to make our workers family income go in the opposite direction paying out more than the wage increase being offered - and concurrently breaking their ties to the Union. Perhaps that is the ultimate goal.

That is why I believe it to be important to our Shareholders. We need to be cognizant of this trend as **SHAREHOLDERS**. Indeed, we have a history where the Unions help us manage the business and encouragingly partner with us to sell our products. As the guy once said: **"Read my lips"** – an adversarial posture is not constructive!

As an old telephone guy and shareholder I want Verizon to be successful. However, some of things I see are cause for concern:

- **We are concentrating our efforts consolidating call centers and ultimately moving the function overseas**
- **Concentrating all possible functions doing loads of outsourcing**
- **Many municipalities are angry at us because we seem to be putting maintenance of our infrastructure on the back burner.**
- **Frontier Communications appears to be our dumping ground for wirelines –especially those involved in trouble tickets.**
- **FiOS is advertised all over the networks, but where is it getting installed as new? One example I can point to - Brewster NY has been trying for years without success to get FiOS– THAT’S ANOTHER STORY.**
- **It is no secret that Verizon is migrating away from the wireline business. THE ASSOCIATION OF BELLTEL RETIREES ARE WORRIED that what happened to the Directory function – going to IDEARC, might happen to those who work for, and retired from, the wireline part of our business.**
- **In Oct. of 2012, Verizon abdicated their responsibility for 41,000 management retiree pensions. We still continue to battle to retrieve SOME of the ERISA protections lost in that transition to Group Annuities– WE ARE FORCED TO FIGHT THE INSURANCE LOBBY IN EVERY STATE to do so. One step in Verizon’s effort to get out of the PENSION business – Will the same fate be in the future of those who belong to our Unions?**
- **In January 2014, most management retirees, more following in 2015, were moved to a UHC Group Medicare Advantage Plan. Now, it appears that the Union retirees are going to the same plan. - OUR members are worried - Is this consolidation before disposal?**

- **Infrastructure maintenance is evidently too costly as is employee wages, healthcare and pensions.**
- **However, there seems always to be PLENTY OF MONEY FOR GOLDEN PARACHUTES AND EXECUTIVE COMPENSATION.**

I urge all shareholders to vote “YES” on Proxy proposal #8

The Association of BellTel Retirees, co-sponsor of Proposal #8, and their 134,000 members thank all of those who support our Proposal.

We also recommend strongly that shareholders cast a NO vote on the Advisory Vote on Executive Compensation – Proposal # 3

Mr. Chairman, Thank You