

# Proxy Statement 2022

# Notice of Annual Meeting of Shareholders

## How to vote



Online



Phone



Mail



In person

Shareholders as of the close of business on March 14, 2022, the record date, may vote at the meeting.

If you are a registered shareholder or Verizon savings plan participant, you may vote online at [www.envisionreports.com/vz](http://www.envisionreports.com/vz), by telephone or by mailing a proxy card. You may also vote in person at the annual meeting. If you hold your shares through a bank, broker or other institution, you will receive a voting instruction form that explains the various ways you can vote. We encourage you to vote your shares as soon as possible.

Advance registration is required to attend the meeting in person. Admission, voting and additional meeting information can be found beginning on page 66 of the proxy statement.

March 28, 2022

By Order of the Board of Directors,  
William L. Horton, Jr.  
Senior Vice President, Deputy General Counsel  
and Corporate Secretary

Verizon Communications Inc.  
1095 Avenue of the Americas  
New York, New York 10036

### **Important Notice Regarding Availability of Proxy Materials for Verizon's Shareholder Meeting to be Held on May 12, 2022**

The 2022 Proxy Statement and 2021 Annual Report on Form 10-K are available at [www.edocumentview.com/vz](http://www.edocumentview.com/vz).

We are making the proxy materials first available on or about March 28, 2022.

## Date and time

Thursday, May 12, 2022  
8:45 AM, local time

## Place

Marriott Dallas Las Colinas  
223 West Las Colinas Boulevard  
Irving, Texas 75039

## Items of business

- Elect the 11 Directors identified in the accompanying proxy statement
- Approve, on an advisory basis, Verizon's executive compensation
- Ratify the appointment of the independent registered public accounting firm
- Act on the shareholder proposals described in the proxy statement that are properly presented at the meeting
- Consider any other business that is properly brought before the meeting

# To our shareholders:

**A message from Hans Vestberg, our Chair & CEO, and Clarence Otis, Jr., our Lead Director**

Verizon's corporate purpose to create the networks that move the world forward has never felt so vital. As technology becomes even more integral to our lives, Verizon's networks are paving the way for a connected future that will allow us to reimagine what is possible for our customers and the communities we serve. Our priority is to execute on our Network-as-a-Service strategy and leverage our fiber infrastructure, spectrum breadth and depth, and technology expertise to carry our leadership in 4G into the 5G era. As this transformation takes place, our Board expects management to be proactive in considering our impacts on our key stakeholders – our shareholders, employees, customers and society – to shield against risk, unlock potential, produce a more engaged workforce and confer a competitive advantage in shareholder returns over the long term.

It is incumbent on our Board to challenge Verizon to deliver on its strategy while living up to its corporate purpose. As such, it is critical that our Board has the right mix of skills, expertise, perspectives, experience and vision to oversee the execution of our strategy during this period of transformational change. We consider factors such as the importance of diversity, age, tenure and the size of the Board. Importantly, as we build our Board we seek to create a boardroom culture where difficult issues can be openly confronted, opposing opinions are valued and where there is trust.

In 2021, we brought on two new Directors: Laxman Narasimhan, who has a track record in developing purpose-led brands, as well as extensive experience in consumer services and strategy, and Carol Tomé, who brings to the Board deep experience running a logistics-focused, capital intensive business through times of unprecedented demand, as well as extensive financial and risk management expertise.

**As technology becomes even more integral to our lives, Verizon's networks are paving the way for a connected future that will allow us to reimagine what is possible for our customers and the communities we serve.**



Delivering on our corporate purpose and capitalizing on the opportunity ahead requires more than the best technology; it requires a strong V Team. A top priority for our Board is overseeing the company's efforts to create a diverse, equitable and inclusive culture and develop a workforce with skills for the future. We believe investing in employees gives Verizon a powerful competitive edge. In addition to receiving regular briefings on employee engagement and workforce development initiatives, as a Board, we feel it is important to connect directly with employees. Our Directors participate in employee town halls, leadership forums and company-wide webcasts covering a range of topics from career development to current business and societal issues.

As a global community, we are facing some of the greatest challenges of our lifetime. Our Board is focused on steering the company through these challenges, supporting Verizon to engage on the societal issues that have a direct impact on our business, employees and the communities we serve, and continuing to build a resilient enterprise prepared to drive and power the interconnected future.

We believe we are laying the foundation for long-term success.

Sincerely,

Handwritten signature of Hans Vestberg in black ink.

**Hans Vestberg**  
Chairman and Chief Executive Officer

Handwritten signature of Clarence Otis, Jr. in black ink.

**Clarence Otis, Jr.**  
Independent Lead Director

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# Proxy summary

This summary highlights information contained in the proxy statement and does not contain all of the information you should consider. We encourage you to read the entire proxy statement before voting. For information regarding Verizon's 2021 performance, please read Verizon's 2021 Annual Report on Form 10-K.

## Our purpose



**Adhering to our corporate purpose can produce more engaged employees and a better sense of how to serve our customers. It can also result in a broader social license to operate. This not only shields us against risk—it confers a competitive advantage in shareholder returns over the long term.**

– Clarence Otis, Jr.,  
Independent Lead Director,  
2021 annual shareholder outreach video,  
[www.verizon.com/about/investors/corporate-governance](http://www.verizon.com/about/investors/corporate-governance)

## Meeting information

**Date and time** May 12, 2022 at 8:45 AM, local time

**Place** Marriott Dallas Las Colinas, 223 West Las Colinas Boulevard, Irving, Texas

**Record date** March 14, 2022

**Admission and voting information** can be found beginning on page 66. You will need to register in advance to attend the meeting in person.

## Agenda and voting recommendations



### Item 1: Election of Directors

The Board of Directors recommends that you vote **FOR** the election of the Board's nominees.

The Board's nominees are all proven leaders with a strong sense of integrity and respect for differing viewpoints. As a group they bring a mix of backgrounds, perspectives, skills, experiences and Environmental, Social and Governance (ESG) expertise that contributes to a well-rounded Board uniquely positioned to effectively oversee Verizon's strategy and businesses. Additional information about the Director candidates and their respective qualifications begins on page 1.

### Our nominees' skills and experience

**10**

Consumer/B2B/retail

**3**

Cybersecurity

**9**

Financial expertise

**3**

Marketing

**4**

Regulatory/public policy

**11**

Risk management

**11**

Strategic planning

**4**

Technology

**3**

Telecommunications

### Board diversity\*

**36%**

women



4 of 11

**45%**

ethnic/racial diversity



5 of 11

### Board tenure and age\*

**6.4**years  
average  
tenure**63**years old  
average  
age

\* As of March 28, 2022. See Appendix A for the Board diversity disclosure required by Nasdaq Rule 5606.

**Proxy  
summary****Governance****Executive  
compensation****Audit  
matters****Stock  
ownership****Shareholder  
proposals****Additional  
information****Our nominees at a glance****Shellye Archambeau****Roxanne Austin****Mark Bertolini****Melanie Healey****Laxman Narasimhan****Clarence Otis, Jr.****Daniel Schulman****Rodney Slater****Carol Tomé****Hans Vestberg****Gregory Weaver**

Name	Committee membership*				Key skills and experience
	Audit	Corporate Governance and Policy	Finance	Human Resources	
<b>Shellye Archambeau</b> Former Chief Executive Officer, MetricStream, Inc. <b>Independent</b>	F	C			Marketing Risk management Technology
<b>Roxanne Austin</b> President and CEO, Austin Investment Advisors <b>Independent</b>	F		●		Cybersecurity Financial expertise Strategic planning
<b>Mark Bertolini</b> Co-Chief Executive Officer, Bridgewater Associates, LP <b>Independent</b>			C	●	Financial expertise Regulatory/public policy Strategic planning
<b>Melanie Healey</b> Former Group President, The Procter & Gamble Company <b>Independent</b>		●		●	Consumer/B2B/retail Marketing Strategic planning
<b>Laxman Narasimhan</b> Chief Executive Officer, Reckitt Benckiser Group Plc <b>Independent</b>	F	●			Consumer/B2B/retail Risk management Strategic planning
<b>Clarence Otis, Jr.</b> Former Chairman and CEO, Darden Restaurants, Inc. <b>Independent Lead Director</b>	F		●	●	Consumer/B2B/retail Financial expertise Risk management
<b>Daniel Schulman</b> President and CEO, PayPal Holdings, Inc. <b>Independent</b>				C	Cybersecurity Strategic planning Technology
<b>Rodney Slater</b> Partner, Squire Patton Boggs LLP <b>Independent</b>		●		●	Regulatory/public policy Risk management Strategic planning
<b>Carol Tomé</b> Chief Executive Officer, United Parcel Service, Inc. <b>Independent</b>			●		Consumer/B2B/retail Financial expertise Strategic planning
<b>Hans Vestberg</b> Chairman and CEO, Verizon Communications Inc.					Strategic planning Technology Telecommunications
<b>Gregory Weaver</b> Former Chairman and CEO, Deloitte & Touche LLP <b>Independent</b>	F C		●		Financial expertise Risk management Strategic planning

\*Committee memberships are as of March 28, 2022.

C Committee Chair

F Audit Committee Financial Expert



## Governance highlights

Our Board has adopted robust governance structures and practices to enhance our independent oversight, effectiveness and accountability to shareholders.

### Independent oversight

- 10 of our 11 Directors are independent
- Strong independent Lead Director with clearly delineated duties
- Regular executive sessions of independent Directors

### Board effectiveness

- Active Board refreshment plan with commitment to diversity
- Orientation program for new Directors and continuing education for all Directors
- Limits on other public board service
- Annual Board and committee assessments
- Average tenure goal for independent Directors

### Accountability to shareholders

- Annual election of all Directors by majority voting
- Shareholder right to call special meetings
- Proxy access right with market terms
- No poison pill, and shareholder ratification required for any future poison pill
- No dual-class shares or voting right restrictions
- Robust stock ownership requirements for executive officers and Directors
- Proactive year-round shareholder engagement program

### New in 2021

- Elected two independent Directors, Mr. Laxman Narasimhan, CEO of Reckitt Benckiser Group Plc; and Ms. Carol Tomé, CEO of United Parcel Service, Inc.
- Announced two approved science-based emissions reduction targets and reported Scope 3 emissions from our value chain
- Published downloadable ESG data index with 3 years of metrics
- Issued updated TCFD Report with a physical risk scenario analysis
- Expanded workforce profile disclosures to include diversity by business unit and pay band
- Issued a third US\$1 billion green bond
- Updated Green Financing Framework to include underwriter selection criteria related to diversity and U.N. Sustainable Development Goals
- Launched Verizon Innovative Learning HQ, a free next-gen online education portal, and the Verizon Small Business Digital Ready program to provide small businesses with digital tools, learning modules, expert coaching and peer networking opportunities

**Proxy  
summary****Governance****Executive  
compensation****Audit  
matters****Stock  
ownership****Shareholder  
proposals****Additional  
information****Item 2: Advisory vote to approve executive compensation**

The Board of Directors recommends that you vote **FOR** this proposal.

We are asking shareholders to approve, on an advisory basis, the compensation of our named executive officers as described in the Compensation Discussion and Analysis and Compensation Tables beginning on page 23.

**Executive compensation program highlights**

Our executive compensation program reflects Verizon's commitment to industry-leading compensation and governance practices. The program is discussed in detail in the Compensation Discussion and Analysis beginning on page 23.

**Compensation strategy**

- Align executives' and shareholders' interests
- Attract, retain and motivate high-performing executives

**Pay-for-performance essentials**

- Approximately 90% of named executive officers' total compensation opportunity is variable, incentive-based pay
- Defined benefit pension and supplemental executive retirement benefits frozen over 15 years ago
- Quantitative ESG metric in Short-Term Incentive Plan

**Best practice highlights**

- Shareholder approval policy for severance benefits
- No cash severance benefits for the CEO
- Significant executive share ownership requirements
- Clawback policies
- Anti-hedging policy
- No tax gross-ups
- No executive employment agreements

The summary below shows the 2021 compensation for each of our named executive officers, as required to be reported in the Summary Compensation table pursuant to U.S. Securities and Exchange Commission (SEC) rules. Please see the notes accompanying the Summary Compensation table beginning on page 40 for more information.

Name and principal position	Salary (\$)	Bonus (\$)	Stock awards (\$)	Option awards (\$)	Non-equity incentive plan compensation (\$)	Change in pension value and nonqualified deferred compensation earnings (\$)	All other compensation (\$)	Total (\$)
<b>Hans Vestberg</b> Chairman and Chief Executive Officer	1,500,000	0	14,500,057	0	3,825,000	0	517,814	20,342,871
<b>Matthew Ellis</b> Executive Vice President and Chief Financial Officer	950,000	0	6,525,007	0	1,453,500	0	183,382	9,111,889
<b>Ronan Dunne*</b> Executive Vice President and Group CEO – Verizon Consumer	1,050,000	0	8,000,073	0	1,496,250	0	245,727	10,792,050
<b>Tami Erwin</b> Executive Vice President and Group CEO – Verizon Business	950,000	0	6,525,007	0	1,184,942	0	208,530	8,868,479
<b>Kyle Malady**</b> Executive Vice President and Chief Technology Officer	850,000	0	5,250,065	0	1,402,500	166	171,971	7,674,702
<b>K. Guru Gowrappan***</b> Former Executive Vice President and Group CEO – Verizon Media	588,462	3,000,000	6,250,033	0	0	0	125,947	9,964,442

\* Mr. Dunne stepped down as Executive Vice President and Group CEO – Verizon Consumer on December 31, 2021 and currently serves as a strategic advisor to Mr. Vestberg.

\*\* Mr. Malady became Executive Vice President and President – Global Networks and Technology on March 1, 2022.

\*\*\* Mr. Gowrappan separated from Verizon and continued employment with the Media Group upon the sale of the Media Group business to affiliates of Apollo Global Management Inc. (Apollo) on September 1, 2021.

**Proxy  
summary**

**Governance**

**Executive  
compensation**

**Audit  
matters**

**Stock  
ownership**

**Shareholder  
proposals**

**Additional  
information**



### **Item 3: Ratification of auditors**

**The Board of Directors recommends that you vote **FOR** ratification.**

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We are asking shareholders to ratify the Audit Committee's appointment of Ernst & Young LLP as Verizon's independent registered public accounting firm for 2022. Information on fees paid to Ernst & Young in 2021 and 2020 appears on page 53.



### **Items 4-7: Shareholder proposals**

**The Board of Directors recommends that you vote **AGAINST** each of the shareholder proposals.**

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In accordance with SEC rules, we have included in this proxy statement proposals submitted by shareholders for consideration. The proposals can be found beginning on page 58.

# Governance

## Item 1: Election of Directors

### Our approach to Board composition

We believe that good governance starts with an independent, effective and diverse Board. Our Board is one of Verizon's most critical strategic assets. As such, the composition of the Board evolves along with our strategic needs for the future. We believe we are more likely to achieve sustainable growth in shareholder value when our Board has the right mix of skills, expertise and tenure.

The Corporate Governance and Policy Committee is strategic and purposeful in its approach to refreshment and succession planning. Key factors the Committee considers when nominating Directors include:

- Skills and experience** – Verizon's strategy is to extend our network leadership through continued innovation, grow our core business and provide our customers with best-in-class experiences, while maintaining the balanced capital allocation approach and financial discipline that our investors expect of us. In light of the Company's strategy and expected future business needs, the Committee has identified the skills and experience in the table below as important to be represented on the Board as a whole.
 

• Consumer/B2B/retail	• Marketing	• Strategic planning
• Cybersecurity	• Regulatory/public policy	• Technology
• Financial expertise	• Risk management	• Telecommunications
- Diversity** – The Committee recognizes that a diverse set of viewpoints and practical experiences enhances the effectiveness of our Board in assessing the challenges and opportunities impacting our business and helping management achieve better outcomes. In evaluating candidates, the Committee considers how a candidate's particular background, experience, qualifications, attributes and skills may complement, supplement or duplicate those of other prospective candidates. The Committee seeks a diverse group of candidates who possess the requisite judgment, background, skill, expertise and time, as well as diversity with respect to race, ethnicity and gender, to strengthen and increase the diversity, breadth of skills and qualifications of the Board. See Appendix A for the Board diversity disclosure required by Nasdaq Rule 5606.
- Age and tenure** – The Committee believes it is important to bring new perspective and talents to the Board on a regular basis. Verizon does not have term limits for Directors because the Board recognizes that Directors who have served on the Board for an extended period can provide valuable insight into Verizon's operations and future based on their experience with, and understanding of, Verizon's history, policies and objectives. As an alternative to term limits, the Board seeks to maintain an average tenure of nine years or less for its independent Directors. In addition, to encourage new viewpoints on the Board, the Board seeks to add at least one new Director every two years on average. Under the Corporate Governance Guidelines, a Director must retire from the Board the day before the annual meeting of shareholders that follows his or her 72nd birthday.
- Board size** – The Committee periodically evaluates whether to change the size of the Board based on the Board's needs and the availability of qualified candidates.
- Board dynamics** – The Committee considers each Director candidate's individual contribution or potential contribution to the Board as a whole and strives to maintain one hundred percent active and collaborative participation.

## Our Board's independence

Verizon's Corporate Governance Guidelines establish standards for evaluating Director independence and require that a substantial majority of the Directors be independent. The Board determines the independence of each Director under New York Stock Exchange (NYSE) and Nasdaq governance standards, as well as the more stringent standards included in the Guidelines. These standards identify the types of relationships that, if material, could impair independence, and fix monetary thresholds at which the relationships are considered to be material. The Guidelines are available on the Corporate Governance section of our website at [www.verizon.com/about/investors/corporate-governance](http://www.verizon.com/about/investors/corporate-governance). The Corporate Governance and Policy Committee conducts an annual review of any relevant business relationships that each Director may have with Verizon and reports its findings to the full Board.

Based on the Committee's recommendation, the Board has determined that all of the non-employee Director candidates meet the independence requirements of applicable law, the NYSE, Nasdaq and Verizon's Corporate Governance Guidelines: Ms. Archambeau, Ms. Austin, Mr. Bertolini, Ms. Healey, Mr. Narasimhan, Mr. Otis, Mr. Schulman, Mr. Slater, Ms. Tomé and Mr. Weaver. The Board also determined that Mr. Vittorio Colao, who served as a Director until February 13, 2021, was independent.

Additionally, the Board has determined that each member of the Audit Committee and the Human Resources Committee meets the additional, heightened independence criteria applicable to such committee members under the applicable NYSE and Nasdaq rules.

The employers of Mr. Bertolini, Mr. Narasimhan, Mr. Schulman and Ms. Tomé each made payments to Verizon for telecommunications services during 2021. In addition, during 2021 Verizon made payments to Mr. Bertolini's employer for fees relating to investment of pension plan assets, to Mr. Schulman's employer for processing fees relating to payments to and from our customers in connection with Verizon services and wireless devices, and to Ms. Tomé's employer for shipping services. Applying the independence standards above, the Board considered the foregoing payments and determined that these general business transactions and relationships are not material and did not impair the ability of the Director to act independently.

## Director nominations

The Corporate Governance and Policy Committee considers and recommends candidates for our Board. The Committee reviews all nominations submitted to Verizon, including individuals recommended by shareholders, Directors or members of management. The Committee also retains executive search firms from time to time to help identify and evaluate potential candidates.

Any shareholder who wishes to recommend a Director candidate to the Committee for its consideration should write to the Assistant Corporate Secretary at the address given under "Contacting us." A recommendation for a Director candidate should include the candidate's name, biographical data and a description of the candidate's qualifications in light of the requirements described below. If we make any material changes to the Committee's procedure for considering and nominating candidates, we will file a report with the SEC and post the information on the Corporate Governance section of our website at [www.verizon.com/about/investors/corporate-governance](http://www.verizon.com/about/investors/corporate-governance).

