

CENTURYLINK, INC
Form DEF 14A
April 13, 2017
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

CENTURYLINK, INC.

(Name of registrant as specified in its charter)

(Name of person(s) filing proxy statement, if other than the registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

**2017 Notice of Annual Meeting
and Proxy Statement
and
Annual Financial Report**

May 24, 2017

10:00 a.m. local time

100 CenturyLink Drive

Monroe, Louisiana

Table of Contents

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 24, 2017

This proxy statement and related materials are

available at www.envisionreports.com/ctl.

All references in this proxy statement or related materials to we, us, our, the Company or CenturyLink refer to CenturyLink, Inc. In addition, each reference to (i) the Board refers to our Board of Directors, (ii) our executives or executive officers refers to our nine executive officers listed in the tables beginning on page 3 of this proxy statement, (iii) meeting refers to the 2017 annual meeting of our shareholders described further herein, (iv) named executives, named officers, named executive officers or NEOs refers to the five executive officers listed in the Summary Compensation Table appearing on page 52 of this proxy statement, (v) senior officers refers to our executive officers and a limited number of additional officers whose compensation is determined by the Human Resources and Compensation Committee of our Board, (vi) Embarq refers to Embarq Corporation, which we acquired on July 1, 2009, (vii) Qwest refers to Qwest Communications International Inc., which we acquired on April 1, 2011, (viii) Savvis refers to Savvis, Inc., which we acquired on July 15, 2011, (ix) Level 3 refers to Level 3 Communications, Inc., which we expect to acquire by the end of the third quarter of 2017, and (x) the SEC refers to the U.S. Securities and Exchange Commission. When used herein, consolidated free cash flow shall have the meaning ascribed to it in our quarterly earnings releases and consolidated operating cash flow, consolidated core revenue and absolute revenue shall have the meanings ascribed to them herein under the heading Compensation Discussion and Analysis. Unless otherwise provided, all information is presented as of the date of this proxy statement.

Table of Contents

CenturyLink, Inc.

100 CenturyLink Drive

Monroe, Louisiana 71203

Notice of Annual Meeting of Shareholders

| | |
|-------------------|--|
| TIME AND DATE | 10:00 a.m. local time on May 24, 2017 |
| PLACE | Corporate Conference Room CenturyLink Headquarters 100 CenturyLink Drive Monroe, Louisiana |
| ITEMS OF BUSINESS | (1) Elect as directors the nine nominees named in the accompanying proxy statement (2) Ratify the appointment of KPMG LLP as our independent auditor for 2017 (3) Conduct non-binding advisory votes: (a) to approve our executive compensation (b) regarding the frequency of our executive compensation votes (4) Act upon three separate shareholder proposals if properly presented at the meeting (5) Transact such other business as may properly come before the meeting and any adjournment. |
| RECORD DATE | You can vote if you were a shareholder of record on April 7, 2017. |
| PROXY VOTING | Shareholders are invited to attend the meeting in person. Even if you expect to attend, it is important that you vote by telephone or the Internet, or by completing |

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and returning a proxy or voting instruction card.

