

**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.
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| (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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- ☐ Fee paid previously with preliminary materials.
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| (1)   | Amount Previously Paid:                       |
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| (2)   | Form, Schedule or Registration Statement No.: |
| <hr/> |   |
| (3)   | Filing Party:                                 |
| <hr/> |   |
| (4)   | Date Filed:                                   |
| <hr/> |   |

**Explanatory Note: Commencing May 11, 2015, CenturyLink, Inc. plans to distribute the attached presentation materials in connection with outreach meetings to be held with certain of its principal shareholders.**

# CenturyLink Overview

May 11, 2015



# Forward-Looking Statements / Non-GAAP Financial Measures

Certain non-historical statements made in this presentation are intended to be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations only, and are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control. Actual events and results may differ materially from those anticipated, estimated, projected or implied by us if one or more of these risks or uncertainties materialize, or if our underlying assumptions prove incorrect. Factors that could affect actual results include but are not limited to: the timing, success and overall effects of competition from a wide variety of competitive providers; the risks inherent in rapid technological change, including product displacement; the effects of ongoing changes in the regulation of the communications industry, including the outcome of regulatory or judicial proceedings relating to intercarrier compensation, access charges, universal service, broadband deployment, data protection and net neutrality; our ability to effectively adjust to changes in the communications industry, and changes in our markets, product mix and network; our ability to effectively manage our expansion opportunities, including retaining and hiring key personnel; possible changes in the demand for, or pricing of, our products and services, including our ability to effectively respond to increased demand for high-speed broadband service; our ability to successfully introduce new product or service offerings on a timely and cost-effective basis; the adverse impact on our business and network from possible equipment failures, security breaches or similar attacks on our network; our ability to successfully negotiate collective bargaining agreements on reasonable terms without work stoppages; our ability to use our net operating loss carryovers in projected amounts; our continued access to credit markets on favorable terms; our ability to collect our receivables from financially troubled companies; our ability to maintain favorable relations with our key business partners, suppliers, vendors, landlords and financial institutions; any adverse developments in legal or regulatory proceedings involving us; changes in our operating plans, corporate strategies, dividend payment plans or other capital allocation plans, including those caused by changes in our cash requirements, capital expenditure needs, debt obligations, pension funding requirements, cash flows, or financial position, or other similar changes; the effects of adverse weather; other risks referenced from time to time in our filings with the SEC; and the effects of more general factors such as changes in interest rates, in tax laws, in accounting policies or practices, in operating, medical, pension or administrative costs, in general market, labor or economic conditions, or in legislation, regulation or public policy. These and other uncertainties related to our business and our recent acquisitions are described in greater detail in Item 1A of our Form 10-K for the year ended December 31, 2014, as updated and supplemented by our subsequent SEC reports. You should be aware that new factors may emerge from time to time and it is not possible for us to identify all such factors nor can we predict the impact of each such factor on the business or the extent to which any one or more factors may cause actual results to differ from those reflected in any forward-looking statements. Given these uncertainties, we caution investors not to unduly rely on our forward-looking statements. We undertake no obligation to update or revise any forward-looking statements for any reason, whether as a result of new information, future events or developments, changed circumstances, or otherwise. Furthermore, any information about our intentions contained in any of our forward-looking statements reflects our intentions as of the date of this release, and is based upon, among other things, the existing regulatory and technological environment, industry and competitive conditions, economic and market conditions, and our assumptions as of such date. We may change our intentions, strategies or plans at any time and without notice, based upon any changes in such factors, in our assumptions or otherwise.

## Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures. These measures are provided and valid only as of the date of this presentation and should not be relied upon beyond that date. Reconciliations of these non-GAAP measures to the most directly comparable GAAP measures are available on our website at [www.centurylink.com](http://www.centurylink.com).

# Participants

**Stacey Goff**

Executive Vice President, Chief Administrative Officer, General Counsel & Secretary