## What ESG skills and experience do our Directors bring to the boardroom?

ESG is increasingly incorporated into strategic and operational decision-making at Verizon. Each of our Directors has skills and experience in one or more aspects of ESG, including:

- access and affordability;
- business ethics and compliance;
- corporate social responsibility;
- cybersecurity, data security and privacy;
- diversity, equity and inclusion;
- environmental sustainability, including renewable energy;
- governance;
- network reliability and resilience;
- regulatory and public policy trends;
- risk management; and
- talent development.

The Committee reviews the qualifications of each candidate for election or re-election. For incumbent Directors, this review includes the Director's participation in and contributions to the activities of the Board, the Director's independence and past meeting attendance and whether the Director's skills and expertise continue to align with Verizon's long-term business strategy. After the Committee evaluates all candidates for Director, it presents its recommendation to the Board. The Committee also discusses with the Board any candidates who were considered by the Committee but not recommended for election or re-election.

Before they are nominated, each candidate for election and each incumbent Director standing for re-election must consent to stand for election or re-election and provide certain representations required under Verizon's bylaws. Each candidate who is standing for election must also submit an irrevocable resignation, which will only become effective if (i) our Board or any Committee determines that any of the required representations were untrue in any material respect or that the candidate breached any obligation under Verizon's bylaws or (ii) the candidate does not receive a majority of the votes cast at the annual meeting of shareholders and the independent members of our Board decide to accept the resignation. Any decision about a resignation following an incumbent Director's failure to obtain a majority of the votes cast will be disclosed within 90 days after the election results are certified.

Shareholders wishing to nominate a Director should follow the procedures set forth in Verizon's bylaws and summarized beginning on page 69.

## Director criteria, qualifications and experience

To be eligible for consideration, any proposed candidate must:

- Possess exemplary ethics and integrity
- Have proven judgment and competence
- Have professional skills and experience that align with the needs of Verizon's long-term business strategy and complement the experience represented on the Board
- Have demonstrated the ability to act independently and be willing to represent the long-term interests of all shareholders and not just those of a particular constituency or perspective
- Be willing and able to devote sufficient time to fulfill responsibilities to Verizon and our shareholders

## Election process

Verizon's Directors are elected annually for a term of one year. We believe annual elections are consistent with good corporate governance because they foster director accountability and increase shareholder confidence. Verizon's bylaws require Directors to be elected by a majority of the votes cast in an uncontested election.

## Nominees for election

Our Board has nominated the 11 candidates below for election as Directors, all of whom currently serve as Directors of Verizon. In June 2021, the Board elected Mr. Narasimhan as an independent Director, effective July 1, 2021; he was recommended by an executive search firm retained by the Corporate Governance and Policy Committee. In August 2021, the Board elected Ms. Tomé as an independent Director, effective September 1, 2021; she was known to the Company as a result of her prior service on the Board in 2020.

Each candidate has consented to stand for election, and we do not anticipate that any candidate will be unavailable to serve. If any candidate were to become unavailable before the election, the proxy committee could vote the shares it represents for a substitute named by the Board. Each candidate has submitted an irrevocable, conditional letter of resignation that our Board will consider if that candidate fails to receive a majority of the votes cast.

Biographical information for each Director nominee follows. We have included career highlights and the key skills and experience that we believe each Director nominee brings to our Board, as well as their other public board directorships. All of our nominees bring more qualifications to the Board than those highlighted in their biographies, and these are reflected in the aggregate Board composition statistics provided in the Proxy Summary. When deciding to re-nominate these Directors, the Corporate Governance and Policy Committee and the Board considered each Director's individual qualifications, as well as the aggregate of skills and experience represented on the Board, in light of the Company's strategy and expected future business needs.



**The Board of Directors recommends that you vote **FOR** the election of the following Director candidates.**



Proxy  
summaryGovernanceExecutive  
compensationAudit  
mattersStock  
ownershipShareholder  
proposalsAdditional  
information

## Shellye Archambeau

**Independent Director since:** 2013**Age:** 59**Committees:**Audit  
Corporate Governance and Policy  
(Chair)**Key skills and experience:**

- **Leadership:** Highly regarded and accomplished executive with over 30 years of experience building and scaling consumer and B2B businesses in the technology industry. As CEO of MetricStream, led the company's transformation into a leader in Governance, Risk and Compliance solutions.
- **Marketing:** Served as Chief Marketing Officer at two public companies (Loudcloud and NorthPoint Communications), leading the design and implementation of all sales and marketing strategies and driving revenue growth. As President of Blockbuster.com, launched the entertainment retailer's first online presence.
- **Risk management:** Acquired significant expertise with integrated enterprise risk management, regulatory compliance functions and quality, vendor and audit management software solutions across a wide array of industries during her tenure at MetricStream, as well as through service on the audit committees of Verizon, Okta and Arbitron.
- **Technology:** Gained valuable experience developing and marketing emerging technology applications and solutions, including internet infrastructure, cloud-based and identity security services, business software platforms, e-commerce and digital media.

**Career highlights:**

- MetricStream Inc., a leading provider of governance, risk, compliance and quality management
  - Chief Executive Officer (2002-2018)
- Executive Positions at Loudcloud, Inc., NorthPoint Communications, Blockbuster Inc. and IBM (domestic and international) (1984-2002)

**Other public company boards:**

Nordstrom, Inc. (since 2015)  
Okta, Inc. (since 2018)  
Roper Technologies, Inc. (since 2018)

## Roxanne Austin

**Independent Director since:** 2020**Age:** 61**Committees:**Audit  
Finance**Key skills and experience:**

- **Leadership:** Seasoned leader who served as CEO of Move Networks, President and COO of DIRECTV, and CFO of Hughes Electronics. Named 2018 Director of the Year – Corporate Leadership and Service by the Forum for Corporate Directors and one of the most influential directors in the board room by the National Association of Corporate Directors in 2013. Serves as co-chair of the annual Corporate Governance Conference at Northwestern's Kellogg School of Management.
- **Cybersecurity:** Acquired significant cybersecurity experience through her extensive management and operating roles in a range of technology industries, including service as a director of CrowdStrike, a leader in cloud-delivered endpoint protection.
- **Financial expertise:** Developed a comprehensive background in finance and accounting as a public company audit committee member, CFO of Hughes Electronics and a partner at Deloitte & Touche LLP. Chairs the U.S. Mid-Market Advisory Committee of EQT Partners.
- **Strategic planning:** Oversaw a dramatic turnaround of the business within one year of her arrival at DIRECTV, with cash flow increasing from negative \$400 million annually to cash flow positive by \$400 million, and revenue increasing by 40%. Overhauled customer service at DIRECTV, resulting in the company winning J.D. Power's award ranking #1 in customer satisfaction.

**Career highlights:**

- President and Chief Executive Officer of Austin Investment Advisors, a private investment and consulting firm (2003-present)
- President and Chief Executive Officer of Move Networks, Inc., an IP-based television delivery service (2009-2010)
- President and Chief Operating Officer of DIRECTV, Inc., a digital television entertainment service (2001-2003)
- Chief Financial Officer and Various Executive Positions at Hughes Electronics Corporation (1993-2001)
- Audit Partner and Various Audit Positions at Deloitte & Touche LLP (1983-1993)

**Other public company boards:**

Abbott Laboratories Inc. (since 2000)\*  
AbbVie, Inc. (since 2013)  
CrowdStrike Holdings, Inc. (since 2018)  
Freshworks Inc. (since September 2021)  
Teledyne Technologies Incorporated (2006-April 2021)  
Target Corporation (2002-2020)  
Ericsson (2008-2016)

\* Ms. Austin will not stand for re-election to the Abbott Laboratories Board of Directors at the end of her current term expiring at the April 29, 2022 annual shareholders meeting.

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## Mark Bertolini



**Independent Director since:** 2015

**Age:** 65

**Committees:**  
Finance (Chair)  
Human Resources

### Key skills and experience:

- **Leadership:** Recognized as an accessible, forward-thinking and solutions-oriented leader. Transformed Aetna from a traditional health insurance company to a consumer-oriented health care company focused on delivering holistic integrated care to local communities and serving over 46 million people.
- **Financial expertise:** Developed deep financial and risk management expertise in his executive roles at Aetna and as a Board member of MassMutual Life Insurance Company, a leading life insurance mutual company. Following his service on the Board of Bridgewater Associates, the world's largest hedge fund, named Co-Chief Executive Officer of Bridgewater in 2022.
- **Regulatory/public policy:** A national health care thought leader with extensive regulatory and public policy experience. Successfully navigated changes in the health insurance marketplace resulting from the Affordable Care Act and led Aetna through antitrust reviews of various acquisitions and proposed acquisitions.
- **Strategic planning:** Led Aetna through a period of strategic and regulatory transformation and domestic and international growth through strategic acquisitions and dispositions, culminating in the \$78 billion acquisition of Aetna by CVS completed in 2018.

### Career highlights:

- Co-Chief Executive Officer of Bridgewater Associates, LP, a global investment management firm (January 2022-present)
- Aetna Inc., a multi-national, Fortune 100 diversified healthcare benefits company
  - Chairman (2011-2018)
  - Chief Executive Officer (2010-2018)
  - President (2007-2010)
  - Other Executive Positions (2003-2007)
- Executive Positions at Cigna, NYLCare Health Plans and SelectCare, Inc.

### Other public company boards:

CVS Health Corporation (2018-2020)

## Melanie Healey



**Independent Director since:** 2011

**Age:** 60

**Committees:**  
Corporate Governance and Policy  
Human Resources

### Key skills and experience:

- **Leadership:** Accomplished, consumer-focused executive with substantial global experience and a track record of delivering growth, driving operational improvements and launching successful product innovations over a 33-year career at 3 global iconic consumer product brand companies, including leading a global business for 6 years.
- **Consumer/B2B/retail:** Gained deep and valuable branding, distribution and operating experience with consumer wellness products on a global scale over a long career at 3 different multi-national organizations in the consumer goods industry (Procter & Gamble, Johnson & Johnson and S.C. Johnson & Sons). Continues to focus on the consumer/retailing sector through service on the Target board of directors and on a globally recognized consumer and B2B brand through service on the board of Hilton, which has over 6,000 properties in over 100 countries and territories.
- **Marketing:** Brings a multi-cultural and multi-national perspective acquired from working 18 years internationally to corporate strategy with respect to brand building, new product and commercial innovation and the consumer experience, as well as experience with managing large and complex marketing budgets.
- **Strategic planning:** As Group President of North America at Procter & Gamble, oversaw multi-year strategic planning for the largest division of the company, with over \$32 billion in annual sales, and reversed a decline in sales after assuming that role.

### Career highlights:

- The Procter & Gamble Company, a leading provider of branded consumer packaged goods
  - Group President (2007-2015)
  - Other Executive Positions (1990-2015)
- Johnson & Johnson (1986-1990)
- S.C. Johnson & Sons (1983-1986)

### Other public company boards:

Hilton Worldwide Holdings Inc. (since 2017)  
PPG Industries, Inc. (since 2016)  
Target Corporation (since 2015)



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## Laxman Narasimhan



**Independent Director since:** 2021

**Age:** 54

**Committees:**

Audit  
Corporate Governance and Policy

**Key skills and experience:**

- **Leadership:** Insightful and strategic leader with wide experience across the consumer goods sector and a proven track record in developing purpose-led brands, including as chief executive of Reckitt Benckiser Group Plc, a FTSE 12 listed British multinational global consumer health, hygiene and nutrition company. Credited with improving sales and profit while managing approximately \$18 billion in revenue at businesses across 100 countries and 125,000 employees as CEO of PepsiCo's Latin America, Europe and Sub-Saharan Africa operations.
- **Consumer/B2B/retail:** Provides valuable experience and thought leadership in complex global consumer-facing businesses as a result of a career approaching 30 years in the space. Prior to joining Reckitt Benckiser and PepsiCo, spent 19 years at McKinsey & Company, focusing on its consumer, retail and technology practices in the United States, Asia and India.
- **Risk management:** Developed significant risk management experience, including supply chain risk management experience, while piloting Reckitt Benckiser through the supply chain disruptions of the COVID-19 pandemic.
- **Strategic planning:** Articulated corporate purpose and drove strategic change while transitioning into the leadership role at Reckitt Benckiser during the COVID-19 pandemic. Eliminated complexity and simplified operations in order to remain agile and manage surging demand for certain consumer products during the pandemic.

**Career highlights:**

- Chief Executive Officer of Reckitt Benckiser Group Plc, a global consumer-goods company (2019-present)
- PepsiCo, Inc., a leading global food and beverage company
  - Global Chief Commercial Officer (2019)
  - Chief Executive Officer, Latin America, Europe and Sub-Saharan Africa (2017-2019)
  - Other Executive Positions (2012-2017)
- McKinsey & Company (1993-2012)

**Other public company boards:**

Reckitt Benckiser Group Plc (since 2019)

## Clarence Otis, Jr. (Lead Director)



**Independent Director since:** 2006

**Age:** 65

**Committees:**

Audit  
Finance  
Human Resources

**Key skills and experience:**

- **Leadership:** Led Darden Restaurants, Inc., the largest company-owned and operated full-service restaurant company in the world, as CEO for 10 years, achieving sales growth of over 75% during the period. Known as a purpose-driven and values-based leader, with Darden being recognized by *Fortune* magazine for four consecutive years during his tenure as one of its 100 Best Companies to Work For.
- **Consumer/B2B/retail:** Brings deep and valuable insights into consumer services and retail operations gleaned from his experience leading a Fortune 500 company that owned well-known national consumer brands including Olive Garden, LongHorn Steakhouse, Red Lobster and Capital Grille. Further consumer and retail expertise through board position at VF Corporation, which owns well-known national brands including Timberland and North Face.
- **Financial expertise:** Gained substantial financial expertise through, among other roles, investment banking positions of increasing seniority over 12 years, the CFO role at Darden, serving as a Director of the Federal Reserve Bank of Atlanta and as trustee or director of mutual funds pursuing a wide array of investment strategies.
- **Risk management:** Acquired significant expertise with financial risk assessment and enterprise risk management during his career in investment banking and at Darden, as well as through his many years of service on the Federal Reserve Bank of Atlanta Board, the Audit Committees of VF Corporation and Verizon, the Investment & Capital Markets Committee of Travelers and as a Trustee of 138 funds within the MFS Mutual Fund complex.

**Career highlights:**

- Darden Restaurants, Inc.
  - Chairman (2005-2014)
  - Chief Executive Officer (2004-2014)
  - Other Executive Positions (1995-2014)
- Director of the Federal Reserve Bank of Atlanta (2010-2015)
- Investment banker and lawyer specializing in securities and finance

**Other public company boards:**

The Travelers Companies, Inc. (since 2017)  
VF Corporation (since 2004)  
MFS Mutual Funds complex (since 2017)

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## Daniel Schulman

**Independent Director since:** 2018**Age:** 64**Committees:**  
Human Resources (Chair)**Key skills and experience:**

- **Leadership:** Successful and dynamic leader in the fiercely competitive technology and e-commerce space with a proven track record of creating shareholder value through innovation and a focus on values at numerous companies, including PayPal, which has approximately 415 million active accounts across more than 200 markets, Priceline, and Virgin Mobile USA.
- **Cybersecurity:** Gained extensive cybersecurity and risk management experience as a director of Symantec Corporation, a global leader in cybersecurity, for nearly 20 years, including serving as the independent chairman for 6 years.
- **Strategic planning:** Spearheaded innovation and growth at start-ups and established companies, including Priceline, where he grew annual revenues from \$20 million to nearly \$1 billion over two years, Virgin Mobile USA, where he successfully built a pre-paid cellphone business, American Express, where he expanded global mobile and online payment services, and PayPal, where he has achieved significant revenue growth and stock price appreciation.
- **Technology:** Acquired significant expertise in mobile technology and digital innovation over a long career spanning the telecommunications, financial technology and e-commerce industries.

**Career highlights:**

- PayPal Holdings, Inc., a leading online payments company
  - President and Chief Executive Officer (2015-present)
  - President and CEO-Designee (2014-2015)
- Group President of the Enterprise Group at American Express Company (2010-2014)
- President of the Prepaid Group at Sprint Nextel Corporation (2009-2010)
- Founding CEO of Virgin Mobile USA, Inc. (2001-2009)
- President and CEO of Priceline Group, Inc.
- Various Executive Positions, including President of the Consumer Markets Division, at AT&T, Inc.

**Other public company boards:**

PayPal Holdings, Inc. (since 2015)  
Symantec Corporation (2000-2019)  
FLEX LTD. (2009-2018)

## Rodney Slater

**Independent Director since:** 2010**Age:** 67**Committees:**  
Corporate Governance and Policy  
Human Resources**Key skills and experience:**

- **Leadership:** Nationally recognized for innovative infrastructure development and forging strategic public and private partnerships. As U.S. Secretary of Transportation, oversaw national transportation policy, spearheaded several historic legislative measures, including record funding for surface transportation investment and aviation safety and security, promoted intermodal transportation systems and led effort to significantly expand high speed rail network.
- **Regulatory/public policy:** Brings a strategic, collaborative and result-oriented approach to oversight of regulatory and public policy issues developed over his long and accomplished career in both the public and private sectors.
- **Risk management:** Globally recognized advisor for reputational risk management, corporate compliance and emergency preparedness, having served as an independent monitor/advisor for Toyota, Takata and Fiat Chrysler as these companies worked through safety issues, and coordinated the Federal Highway Administration's response to several major natural disasters.
- **Strategic planning:** Implemented a visionary strategic plan for the U.S. Department of Transportation to expand its focus on safety, mobility and access, economic development and trade, the environment and national security. Developed an innovative financing and contracting program at the Federal Highway Administration that produced significant operational and cost efficiencies.

**Career highlights:**

- Partner, Squire Patton Boggs LLP, a law firm (2001 to present)
- U.S. Secretary of Transportation (1997-2001)
- Administrator, Federal Highway Administration (1993-1997)
- Various policy positions with the State of Arkansas

**Other public company boards:**

EVgo Inc. (since July 2021)  
Stagwell Inc. (since August 2021)  
Kansas City Southern (2001-2019)  
Transurban Group (2009-2018)

## Carol Tomé

**Independent Director since:** 2021**Age:** 65**Committees:**  
Finance**Key skills and experience:**

- **Leadership:** After being appointed CEO of UPS in June 2020, led the company through an unprecedented surge in demand for services, while improving competitiveness and reducing bureaucracy. Demonstrated strong financial leadership as CFO for over 18 years at Home Depot, with responsibility for all corporate finance matters including financial reporting, financial planning and analysis, financial operations, internal audit, investor relations and tax. Led strategic business development during a critical time for Home Depot, as well as the IT and security function.
- **Consumer/B2B/retail:** Proven track record in growing and innovating at both consumer and B2B businesses with large geographic footprints and employee bases. Reinvigorated Home Depot's consumer business while navigating the Great Recession and housing crisis. Championed Home Depot's initiative designed to grow the B2B side of its business.
- **Financial expertise:** Gained extensive and deep corporate finance expertise during her tenure at Home Depot and during her service on the Board of the Federal Reserve Bank of Atlanta, where she served as both Vice-Chair and Chair of the Board.
- **Strategic planning:** As CEO of UPS, navigated the immense challenges and opportunities of the delivery and logistics business during the COVID-19 pandemic. Played a pivotal role in strategic business development at Home Depot as it transformed into one of the world's largest retailers – during her tenure as CFO, Home Depot doubled sales to over \$108 billion and generated a 450% increase in shareholder value.