Stacey W. Goff

Secretary

April 10, 2017

Table of ContentsTABLE OF CONTENTS

| | Page |
|---|-------------|
| <u>GENERAL INFORMATION ABOUT THE ANNUAL MEETING</u> | 1 |
| <u>ELECTION OF DIRECTORS</u> | 3 |
| <u>CORPORATE GOVERNANCE</u> | 8 |
| <u>Governance Guidelines</u> | 8 |
| <u>Independence</u> | 10 |
| <u>Committees of the Board</u> | 10 |
| <u>Director Nomination Process</u> | 11 |
| <u>Proposed Expansion of Board</u> | 14 |
| <u>Compensation Setting Process</u> | 14 |
| <u>Risk Oversight</u> | 14 |
| <u>Top Leadership Positions and Structure</u> | 14 |
| <u>Access to Information</u> | 15 |
| <u>RATIFICATION OF THE SELECTION OF THE INDEPENDENT AUDITOR</u> | 16 |
| <u>AUDIT COMMITTEE REPORT</u> | 17 |
| <u>ADVISORY VOTES ON EXECUTIVE COMPENSATION AND THE FREQUENCY OF SUCH VOTES</u> | 18 |
| <u>SHAREHOLDER PROPOSALS</u> | 20 |
| <u>OWNERSHIP OF OUR SECURITIES</u> | 27 |
| <u>Principal Shareholders</u> | 27 |
| <u>Executive Officers and Directors</u> | 28 |
| <u>COMPENSATION DISCUSSION AND ANALYSIS</u> | 29 |
| <u>Executive Summary</u> | 29 |
| <u>Our Compensation Philosophy and Linkage to Pay for Performance</u> | 31 |
| <u>Our Compensation Program Objectives and Components of Pay</u> | 36 |
| <u>Our Policies, Processes and Guidelines Related to Executive Compensation</u> | 46 |
| <u>COMPENSATION COMMITTEE REPORT</u> | 51 |
| <u>EXECUTIVE COMPENSATION</u> | 52 |
| <u>Overview</u> | 52 |
| <u>Incentive Compensation and Other Awards</u> | 53 |
| <u>Pension Benefits</u> | 57 |
| <u>Deferred Compensation</u> | 59 |
| <u>Potential Termination Payments</u> | 60 |
| <u>DIRECTOR COMPENSATION</u> | 64 |
| <u>Overview</u> | 64 |
| <u>Cash and Stock Payments</u> | 66 |
| <u>Other Benefits</u> | 66 |
| <u>Director Stock Ownership Guidelines</u> | 67 |
| <u>PERFORMANCE GRAPH</u> | 68 |
| <u>COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION</u> | 69 |
| <u>TRANSACTIONS WITH RELATED PARTIES</u> | 69 |
| <u>Recent Transactions</u> | 69 |
| <u>Review Procedures</u> | 69 |
| <u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u> | 69 |
| <u>ADDITIONAL INFORMATION ABOUT THE MEETING</u> | 70 |

| | |
|--|----|
| <u>Quorum</u> | 70 |
| <u>Vote Required to Elect Directors</u> | 70 |
| <u>Vote Required to Adopt Other Proposals at the Meeting</u> | 70 |
| <u>Effect of Abstentions</u> | 70 |
| <u>Effect of Non-Voting</u> | 70 |

Table of Contents

| | Page |
|---|-------------|
| <u>Revocations</u> | 70 |
| <u>Voting by Participants in Our Benefit Plans</u> | 71 |
| <u>Cost of Proxy Solicitation</u> | 71 |
| <u>Other Matters Considered at the Meeting</u> | 71 |
| <u>Conduct of the Meeting</u> | 71 |
| <u>Postponement or Adjournment of the Meeting</u> | 72 |
| <u>OTHER MATTERS</u> | 72 |
| <u>Deadlines for Submitting Shareholder Nominations and Proposals for the 2018 Annual Meeting</u> | 72 |
| <u>Proxy Materials</u> | 72 |
| <u>Annual Financial Report</u> | 73 |
| <u>Appendix A Annual Financial Report</u> | A-1 |

Table of Contents*CenturyLink, Inc.**100 CenturyLink Drive**Monroe, Louisiana 71203***PROXY STATEMENT**

April 10, 2017

GENERAL INFORMATION ABOUT THE ANNUAL MEETING**Why am I receiving these proxy materials?**

Our Board of Directors is soliciting your proxy to vote at our 2017 annual meeting of shareholders because you owned shares of our stock at the close of business on April 7, 2017, the record date for the meeting, and are entitled to vote those shares at the meeting. Our proxy materials are being made available to you on the Internet beginning on or about April 13, 2017. This proxy statement summarizes information regarding matters to be considered at the meeting. For additional information on our proxy materials, see **Other Matters** **Proxy Materials** appearing below.

When and where will the meeting be held?

The meeting will be held at 10:00 a.m. local time on Wednesday, May 24, 2017, in the corporate conference room at our corporate headquarters, 100 CenturyLink Drive, Monroe, Louisiana. If you would like directions to the meeting, please see our website, <http://ir.centurylink.com>. You do not need to attend the meeting to vote your shares.

What matters will be considered at the meeting?