**Stewart Ewing**

Executive Vice President, Chief Financial Officer & Assistant Secretary

**Scott Trezise**

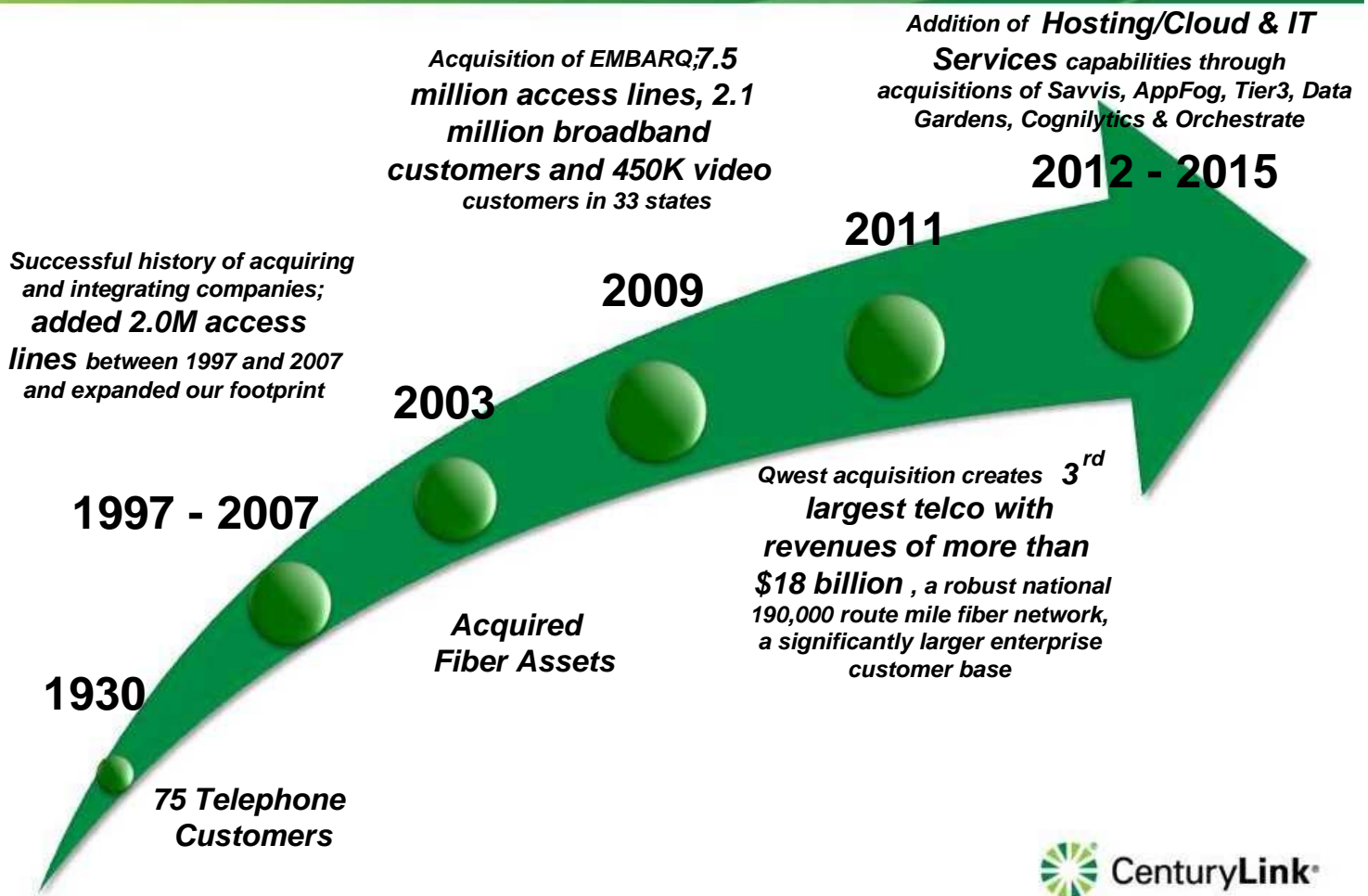
Executive Vice President, Human Resources

# CenturyLink



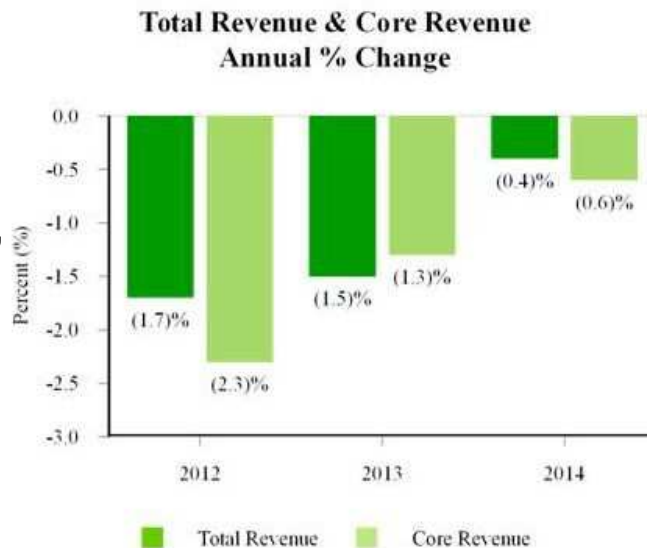
- Operating revenues of \$18.03B and free cash flow of \$2.7B in FY 2014
- Enterprise Value of approximately \$43B<sup>(1)</sup>
- Customers range from Fortune 500 companies to families in rural America
- 250,000 route mile national fiber network with 58 global data centers
- Committed to being the broadband leader in our markets
- A global leader in managed hosting and cloud services