**Career highlights:**

- Chief Executive Officer of United Parcel Service, Inc., the world's largest package delivery company and a premier provider of global supply chain management solutions (2020-present)
- The Home Depot, Inc., one of the world's largest home improvement retailers
  - Executive Vice President – Corporate Services and Chief Financial Officer (2007-2019)
  - Chief Financial Officer (2001-2007)
  - Other Executive Positions (1995-2001)
- Federal Reserve Bank of Atlanta
  - Director (2008-2013)

**Other public company boards:**

United Parcel Service, Inc. (since 2003)  
 Cisco Systems, Inc. (2019-2020)  
 Certain Fidelity Mutual Funds (2017)

## Hans Vestberg (Chairman)

**Director since:** 2018**Age:** 56**Key skills and experience:**

- **Leadership:** Driving Verizon's leadership position in the deployment of 5G technology and multi-access edge computing in the U.S. Built an industry-leading telecommunications software and services organization at Ericsson, one of the world's largest telecommunications companies. Member of the Board of the United Nations Foundation that actively works with the U.N.'s Sustainable Development Goals.
- **Strategic planning:** Implemented bold and innovative strategic changes, including Verizon 2.0, the transformation of Verizon's operating model to a customer-focused business served by industry-leading networks, as well as Ericsson's successful diversification into the software and services business from its traditional hardware-centric business.
- **Technology:** Gained significant expertise in mobile technology and telecommunications network architecture as Verizon's Chief Technology Officer and over his 25-year career at Ericsson.
- **Telecommunications:** Brings to the Board extensive operational and strategic experience and a deep understanding of the challenges and opportunities presented in the evolving global telecommunications landscape, as well as in-depth knowledge of Verizon's businesses.

**Career highlights:**

- Verizon Communications Inc.
  - Chairman (2019 to present) and Chief Executive Officer (2018 to present)
  - Executive Vice President, President – Global Networks and Chief Technology Officer (2017-2018)
- Ericsson
  - President and Chief Executive Officer (2010-2016)
  - Chief Financial Officer (2007-2009)
  - Other executive positions throughout the global operations

**Other public company boards:**

BlackRock, Inc. (since May 2021)  
 Hexagon AB (2017-2018)

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## Gregory Weaver



**Independent Director since:** 2015

**Age:** 70

**Committees:**

Audit (Chair)

Finance

**Key skills and experience:**

- **Leadership:** Twice elected by fellow partners to serve as Chairman and CEO of Deloitte & Touche LLP's audit and enterprise risk services practice in the U.S., overseeing all operations, regulatory interaction and quality control for all audit and risk consulting clients. Led the firm through significant change in the accounting industry resulting from the passage of the Sarbanes-Oxley Act.
- **Financial expertise:** Gained comprehensive public accounting experience at the highest level and substantial financial expertise over his 40 year career at Deloitte & Touche and as the lead audit partner for several of its largest clients, as well as through serving as a Trustee of the Goldman Sachs Trust.
- **Risk management:** Developed a deep understanding of vertical and horizontal risk exposures – within companies and across industries – through providing enterprise risk services. Also led Deloitte & Touche through assessments of its own audit risk exposures.
- **Strategic planning:** As a member of Deloitte's Board of Directors and numerous management committees, helped shape strategic organizational priorities and relationships with regulators.

**Career highlights:**

- Deloitte & Touche LLP, the accounting, auditing and risk advisory subsidiary of Deloitte LLP
  - Chairman and Chief Executive Officer (2001-2005 and 2012-2014)
  - Member, Deloitte LLP Board of Directors (2006-2012)

**Other public company boards:**

Goldman Sachs Trust (since 2015)

## Our governance framework

The membership, structure, policies and practices of our Board and its committees promote the effective exercise of the Board's role in the governance of Verizon. In addition, our Corporate Governance Guidelines provide a framework for the Board's operations and address key governance practices. The Corporate Governance and Policy Committee monitors best practices and developments in corporate governance, considers the views of Verizon's shareholders, and periodically recommends changes to the Board's policies and practices, including the Guidelines.

### Board leadership structure

Verizon's governance framework provides the Board with the flexibility to select the appropriate Board leadership structure for the Company. In making this leadership structure determination, the Board considers many factors, including the specific needs of the business and the long-term interests of our shareholders.

Given the dynamic and competitive environment in which Verizon operates, the Board believes that Verizon and our shareholders are best served by a Chairman who has broad and deep knowledge of our industry and the vision, energy and experience to position Verizon as the leader of transformational change in the communications ecosystem. Based on these considerations, the Board has determined that, at this time, our CEO, Hans Vestberg, is the Director best qualified to serve in the role of Chairman.

To maintain an appropriate level of independent checks and balances in its governance, and consistent with the Corporate Governance Guidelines, the independent members of the Board have elected an independent Lead Director who has the responsibilities described under "Role of the Lead Director." Clarence Otis, Jr. currently serves as Lead Director. The Lead Director and our Chairman and CEO meet and speak with each other regularly about the Company's strategy and operations and the functioning of the Board. In addition, any shareholder or interested party may communicate directly with the Lead Director.

All Directors play an active role in overseeing Verizon's business at both the Board and committee level. Every Director is given the agenda for each Board meeting in advance and can request changes. In addition, all Directors have unrestricted access to the Chairman and the senior leadership team at all times.

The Board believes that shareholders are best served by this current leadership structure because it features an independent Lead Director who provides independent and objective oversight and who can express the Board's positions in a forthright manner, as well as independent Directors who are fully involved in the Board's operations and decision making.

### Limiting service on other boards

Based on the evolving role of directors and the need to devote sufficient time to fulfill their responsibilities effectively, the Board has adopted a policy that a Director who is an executive officer of a public company should serve on no more than two public company boards, and other Directors should serve on no more than four public company boards.

## Clarence Otis, Jr. Lead Director



### Role of the Lead Director

- Promotes a strong Board culture, including encouraging and facilitating active participation of all Directors
- Approves the agenda, schedule and materials for all Board meetings, in consultation with the Chairman
- Is available to advise the committee chairs in fulfilling their designated responsibilities
- Acts as principal liaison with the Chairman
- Chairs executive sessions, including those held to evaluate the CEO's performance and compensation
- Chairs any meeting of the Board if the Chairman is not present
- Calls Board meetings and executive sessions as needed
- Leads the Board's annual self-evaluation
- Oversees the process for CEO succession planning along with the Human Resources Committee
- Acts as a primary point of contact for Board communication with major shareholders and other key stakeholders, as appropriate



## Board meetings and executive sessions

In 2021, our Board of Directors held 11 meetings, including 6 regularly scheduled meetings and 5 special meetings. Our Board met in virtual-only format, as well as in hybrid format, with safety measures in place for those attending in person, allowing for in-person interaction while retaining the flexibility to adapt to continually evolving COVID-19 pandemic circumstances and protocols in 2021.

No incumbent Director attended fewer than 75% of the total number of meetings of our Board and the committees to which the Director was assigned in 2021. Directors standing for re-election are expected to attend the annual meeting of shareholders. In 2021, all nine Directors standing for re-election attended the annual meeting, which was conducted in a virtual-only format.

The Corporate Governance Guidelines require the independent Directors to meet in executive session without any members of management present at least twice a year to review and evaluate the performance of the Board and to evaluate the performance and approve the compensation of the CEO. In practice, our Board typically meets in executive session during each regular Board meeting.

## Board committees

Our Board of Directors has established four standing committees: the Audit Committee, the Corporate Governance and Policy Committee, the Finance Committee, and the Human Resources Committee. Each committee has a written charter that defines its specific responsibilities. The chair of each committee approves the agenda and materials for each meeting. Each committee has the authority to retain independent advisors to assist it in carrying out its responsibilities.

Our committee meetings are not held concurrently, which enables our Directors to sit on multiple committees. Our newly appointed Directors also attend all committee meetings for a period prior to being appointed to any particular committee, which gives them a broad-based introduction to the Company and allows them to understand the inner workings of all committees.

## Where to find more information

You can find information about Verizon's Directors, Board committees and a video from our Lead Director on the Corporate Governance section of our website at [www.verizon.com/about/investors/corporate-governance](http://www.verizon.com/about/investors/corporate-governance). You can also access Verizon's Corporate Governance Guidelines, Code of Conduct and other corporate governance materials, including Verizon's certificate of incorporation, bylaws, committee charters and policies at that site. You can request copies of these materials from the Assistant Corporate Secretary at the address given under "Contacting us."

In addition, you can access all of Verizon's ESG reporting, including our ESG Report, TCFD Report, Transparency Reports, Political Engagement Reports and EEO-1 Report, as well as key company policies, through our ESG Resources Hub at [www.verizon.com/about/investors/reporting](http://www.verizon.com/about/investors/reporting).

## Beyond the boardroom

Engagement outside of Board meetings provides our Directors with additional insight into our business and our industry, and gives them valuable perspectives on the performance of our Company, the Board, our CEO and other members of senior management, and on the Company's strategic direction.

- Our individual Directors have discussions with each other and with our CEO, and have informal individual and small group meetings with high potential members of our senior management team in order to gain insight into the Company's management development program and succession pipeline.
- Our committee chairs and Lead Director meet and speak regularly with each other and with members of our management in connection with planning for meetings. All Directors are encouraged to provide suggestions for meeting agendas and materials.
- Our Directors regularly attend "deep dives" on current topics of interest and technology training as part of their ongoing Director education program.
- Our Directors receive weekly updates on recent developments, press coverage and current events that relate to our business, as well as monthly business operation reviews and analyst reports.
- In 2021, our Directors visited Newlab, a multi-disciplinary technology center and innovation hub at the Brooklyn Navy Yard in Brooklyn, New York, to participate in presentations on 5G use cases and robotics demonstrations.
- In 2021, several of our Directors appeared in a special video message from the Board thanking our employees and recognizing them for their efforts navigating the challenges presented by the COVID-19 pandemic. You can watch the video by visiting [www.verizon.com/about/news/big-thank-you-v-teamers](http://www.verizon.com/about/news/big-thank-you-v-teamers).

## Audit Committee

### Key responsibilities and activities

- Assess and discuss with management Verizon's significant business risk exposures (including those related to cybersecurity, data privacy, data security and bribery and corruption) and oversee management's programs and policies to monitor, assess and manage such exposures
- Assess Verizon's overall control environment, including controls related to financial reporting, disclosure, compliance and significant financial and business risks
- Appoint, approve fees for, and oversee the work of the independent registered public accounting firm
- Oversee financial reporting and disclosure matters
- Oversee Verizon's internal audit function
- Assess Verizon's compliance processes and programs
- Review the Chief Compliance Officer's annual report regarding anti-corruption compliance, compliance with significant regulatory obligations, export controls, and data protection
- Assess policies and procedures for executive officer expense accounts and perquisites, including the use of corporate assets
- Assess procedures for handling complaints relating to accounting, internal accounting controls or auditing matters

The Board has determined that each of Ms. Archambeau, Ms. Austin, Mr. Narasimhan, Mr. Otis and Mr. Weaver is an audit committee financial expert.

### Members

Gregory Weaver (Chair)  
Shellye Archambeau  
Roxanne Austin  
Laxman Narasimhan  
Clarence Otis, Jr.

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## Corporate Governance and Policy Committee

### Key responsibilities and activities

- Evaluate the structure and practices of our Board and its committees, including size, composition, independence and operations
- Recommend changes to our Board's policies or practices or the Corporate Governance Guidelines
- Identify and evaluate the qualifications of Director candidates
- Recommend Directors to serve as members of each committee and as committee chairs
- Review potential related person transactions
- Facilitate the annual assessment of the performance of the Board and its committees
- Serve as hub for oversight of ESG, including ESG commitments, reporting and engagement, corporate responsibility and sustainability
- Oversee Verizon's position and engagement on important public policy issues, including those relating to political contributions, lobbying activities, and human rights, that may affect our business and reputation
- Review the activities of Verizon's community and social impact initiatives, including philanthropic activities

### Members\*

Shellye Archambeau (Chair)  
Melanie Healey  
Laxman Narasimhan  
Rodney Slater

\* Vittorio Colao served on the Committee until February 13, 2021.

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## Finance Committee

### Key responsibilities and activities

- Monitor Verizon's capital needs and financing arrangements and ability to access the capital markets
- Monitor expenditures under the annual capital plan approved by our Board
- Review Verizon's policies and strategies for managing currency, interest rate, renewable energy and counterparty exposures
- Review and approve Verizon's derivatives policy and monitor the use of derivatives, including our renewable power purchase agreement strategy
- Review Verizon's insurance and self-insurance programs
- Oversee the investment of pension assets and the funding of pension and other postretirement benefit obligations

### Members\*

Mark Bertolini (Chair)

Roxanne Austin

Clarence Otis, Jr.

Carol Tomé

Gregory Weaver

\* Vittorio Colao served on the Committee until February 13, 2021.

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## Human Resources Committee

### Key responsibilities and activities

- Oversee the development of Verizon's executive compensation program and policies
- Approve corporate goals relevant to the CEO's compensation
- Evaluate the CEO's performance and recommend his compensation to the Board
- Review and approve compensation and benefits for selected senior managers
- Consult with the CEO on talent development
- Oversee succession planning and assignments to key leadership positions
- Oversee human capital management, including with respect to employee diversity, equity and inclusion, talent acquisition, retention and development, employee engagement, pay equity and corporate culture
- Review and make determinations under Verizon's clawback policies
- Review the impact of Verizon's executive compensation policies and practices, and the performance metrics underlying the compensation program, on Verizon's risk profile
- Review and recommend non-employee Director compensation

### Members

Daniel Schulman (Chair)

Mark Bertolini

Melanie Healey

Clarence Otis, Jr.

Rodney Slater

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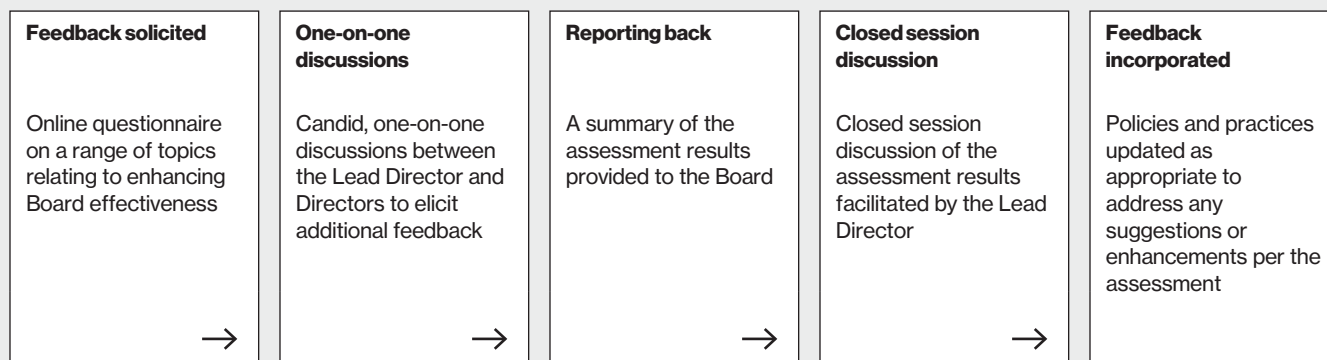
## Board and committee assessments

Our Board conducts a comprehensive annual assessment to enhance the effectiveness of the Board and its committees and to continue to reflect evolving best practices in their processes. While the assessment process is generally led by the Lead Director, the Board periodically engages a third-party consulting firm to bring an outside perspective to the process. As part of this robust assessment, each Director completes a detailed written questionnaire designed to elicit suggestions for improving Board and committee effectiveness and feedback on a range of issues, including Board leadership, culture, purpose and strategy, composition and structure and risk management. In addition, the Lead Director or the third-party consulting firm conducts individual interviews with each of the independent Directors to discuss these topics, among others. The Board discusses the feedback received from the questionnaires and interviews during an evaluation session facilitated by the Lead Director. The evaluation for 2021 was conducted by the Lead Director and concluded that the Board and its committees are operating effectively. The recommendations to further enhance Board effectiveness, which we addressed, include continued focus on strategic oversight, including 5G measures of success, as well as the development of Verizon's next generation of leaders.

In addition to annual assessments, the Board evaluates and modifies its oversight of Verizon's operations on an ongoing basis. During their executive sessions, the independent Directors consider agenda topics that they believe deserve additional focus and raise new topics to be addressed in future meetings.

The Corporate Governance and Policy Committee annually appraises the framework for our Board and committee assessment processes.

### Board and committee assessment process



## Director orientation and continuing education

We provide our Directors with comprehensive orientation and education programs to promote a deep understanding of issues affecting our business and industry, help Directors stay current and knowledgeable about the Company's business and its competitive and technology landscape, and support Directors in performing their oversight duties.

**New Director orientation.** When a new Director joins the Board, we conduct an orientation program that includes, among other things, a review of the Company's purpose, business strategy and operations, technology, financial condition, legal and regulatory framework and other relevant topics.

**Director continuing education.** We support current Directors in their ongoing learning by providing continuing education opportunities and programs. These programs include presentations by thought leaders and industry experts, formal education sessions, meetings with management subject matter experts, participation in industry forums and site visits.

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## Oversight of strategy

All of our Directors have deep experience and expertise in strategic planning and execution. The Board engages Verizon's senior leaders in robust discussions about strategic goals and challenges them to execute on the strategic plan, address emerging challenges and disruptions, and promote innovation. In addition to an annual strategy retreat, strategy is allocated substantial time on the agenda for each regular Board meeting. During these reviews, the Board engages with senior management regarding the competitive landscape, operational objectives and challenges and regulatory developments.

## Oversight of business risks

While senior management has primary responsibility for managing business risks, our Board of Directors is responsible for risk oversight. The Board works with senior management to develop a comprehensive view of Verizon's key short- and long-term business risks. Verizon has a formalized business risk management reporting process that is designed to provide visibility to the Board about critical risks and risk mitigation strategies. Through its oversight role, the Board sends a message to management that risk management is not an impediment to the conduct of business, but is instead an integral component of strategy, culture and business operations.

The Board of Directors oversees the management of risks inherent in the operation of Verizon's businesses and the implementation of its strategic plan by using several different levels of review. The Board addresses the primary risks associated with Verizon's business units and corporate functions in its operations reviews of those units and functions. Further, the Board reviews the risks associated with Verizon's strategic plan throughout the year.

In addition, each of our Board committees oversees the management of risks that fall within that committee's areas of responsibility. In performing this function, each committee has full access to management and may engage advisors.

**Enterprise risk management program.** The Audit Committee oversees the operations of Verizon's enterprise risk management program, which identifies the primary risks to Verizon's business, including risks related to cybersecurity, data privacy and security, and the Company's supply chain. The Audit Committee periodically monitors and evaluates the primary risks associated with particular business units and functions. As part of Verizon's annual enterprise risk assessment process, the Audit Committee reviews key business risks with the Chief Financial Officer and the Senior Vice President of Internal Audit. These risks inform Board and Audit Committee discussion topics throughout the year.

In addition, the Audit Committee works with Verizon's Senior Vice President of Internal Audit, who helps identify, evaluate and implement risk management controls and methodologies to address identified risks and who functionally reports directly to the Committee. The Committee routinely meets privately with representatives from the independent registered public accounting firm, the Senior Vice President of Internal Audit, and the Chief Administrative, Legal and Public Policy Officer.

**Strategic crisis management.** In order to position Verizon leadership and the Board to respond to strategic risks and protect Verizon's core assets in a potential crisis, the Company maintains a Strategic Crisis Management Program. The Program defines clear roles and responsibilities in dealing with various potential crises and outlines a process to make decisions and implement appropriate actions on a timely basis. Through the Program, the Verizon Strategic Crisis Leadership Team is positioned to assume executive ownership of strategic crisis events through drills and scenario-based training. The Program also includes employee crisis awareness training in order to encourage employees across the Company to quickly identify and report circumstances or events that could develop into a strategic crisis so that our leadership team can take appropriate steps in response. In addition, Verizon's Board maintains a Board Crisis Response Plan, which is a structured plan to be used in connection with any crisis that could have a significant strategic impact on the Company's brand, reputation, finances or legal, political or regulatory position – providing a framework for appropriate Board oversight and assessment of the response to a crisis, while allowing the necessary flexibility to address the different types of crises that might arise.