Shareholders will vote on the following matters at the meeting:

| Item and Page Reference | Board Voting Recommendation | Vote Required for Approval |
|---|-----------------------------|--|
| Election of the nine director nominees named herein (Item 1, Page 3) | For each nominee | Affirmative vote of a majority of the votes cast |
| Ratification of the appointment of KPMG LLP as our independent auditor for 2017 (Item 2, Page 16) | For | Affirmative vote of a majority of the votes cast |
| Non-binding advisory vote to approve our executive compensation (Item 3(a), Page 18) | For | Affirmative vote of a majority of the votes cast |

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| Non-binding advisory vote regarding the frequency of our executive compensation votes (Item 3(b), Page 19) | One Year | Plurality of the votes cast |
|---|----------|--|
| A shareholder proposal regarding our equity retention policies, as further described in this proxy statement, if it is properly presented at the meeting (Item 4(a), Page 20) | Against | Affirmative vote of a majority of the votes cast |
| A shareholder proposal regarding our lobbying activities, as further described in this proxy statement, if it is properly presented at the meeting (Item 4(b), Page 22) | Against | Affirmative vote of a majority of the votes cast |
| An additional shareholder proposal regarding our lobbying activities, as further described in this proxy statement, if it is properly presented at the meeting (Item 4(c), Page 24) | Against | Affirmative vote of a majority of the votes cast |

Table of Contents

How many votes may I cast?

You may cast one vote for every share of our common stock or Series L preferred stock that you owned on the record date. Our common stock and Series L preferred stock vote together as a single class on all matters. In this proxy statement, we refer to these shares as our Common Shares and Preferred Shares, respectively, and as our Voting Shares, collectively. As of the record date, we had 548,863,468 Common Shares and 7,018 Preferred Shares outstanding.

What is the difference between holding shares as a shareholder of record and as a beneficial owner?

If shares are registered in your name with our transfer agent, Computershare Investor Services L.L.C., you are the shareholder of record of those shares and you may directly vote these shares, together with any shares credited to your account if you are a participant in our automatic dividend reinvestment and stock purchase service.

If your shares are held on your behalf in a stock brokerage account or by a bank or other nominee, you are the beneficial owner of shares held in street name. We have requested that our proxy materials be made available to you by your broker, bank or nominee, who is considered the shareholder of record of those shares.

If I am a shareholder of record, how do I vote?

If you are a shareholder of record, you may vote in person at the meeting or by proxy in any of the following three ways:

call 1-800-652-8683 and follow the instructions provided;

log on to the Internet at www.envisionreports.com/ctl and follow the instructions at that site; or

request a paper copy of our proxy materials and, following receipt thereof, mark, sign and date your proxy card and return it to Computershare.

Please note that you may not vote by telephone or the Internet after 1:00 a.m. Central Time on May 24, 2017.

If I am a beneficial owner of shares held in street name, how do I vote?

As the beneficial owner, you have the right to instruct your broker, bank or nominee how to vote your shares by using any voting instruction card supplied by them or by following their instructions for voting by telephone, the Internet, or in person.

If I am a benefit plan participant, how do I vote?

Please see Additional Information About the Meeting Voting by Participants in Our Benefit Plans appearing below.

Do I need identification to attend the meeting in person?

Yes. Please bring proper identification, together with the Important Notice Regarding Availability of Proxy Materials mailed to you, which will serve as your admission ticket. If your shares are held in street name, please bring acceptable proof of ownership, such as a letter from your broker or an account statement stating or showing that you beneficially owned Voting Shares on the record date.

Where can I find additional information about the conduct of the meeting, voting requirements, and other similar matters relating to the meeting?

Please see [Additional Information About the Meeting](#) appearing below.

Table of Contents

ELECTION OF DIRECTORS

(Item 1 on Proxy or Voting Instruction Card)

The first proposal for consideration at the meeting is the election of each of the nine candidates named below as a director for a one-year term expiring at our 2018 annual meeting of shareholders, or until his or her successor is duly elected and qualified.