# Transformation in recent years



# 2014 Accomplishments

- Improved Total and Core Revenue trends, anticipate stable revenues by end of 2015
- Generated solid strategic revenue growth of approximately \$380 million, a 4.3% increase from 2013
- Grew high-bandwidth data services revenue 16% year-over-year
- Added 91,000 high-speed Internet customers and 67,000 Prism<sup>TM</sup> TV customers
- Increased 20 Mbps and 40 Mbps speed enablement year-over-year
- Generated free cash flow of approximately \$2.7 billion and returned nearly \$1.9 billion to shareholders through dividend and share repurchases



# 1Q15 Financial Summary

- \$4.45 billion in Total revenue
  - \$4.06 billion Core revenue<sup>1</sup>, 1.3% Y/Y decline from 1Q14
  - \$2.32 billion Strategic revenue<sup>2</sup>, 2.2% Y/Y increase from 1Q14 vs. 5.5% Y/Y increase in 1Q14
  - \$1.74 billion Legacy revenue<sup>2</sup>, a 5.7% Y/Y decrease from 1Q14 vs. 6.3% Y/Y decrease in 1Q14



- Added more than 35,000 high-speed Internet customers and 8,000 Prism<sup>TM</sup> TV customers
- Operating cash flow<sup>3</sup> of \$1.74 billion and free cash flow<sup>3</sup> of \$849 million
- \$0.67 Adjusted Diluted EPS<sup>3</sup>
- Repurchased 4.5 million shares for nearly \$170 million during 1Q15

(1) Core revenue defined as strategic revenue plus legacy revenue (excludes data integration and other revenue)

(2) Beginning first quarter 2015, certain revenues were reclassified between strategic and legacy services. All historical periods have been restated to reflect this change

(3) See supporting financial schedules available at [ir.centurylink.com](http://ir.centurylink.com)



# Strategic Priorities

## ➤ Business Solutions

- Grow MPLS, Ethernet, Wavelength, Business GPON and VoIP offerings
- Enhance cloud and hosting services platform
- Grow Managed Network and Infrastructure Services
- Increase sales efficiency of direct channel and expand partner sales channel
- Deliver a broad portfolio of network, hosting/cloud and IT solutions

## ➤ Consumer Broadband and Video

- Deploy fiber deeper into network to drive higher speeds
- Expand Prism TV footprint and penetration

## ➤ Operating Efficiency

- Simplify and rationalize network infrastructure
- Automate and improve processes
- Continue to integrate and simplify systems

# Governance Profile

Over the last several years, CenturyLink has taken steps to enhance its corporate governance profile by further aligning our practices with shareholder interests.

**2009**

- Split our Chairman and CEO roles; Chairman is an independent, non-executive director
- Eliminated our ten-vote shares
- Amended our corporate governance guidelines to strengthen the Board's ability to "clawback" executive compensation

**2010**

- Implemented majority voting standard in uncontested director elections
- Eliminated the use of tax "gross-up" benefits in our executives' change of control agreements and split-dollar insurance policies
- Implemented stock ownership guidelines for our executive officers, requiring the CEO to hold 5x base salary and all other executive officers 3x base salary
- Amended our insider trading policy to prohibit director and employees from hedging CenturyLink securities

**2011**

- Held first non-binding advisory "say on pay" vote, and have continued to hold such votes on an annual basis
- Implemented stock ownership guidelines for our outside directors, requiring all outside directors to hold 5x annual cash retainer
- Increased the CEO's holding requirement under our stock ownership guidelines to 6x base salary
- Amended change of control agreements to reduce available benefits and to eliminate "modified single trigger" provisions

**2012**

- Declassified our Board of Directors
- Amended our insider trading policy to prohibit our senior officers and directors from holding our securities in a margin account or otherwise pledging our securities as collateral
- Eliminated the use of tax "gross-up" benefits in our outside directors' executive physical program

**2013**

- Amended our corporate governance guidelines to provide that the Nominating and Corporate Governance Committee will review each director's continuation on the Board annually, rather than at least once every three years

**2014**

- Amended our bylaws to provide for proxy access, which our shareholders ratified at our 2014 annual meeting