**Financial risk and capital allocation.** The Finance Committee assists our Board in its oversight of financial risk management. In performing this function, the Finance Committee monitors Verizon's capital needs and financing plans and oversees the strategy for managing risks related to currency, interest rate and renewable energy exposures. The Finance Committee reviews and approves the Company's derivatives policy and monitors the use of derivatives. The Finance Committee also reviews Verizon's pension and other postretirement benefit obligations, as well as its insurance and self-insurance programs.

## Oversight of ESG strategy and risks

Our Board recognizes that operating responsibly – minimizing the environmental impact of our operations, protecting the privacy of our customers' information and respecting human rights by creating an environment of respect, integrity and fairness for our employees and customers wherever we do business – is fundamental to the long-term success of our Company. The Corporate Governance and Policy Committee oversees corporate responsibility and sustainability. Verizon has a Chief ESG Officer dedicated to enhancing the Company's sustainability reporting and stakeholder engagement on environmental, social and governance issues that align with Verizon's core business strategy. The Chief ESG Officer heads a cross-functional team that focuses on strategic areas including governance, reporting, human rights, environmental sustainability and digital trust and safety and also oversees Verizon's efforts to deliver on its ESG commitments. The Chief ESG Officer regularly provides the Corporate Governance and Policy Committee with updates on the Company's ESG priorities, commitments and reporting.

**Environmental sustainability and climate.** To address climate-related risks, Verizon is upgrading and hardening our infrastructure to be prepared for a changing climate, improving energy efficiency across our networks and facilities, making substantial investments in renewable energy and developing solutions to help our customers to reduce their carbon footprints. We have announced science-based emissions reduction targets for our Scope 1, 2 and 3 emissions and have set ambitious goals to source or generate renewable energy equivalent to 50% of our total annual electricity consumption by 2025 and to achieve net zero operational emissions (Scope 1 and 2) by 2035. The Executive Climate Oversight Committee, composed of Verizon's Chief Financial, Chief Administrative, Chief ESG and Chief Sustainability Officers, monitors Verizon's progress on these initiatives and commitments and recommends changes or enhancements to our climate strategy. Representatives from the Strategy, Network, Fleet, Global Real Estate, Treasury, Sustainability and ESG organizations report to the committee on climate-related issues and initiatives that fall within their responsibilities. The Chief ESG Officer periodically updates the Corporate Governance and Policy Committee on the issues considered by the committee, the Company's progress in meeting its climate-related commitments, and any significant developments relating to the Company's strategy for managing climate-related risks.

Each committee of the Board oversees the management of the specific risks related to our environmental sustainability strategy and the transition to a low carbon economy that fall under the committee's area of responsibility:

- **Audit Committee:** Environmental and climate-related risks discussed during annual business risk reviews with the Audit Committee include operational and financial risks relating to energy management and our renewable energy and carbon neutral commitments, maintaining network reliability during catastrophic and weather-related events, and the impacts of possible laws or regulations that seek to mitigate climate change.
- **Corporate Governance and Policy Committee:** The Corporate Governance and Policy Committee oversees Verizon's progress on meeting our environmental sustainability commitments.
- **Finance Committee:** The Finance Committee oversees the strategy for managing risks related to Verizon's renewable energy exposure through renewable energy purchase agreements, as well as the Company's green financing strategy.
- **Human Resources Committee:** To motivate management to be good stewards of our planet and reduce the environmental impact of our operations, the Human Resources Committee has included a carbon intensity reduction target as one of the performance measures in the Short-Term Incentive Plan (Short-Term Plan) since 2014.

**Data privacy and cybersecurity.** Protecting the privacy of our customers' information and the security of our systems and networks has long been and will continue to be a priority at Verizon. The Board is committed to maintaining strong and meaningful privacy and security protections for our customers' information. The Audit Committee has primary responsibility for overseeing Verizon's risk management programs relating to data protection and privacy and cybersecurity. The Audit Committee also monitors Verizon's compliance in the areas of data protection and privacy.

- **Data protection and privacy.** Verizon has technical, administrative and physical safeguards in place to help protect against unauthorized access to, use or disclosure of customer information and data we collect and store. Verizon has a dedicated Chief Privacy Officer whose team advises the business on privacy risks and assesses the effectiveness of privacy controls. The Chief Privacy Officer annually briefs the Audit Committee on data privacy risks and mitigating actions.
- **Cybersecurity.** To more effectively address the cybersecurity threats posed today, Verizon has a dedicated Chief Information Security Officer whose team is responsible for leading enterprise-wide information security strategy, policy, standards, architecture and processes. Verizon's comprehensive information security program includes, among other aspects, vulnerability management, antivirus and malware protection, file integrity monitoring, encryption and access control. The Chief Information Security Officer leads an annual review and discussion with the full Board dedicated to Verizon's cyber risks and threats and cyber protections and provides updates throughout the year, as warranted.

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**Responsible business.** Verizon's Responsible Business Council, chaired by the CEO and composed of members of the senior leadership team, oversees the integration of responsible practices as a core operating principle. At least annually, the Chief Corporate Social Responsibility Officer reports to the Board on the Council's activities and Verizon's community and social impact initiatives.

**Current policy issues and corporate reputation.** Companies in our industry and beyond are facing challenges that have impacted their reputations and brought adverse attention and action by consumers, regulators, and shareholders. The Corporate Governance and Policy Committee has primary responsibility for overseeing the Company's handling of business and reputational risks relating to Verizon's position and engagement on important public policy issues, as well as individual events and incidents that may affect the Company's reputation. Each year, Verizon's Chief Administrative, Legal and Public Policy Officer updates the Committee on the current policy issues facing the Company that may generate publicity and impact corporate reputation. Through this annual briefing, the Committee reviews and discusses with management the most pressing known reputational issues and the Company's position on each issue, as well as the processes in place to anticipate potential developments in each of the identified areas and to quickly respond to any such developments in a timely manner. Outside the regular meeting cycle, management makes sure that the Board is informed of current developments that may pose reputational risks to the industry or the Company.

**Political activities and lobbying.** Verizon adheres to the highest ethical standards when engaging in any political activity. Our political activity, including lobbying, is overseen by the Corporate Governance and Policy Committee, which receives a comprehensive briefing from the Chief Administrative, Legal and Public Policy Officer on these activities at least annually. Moreover, Verizon's political activity is subject to robust internal controls. The Code of Conduct requires that all lobbying activities on behalf of Verizon be authorized by public policy or legal personnel. Corporate policy and training materials provide guidance to employees regarding legal requirements in connection with lobbying activities.

Verizon understands that transparency regarding our political activity is critical to maintaining the trust of our stakeholders. We publish a political engagement report on our corporate website that is updated twice a year that lists all political action committee contributions and corporate political contributions. Our report also discloses our Public Policy organization's memberships in trade associations and issue advocacy organizations for which our support exceeds \$50,000 annually. Verizon supports these organizations for a number of reasons, including to reflect our interest in the community, to acquire valuable industry and market expertise, and to support specific strategic policy and business goals and interests. These groups often have a diversity of members, interests and viewpoints that do not necessarily reflect Verizon's beliefs or priorities and we may not always agree with all of the positions of each organization or its members. When we disagree with a position of an organization we support, we communicate our concerns through the senior executives who interact with these organizations. Verizon also takes these differences under consideration when determining whether support of an organization is, on balance, in the best interests of the Company and its stakeholders.

**Human rights.** As expressed in its Human Rights Statement, Verizon is committed to operating with respect for internationally recognized human rights. We have a dedicated Business and Human Rights Program that works to embed human rights considerations into responsible business decision-making processes across the Company. Our human rights efforts are overseen by the Corporate Governance and Policy Committee.

**Anti-corruption.** Verizon has a robust anticorruption program to comply with applicable anticorruption rules, including the Foreign Corrupt Practices Act and the U.K. Bribery Act. As part of this program, the Audit Committee receives annual reports summarizing the Company's continued compliance with applicable anticorruption rules. Every two years, we review and assess our anti-corruption program with the goal of finding areas for improvement. This process is done under the direction of our Chief Compliance Officer, who reports the findings to the Audit Committee.

## Oversight of human capital management

Oversight of human capital management, including culture and employee engagement, diversity, equity and inclusion and talent acquisition and development, historically has been conducted by the full Board, as well as the Human Resources Committee. In 2021, the Board amended the Human Resources Committee Charter to expressly delegate to the Committee oversight responsibilities in relation to human capital management.

**Culture and employee engagement.** Our Board views our employees as one of Verizon's most critical assets and regularly receives briefings from the CEO on initiatives to strengthen our company culture and encourage employee engagement. The CEO reviews with the Board the results of the "Pulse" surveys completed by employees across the Company. Periodically, our Directors attend employee town halls and participate in leadership forums with employees.

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**Diversity, equity and inclusion.** Verizon is committed to creating a collaborative, inclusive, equitable and diverse environment – within Verizon, with our customers and among our business partners and suppliers. The Board views this commitment as a business imperative and a competitive advantage. To promote diversity in our workforce and encourage the contribution of diverse business partners to our success, the Human Resources Committee has included diversity targets as performance measures in the Short-Term Plan for over 20 years. The Chief Human Resources Officer reviews diversity representation and initiatives with the Committee at least annually.

**Succession planning and talent development.** Our Board recognizes that one of its most important duties is to promote continuity in Verizon's senior leadership by overseeing the development of executive talent and planning for the efficient succession of the CEO. Our Board has delegated primary oversight responsibility for succession planning to the Human Resources Committee, which oversees assignments to key leadership positions. The Human Resources Committee reports on its activities to the full Board, which addresses succession planning during executive sessions that typically occur in connection with each regularly scheduled meeting.

To align the succession planning and management development process with Verizon's strategic objectives, the Board and Human Resources Committee regularly consult with the CEO on Verizon's organizational needs and competitive challenges, the potential of key managers, and plans for future developments and emergency situations. As part of this process, the Board and the Human Resources Committee also seek input from the Chief Human Resources Officer, as well as advice on related compensation issues from the Human Resources Committee's independent compensation consultant.

Our Board generally conducts an in-depth review of senior leader development and succession planning at least twice a year. Led by the CEO and the Chief Human Resources Officer, this review addresses Verizon's management development initiatives, assesses senior management resources, and identifies individuals who should be considered as potential future senior executives.

Our goal is to develop well-rounded, experienced and diverse senior leaders. High potential executives are challenged regularly with additional responsibilities, new positions or promotions to expose them to our diverse operations. These individuals are often positioned to interact more frequently with the Board, both in full Board meetings and in less formal settings and small groups, so the Directors can get to know and assess them.

**Employee health and safety.** Verizon is committed to maintaining a safe workplace and environmentally responsible work practices, and we expect our suppliers to share that commitment. At least annually, the Chief Human Resources Officer briefs the Human Resources Committee on the Company's health and safety protocols, incidents involving employees and suppliers, and actions that management is taking to limit these risks.

**Compensation risk.** The Human Resources Committee considers the impact of our executive compensation program and the incentives created by compensation awards on Verizon's overall risk profile. It also oversees management's annual assessment of compensation risk arising from Verizon's compensation policies and practices. This annual assessment is conducted by members of management including the Senior Vice President of Internal Audit and the Corporate Secretary. The assessment includes a review of the features and characteristics of Verizon's compensation policies and programs, the performance metrics under the Short- and Long-Term Incentive Plans and the process for calculating and approving adjustments that are part of the plan, as well as the approval processes for compensation programs and related payouts. The assessment also reviews governance oversight at the Committee and Board level, Code of Conduct provisions and mandatory training programs that reinforce policies that mitigate risk, and performance metrics and measurement periods that are aligned with Verizon's business strategy.

Based on management's review, Verizon has concluded that our compensation policies and procedures are not reasonably likely to have a material adverse effect on Verizon because they are appropriately structured and discourage employees from taking excessive risks.

## Other risk-related matters

**Business conduct and ethics.** We are committed to operating with the highest level of integrity, responsibility and accountability. To that end, we have adopted a Code of Conduct that applies to all employees, including the CEO, the Chief Financial Officer and the Controller. The Code of Conduct describes each employee's responsibility to conduct business with the highest ethical standards and provides guidance about preventing, reporting and remediating potential compliance violations in key areas. Verizon thoroughly investigates all claims of misconduct. Various types of cases are reported to the Chief Compliance Officer, who discusses the most serious Code violations with the Audit Committee at least annually.



Directors are expected to act in the spirit of the Code of Conduct, and to comply with the specific ethical provisions of the Corporate Governance Guidelines. Our Board is strongly predisposed not to waive any of these business conduct and ethics provisions for executive officers or Directors. In the unlikely event of a waiver, we will promptly disclose the Board's action on our website.

**Related person transactions.** The Board has adopted the Related Person Transaction Policy that is included in the Guidelines. The Corporate Governance and Policy Committee reviews transactions between Verizon and any of our Directors or executive officers or members of their immediate families to determine if any participants have a material interest in the transaction. If the Committee determines that a material interest exists, based on the facts and circumstances of each case, the Committee may approve, disapprove, ratify or cancel the transaction or recommend another course of action. Any Committee members who are involved in a transaction under review do not participate in the Committee's deliberations. During 2021, there were no related person transactions required to be disclosed in this proxy statement.

## Our approach to shareholder engagement

We believe that a robust shareholder outreach program is an essential component of maintaining our strong corporate governance practices. Ongoing communication with our investors helps our Board and senior management gather useful feedback on a wide range of topics. In our discussions with investors, we seek their input on a variety of corporate governance, compensation and ESG topics that may impact our business or reputation. We strive for a collaborative approach with investors to solicit and understand a variety of perspectives. These engagements include the participation of our independent Lead Director, Clarence Otis, Jr., or other Directors, when requested and appropriate. Shareholder feedback is regularly summarized and shared with our Board.

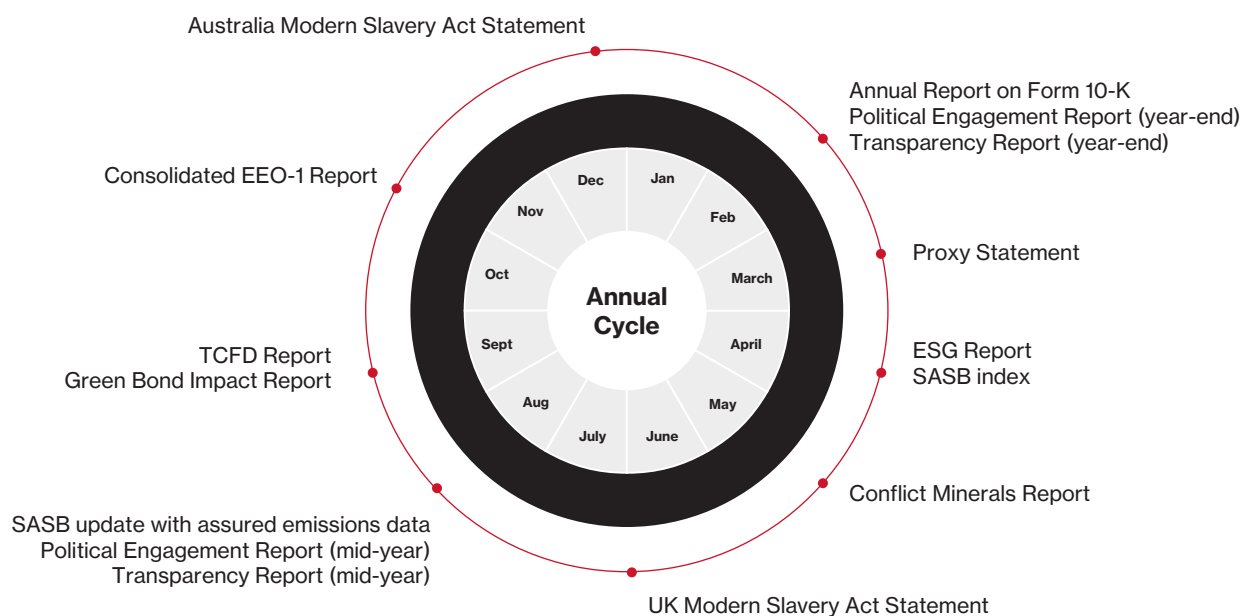
In 2021, topics covered in engagement included:

Environmental	Social	Governance	Disclosure
<ul style="list-style-type: none"> <li>Climate change – net zero emission plan</li> <li>Device and e-waste recycling</li> <li>Network reliability and resilience</li> </ul>	<ul style="list-style-type: none"> <li>Cybersecurity</li> <li>Digital inclusion</li> <li>Human capital, including diversity, equity and inclusion</li> <li>Supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Board diversity and skills</li> <li>Business ethics</li> <li>Executive compensation</li> <li>Human rights</li> <li>Political engagement</li> </ul>	<ul style="list-style-type: none"> <li>SASB industry standard</li> <li>TCFD, including scenario analyses</li> <li>Human capital metrics</li> <li>ESG data index</li> </ul>

In addition to our regular shareholder engagement, in 2021, our Chief Financial Officer and our Corporate Secretary participated in calls with key investors to discuss our growth strategy and its relationship to our Board composition and refreshment plans. Our Chief Financial Officer also hosted a special engagement event focused on climate featuring senior leaders from the Network, Supply Chain, Treasury and ESG organizations for our 50 largest investors.

Also in 2021, our Lead Director, Clarence Otis, Jr., discussed corporate purpose, decisions about when to speak on social issues, Board oversight of human capital management, and Board composition and refreshment in a video on the Corporate Governance section of our website at [www.verizon.com/about/investors/corporate-governance](http://www.verizon.com/about/investors/corporate-governance).

Verizon's dedicated ESG team focuses on stakeholder engagement and decision-useful reporting in strategic areas including governance, human rights, environmental sustainability and digital trust and safety and also oversees Verizon's efforts to deliver on its ESG commitments. Over the past two years, in response to feedback from our investors, we have aligned our ESG reporting with the Sustainability Accounting Standards Board standards for the telecommunications industry and the recommendations of the Task Force on Climate-Related Financial Disclosures. We strive to make it easy for shareholders to learn about our positions and progress on the issues that matter to them. To that end, we have created an ESG Resources Hub on our Investor Relations website at [www.verizon.com/about/investors/reporting](http://www.verizon.com/about/investors/reporting) that houses all of our ESG reporting and policies.

**2021 annual ESG reporting cycle****Communicating with our Directors**

Our Board of Directors believes that communication with shareholders and other interested parties is an important part of the governance process, and has adopted the following procedure to facilitate this communication.

**How to contact the Board**

Any shareholder or interested party may communicate directly with our Board, any committee of our Board, any individual Director (including the Lead Director and the committee chairs) or the non-employee Directors as a group, by writing to:

**Verizon Communications Inc.****Board of Directors**

(or committee name, individual Director, Lead Director, committee chair or non-employee Directors as a group, as appropriate)

**1095 Avenue of the Americas**

**New York, New York 10036**

Verizon's Corporate Secretary reviews all correspondence addressed to our Directors and periodically provides the Board with copies of all communications that deal with the functions of our Board or its committees, or that otherwise require Board attention. Typically the Corporate Secretary will not forward communications that are of a personal nature or are unrelated to the duties and responsibilities of our Board, including business solicitations or advertisements, mass mailings, job-related inquiries, or other unsuitable communications. All communications involving substantive accounting or auditing matters are forwarded to the Chair of the Audit Committee.