Acting upon the recommendation of its Nominating and Corporate Governance Committee, the Board has nominated the nine below-named directors to stand for re-election to one-year terms at the meeting. Unless authority is withheld, all votes attributable to Voting Shares represented by each duly executed and delivered proxy will be cast for the election of each of the nine below-named nominees. Under our bylaw nominating procedures, these nominees are the only individuals who may be elected at the meeting. For additional information on our nomination process, see Corporate Governance Director Nomination Process. If for any reason any such nominee should decline or become unable to stand for election as a director, which we do not anticipate, the persons named as proxies may vote instead for another candidate designated by the Board, without re-soliciting proxies.

As discussed further under Additional Information About the Meeting Vote Required to Elect Directors, to be elected each of the nine nominees must receive an affirmative vote of a majority of the votes cast.

Nominees For Election to the Board:

Listed below is information on each of the nine individuals nominated to stand for election to the Board.

The Board recommends that you vote FOR each of the following nominees:

Martha H. Bejar, age 55; a director since January 2016; co-founder and principal of Red Bison Advisory Group LLC, a telecommunications and technology advisory firm founded in early 2014; Chief Executive Officer and director of Flow Mobile, Inc., a telecommunications company offering rural broadband wireless access services, from January 2012 to December 2015; venture partner at The Prometheus Partners, a business services company, from April 2012 to May 2014; Chairperson and Chief Executive Officer of Wipro Infocrossing Inc., a U.S.-based cloud services affiliate of Wipro Limited, from January 2011 to March 2012; President of Worldwide Sales and Operations at Wipro Technologies Inc., an IT services affiliate of Wipro Limited, from June 2009 to January 2011; Corporate Vice President for the communications sector at Microsoft Corporation, from June 2007 to June 2009; held various positions at Nortel Networks Corporation, a telecommunications and data networking company, from 1997 to 2007, including Regional President and President of North America Sales, Sales Engineering and Sales Operations; currently a director of Mitel Networks Corporation; formerly a director of Polycom, Inc. within the past five years.

Key Qualifications, Experiences and Skills:

Executive experience in communications and technology industries

Experience as a former chief executive officer

International business and engineering experience

Qualifies as an audit committee financial expert

Director of another publicly-held company

Table of Contents

Virginia Boulet, age 63; a director since 1995; a managing director at Legacy Capital LLC, an investment banking firm based in New Orleans, Louisiana, since March 2014; Special Counsel at Adams and Reese LLP, a law firm, from 2002 to March 2014; prior to then, practiced as a corporate and securities attorney for Phelps Dunbar, L.L.P. from 1992 to 2002 and Jones Walker LLP from 1983 to 1992; an adjunct professor of securities regulation law and merger and acquisition law at Loyola University-New Orleans College of Law since 2004; currently a director of W&T Offshore, Inc.

Key Qualifications, Experiences and Skills:

Legal experience representing telecommunications companies and regarding business combinations

Director of another publicly-held company

Peter C. Brown, age 58; a director since 2009; Chairman of Grassmere Partners, LLC, a private investment firm, since July 2009; held several executive level positions, including Chairman of the Board, President and Chief Executive Officer, with AMC Entertainment Inc., a theatrical exhibition company, from 1991 to 2009; founded EPR Properties, a NYSE-listed real estate investment trust formerly known as Entertainment Properties Trust, in 1997 and served as a member of the Board of Trustees until 2003; currently a director of EPR Properties and Cinedigm Corp.; formerly a director of National CineMedia, Inc. within the past five years.

Key Qualifications, Experiences and Skills:

Experience as a former chief executive of a publicly-held company

Qualifies as an audit committee financial expert

Director of other publicly-held companies

W. Bruce Hanks, age 62; a director since 1992; a consultant with Graham, Bordelon, Golson and Gilbert, Inc., an investment management and financial planning company, since 2005; Athletic Director of the University of Louisiana at Monroe from 2001 to 2004; held various executive positions at CenturyLink from 1980 through 2001, most notably Chief Operating

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Officer, Senior Vice President Corporate Development and Strategy, Chief Financial Officer, and President Telecommunications Services; worked as a certified public accountant with Peat, Marwick & Mitchell for three years prior to then; currently an advisory director of IberiaBank Corporation; also served in the past on the executive boards of several telecommunications industry associations and the boards of other publicly-held companies.

