



News from the United Mine Workers of America, AFL-CIO, CLC

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United Mine Workers of America International President Cecil Roberts To Attend Massey Energy Co. Shareholders' Meeting In Charleston, W.Va., On May 18

Will Voice Support For Company To Mandate Enforcement Of Cap On Executive Severance Passed Last Year By Shareholders

UMWA Members And Supporters To Rally Inside Marriott

United Mine Workers of America (UMWA) International President Cecil Roberts will be at the Marriott Hotel in Charleston, W.Va., on Tuesday, May 18, to attend Massey Energy Company's annual shareholders' meeting. Roberts was asked by union pension funds with shares of Massey stock to go to the meeting and voice their support—and the UMWA's—for Proposal 3, which was formally introduced by the Amalgamated Bank of New York.

Proposal 3 seeks to amend Massey's corporate by-laws to mandate that the company enforce a proposal adopted overwhelmingly by shareholders at last year's meeting. That proposal ordered that senior Massey executive severance packages could not exceed three times the executive's base salary plus bonus without shareholder approval. The proposal was approved by 72 percent of Massey shareholders, yet, subsequent to its passage, the Board formulated its own interpretation of the proposal, saying it would examine "on a case-by-case" basis each proposed employee contract that contains severance packages exceeding the three-times threshold. In addition, Massey's board also said it would seek shareholder approval only when it could be accomplished in a manner that does not prevent the board from acting "in the best interest of the company."

"I read last year's proposal, and nowhere in there did I see the words 'in the best interest of the company,'" said Roberts. "Truth is, Massey's board has never defined how shareholders should interpret that phrase, and shareholders are rightfully concerned the language could prevent the Board from ever voting on the kind of agreements—like Don Blankenship's—that last year's proposal was meant to address." He continued, "This year, I will voice support for Proposal 3 because it will mandate

that the board incorporate last year's proposal into Massey's by-laws, minus the 'in the best interest of the company' loophole created by the Board. One would hope that if the proposal is passed, Massey's board will respect the shareholders' wishes and quit playing games."

Upon learning late last year of the new Amalgamated Bank proposal, Massey asked the federal Securities and Exchange Commission (SEC) to block it, claiming company lawyers had advised that the proposal was invalid under applicable law and that it improperly infringed on the province of the Board. Earlier this year, the SEC rejected Massey's claims, clearing the way for a vote on the new proposal.

As he did at last year's meeting, Roberts said he intends to once again ask Massey's Board to explain to shareholders how the company can continue providing hefty bonuses to senior management (\$280,000 last year to CEO Blankenship) when Massey has posted 12 straight quarters of net loss.

"I don't know too many average working people being rewarded for less-than-adequate job performance," said Roberts. "In fact, some Massey miners would probably tell you that the company wouldn't hesitate to fire them if their job wasn't done right. But Massey continues to provide bonuses to Don Blankenship, even though the company has not shown a profit in three years. I will once again ask the Board to please explain its logic."

UMWA To Rally

Beginning at 7:30 a.m., Roberts and nearly 200 UMWA members and supporters will rally in a meeting room at the Marriott. Following that, Roberts and approximately 13 others will attend the shareholders' meeting, voice support for Proposal 3, and then come back and report everything that happened to the group.

"These annual shareholders' meetings give UMWA members and supporters a golden opportunity to voice our concerns about Massey's bad corporate neighbor attitude directly to the people investing their money in this company," explained Roberts. "And we believe the UMWA's campaign—with our supporters—to expose Massey's abysmal worker health and safety and environmental record may be helping to slowly turn this company around. For example, working with our allies, we think we are at least partially responsible for Massey making some recent safety improvements to its huge Brushy Fork coal waste impoundment. It is a good start, and we fully intend to continue applying maximum pressure to Massey to operate responsibly in these small rural communities."

Roberts said the union will be showing the rallying group a tape of the recent "60 Minutes" show, where MSHA inspector Jack Spadaro blasted the federal government and Massey for their handling—both before and after—of the tragic Martin County, Ky., coal slurry spill in October 2000.

"Mr. Spadaro told a frightening tale of alleged cover-ups and political favors concerning the Martin County disaster," said Roberts. "It is a powerful piece that summarizes why the UMWA and other concerned citizen and environmental groups must remain committed to making Massey a better corporate neighbor."