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## Non-employee Director compensation

The Human Resources Committee, in consultation with its independent compensation consultant, reviews and recommends non-employee Director compensation. In 2021, each non-employee Director of Verizon was entitled to an annual cash payment of \$125,000. The Chairs of the Corporate Governance and Policy Committee and the Finance Committee were entitled to receive an additional annual cash payment of \$20,000, and the Chairs of the Audit Committee and the Human Resources Committee were entitled to receive an additional annual cash payment of \$30,000. The Lead Director was entitled to an additional annual cash payment of \$50,000. Directors who served in each of these roles for less than a full year received a portion of the annual payment commensurate with their service.

In 2021, each non-employee Director also received a grant of Verizon share equivalents valued at \$175,000 on the grant date. No meeting fees were paid if a non-employee Director attended a Board or committee meeting on the day before or the day of a regularly scheduled Board meeting. Each non-employee Director who attended a Board or committee meeting held on any other date received a meeting fee of \$2,000.

Each non-employee Director who joins our Board receives a one-time grant of 3,000 Verizon share equivalents valued at the closing price on the date the new Director joins our Board. Ms. Tomé did not receive such a grant upon joining the Board in 2021, because she previously received one in connection with her prior service on the Board in 2020.

All share equivalents that non-employee Directors receive are automatically credited to the Director's deferred compensation account under the Verizon Executive Deferral Plan, which is referred to as the Deferral Plan, and invested in a hypothetical Verizon stock fund. Amounts in a Director's deferred compensation account are paid in a cash lump sum in the year following the year the Director leaves our Board.

Non-employee Directors may choose to defer all or part of their annual cash payment and meeting fees (if any) under the Deferral Plan. They may elect to invest these amounts in the hypothetical investment options available to participants in Verizon's Management Savings Plan or in a hypothetical cash account that earns a return rate equal to the long-term, high-grade corporate bond yield average as published by Moody's Investor Services.

The non-employee Directors are eligible to participate in the Verizon Foundation Matching Gifts Program. Under this program, which is open to all Verizon employees, the Foundation matches up to \$5,000 per year of charitable contributions to accredited colleges and universities, \$1,000 per year of charitable contributions to any non-profit with 501(c)(3) status, and \$1,000 per year of charitable donations to designated disaster relief campaigns.

## Non-employee Director compensation in 2021

Name (a)	Fees earned or paid in cash <sup>1</sup> (\$) (b)	Stock awards <sup>2</sup> (\$) (c)	Option awards (\$) (d)	Non-equity incentive plan compensation (\$) (e)	Change in pension value and nonqualified deferred compensation earnings (\$) (f)	All other compensation (\$) (g)	Total (\$) (h)
<b>Shellye Archambeau*</b>	161,000	175,000	0	0	0	0	336,000
<b>Roxanne Austin</b>	145,000	175,000	0	0	0	0	320,000
<b>Mark Bertolini*</b>	157,000	175,000	0	0	0	0	332,000
<b>Vittorio Colao*</b>	33,250	0	0	0	0	0	33,250
<b>Melanie Healey</b>	133,000	175,000	0	0	0	0	308,000
<b>Laxman Narasimhan</b>	62,500	256,370	0	0	0	0	318,870
<b>Clarence Otis, Jr.**</b>	195,000	175,000	0	0	0	0	370,000
<b>Daniel Schulman*</b>	161,000	175,000	0	0	0	0	336,000
<b>Rodney Slater</b>	133,000	175,000	0	0	0	0	308,000
<b>Carol Tomé</b>	43,667	58,333	0	0	0	0	102,000
<b>Gregory Weaver*</b>	175,000	175,000	0	0	0	0	350,000

\* Denotes a chair of a standing committee during 2021.

\*\* Mr. Otis served as Lead Director during 2021.

+ Mr. Colao served on the Board until February 13, 2021.

<sup>1</sup> This column includes all fees earned in 2021, whether the fee was paid in 2021 or deferred.

<sup>2</sup> For each non-employee Director, this column reflects the grant date fair value of the non-employee Director's 2021 annual stock award and, for Mr. Narasimhan, the one-time grant he received when joining the Board, in each case computed in accordance with FASB ASC Topic 718. The following reflects the aggregate number of share equivalents held as of December 31, 2021 by each person who served as a non-employee Director during 2021: Ms. Archambeau, 35,728; Ms. Austin, 7,225; Mr. Bertolini, 30,276; Mr. Colao, 0; Ms. Healey, 46,835; Mr. Narasimhan, 4,661; Mr. Otis, 95,520; Mr. Schulman, 14,754; Mr. Slater, 59,904; Ms. Tomé, 1,075; and Mr. Weaver, 27,776.



# Executive compensation

## Item 2: Advisory vote to approve executive compensation

Shareholders have strongly supported Verizon's executive compensation program since our first annual advisory vote on the matter in 2009. We are asking you to vote in favor of the following non-binding resolution:

"Resolved, that the shareholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in Verizon's proxy statement for the 2022 Annual Meeting of Shareholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the Compensation Tables and the related narrative discussion."

The structure of our executive compensation program for 2021 is similar to prior years, with updates to address changes in our business unit structure and strategic emphasis. Our Board recommends a vote FOR this resolution because the Board believes our program effectively:

- Encourages strong short-term and long-term performance;
- Aligns the executives' long-term interests with those of our shareholders; and
- Retains high-performing executives.

In the Compensation Discussion and Analysis and Compensation Tables beginning on page 23, we provide a detailed description of our executive compensation program, including our philosophy, the elements of our program and the compensation of our named executive officers. We encourage you to read these sections before deciding how to vote on this proposal.

This advisory resolution, commonly known as a "say-on-pay" resolution, is not binding on our Board of Directors. Nevertheless, the Board and the Human Resources Committee value shareholder feedback received through this annual say-on-pay vote and our direct investor outreach program. The voting results and direct shareholder input are carefully reviewed and considered and are an important part of the process for evaluating our executive compensation program.



**The Board of Directors recommends that you vote **FOR** this proposal.**

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## Compensation discussion and analysis

2021

### Named executive officers



**Hans Vestberg**  
Chairman and  
Chief Executive  
Officer



**Matthew Ellis**  
Executive Vice  
President and  
Chief Financial  
Officer



**Ronan Dunne\***  
Executive Vice  
President and  
Group CEO –  
Verizon  
Consumer



**Tami Erwin**  
Executive Vice  
President and  
Group CEO –  
Verizon  
Business



**Kyle Malady\*\***  
Executive Vice  
President and  
Chief Technology  
Officer



**K. Guru Gowrappan\*\*\***  
Former  
Executive Vice  
President and  
Group CEO –  
Verizon Media

\* Mr. Dunne stepped down as Executive Vice President and Group CEO – Verizon Consumer on December 31, 2021 and currently serves as a strategic advisor to Mr. Vestberg.

\*\* Mr. Malady became Executive Vice President and President – Global Networks and Technology on March 1, 2022.

\*\*\* Mr. Gowrappan separated from Verizon and continued employment with the Media Group business upon the sale of the Media Group business to affiliates of Apollo Global Management Inc. (Apollo) in September 2021.

## Roles and responsibilities

**Human Resources Committee.** The Human Resources Committee of the Board of Directors oversees the design and implementation of the compensation program for our named executive officers, as well as Verizon's management succession planning, talent development and human capital management initiatives, including with respect to employee diversity, equity and inclusion and pay equity. The CEO's compensation is determined by the independent members of the Board after receiving the Committee's recommendation. References to the Committee in this Compensation Discussion and Analysis with respect to the CEO's compensation reflect that process.

**Management.** The Committee may consult with the Chief Human Resources Officer about the design, administration and operation of the compensation program. The Committee has delegated administrative responsibility for implementing its decisions on compensation and benefits matters to the Chief Human Resources Officer, who reports to the Committee on the actions taken under this delegation.

The Committee seeks the CEO's views on whether the existing compensation policies and practices continue to support Verizon's business and performance objectives, utilize appropriate performance targets, and appropriately reward the contributions of the other named executive officers. While the Committee values the CEO's insight, ultimately the Committee makes an independent determination on all matters related to the compensation of the named executive officers.

**Independent compensation consultant.** The Committee has the sole authority to retain and terminate a compensation consultant and to approve all terms of the engagement, including fees. The Committee retained Semler Brossy as its compensation consultant (Consultant). The Consultant advises the Committee on all matters related to the compensation of our named executive officers and our non-employee Directors. The Consultant's advisory services include providing current benchmarking data for our peer group and other relevant market data in our industry and helping the Committee interpret this data, as well as data provided by the Company. The Consultant participates in all Committee meetings and confers regularly with the Committee in executive session at those meetings.

Committee policy prohibits the Consultant from doing any work for the Company during its engagement, and the Consultant did not perform work for the Company in 2021. The Committee made assessments of the Consultant under SEC rules and NYSE and Nasdaq listing standards and concluded that the Consultant was independent, and that its work in 2021 for the Committee did not raise any conflicts of interest.

## Shareholder feedback on compensation

Our Board, the Human Resources Committee and our management team value shareholder perspectives on our executive compensation program. Management and Directors engage with our institutional shareholders in meetings and calls throughout the year. Topics of discussion typically include the Committee's choice of performance measures for awards issued under our Short- and Long-Term Incentive Plans, the relationship between the performance measures and our long-term strategy, the payout terms of equity awards, compensation recoupment policies and shareholder proposals, and our long-standing practice of including quantitative ESG performance measures in our Short-Term Plan. In addition to this direct feedback, as part of the Committee's annual review of the executive compensation program, the Committee considers the outcome of Verizon's annual shareholder advisory vote on executive compensation – the "say-on-pay." At our Annual Meeting

in May 2021, the compensation of our named executive officers was approved by approximately 92% of votes cast. Based on the perspective obtained from discussions with our long-term shareholders, the results of our 2021 say-on-pay vote, and the history of strong shareholder support in prior say-on-pay votes, the Committee believes our shareholders continue to strongly support Verizon's executive compensation program.

## Best practices in executive compensation and governance

Our compensation program reflects our commitment to industry-leading standards for compensation design and governance. The Human Resources Committee regularly reviews best practices in executive compensation and governance and revises our policies and practices when appropriate. The following table highlights some features of our executive compensation program that demonstrate the rigor of our policies.

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<b>Pay for performance</b>	Approximately 90% of named executive officers' total compensation opportunity is variable, incentive-based pay.	26
<b>Focus on performance: Exclude buybacks from EPS results</b>	Our adjusted earnings per share (EPS) metric under our Long-Term Incentive Plan (Long-Term Plan) excludes the benefit of any repurchases of Verizon's common stock under a share buyback program.	33
<b>Robust stock ownership guidelines</b>	We have stock ownership guidelines for the CEO of 7x base salary; for other named executive officers of 4x base salary; and for Directors of 3x the cash component of the annual Board retainer.	37
<b>Shareholder outreach</b>	Our outreach program gives institutional shareholders a regular opportunity to express their views about our executive compensation program and policies. Shareholder input is carefully considered by the Committee.	23
<b>Clawback policies</b>	Our clawback policies give us the right to cancel or "claw back" incentive compensation from any senior executive who has engaged in misconduct that results in (i) significant reputational or financial harm to Verizon or (ii) a material financial restatement.	38
<b>Anti-hedging policy</b>	Our anti-hedging policy prohibits Directors and executives who receive equity-based incentive awards from entering into transactions designed to hedge or offset any decrease in the market value of Verizon stock that they own.	38
<b>Annual compensation risk assessment</b>	We perform a risk assessment of our compensation program every year.	18
<b>Independent compensation consultant</b>	The Committee's independent compensation consultant cannot do any work for the Company while it is engaged by the Committee.	23
<b>Double-trigger change in control</b>	In the event of a change in control, our Long-Term Plan requires an involuntary termination without cause for any accelerated vesting of awards.	37
<b>ESG metric</b>	For over 20 years, our short-term incentive program has included an ESG metric.	29

### ✗ What we don't do

<b>Tax gross-ups</b>	We do not provide tax gross-ups to our executive officers or Directors.	36
<b>Dividends on unearned performance awards</b>	We do not pay dividends on unearned Performance Stock Units (PSUs) or Restricted Stock Units (RSUs).	32
<b>Employment contracts</b>	None of our named executive officers has an employment contract.	37
<b>Guaranteed benefits</b>	Over 15 years ago, we froze our defined benefit pension and supplemental executive retirement benefits.	36

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## Benchmarking total compensation opportunity

The Committee evaluates whether the compensation opportunities for our executives are appropriate and competitive by comparing each named executive officer's total compensation opportunity – which represents the sum of the executive's base salary and target award amounts under the Short-Term Plan and the Long-Term Plan – to the total compensation opportunities for executives in comparable positions at peer companies, referencing the 50<sup>th</sup> percentile when making this comparison. A named executive officer's total compensation opportunity may be higher or lower depending upon the executive's tenure and overall level of responsibility.

The peer groups utilized for compensation benchmarking are reviewed each year. For 2021 compensation decisions, the Committee utilized a peer group that consisted of the companies in the Dow Jones Industrial (Dow) Average (other than Verizon) with at least \$50 billion in annual revenue, plus Verizon's four largest industry competitors (AT&T, Charter Communications, Comcast and T-Mobile US) and four large market-cap technology companies (Alphabet, Amazon, Meta Platforms and Netflix) that are not included in the Dow. The inclusion of the four additional technology companies in the peer group for 2021 compensation decisions represented a change to the peer group used for 2020 compensation decisions, which was comprised of the companies (other than Verizon) in the Dow with at least \$50 billion in annual revenue, plus Verizon's five largest industry competitors that were not included in the Dow (AT&T, Charter Communications, Comcast, Sprint Corporation and T-Mobile US). The Committee determined that increasing an emphasis on technology companies in our peer group would better reflect the companies we compete with for executive talent, while maintaining a robust number of peer companies for comparison purposes and providing clarity and transparency for shareholders.

Below are the companies included in the Company's peer group for 2021 compensation purposes.

Alphabet	Home Depot	Procter & Gamble
Amazon	IBM	T-Mobile US
Apple	Intel	UnitedHealth Group
AT&T	Johnson & Johnson	Walgreens Boots Alliance
Boeing	JPMorgan Chase	Walmart
Charter Communications	Meta Platforms	Walt Disney
Chevron	Microsoft	
Comcast	Netflix	

## Compensation objectives and elements of compensation

### Compensation objectives

Verizon's executive compensation program supports the creation of shareholder value by pursuing four key objectives:

- **Attract and retain high-performing executives** with the leadership abilities and experience necessary to drive our customer-focused transformation of the digital market, within an enterprise of our scale, breadth and complexity;
- **Pay for superior results and sustainable growth** by rewarding the achievement of challenging short- and long-term performance goals designed to build shareholder value;
- **Drive performance and create shareholder value** by emphasizing variable, at-risk compensation with an appropriate balance of short-term and long-term objectives that align executive and shareholder interests; and
- **Manage risk through oversight and compensation design** features, policies and practices that strike an appropriate balance between risk and reward.

## Elements and mix of compensation to emphasize long-term performance

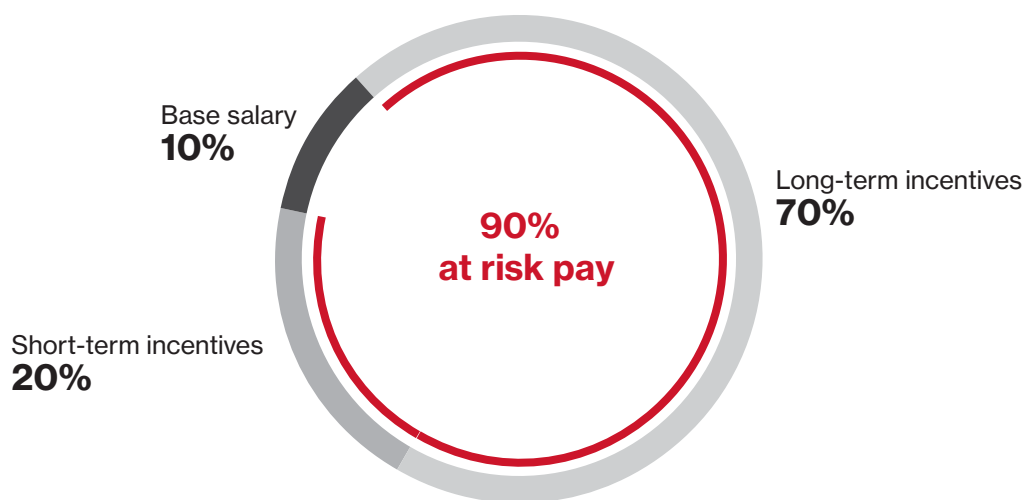
The Committee determines the appropriate balance between fixed and variable pay elements, short- and long-term pay elements, and cash and equity-based pay elements when setting total compensation opportunities at competitive levels.

Pay element	Characteristics	Purpose
<b>Base salary</b>	Annual fixed cash compensation	Attract and retain high-performing and experienced executives
<b>Short-term incentive opportunity</b>	Annual variable cash compensation based on the achievement of predetermined annual performance measures	Motivate executives to achieve short-term performance goals that will establish the foundation for future growth
<b>Long-term incentive opportunity</b>	Long-term variable equity awards granted annually as a combination of performance-based stock units and time-based restricted stock units	Align executives' interests with those of shareholders, encourage efforts to grow long-term value, and retain executives

The Committee believes that a substantial majority of each named executive officer's total compensation opportunity should be variable and at risk in order to emphasize a performance-based culture. Moreover, since the annual Long-Term Plan awards feature three-year award cycles, with awards consisting of PSUs subject to both performance-based and time-based vesting requirements and RSUs subject to time-based vesting requirements, we reward sustained performance and also encourage high-performing executives to remain with Verizon.

The following chart illustrates the approximate allocation of the named executive officers' 2021 total compensation opportunity between variable, performance-based elements and fixed pay.

### 2021 total compensation pay mix



In establishing the mix of incentive pay for the named executive officers, the Committee balances the importance of meeting Verizon's short-term business goals with the need to create shareholder value over the longer term. The Committee also considered market data with respect to the mix of annual cash and long-term equity components for similarly situated executives among the peer group. Based on its review, the Committee established long-term target compensation opportunities at levels more than double the annual base salary and short-term incentive target compensation opportunities of the named executive officers.

## Performance target setting

The Committee takes a holistic approach to establishing performance targets under our incentive plans and ensuring that they are aligned with Verizon's short- and long-term strategic goals. In establishing performance targets, the Committee recognizes the importance of achieving an appropriate balance between rewarding executives for strong performance over both the short- and long-term and establishing realistic goals that continue to motivate and retain executives. As a result, our Short-Term and Long-Term Plans provide for measurable, rigorous performance targets that are attainable, but challenge executives to drive business results that generate shareholder value.

In setting the performance targets, the Committee considered the following factors:

- Verizon's short- and long-term strategy;

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- Economic, industry and competitive environments;
- The creation of shareholder value;
- The achievement level against performance targets in the prior year;
- Financial analysts' consensus estimates for the performance measures over future performance cycles;
- The correlation among the performance measures and considerations of how Verizon's operational performance will affect each measure differently; and
- With regard to the ESG metrics in the Short-Term Plan, Verizon's commitments to reduce its environmental impact and promote diversity in its workforce and among its business partners.

## 2021 annual base salary

To determine an executive's base salary, the Committee, with assistance from the Consultant, considers the pay practices of the peer group for comparable positions; the executive's experience, tenure, scope of responsibility and performance; internal pay alignment; continuity planning and management development considerations; and for newly-hired executives, the Committee also considers the compensation required to attract the executive to the Company. There is no specific weighting applied to any of these factors in setting annual salaries, and the process ultimately relies on the subjective exercise of the Committee's judgment. Taking into account these considerations, the Committee approved 2021 base salary increases of 5% for Mr. Dunne, 11.76% for Ms. Erwin and 6.25% for Mr. Malady. Messrs. Vestberg, Ellis and Gowrappan did not receive a base salary increase in 2021.