Key Qualifications, Experiences and Skills:

Prior executive experience with, and historical knowledge of, our Company

Former experience as a certified public accountant

Qualifies as an audit committee financial expert

Prior experience as a director of other publicly-held companies

Table of Contents

Mary L. Landrieu, age 61; a director since November 2015; senior policy advisor at Van Ness Feldman, LLP, a Washington D.C.-based law firm, since May 2014; policy advisor at Walton Family Foundation, a philanthropic organization focused on improving K-12 education and supporting economic incentives for sustainable resource management, from 2014 to 2016; U.S. Senator from the State of Louisiana from 1996 to 2014, where she chaired the Senate Committee on Energy and Natural Resources, served on the Senate Committee on Appropriations, chaired the Subcommittees on Homeland Security, Financial Services and General Government, and the District of Columbia, chaired the Senate Committee on Small Business and Entrepreneurship, served on the Senate Committee on Homeland Security and chaired the Subcommittee on Disaster Recovery; Louisiana state treasurer from 1988 to 1996; Louisiana state legislative representative from 1980 to 1988; currently serves on the board of trustees or board of directors of several national organizations promoting education or children's welfare.

Key Qualifications, Experiences and Skills:

Governmental and government relations experience

Public policy and governmental finance experience

Harvey P. Perry, age 72; a director since 1990; non-executive Vice Chairman of the Board of Directors of CenturyLink since 2004; retired from CenturyLink in 2003; joined CenturyLink in 1984, serving as Secretary and General Counsel for approximately 20 years and Executive Vice President and Chief Administrative Officer for almost five years; prior to then, worked as an attorney in private practice for 15 years.

Key Qualifications, Experiences and Skills:

Prior executive experience with, and historical knowledge of, our Company

Legal experience representing telecommunications companies

Glen F. Post, III, age 64; a director since 1985; Chief Executive Officer of CenturyLink since 1992, and President since 2009 (and from 1990 to 2002); Chairman of the Board of CenturyLink between 2002 and 2009; Vice Chairman of the Board of CenturyLink between 1993 and 2002; held various other positions at CenturyLink between 1976 and 1993, most notably Treasurer, Chief Financial Officer and Chief Operating Officer.

Key Qualifications, Experiences and Skills:

Executive experience in the telecommunications business

Experience as our chief executive

Michael J. Roberts, age 66; a director since 2011; co-founder of LYFE Kitchen, an emerging chain of lifestyle restaurants, serving as a board member since May 2014 and as Chief Executive Officer from February 2011 to May 2014; Chief Executive Officer and founder of Westside Holdings LLC, a marketing and brand development company, from 2006 to 2013; served as President and Chief Operating Officer of McDonald's Corporation, a foodservice retailer, from 2004 to 2006; served as Chief Executive Officer of McDonald's USA during 2004 and as President of McDonald's USA from 2001 to 2004; currently a director of W.W. Grainger, Inc.

Key Qualifications, Experiences and Skills:

Experience as a chief executive

Marketing and branding expertise

Director of another publicly-held company

Table of Contents

Laurie A. Siegel, age 61; a director since 2009; a business and human resources consultant since 2012; retired in September 2012 from Tyco International Ltd., a diversified manufacturing and service company, where she served as Senior Vice President of Human Resources and Internal Communications since 2003; held various positions with Honeywell International Inc. from 1994 to 2002, including Vice President of Human Resources Specialty Materials; prior to then, was director of global compensation at Avon Products and a principal of Strategic Compensation Associates; currently a director of FactSet Research Systems Inc. and Volt Information Sciences, Inc.

Key Qualifications, Experiences and Skills:

Executive experience with a multi-national company

Human resources and executive compensation expertise

Director of other publicly-held companies

Executive Officers Who Are Not Directors:

Listed below is information on each of our executive officers who are not directors. Unless otherwise indicated, each person has been engaged in the principal occupation shown for more than the past five years.

David D. Cole, age 59; Executive Vice President – Controller and Operations Support since May 2013; served as Senior Vice President – Controller and Operations Support from April 2011 to May 2013 and as Senior Vice President – Operations Support from 1999 to April 2011.