# Pay Practices

## Shareholders agree that we have favorable pay practices...

### What We Do...

- Performance-based compensation weighted heavily towards long-term equity awards
- Stock ownership guidelines
- Annually review our compensation programs for risky behavior
- Conduct annual “say-on-pay” votes
- Compensation “clawback” policy
- Review peer group annually
- Benchmark against 50th percentile peer compensation levels
- Independent and intensive performance reviews of our senior officers
- If our total shareholder return is negative, then the maximum number of performance shares to vest is limited to the target amount
- Shareholders must approve any future severance agreements valued at more than 2.99 times the executive’s target cash compensation
- Compensation forfeiture covenants broader than those mandated by law

### What We Don’t Do...

- Enter into employment agreements with our incumbent executives
- Maintain a supplemental executive retirement plan
- Permit our directors or employees to hedge our stock, or our directors or senior officers to pledge our stock
- Pay dividends on our executives’ unvested restricted stock
- Permit the Compensation Committee’s compensation consultant to provide services to CenturyLink
- Pay, provide or permit :
  - (i) excessive perquisites
  - (ii) excise tax “gross-up” payments under our severance programs, or
  - (iii) single-trigger change of control equity acceleration benefits

*Favorable “say on pay” vote of over 91% in May 2014*

# Pay for Performance

## 2014 and 2015 Incentive Plan Design...

### Short-Term Incentive Bonus

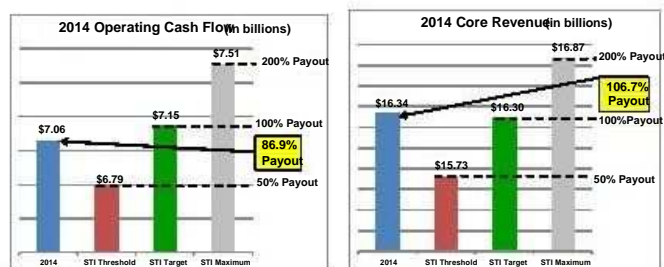
- 50% operating cash flow
- 50% core revenues

### Long-Term Equity Incentive

- 60% in performance-based restricted stock, split equally between
  - 3-year TSR vs. custom peer group
  - 3-year revenue goal

## Linkage to pay for performance...

2014 STI Performance of 96.8%



2012-2014 TSR performance versus S&P 500 Peer Group was below threshold for 0% Payout

Performance Level	Relative TSR <sup>1</sup>	
	Company's Percentile Rank	Payout as % of Target Award
Maximum	≥75 <sup>th</sup> percentile	200%
Target	50 <sup>th</sup> percentile	100%
Threshold	25 <sup>th</sup> percentile	50%
Below Threshold	<25 <sup>th</sup> percentile	0%

<sup>1</sup> TSR performance relative to custom "performance peer group" and if TSR is negative, then payout is capped at target

Annual review of short- and long-term incentive programs in order to maintain a continued focus on pay for performance

# CEO Pay Levels

As a result of demonstrated leadership and performance, execution of business strategy and review of compensation benchmarking, the Committee increased CEO pay levels...

## 2014

- Increased LTI award value from \$6.6M to \$7.5M

2014 Target Compensation	
Base	\$1,100,000
STI	150% \$1,650,000
TTC	<b>\$2,750,000</b>
RSAs	\$3,000,000
PSAs	\$4,500,000
TDC	<b>\$10,250,000<sup>1</sup></b>

<sup>1</sup>81% of Market Median for Compensation Benchmarking Peer Group

## 2015

- Increased base salary from \$1.1M to \$1.25M
- Increased STI target award from 150% to 175% of salary
- Increased LTI award value from \$7.5M to \$8.5M

2015 Target Compensation	
Base	\$1,250,000
STI	175% \$2,187,500
TTC	<b>\$3,437,500</b>
RSAs	\$3,400,000
PSAs	\$5,100,000
TDC	<b>\$11,937,500<sup>2</sup></b>

<sup>2</sup>89% of Market Median for Compensation Benchmarking Peer Group

*Pay actions taken to reward performance and address below market pay levels*

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## Q & A



# Additional Disclosure

This information is being provided to certain shareholders in addition to our proxy statement dated April 3, 2015 in connection with the solicitation of proxies from CenturyLink shareholders. Please read our proxy statement and accompanying materials in their entirety as they contain important information. Our proxy materials, and any other documents filed by us with the Securities and Exchange Commission (the “SEC”), may be obtained free of charge at the SEC web site at [www.sec.gov](http://www.sec.gov) and from our website at [www.centurylink.com](http://www.centurylink.com).

CenturyLink and its directors and officers may be deemed to be participants in the solicitation of proxies from our shareholders in connection with the upcoming annual meeting of shareholders. Information about our directors and executive officers and their ownership of CenturyLink stock is set forth in the proxy statement for our 2015 annual meeting of shareholders.