## 2021 short-term incentive compensation

The Verizon Short-Term Plan motivates executives to achieve challenging short-term performance targets in order to provide the foundation for future growth. Each year, the Committee establishes the potential value of the awards under the Short-Term Plan, as well as the performance targets required to achieve these awards.

The Committee set the values of the 2021 Short-Term Plan award opportunities as a percentage of an executive's base salary based on both the scope of the executive's responsibilities and the competitive pay practices of the peer group used for benchmarking our executives' total compensation opportunity. The Short-Term Plan award opportunities at the threshold, target and maximum levels for each of the named executive officers are shown in the grants of plan-based awards table on page 42.

For the named executive officers, target award opportunities, expressed as a percentage of base salary, did not change for 2021. However, the dollar value of the 2021 target award opportunity for Mr. Dunne, Ms. Erwin and Mr. Malady increased from 2020 as a result of the base salary increases described above. The following table shows the 2021 Short-Term Plan target award opportunity for each of the named executive officers.

### 2021 Short-Term Plan target award opportunity

Named executive officer	As a percentage of base salary	As a dollar value
<b>Mr. Vestberg</b>	250%	\$3,750,000
<b>Mr. Ellis</b>	150%	\$1,425,000
<b>Mr. Dunne</b>	150%	\$1,575,000
<b>Ms. Erwin</b>	150%	\$1,425,000
<b>Mr. Malady</b>	150%	\$1,275,000
<b>Mr. Gowrappan*</b>	150%	\$1,275,000

\* As a result of the sale of the Media Group business to affiliates of Apollo in September 2021, Mr. Gowrappan was not eligible to receive a Short-Term Plan award from Verizon for 2021.

## Annual performance measures

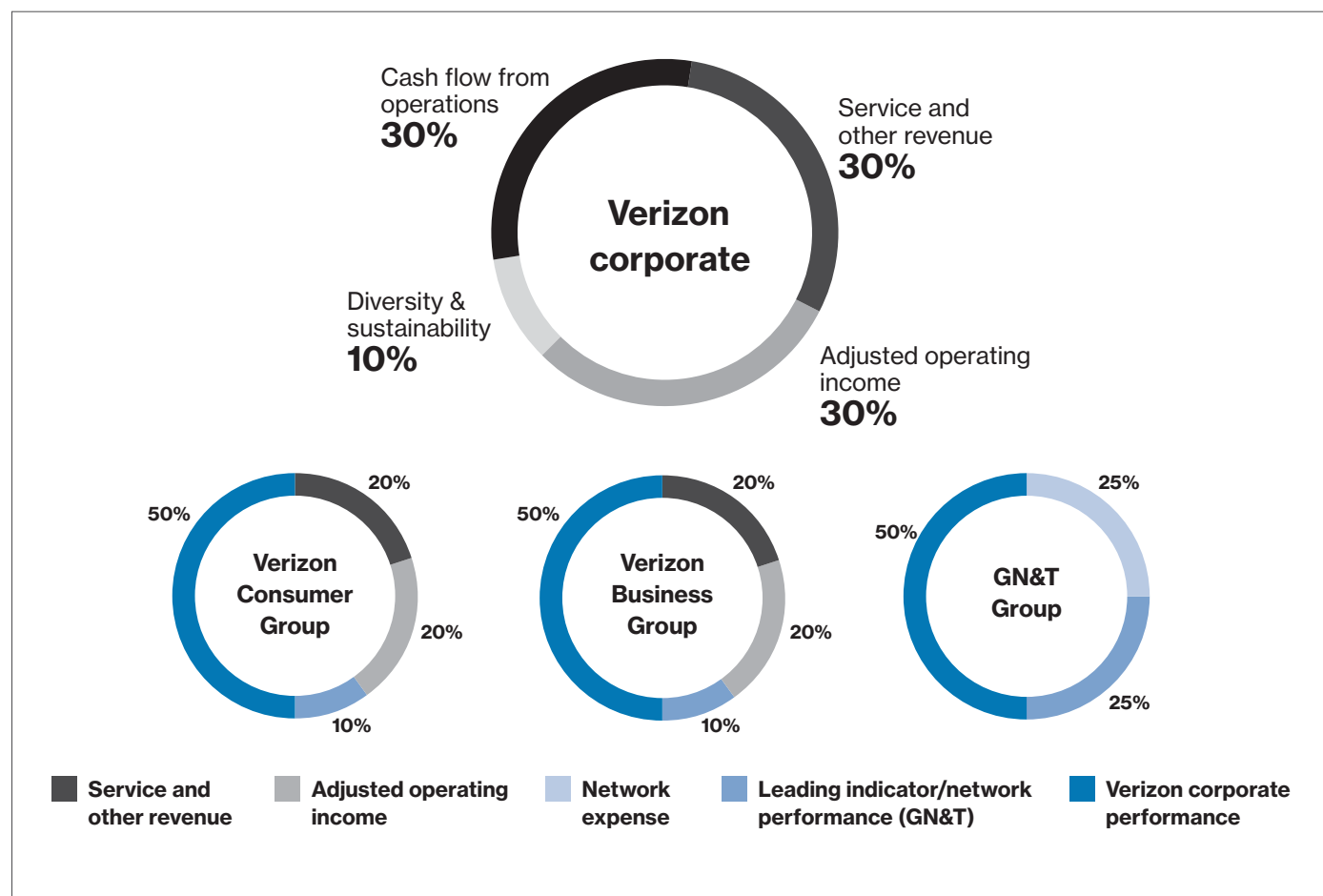
In February 2021, the Committee established the performance measures and targets for the 2021 Short-Term Plan. The Committee established financial, operational and ESG performance measures and targets at the Verizon corporate level, based on Verizon's consolidated results, that apply to all executives under the plan and established additional financial and operational performance measures and targets and qualitative leading indicators that applied to executives in each of the Company's operating units – the Business Group, Consumer Group, Global Network and Technology (GN&T) Group and Media Group. The Short-Term Plan award opportunity for Messrs. Vestberg and Ellis was determined solely by the



Company's achievement against the Verizon corporate performance measures. Fifty-percent of the Short-Term Plan opportunity for Mr. Dunne, Ms. Erwin and Mr. Malady was determined by the Company's achievement against the Verizon corporate performance measures, and 50% was determined by the achievement of the financial and operational performance measures and qualitative leading indicators established for the respective unit that each leads. For each performance measure, the Committee set a target that challenges executives to drive business results that generate shareholder value. Verizon's performance with respect to these applicable measures determines the amount of the short-term incentive awards earned by the named executive officers. Mr. Gowrappan was not eligible to receive a Short-Term Plan award from Verizon for 2021 as a result of his separation from Verizon and continued employment with the Media Group business upon the sale of the Media Group business to affiliates of Apollo in September 2021 (Media Group Sale).

The 2021 performance measures, along with the weighting ascribed to each, are shown below as a percentage of the total Short-Term Plan award opportunity at target level performance. The Committee believes that these performance measures are appropriate to motivate Verizon's executives to achieve outstanding short-term results and, at the same time, help establish the foundation for long-term value for shareholders. The 2021 measures and related targets approved by the Committee are described in detail below. The Committee did not make any modifications to the 2021 measures and targets due to COVID-19.

### 2021 Short-Term Plan performance measures and weightings



## Why these performance measures?

For the Verizon corporate performance measures, the Committee selected adjusted operating income, service and other revenue, and cash flow from operations to reflect Verizon's strategic goals of encouraging profitable operations, growth and delivering best-in-class network experiences in a cost efficient manner. Consistent with prior years, the Committee also selected diversity and sustainability metrics to reflect Verizon's commitments to promoting diversity among our employees and our business partners and reducing the environmental impact of our operations.

- **Adjusted operating income** is a measure that reflects operating profitability because it indicates how much profit we generate after subtracting operating expenses, including depreciation and amortization and the other costs of running the business, from total revenue. The Committee views this as an important indicator of how well our management is growing revenue while managing operating costs. Adjusted operating income excludes the effect of special items, which provides more comparable financial results from period to period.
- **Service and other revenue** is a measure that reflects the extent to which we have been successful in attracting and retaining customers, penetrating key markets with our products and services and creating high-quality growth. The Committee views this measure as an important indicator of Verizon's growth and success in realizing its strategic initiatives. The Committee selected this measure for the 2021 Short-Term Plan, rather than total revenue, which was utilized as a performance measure for the 2020 Short-Term Plan, because service and other revenue better reflects our generation of profitable revenue from attracting and retaining customers and penetrating key markets with our products and services and excludes revenue from

the sale of equipment, which is generally not reflective of the profitability of our business, is driven by external factors and is not core to the strength of our business.

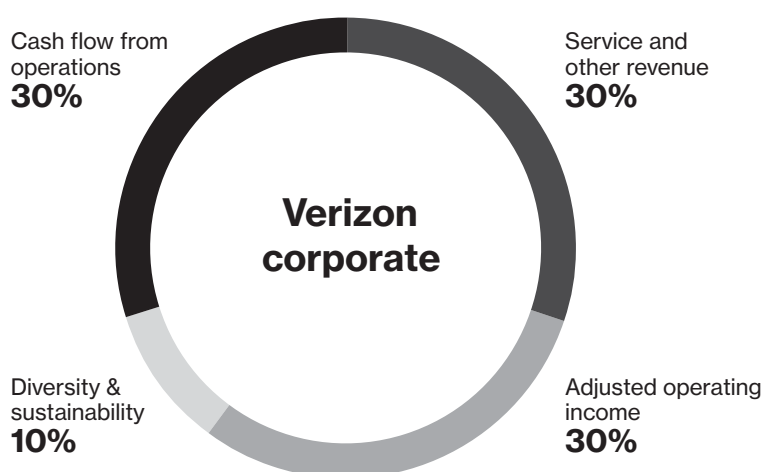
- **Cash flow from operations** is a measure of the cash generated from our ongoing, regular business activities and is used to fund expansion and modernization of our networks, service and repay external financing, pay dividends and invest in new businesses and spectrum. The Committee selected this measure for the 2021 Short-Term Plan, rather than free cash flow, which was utilized as a performance measure for the 2020 Short-Term Plan, because cash flow from operations is not reduced by capital expenditures. In making this selection, the Committee considered the Company's strategic imperative to quickly deploy the C-Band spectrum it was acquiring in 2021 and determined that this measure would be better aligned with and further the Company's strategy, because it would not disincentivize management from making additional capital expenditures to more quickly put the C-Band spectrum into service, if a faster roll-out could be achieved.
- **ESG metrics** relating to diversity and sustainability reinforce our corporate purpose to "create the networks that move the world forward." As a large, multinational company with a highly diverse customer and employee base, we know that our operations are strengthened when we leverage the diversity of thought and cultures of our workforce and business partners. We are also committed to reducing the environmental impact of our operations because we believe that it is important for us to be good stewards of our planet while we continue to serve our customers. Therefore, the Committee utilizes diversity and sustainability metrics and targets that measure the percentage of our U.S.-based workforce that is comprised of women and minorities (**workforce diversity**), the amount of our overall annual supplier spend with diverse firms (**diverse supplier spend**) and the percentage by which we reduce our carbon intensity – the amount of carbon our business emits divided by the terabytes of data we transport over our networks – as compared to the prior year (**carbon intensity reduction**).

For the unit-level performance measures, in addition to the Verizon corporate performance measures which make up 50% of the award opportunity for unit leaders, the Committee selected unit-level adjusted operating income and service and other revenue for the Consumer Group and Business Group and a network expense performance measure for the GN&T Group to further focus the unit-level leaders on driving their individual unit's contribution to Verizon's overall profitability and growth. The Committee also selected qualitative leading indicators for the Consumer Group and Business Group to focus unit leaders on annual strategic initiatives designed around the 5G strategy and other objectives that lay the groundwork for our long-term growth and, for the GN&T Group, to focus GN&T leaders on maintaining network leadership while building for the future. At the end of the year, the CEO assesses the extent to which each unit has delivered on the leading indicators and will make a recommendation to the Committee on the level of attainment.



**2021 adjusted company results<sup>1</sup>**

The Short-Term Plan provides for performance measures to be adjusted to exclude the impact of certain types of events not contemplated at the time the performance measures were set, such as significant transactions, changes in legal or regulatory policy and other special items. In determining Verizon corporate performance against the performance measures, the Committee made adjustments to service and other revenue and adjusted operating income for impacts associated with strategic transactions in 2021, adjustments to adjusted operating income and cash flow from operations for impacts related to the 2021 acquisition of C-Band spectrum through the Federal Communications Commission's Auction 107 (C-Band Acquisition) and adjustments to workforce diversity for the impacts related to the Media Group Sale. For the Consumer Group, the Committee made adjustments to service and other revenue and adjusted operating income for strategic transactions in 2021, and adjustments to adjusted operating income for impacts associated with the C-Band Acquisition and intercompany expenses. For the Business Group, the Committee made adjustments to adjusted operating income for intercompany expenses, and for the GN&T Group, the Committee made adjustments to network expenses for impacts associated with the C-Band Acquisition. The Committee did not make any modifications to the 2021 targets or results due to COVID-19.



(all dollar amounts in billions)

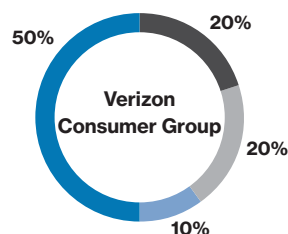
Verizon corporate	Target	Results
<b>Service and other revenue</b>	\$113.6	\$112.7
<b>Adjusted operating income</b>	\$32.2	\$31.9
<b>Cash flow from operations</b>	\$36.5	\$37.8
<b>ESG (diversity &amp; sustainability)</b>		
Diverse supplier spend <sup>2</sup>	\$5.7	\$5.5
Workforce diversity	59.7%	59.7%
Carbon intensity reduction	10.0%	14.0%

<sup>1</sup> A reconciliation of non-GAAP measures to the most directly comparable GAAP measures may be found in Appendix B.

<sup>2</sup> For the twelve-month period ended November 30, 2021.

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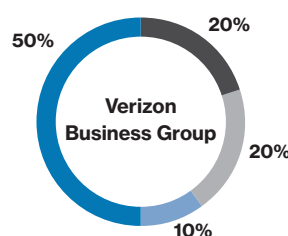
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(all dollar amounts in billions)

Consumer Group	Target	Results
Service and other revenue	\$75.9	\$74.9
Adjusted operating income	\$30.9	\$30.1

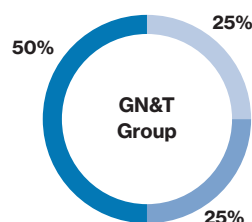
Leading indicator	Leverage network capabilities and drive increased adoption of 5G Home and Mobile while driving customer satisfaction and value offerings.	<ul style="list-style-type: none"> <li>Grew 5G phone percentage of customer base to 34%.</li> <li>Introduced best-in-class Mix and Match 4.0 offering and provided additional value to our customers through content partnerships with premium brands.</li> <li>Completed our strategic acquisition of TracFone Wireless, Inc. to strengthen our position in the value market.</li> </ul>



(all dollar amounts in billions)

Business Group	Target	Results
Service and other revenue	\$28.1	\$27.7
Adjusted operating income	\$4.0	\$3.5

Leading indicator	Build, design, and deliver the future through commercializing and scaling 5G and 5G edge while driving exceptional customer experiences.	<ul style="list-style-type: none"> <li>Grew 5G phone percentage of customer base to 18%.</li> <li>Commercialized and scaled 5G by deploying 5G Ultra Wideband in parts of 87 cities and more than 60 venues and through key partnerships with premium brands.</li> <li>Created exceptional customer experiences, improving our net promoter score.</li> </ul>



(all dollar amounts in billions)

GN&T Group	Target	Results
Network expense	\$14.0	\$14.0

Network performance	Defend and grow network leadership position while maintaining reliability and propelling the business forward through the development of our Intelligent Edge Network and next generation technologies.	<ul style="list-style-type: none"> <li>Achieved aggressive 5G build targets, covering 95 million points of presence with C-Band spectrum and nearly doubling total 5G millimeter wave presence, and made significant progress on our OneFiber initiative.</li> <li>Most awarded for Network Quality, for the 27th time in a row by J.D. Power, and awarded "Most Reliable 5G Network" by RootMetrics.</li> </ul>

Service and other revenue

Adjusted operating income

Network expense

Leading indicator/network performance (GN&T)

Verizon corporate performance

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Based on its assessment of Verizon's performance against the Verizon corporate measures and targets set forth above, the Committee approved a payout percentage for Verizon corporate of 102%. For each of the three operating units – Consumer Group, Business Group and GN&T Group – the Committee considered both the level of performance with respect to each unit's performance measures set forth above and took into consideration the CEO's assessment of each unit's level of achievement of the respective leading indicators, and for GN&T Group network performance, to determine the payout percentage for the operating unit. Based on its assessment, the Committee approved a payout percentage for the Consumer Group of 95%, the Business Group of 92% and the GN&T Group of 110%.

The following table shows the actual Short-Term Plan award earned by each named executive officer other than Mr. Gowrappan based on the payout percentages detailed above. Mr. Gowrappan was not eligible to receive a Short-Term Plan award from Verizon as result of Mr. Gowrappan's separation from Verizon and continued employment with the Media Group business upon the sale of the Media Group business in September 2021.

Named executive officer	Target award x	Payout percentage =	Actual award
<b>Mr. Vestberg</b>	\$3,750,000	Verizon Corporate – 102%	\$3,825,000
<b>Mr. Ellis</b>	\$1,425,000	Verizon Corporate – 102%	\$1,453,500
<b>Mr. Dunne</b>	\$1,575,000	Consumer Group – 95%	\$1,496,250
<b>Ms. Erwin*</b>	\$1,425,000	Business Group – 92%	\$1,184,942
<b>Mr. Malady</b>	\$1,275,000	GN&T Group – 110%	\$1,402,500

\* Ms. Erwin's actual award was pro-rated to reflect a leave of absence during 2021.

**Long-term incentive compensation**

The Long-Term Plan is intended to align executives' and shareholders' interests and to reward participants for creating long-term shareholder value.

Annual Long-Term Plan awards are made in 60% PSUs and 40% RSUs. The value of each PSU or RSU is equal to the value of one share of Verizon common stock. The Committee assumes each executive will earn 100% of the PSUs and RSUs awarded for purposes of determining the total compensation opportunity. PSUs and RSUs accrue dividend equivalents that are deemed to be reinvested in PSUs and RSUs, respectively. These dividend equivalents are paid when, and only to the extent that, the related PSUs and RSUs are actually earned. PSUs are earned over a three-year performance cycle, with cliff vesting at the end of the three-year period. The Committee believes that a three-year performance cycle is appropriate for the PSU awards because a multi-year performance cycle measures the effectiveness of management's execution of long-term strategies and the effect on shareholder value. RSUs vest ratably over three years (as opposed to a single, longer cliff vesting schedule), which aligns with market practice and enables us to continue to attract and retain key executive talent.

The number of PSUs actually earned and paid is determined based upon Verizon's achievement of pre-established performance targets over the three-year performance cycle, and the ultimate value of each PSU is based on the closing price of Verizon's common stock on the last trading day of the performance cycle. Because the value of PSUs is linked to both stock price and performance targets, PSUs provide a strong incentive to executives to deliver value to Verizon's shareholders. RSUs also provide a performance link as the value of the award depends on Verizon's stock price. Both PSUs and RSUs provide a retention incentive by requiring the executive to remain employed with Verizon through the end of the applicable vesting period, subject to certain qualifying separations. The 2021 PSUs and RSUs are payable in shares of Verizon stock.