Dean J. Douglas, age 59; President – Enterprise Markets since January 2017; President – Sales and Marketing from February 2016 to January 2017; served as Chief Executive Officer at Unify GmbH & Co. KG, a provider of software-based enterprise unified communications services from January 2014 to January 2016; served in senior leadership positions at Westcon Group, Inc., a distributor of unified communications and security services, including President and Chief Executive Officer from April 2009 to January 2014 and Chief Operating Officer from June 2008 to March 2009; served as President and Chief Executive Officer at LCC International, Inc., a telecommunications services company, from October 2005 to June 2008; prior to then held leadership roles throughout his career at IBM Global Services, Motorola, Inc. and Newleaf Entertainment.

R. Stewart Ewing, Jr., age 65; Executive Vice President and Chief Financial Officer since 1999 and, in addition, Assistant Secretary since 2009; served as Senior Vice President and Chief Financial officer from 1989 to 1999; held various other positions at CenturyLink between 1983

and 1989, most notably Controller and Vice President of Finance. Upon completion of our pending acquisition of Level 3, Mr. Ewing plans to retire and Sunit Patel, Level 3's Executive Vice President and Chief Financial Officer, plans to serve as our chief financial officer.

Table of Contents

Stacey W. Goff, age 51; Executive Vice President, General Counsel and Secretary since 2009 and, in addition, Chief Administrative Officer since November 1, 2014; served as Senior Vice President, General Counsel and Secretary prior to 2009.

Aamir Hussain, age 49; Executive Vice President, Chief Technology Officer since October 2014; served as Managing Director and Chief Technology Officer for the Europe division at Liberty Global plc from February 2012 to October 2014; served as Senior Vice President and Chief Technology Officer at Covad Communications from October 2008 to February 2012; prior to then he held leadership and technology design roles throughout his career at TELUS Corporation, Qwest, BellSouth Corporation, Samsung Electronics Co. Ltd. and Motorola Solutions Inc.

Maxine L. Moreau, age 55; President Consumer Markets since January 2017; Executive Vice President Global Operations and Shared Services from November 2014 to January 2017; served as Executive Vice President Network Services from May 2013 to October 2014; served as Senior Vice President Network Services from May 2012 to May 2013, as Senior Vice President, Integration and Process Improvement from 2010 to May 2012, and as Senior Vice President, Centralized Operations, from 2009 to 2010.

Scott A. Trezise, age 48; Executive Vice President Human Resources since August 2013; served as Senior Vice President Human Resources for The Shaw Group, Inc. from June 2010 until its acquisition by Chicago Bridge & Iron Company N.V. in February 2013; served as Vice President of Human Resources for Honeywell International Inc. from 2005 to June 2010.

Girish K. Varma, age 67; President IT and Managed Services since January 2017; President Global Information Technology Services and New Market Development from November 2014 to January 2017; served as Executive Vice President of Information Technology from 2011 to October 2014; served as Senior Vice President and Chief Information Officer of Qwest prior to then.

Table of Contents

CORPORATE GOVERNANCE

Governance Guidelines

Our Board has adopted corporate governance guidelines, which it reviews at least annually. For information on how you can obtain a complete copy of our guidelines, see [Access to Information](#) below.

Among other things, our corporate governance guidelines provide as follows:

Director Qualifications

The Board of Directors will have a majority of independent directors. The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of new Board members as well as the composition of the Board as a whole.

The Board expects directors who change the job or responsibility they held when they were elected to the Board to volunteer to resign from the Board.

On the terms and subject to the conditions specified in our bylaws, directors will be elected by a majority vote of the shareholders and any incumbent director failing to receive a majority of votes cast must promptly tender his or her resignation to the Board.

No director may serve on more than two other unaffiliated public company boards, unless this prohibition is waived by the Board.

No director may be appointed or nominated to a new term if he or she would be age 75 or older at the time of the election or appointment.

Annually, the Board will determine affirmatively which of our directors are independent for purposes of complying with our corporate governance guidelines and the listing standards of the New York Stock Exchange, or NYSE. A director will not be independent for these purposes unless the Board affirmatively determines that the director does not, either directly or indirectly through the director's affiliates or associates, have a material commercial, banking, consulting, legal, accounting, charitable, familial or other relationship with the Company or its affiliates, other than as a director.