**2021 Long-Term Plan award opportunities**

The Committee set the annual target long-term incentive award levels to create an appropriate total compensation opportunity for these officers in light of the Committee's reference of the 50<sup>th</sup> percentile for comparable executives within the peer group and the compensation mix considerations described above, and taking into account market practices for each individual's role and responsibilities, the individual's performance, the strategic impact of the individual's role and internal pay alignment.

The 2021 target award opportunity for the named executive officers was allocated between PSUs and RSUs as noted above, and the target award opportunity allocated to each type of award was converted into a target number of units using the closing price of Verizon's common stock on the grant date.

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The following table shows the target value of the 2021 Long-Term Plan awards granted to the named executive officers.

## 2021 Long-Term Plan target award opportunity

Named executive officer	As a dollar value
Mr. Vestberg	\$14,500,000
Mr. Ellis	\$ 6,525,000
Mr. Dunne	\$ 8,000,000
Ms. Erwin	\$ 6,525,000
Mr. Malady	\$ 5,250,000
Mr. Gowrappan	\$ 6,250,000

Consistent with past practice, each of the named executive officers received 60% of his or her 2021 Long-Term Plan award in the form of PSUs and 40% in the form of RSUs, which the Committee believes incentivizes our executives to focus on our long-term operational goals and to deliver superior total shareholder return (TSR) performance, as well as encourages retention among our highly-qualified team. Fifty-percent of the 2021 PSUs is eligible to vest based on Verizon's cumulative adjusted EPS and fifty-percent is eligible to vest based on Verizon's cumulative free cash flow. The number of PSUs that will ultimately vest may be decreased or increased by up to 25% depending on Verizon's TSR position at the end of the three year period compared with the companies in the S&P 100 as constituted on the date the awards were granted.

### Long-Term Incentive Program structure

#### 60% PSUs

##### 50%

Eligible to vest based on cumulative Adjusted EPS

##### 50%

Eligible to vest based on cumulative Free Cash Flow

#### 40% RSUs

Eligible to vest based on continued employment through each applicable vesting date

+/- 25% Relative TSR modifier

## Terms of 2021 PSU awards

### Adjusted earnings per share metric

Fifty-percent of the 2021 PSUs will vest based on Verizon's cumulative adjusted earnings per share (EPS PSUs). The percentage of the EPS PSUs awarded for the 2021-2023 performance cycle that will vest is based on the extent to which Verizon's cumulative adjusted EPS over the performance cycle meets or exceeds the cumulative adjusted EPS performance levels set by the Committee at the beginning of the performance cycle. Adjusted EPS is defined as Verizon's cumulative earnings per share over the three-year performance period, adjusted to exclude the impact of special items, including the benefit of any repurchases of Verizon's common stock under a share buyback program, and is subject to adjustment to eliminate the financial impact of significant transactions, changes in legal or regulatory policy and other extraordinary items.

The cumulative adjusted EPS target for the 2021-2023 performance cycle was set at a level reflective of our three-year strategic plan, which the Committee believes is attainable, but challenging in light of the business environment. The number of EPS PSUs that will vest ranges from 0%, if actual performance is below the threshold level, to 200%, if actual performance is at or above the maximum cumulative EPS level. The number of EPS PSUs that will vest in-between identified performance levels is determined by linear interpolation between vesting percentage levels.

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### Free cash flow metric

Fifty-percent of the 2021 PSUs will vest based on Verizon's cumulative free cash flow (FCF PSUs). The percentage of the FCF PSUs awarded for the 2021-2023 performance cycle that will vest is based on the extent to which Verizon's cumulative free cash flow over the performance cycle meets or exceeds the cumulative free cash flow performance levels set by the Committee at the beginning of the performance cycle. Free cash flow is calculated by subtracting capital expenditures from the total of cash flow from operations and is subject to adjustment to eliminate the financial impact of significant transactions, changes in legal or regulatory policy and other extraordinary items.

The cumulative free cash flow target for the 2021-2023 performance cycle was set at a level reflective of our three-year strategic plan, which the Committee believes is attainable, but challenging in light of the business environment. The number of FCF PSUs that will vest ranges from 0%, if actual performance is below the threshold level, to 200%, if actual performance is at or above the maximum cumulative free cash flow level. The number of FCF PSUs that will vest in-between identified performance levels is determined by linear interpolation between vesting percentage levels.

### Total shareholder return modifier

After the Committee determines the extent to which the EPS PSU and FCF PSU performance measures have been achieved, the number of PSUs that will ultimately vest may be increased or decreased by up to 25% depending on Verizon's TSR position compared with the companies in the S&P 100 as constituted on the date the awards were granted. If Verizon ranks at or above the 75<sup>th</sup> percentile, the PSU vesting percentage will be increased by 25% (up to a maximum payout of 200%). If Verizon ranks at or below the 25<sup>th</sup> percentile, the PSU vesting percentage will be decreased by 25%. If Verizon ranks at the median, there will be no change to the PSU vesting percentage, and for ranks in between the 25<sup>th</sup> and 75<sup>th</sup> percentile, the multiplier will be determined by linear interpolation between the levels.

## Why these performance measures?

The Committee selected adjusted EPS and free cash flow to focus our executives on our long-term operational goals, with cumulative adjusted EPS focusing on our profitability and cumulative free cash flow focusing on our ability to generate cash from operations. The TSR modifier is a valuable indicator of our success because it measures our performance in returning value to our shareholders in comparison to alternative investments our shareholders could have made. Consistent with the change introduced in 2020, for purposes of measuring our TSR positioning, the Committee chose to utilize the companies in the S&P 100 index as opposed to the peer group used for the TSR PSU portion of awards prior to 2020, which consisted of the companies in the Dow (other than Verizon) plus Verizon's five largest industry competitors not in the Dow (referred to as the Related Dow Peers). The Committee chose the S&P 100 because the Committee believes that it better balances having companies comparable to Verizon's size in the comparator group with having a large enough number of companies to ensure that no one company overly impacts the outcomes in a given year and, further, that the S&P 100 is a recognized index, which is easy for shareholders and employees to track and understand.

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information**2019 PSU awards earned in 2021**

With respect to the PSUs awarded in 2019, the Committee determined the number of PSUs that vested for a participant based on the level of achievement of two performance metrics over the three-year performance cycle:

**2019-2021 TSR PSUs.** Two-thirds of the PSUs awarded were eligible to vest based on Verizon's TSR ranking for the 2019-2021 performance cycle relative to the companies in the Related Dow Peers, which was composed of the 29 companies (other than Verizon) in the Dow as constituted on the grant date, plus Verizon's five largest industry competitors that were not included in the Dow at that time – AT&T, Comcast, Charter Communications, Sprint Corporation and T-Mobile US. The accompanying chart shows the percentage of the TSR PSUs awarded for the 2019-2021 performance cycle that would vest based on Verizon's TSR position compared with the companies in the Related Dow Peers as constituted on the date the awards were granted. Over the three-year performance cycle ending December 31, 2021, Verizon's TSR ranked 28<sup>th</sup> among the Related Dow Peers, resulting in a vesting percentage of 0% for the TSR PSUs.

**2019-2021 FCF PSUs.** One-third of the PSUs awarded was eligible to vest based on Verizon's cumulative free cash flow over the 2019-2021 performance cycle compared to the performance targets set by the Committee at the beginning of the three-year cycle. The following table shows the percentage of FCF PSUs awarded that would vest based on Verizon's cumulative free cash flow over the 2019-2021 performance cycle at different performance levels.

Verizon's cumulative free cash flow <sup>1</sup> (in billions)	Percentage of awarded FCF PSUs that vest <sup>2</sup>
<b>Greater than \$67.3</b>	200%
<b>\$62.9</b>	150%
<b>\$58.5</b>	100%
<b>\$48.6</b>	50%
<b>Less than \$48.6</b>	0%

<sup>1</sup> Free cash flow is calculated by subtracting capital expenditures from the total of cash flow from operations and cash flow from financing and investing activities attributable to device payment plan receivable securitizations.

<sup>2</sup> For achievement between the stated levels, vesting is determined by linear interpolation.

At the time the 2019-2021 award was granted, the Committee provided for free cash flow to be determined on an adjusted basis, reflecting reductions and/or increases, to preserve the intended incentives by excluding the impact of certain types of events not contemplated by our financial plan, such as significant transactions, changes in legal or regulatory policy and other special items. In determining Verizon's free cash flow over the performance cycle, the Committee made adjustments to normalize the impacts on free cash flow results of discretionary pension plan contributions made in 2019, a tax benefit from the sale of preferred shares in a foreign affiliate entity in 2019 and impacts resulting from the C-Band Acquisition, each of which were not contemplated when the FCF PSU targets were set. These adjustments are set forth in Appendix B. In accordance with this pre-established adjustment methodology, the Committee determined that Verizon's cumulative free cash flow over the performance cycle was \$62.5 billion, which resulted in a vesting percentage of 146% for the FCF PSUs.

**2019-2021 PSU payout.** Based on the results described above, in the first quarter of 2022 the Committee approved a payment to all participants in the Long-Term Plan, including the named executive officers, of 49% of the PSUs awarded for the 2019-2021 performance cycle, which represents the weighted average of the two vesting percentages described above, plus dividend equivalents credited on those vested PSUs.

**TSR PSU vesting by performance level for 2019-2021 TSR PSUs**

Verizon's TSR rank among Related Dow Peers		Percent of TSR PSUs that vest
1	>	200%
2	>	200%
3	>	200%
4	>	200%
5	>	177%
6	>	170%
7	>	163%
8	>	156%
9	>	149%
10	>	142%
11	>	135%
12	>	128%
13	>	121%
14	>	114%
15	>	107%
16	>	100% ◀ Target vesting
17	>	93%
18	>	86% ◀ Median
19	>	79%
20	>	72%
21	>	65%
22	>	58%
23	>	51%
24	>	44%
25	>	37%
26	>	30%
27	>	0%
28	>	0%
29	>	0%
30	>	0%
31	>	0%
32	>	0%
33	>	0%
34	>	0%
35	>	0%



## 2021 special award for Mr. Gowrappan in connection with Media Group Sale

In connection with Verizon's entry into a purchase agreement to sell the Media Group business to affiliates of Apollo in May 2021, the Committee approved a special cash retention award to Mr. Gowrappan in the amount of \$3,000,000 in recognition of his key contributions and efforts in connection with the sale. The special award would vest and be payable by Verizon to Mr. Gowrappan if he remained continuously employed by the Media Group on the six-month anniversary of the date the Media Group Sale was consummated (Closing Date), or if his employment was involuntarily terminated by Verizon Media without cause after the Closing Date, but prior to the six-month anniversary of the Closing Date. Mr. Gowrappan's employment with Yahoo (f/k/a Verizon Media) was involuntarily terminated without cause on December 15, 2021, and as a result, Mr. Gowrappan became entitled to receive the award, which became payable to Mr. Gowrappan in March 2022.

## Other elements of the compensation program

Verizon also provides the named executive officers with limited additional benefits as generally described below, which are subject to applicable taxes and not intended to be a significant portion of their overall pay package. No named executive officer is eligible for a tax gross-up payment in connection with any of these benefits, including with respect to excise tax liability arising from any Internal Revenue Code Section 280G excess parachute payments.

### Personal benefits

**Transportation.** Verizon provides limited aircraft and ground transportation benefits to enhance the safety and security of certain named executive officers. These transportation benefits also serve business purposes, such as allowing an executive to attend to confidential business matters while in transit.

**Executive life insurance.** Verizon offers the named executive officers and other executives the opportunity to participate in an executive life insurance program in lieu of participating in our basic and supplemental life insurance programs. The executives who elect to participate in the executive life insurance program own the life insurance policy, and Verizon provides an annual cash payment to defray a portion of the annual premiums.

**Financial planning.** Verizon provides a voluntary Company-sponsored financial planning benefit program for the named executive officers and other executives. If an executive participates in the program, the cost of the financial planning benefit is included in the executive's income.

For additional information on these benefits, see footnote 5 to the Summary Compensation table on page 41.

### Retirement benefits

Over 15 years ago, the Committee determined that guaranteed pay in the form of defined benefit pension and supplemental executive retirement benefits was not consistent with Verizon's pay-for-performance culture. Accordingly, effective June 30, 2006, Verizon froze all future pension accruals under its management tax-qualified and supplemental defined benefit retirement plans. These legacy retirement benefits that were previously provided to certain executives, including Ms. Erwin and Mr. Malady, are described in more detail under the section titled "Pension plans" beginning on page 45.

During 2021, all of Verizon's named executive officers were eligible to participate in Verizon's tax-qualified defined contribution savings plan, the Verizon Management Savings Plan, referred to as the Savings Plan, and Verizon's nonqualified defined contribution savings plan, the Verizon Executive Deferral Plan, referred to as the Deferral Plan. The named executive officers participate in these plans on the same terms as other participants in the plans. Under the Savings Plan, executives may defer "eligible pay," which includes base salary up to certain compensation limits imposed by the Internal Revenue Code, and Verizon provides a matching contribution equal to 100% of the first 6% of eligible pay deferred. The Deferral Plan is designed to "restore" benefits that are limited or cut back under the Savings Plan due to the Internal Revenue Code limits. Accordingly, under the Deferral Plan, a participant may elect to defer his or her base pay and short-term incentive that could not be deferred into the Savings Plan due to the Internal Revenue Code limits. Verizon provides the same matching contribution on these deferred amounts as the participant would have received if such amounts had been permitted to be deferred into the Savings Plan.

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## Severance and change in control benefits

The Committee believes that maintaining a competitive level of separation benefits is appropriate as part of an overall program designed to attract, retain and motivate the highest-quality management team. However, the Committee does not believe that named executive officers should be entitled to receive cash severance benefits merely because a change in control occurs. Therefore, the payment of cash severance benefits is triggered only by an actual or constructive termination of employment.

Verizon was not a party to any employment agreement with any of the named executive officers in 2021. All senior managers (including all named executive officers except Mr. Vestberg) are eligible to participate in the Verizon Senior Manager Severance Plan, which provides certain separation benefits to participants whose employment is involuntarily terminated without cause. As CEO, Mr. Vestberg is not eligible to participate in the Senior Manager Severance Plan and is not entitled to receive any cash severance benefits upon his separation from the Company.

The Senior Manager Severance Plan is generally consistent with the terms and conditions of Verizon's broad-based severance plan for management employees other than senior managers. Under the Senior Manager Severance Plan, if a participant has been involuntarily terminated without cause (or, in the case of a named executive officer, if the independent members of the Board determine that there has been a qualifying separation), the participant is eligible to receive a lump-sum cash separation payment equal to a multiple of his or her base salary plus target short-term incentive opportunity, along with continuing medical, dental and vision coverage for the applicable severance period. To the extent that a senior manager is eligible for severance benefits under any other arrangement, that person may not receive any duplicative benefits under the Senior Manager Severance Plan. The Senior Manager Severance Plan does not provide for any severance benefits based upon a change in control of the Company.

Under the Senior Manager Severance Plan, each named executive officer, other than Mr. Vestberg, is eligible to receive a cash separation payment equal to two times the sum of his or her base salary and target short-term incentive opportunity. To be eligible for any severance benefits, a participant must execute a release of claims against Verizon in the form satisfactory to Verizon and agree not to compete or interfere with any Verizon business for a period of one year after separation.

Consistent with the Committee's belief that named executive officers should not receive cash severance benefits merely because a change in control occurs, the Long-Term Plan does not allow "single-trigger" accelerated vesting and payment of outstanding awards upon a change in control. Instead, the Long-Term Plan requires a "double trigger." Specifically, if in the 12 months following a change in control a participant's employment is terminated without cause, all of that participant's then-unvested PSUs will fully vest at the target level performance, then-unvested RSUs will fully vest, and those PSUs and RSUs (including accrued dividend equivalents) will become payable on the regularly scheduled payment date after the end of the applicable award cycle.

## Other compensation policies

### Stock ownership guidelines

To further align the interests of Verizon's management with those of our shareholders, the Committee has approved guidelines that require each named executive officer and other executives to maintain certain stock ownership levels within five years of assuming their leadership roles.

- The CEO is required to maintain share ownership equal to at least seven times base salary.
- Other named executive officers are required to maintain share ownership equal to at least four times base salary.

In determining whether an executive meets the required ownership level, the calculation includes any shares held by the executive directly or through a broker, shares held through the Verizon tax-qualified savings plan or the Verizon nonqualified savings plan and other deferred compensation plans and arrangements that are valued by reference to Verizon's stock. The calculation does not include any unvested PSUs or RSUs. Each of the named executive officers is in compliance with the stock ownership guidelines. In addition, none of the named executive officers has engaged in any pledging transaction with respect to shares of Verizon's stock.

**Policy on hedging Company stock**

Verizon believes that ownership of Verizon stock by the Company's executives and members of the Board of Directors promotes alignment of the interests of the Company's leadership with those of its stockholders. Verizon recognizes that transactions that are designed to hedge or offset declines in the market value of Verizon stock can disrupt this alignment. Hedging transactions allow the holder to own Verizon stock without the full risks and rewards of ownership, potentially separating the holder's interests from those of other Verizon shareholders. Therefore, all employees receiving equity-based awards with respect to Verizon stock and members of the Verizon Board of Directors are prohibited from engaging in any transaction involving Verizon stock that is designed to hedge or offset any decrease in the market value of Verizon stock beneficially owned by the employee or Director. This prohibition includes, but is not limited to, buying and/or writing puts and calls, prepaid variable forward contracts, equity swaps, collars, and exchange funds.

In addition, the Verizon Code of Conduct prohibits all employees from engaging in any transaction that permits them to benefit from the devaluation of Verizon's stock, bonds, or other securities, including engaging in short selling or buying "put" options on Verizon stock.

**Holding executives accountable – Verizon's clawback policies**

The Committee believes it is appropriate to hold senior executives accountable for misconduct that results in significant reputational or financial harm to Verizon. Accordingly, the Committee has adopted the following policies:

- **Senior executive clawback policy.** Verizon has the right to cancel or "claw back" the cash- and equity-based incentive compensation of senior executives who engage in willful misconduct in the performance of their duties that results in significant reputational or financial harm to Verizon.
- **Long-Term Plan clawback provisions.** Annual equity grants under the Verizon Long-Term Plan give the Company the right to (i) require the recipient to forfeit or repay incentive-based compensation (both short-term and long-term) if Verizon is required to materially restate its financial results based on the individual's willful misconduct or gross negligence while employed by the Company (where such restatement would have resulted in a lower payment being made to the individual) and (ii) enforce any right or obligation that Verizon may have regarding the clawback of incentive-based compensation under federal securities or other applicable laws.

These policies do not limit any other rights or remedies Verizon may have in the circumstances, such as terminating the executive or initiating other disciplinary procedures. Disclosure of any clawbacks will be made in accordance with applicable requirements, including, in the case of the named executive officers and if material, in the Compensation Discussion and Analysis section of the proxy statement for the year in which the clawback decision is made.

**Shareholder approval of certain severance arrangements**

The Committee has a policy of seeking shareholder approval or ratification of any new employment or severance agreement with an executive officer that provides for a total cash value severance payment exceeding 2.99 times the sum of the executive's base salary plus Short-Term Plan target opportunity. The policy defines severance pay broadly to include payments for any consulting services, payments to secure a non-compete agreement, payments to settle any litigation or claim, payments to offset tax liabilities, payments or benefits that are not generally available to similarly situated management employees and payments in excess of, or outside, the terms of a Verizon plan or policy.