Director Responsibilities

The Board periodically reviews our long-term strategic plans and holds strategic planning sessions.

Directors are required to hold confidential all non-public information obtained due to their directorship position absent the express permission of the Board to disclose such information.

Unless otherwise determined by the Board, when a management director retires or ceases to be an active employee for any other reason, that director will be considered to have resigned concurrently from the Board.

Chairman; Lead Outside Director

The Board elects a Chairman from among its members. The Chairman may be a director who also has executive responsibilities, including the CEO (an executive chair), or may be one of the Company's independent directors (a non-executive chair). The Board believes it is in the best interests of the Company for the Board to remain flexible with respect to whether to elect an executive chair or a non-executive chair so that the Board may provide for succession planning and respond effectively to changes in circumstances.

The non-management directors meet in executive session at least quarterly. The lead outside director elected by the independent directors may call additional meetings of the non-management directors at

Table of Contents

any time. At all times during which the Chairman is a non-executive chair, all of the functions and responsibilities of the lead outside director shall be performed by the non-executive chair.

CEO Evaluation and Management Succession

The Nominating and Corporate Governance Committee conducts an annual review of the CEO's performance and provides a report of its findings to the Board.

The Nominating and Corporate Governance Committee reports periodically to the Board on succession planning.

Recoupment of Compensation

If the Board or any committee of the Board determines that any bonus, incentive payment, commission, equity award or other compensation awarded to or received by an executive officer was based on any financial or operating result that was impacted by the executive officer's knowing or intentional fraudulent or illegal conduct, we may recover from the executive officer the compensation the Board or any committee of the Board considers appropriate under the circumstances.

Stock Ownership Guidelines

We require our executive officers to beneficially own CenturyLink stock equal in market value to specified multiples of their annual base salary. All executive officers have three years from the date they first become subject to a particular ownership level to attain that target.

We require our outside directors to beneficially own CenturyLink stock equal in market value to five times their annual cash retainer. Outside directors have five years from their election or appointment date to attain that target.

For any year during which an executive or director does not meet his or her ownership target, the executive or director is required to hold a specified percentage of the CenturyLink stock that the executive or director acquires through our equity compensation programs, excluding shares sold to pay taxes associated with the acquisition thereof.

The Human Resources and Compensation Committee administers the guidelines, and may modify their terms and grant hardship exceptions in its discretion.

See Compensation Discussion and Analysis Our Policies, Processes and Guidelines Related to Executive Compensation Stock Ownership Guidelines for information on the executive ownership multiples and the holding percentages currently in effect.

Standards of Business Conduct and Ethics

All of our directors, officers and employees are required to abide by our long-standing ethics and compliance policies and programs, which include standards of business conduct.

Any waiver of our policies, principles or guidelines relating to business conduct or ethics for executive officers or directors may be made only by the Board or one of its duly authorized committees.

Other

Directors have full access to our officers and employees.

Like most other NYSE-listed companies, (i) all of the Board's standing committees are comprised solely of independent directors, (ii) we provide orientation for new directors, (iii) we maintain a continuing education program for our directors, and (iv) the Board and each committee conducts annual self-reviews.

Table of Contents

Independence

Based on the information made available to it, the Board of Directors has affirmatively determined that each of our non-management directors qualifies as an independent director under the standards referred to above under Governance Guidelines. In making these determinations, the Board, with assistance from counsel, evaluated responses to a questionnaire completed by each director regarding relationships and possible conflicts of interest. In its review of director independence, the Board considered all known commercial, banking, consulting, legal, accounting, charitable, familial or other relationships any director may have with us.

Some of our directors are employed by or affiliated with companies with which we do business in the ordinary course, either as a service provider, a customer or both. As required under the NYSE listing standards and our corporate governance guidelines, our Board examined the amounts spent by us with those companies and by those companies with us. In all cases the amounts spent under these transactions fell well below the materiality thresholds established in the NYSE listing standards and in our corporate governance guidelines. Consequently, our Board concluded that the amounts spent under these transactions did not create a material relationship with us that would interfere with the exercise of independent judgment by any of these directors.

Committees of the Board