**Tax and accounting considerations**

A publicly-held company is generally prohibited from deducting compensation paid to a current or former named executive officer that exceeds \$1 million during the tax year. The Committee takes this deductibility limitation into account in its consideration of compensation matters. However, the Committee has the flexibility to take any compensation-related actions that it determines are in the best interests of Verizon and our shareholders, including awarding compensation that may not be deductible for tax purposes. There can be no assurance that any compensation in excess of \$1 million will in fact be deductible.

The Committee also considers the effect of certain accounting rules that apply to the various aspects of the compensation program for our named executive officers. The Committee reviews potential accounting effects in determining whether its compensation actions are in the best interests of Verizon and our shareholders. The Committee has been advised by management that the impact of the variable accounting treatment required for long-term incentive awards payable in cash (as opposed to fixed accounting treatment for awards that are payable in shares) will depend on future stock performance.

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## Compensation Committee Report

The Human Resources Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on such review and discussions, the Committee recommended to the Board of Directors, and the Board has approved, the inclusion of the Compensation Discussion and Analysis in this proxy statement and Verizon's Annual Report on Form 10-K for the year ended December 31, 2021.

Respectfully submitted,

The Human Resources Committee

**Daniel Schulman, Chair**

**Mark Bertolini**

**Melanie Healey**

**Clarence Otis, Jr.**

**Rodney Slater**

March 2, 2022

# Compensation tables

## Summary compensation

The following table provides information about the compensation paid to each of our named executive officers in 2019, 2020 and 2021.

Name and principal position (a)	Year (b)	Salary (\$) (c)	Bonus <sup>1</sup> (\$) (d)	Stock awards <sup>2</sup> (\$) (e)	Option awards (\$) (f)	Non-equity incentive plan compensation <sup>3</sup> (\$) (g)	Change in pension value and nonqualified deferred compensation earnings <sup>4</sup> (\$) (h)	All other compensation <sup>5</sup> (\$) (i)	Total (\$) (j)
<b>Hans Vestberg</b> Chairman and Chief Executive Officer	2021	1,500,000	0	14,500,057	0	3,825,000	0	517,814	20,342,871
	2020	1,500,000	0	13,300,074	0	3,637,500	0	660,008	19,097,582
	2019	1,500,000	0	12,000,076	0	4,125,000	0	470,279	18,095,355
<b>Matthew Ellis</b> Executive Vice President and Chief Financial Officer	2021	950,000	0	6,525,007	0	1,453,500	0	183,382	9,111,889
	2020	950,000	0	6,250,058	0	1,382,250	0	243,960	8,826,268
	2019	950,000	0	5,700,032	0	1,567,500	0	231,385	8,448,917
<b>Ronan Dunne*</b> Executive Vice President and Group CEO – Verizon Consumer	2021	1,050,000	0	8,000,073	0	1,496,250	0	245,727	10,792,050
	2020	1,000,000	0	6,750,003	0	1,185,000	0	312,878	9,247,881
	2019	1,000,000	0	6,000,095	0	1,650,000	0	303,376	8,953,471
<b>Tami Erwin</b> Executive Vice President and Group CEO – Verizon Business	2021	950,000	0	6,525,007	0	1,184,942	0	208,530	8,868,479
	2020	850,000	0	5,750,055	0	1,364,250	66,567	236,922	8,267,794
	2019	850,000	0	5,100,080	0	1,402,500	127,916	230,797	7,711,293
<b>Kyle Malady**</b> Executive Vice President and Chief Technology Officer	2021	850,000	0	5,250,065	0	1,402,500	166	171,971	7,674,702
<b>K. Guru Gowrappan***</b> Former Executive Vice President and Group CEO – Verizon Media	2021	588,462	3,000,000	6,250,033	0	0	0	125,947	9,964,442
	2020	850,000	0	5,750,055	0	1,032,750	0	210,070	7,842,875
	2019	850,000	0	5,100,080	0	1,402,500	0	533,358	7,885,938

\* Mr. Dunne stepped down as Executive Vice President and Group CEO – Verizon Consumer on December 31, 2021 and currently serves as a strategic advisor to Mr. Vestberg.

\*\* Mr. Malady became Executive Vice President and President – Global Networks and Technology on March 1, 2022.

\*\*\* Mr. Gowrappan separated from Verizon and continued employment with the Media Group upon the sale of the Media Group business to affiliates of Apollo on September 1, 2021 (the “Media Group Sale”).

- Represents the special cash retention award for Mr. Gowrappan approved by the Committee in May 2021 in recognition of Mr. Gowrappan’s key contributions and efforts in connection with the Media Group Sale. The special award would vest and be payable by Verizon to Mr. Gowrappan if he remained continuously employed by Yahoo (f/k/a the Media Group) on the six-month anniversary of the date the Media Group Sale was consummated (Closing Date), or if his employment was involuntarily terminated by Yahoo without cause after the Closing Date, but prior to the six-month anniversary of the Closing Date. Mr. Gowrappan’s employment with Yahoo was involuntarily terminated without cause by Yahoo on December 15, 2021, and as a result, Mr. Gowrappan became entitled to receive the award, which became payable to Mr. Gowrappan in March 2022.
- The amounts in this column reflect the aggregate grant date fair value of the PSUs and RSUs computed in accordance with FASB ASC Topic 718 based on the closing price of Verizon’s common stock on the grant date. The grant date fair value of each of the PSU awards granted to the named executive officers in the designated year as part of Verizon’s annual long-term incentive award program has been determined based on the vesting of 100% of the nominal PSUs awarded, which is the performance threshold the Company believed was most likely to be achieved under the awards on the grant date. The following table reflects the grant date fair value of the PSU awards, as well as the maximum value of these awards based on the closing price of Verizon’s common stock on the grant date if, due to the Company’s performance during the applicable performance cycle, the PSU awards vested at their maximum level.

Name	Grant date fair value of PSUs			Maximum value of PSUs		
	2019 (\$)	2020 (\$)	2021 (\$)	2019 (\$)	2020 (\$)	2021 (\$)
<b>Mr. Vestberg</b>	7,200,057	7,980,033	8,700,045	14,400,114	15,960,066	17,400,090
<b>Mr. Ellis</b>	3,420,008	3,750,046	3,915,004	6,840,016	7,500,092	7,830,008
<b>Mr. Dunne</b>	3,600,057	4,050,002	4,800,044	7,200,114	8,100,004	9,600,088
<b>Ms. Erwin</b>	3,060,025	3,450,033	3,915,004	6,120,050	6,900,066	7,830,008
<b>Mr. Malady</b>			3,150,039			6,300,078
<b>Mr. Gowrappan</b>	3,060,025	3,450,033	3,750,031	6,120,050	6,900,066	7,500,062

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- 3 The amounts in this column for 2021 reflect the 2021 Short-Term Plan award paid to the named executive officers in February 2022 as described beginning on page 27.
- 4 Verizon froze all future pension accruals under its defined benefit plans in 2006. The named executive officers other than Ms. Erwin and Mr. Malady are not eligible for pension benefits. The amount in this column for 2021 for Mr. Malady reflects the change in the actuarial present value of the accumulated benefit under the defined benefit plan in which he participates in the amount of \$166. For Ms. Erwin, there was a reduction in pension value of \$35,950 based on the applicable calculation formulas. In accordance with SEC rules, because the aggregate change in the actuarial present value of the accumulated benefit under the defined benefit pension Ms. Erwin participates in was a negative number for 2021, the amount shown in this column for 2021 for Ms. Erwin is zero. Verizon's nonqualified deferred compensation plans did not provide a preferential or "above market" rate of interest in 2021.
- 5 The following table provides the detail for 2021 compensation reported in the "All other compensation" column.

Name	Personal use of company aircraft <sup>a</sup> (\$)	Personal use of company vehicle <sup>b</sup> (\$)	Company contributions to the tax-qualified Savings Plan (\$)	Company contributions to the nonqualified Deferral Plan (\$)	Company contributions to the life insurance benefit <sup>c</sup> (\$)	Other <sup>d</sup> (\$)	All other compensation total (\$)
<b>Mr. Vestberg</b>	58,406	774	17,400	290,850	119,424	30,960	517,814
<b>Mr. Ellis</b>	0	0	17,400	122,535	30,447	13,000	183,382
<b>Mr. Dunne</b>	0	0	17,400	116,654	94,713	16,960	245,727
<b>Ms. Erwin</b>	0	0	17,400	121,363	58,767	11,000	208,530
<b>Mr. Malady</b>	0	0	17,400	101,954	39,617	13,000	171,971
<b>Mr. Gowrappan</b>	0	0	11,377	83,934	19,636	11,000	125,947

- a The aggregate incremental cost of the personal use of a Company aircraft is determined by multiplying the total 2021 personal flight hours by the incremental aircraft cost per hour. The incremental aircraft cost per hour is derived by adding the annual aircraft maintenance costs, fuel costs, aircraft trip expenses and crew trip expenses, and then dividing by the total annual flight hours.
- b The aggregate incremental cost of the personal use of a Company vehicle is determined by (i) calculating the incremental vehicle cost per mile by dividing the annual lease and fuel costs by the total annual miles; (ii) multiplying the executive's total 2021 personal miles by the incremental vehicle cost per mile; and (iii) adding the incremental driver cost (the total 2021 driver hours for the executive's personal use multiplied by the driver's hourly rate).
- c Executive life insurance is available to U.S.-based executives on a voluntary basis. Executives who choose to participate in this program are excluded from the basic and supplemental life insurance programs that Verizon provides to management employees. The executive owns the insurance policy, chooses the level of coverage and is responsible for paying the premiums. However, Verizon pays each executive an amount, shown in this column, which is equal to a portion of the premium. Executives who choose not to participate in the executive life insurance plan do not receive that payment. For Messrs. Vestberg, Dunne and Gowrappan, the executive life insurance policy provides a death benefit equal to five times the sum of the executive's base salary plus his Short-Term Plan award opportunity at 67% of target level (capped at \$10 million for Messrs. Vestberg and Dunne and capped at \$8 million for Mr. Gowrappan) if the executive dies before a designated date. For Messrs. Ellis and Malady and Ms. Erwin, the executive life insurance policy provides a death benefit equal to two times the sum of his or her base salary plus his or her Short-Term Plan award opportunity at 67% of target level if he or she dies before a designated date. This date is the latest of the participant's retirement date, the date on which the participant reaches age 60 or the fifth anniversary of plan participation. For Mr. Gowrappan, the amount shown in this column also includes a payment of \$9,973 to pay a portion of the annual premium for the executive life insurance benefit owned by Mr. Gowrappan for two years following his separation date.
- d This column represents the total amount of other perquisites and personal benefits provided. These other benefits consist of financial planning services in the amount of \$30,960 for Mr. Vestberg, \$13,000 for Mr. Ellis, \$16,960 for Mr. Dunne, \$11,000 for Ms. Erwin, \$13,000 for Mr. Malady and \$11,000 for Mr. Gowrappan.



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## Plan based awards

The following table provides information about the 2021 awards granted under the Short-Term Plan and the Long-Term Plan to each named executive officer.

## Grants of plan-based awards

Name (a)	Type of award <sup>1</sup>	Grant date (b)	Estimated future payouts under non-equity incentive plan awards <sup>2</sup>			Estimated future payouts under equity incentive plan awards <sup>3</sup>			All other stock awards: number of shares of stock or units <sup>4</sup>	All other option awards: number of securities underlying options <sup>4</sup>	Exercise or base price of option awards <sup>5</sup>	Grant date fair value of stock and option awards <sup>5</sup>
			Threshold (\$) (c)	Target (\$) (d)	Maximum (\$) (e)	Threshold (#) (f)	Target (#) (g)	Maximum (#) (h)	(#) (i)	(#) (j)	(\$/Sh) (k)	(\$) (l)
<b>Mr. Vestberg</b>	STP	—	1,875,000	3,750,000	7,500,000							
	PSU	3/1/2021				39,289	157,154	314,308				8,700,045
	RSU	3/1/2021							104,769			5,800,012
<b>Mr. Ellis</b>	STP	—	712,500	1,425,000	2,850,000							
	PSU	3/1/2021				17,680	70,719	141,438				3,915,004
	RSU	3/1/2021							47,146			2,610,003
<b>Mr. Dunne</b>	STP	—	787,500	1,575,000	3,150,000							
	PSU	3/1/2021				21,677	86,706	173,412				4,800,044
	RSU	3/1/2021							57,804			3,200,029
<b>Ms. Erwin</b>	STP	—	712,500	1,425,000	2,850,000							
	PSU	3/1/2021				17,680	70,719	141,438				3,915,004
	RSU	3/1/2021							47,146			2,610,003
<b>Mr. Malady</b>	STP	—	637,500	1,275,000	2,550,000							
	PSU	3/1/2021				14,225	56,901	113,802				3,150,039
	RSU	3/1/2021							37,934			2,100,026
<b>Mr. Gowrappan</b>	STP	—	637,500	1,275,000	2,550,000							
	PSU	3/1/2021				16,935	67,739	135,478				3,750,031
	RSU	3/1/2021							45,159			2,500,002

1 These awards are described in the Compensation Discussion and Analysis beginning on page 23.

2 For the named executive officers other than Mr. Gowrappan, the actual amount awarded under the Short-Term Plan (STP) in 2021 was paid in February 2022 and is shown in column (g) of the Summary Compensation table on page 40. Mr. Gowrappan was not eligible to receive a STP award from Verizon as a result of Mr. Gowrappan's separation from Verizon and continued employment with Media Group upon the Media Group Sale.

3 These columns reflect the potential payout range of PSU awards granted in 2021 to our named executive officers in accordance with the Company's annual long-term incentive award program, as described beginning on page 32. At the conclusion of the three-year performance cycle, payouts can range from 0% to 200% of the target number of units awarded. Fifty-percent of the 2021 PSUs is eligible to vest based on Verizon's cumulative adjusted EPS and fifty-percent is eligible to vest based on Verizon's cumulative free cash flow, and the number of PSUs that will ultimately vest may be increased or decreased by up to 25% (up to a maximum payout of 200%) depending on Verizon's TSR position at the end of the three year period compared with the companies in the S&P 100 as constituted on the date the awards were granted as described in more detail beginning on page 33. PSUs and the applicable dividend equivalents are paid only if and to the extent that the applicable performance criteria for the award are achieved at the end of the award cycle. When dividends are distributed to shareholders, dividend equivalents are credited on the PSU awards in an amount equal to the dollar amount of dividends that would be payable on the total number of PSUs credited as of the dividend distribution date and divided by the closing price of the Company's common stock on that date and are subject the same vesting requirements that apply to the underlying PSU award.

4 This column reflects the number of RSUs granted in 2021 to the named executive officers in accordance with the Company's annual long-term incentive award program. When dividends are distributed to shareholders, dividend equivalents are credited on the RSU awards in an amount equal to the dollar amount of dividends that would be payable on the total number of RSUs credited as of the dividend distribution date and divided by the closing price of the Company's common stock on that date and are subject to the same vesting requirements that apply to the underlying RSU award. These dividend equivalents are only distributed to the award holder if and when the underlying RSU award vests.

5 This column reflects the grant date fair value of each equity award computed in accordance with FASB ASC Topic 718 based on the closing price of Verizon's common stock on the grant date. For PSUs the grant date fair value has been determined based on the vesting of 100% of the nominal PSUs awarded, which is the performance threshold the Company believed was the most likely to be achieved under the grants.

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## Outstanding equity awards at fiscal year-end

Name (a)	Option awards					Stock awards					Grant date
	Number of securities underlying unexercised options (#) exercisable (b)	Number of securities underlying unexercised options (#) unexercisable (c)	Equity incentive plan awards: Number of securities underlying unexercised options (#) unearned (d)	Option exercise price (\$) (e)	Option expiration date (f)	Number of shares or units of stock that have not vested <sup>1,2</sup> (#) (g)	Market value of shares or units of stock that have not vested <sup>3</sup> (\$) (h)	Equity incentive plan awards:	Equity incentive plan awards:		
								Number of unearned shares, units or other rights that have not vested <sup>4,5</sup> (#) (i)	Market or payout value of unearned shares, units or other rights that have not vested <sup>6</sup> (\$) (j)		
Mr. Vestberg	0	0	0	0	0	0	0	445,409	23,143,452	8/1/2018	
						31,908	1,657,940	0	0	3/8/2019	
						66,878	3,474,981	225,711	11,727,944	3/2/2020	
						108,390	5,631,944	203,232	10,559,935	3/1/2021	
Mr. Ellis	0	0	0	0	0	15,157	787,558	0	0	3/8/2019	
						31,428	1,632,999	106,068	5,511,293	3/2/2020	
						48,776	2,534,401	91,454	4,751,950	3/1/2021	
Mr. Dunne	0	0	0	0	0	15,954	828,970	0	0	3/8/2019	
						33,942	1,763,626	114,552	5,952,122	3/2/2020	
						59,802	3,107,312	112,129	5,826,223	3/1/2021	
Ms. Erwin	0	0	0	0	0	13,562	704,682	0	0	3/8/2019	
						28,914	1,502,371	97,582	5,070,361	3/2/2020	
						48,776	2,534,401	91,454	4,751,950	3/1/2021	
Mr. Malady	0	0	0	0	0	9,307	483,592	0	0	3/8/2019	
						22,629	1,175,803	76,368	3,968,081	3/2/2020	
						39,245	2,039,170	73,585	3,823,477	3/1/2021	
Mr. Gowrappan	0	0	0	0	0	13,562	704,682	0	0	3/8/2019	
						7,248	376,606	54,272	2,819,973	3/2/2020	
						7,851	407,938	19,396	1,007,816	3/1/2021	

1 The amounts listed in this column represent the number of RSUs outstanding on December 31, 2021 with respect to the following awards:

- (1) for all of the named executive officers other than Mr. Gowrappan: (a) the third tranche of their 2019 annual RSU award granted on March 8, 2019, which vested on March 8, 2022; (b) the second and third tranches of their annual 2020 RSU award granted on March 2, 2020, one of which vested on March 2, 2022 and one of which is scheduled to vest on March 2, 2023; and (c) all three tranches of their annual 2021 RSU award granted on March 1, 2021, one of which vested on March 1, 2022 and two of which are scheduled to vest on March 1, 2023 and March 1, 2024, respectively.
- (2) for Mr. Gowrappan: (a) the third tranche of his 2019 annual RSU award granted on March 8, 2019, which vested on March 8, 2022; (b) the pro-rated portion of the second tranche of his 2020 RSU award granted on March 2, 2020, which vested on March 2, 2022; and (c) the pro-rated portion of the first tranche of his 2021 annual RSU award granted on March 1, 2021, which vested on March 1, 2022. Upon Mr. Gowrappan's separation from Verizon on September 1, 2021 upon the closing of the Media Group Sale, under the terms of awards he was entitled to retain his 2019 annual RSU award and he retained a pro-rated portion of the 2020 and 2021 RSU awards, which, while no longer subject to forfeiture, remained outstanding on December 31, 2021 and were payable to Mr. Gowrappan on their original vesting dates of March 2, 2022 and March 1, 2022, respectively.

2 When dividends are distributed to shareholders, dividend equivalents are credited on the RSU awards in an amount equal to the dollar amount of dividends that would be payable on the total number of RSUs credited as of the dividend distribution date and divided by the closing price of the Company's common stock on that date and are subject to the same vesting requirements that apply to the underlying RSU award. These dividend equivalents are only distributed to the award holder if and when the underlying RSU award vests. This column includes dividend equivalent units that have accrued through December 31, 2021.

3 The amounts in this column represent the value of the RSUs listed in column (g) based on a share price of \$51.96, the closing price of Verizon's common stock on December 31, 2021.

4 The amounts listed in this column represent the number of PSUs outstanding on December 31, 2021 with respect to the following awards:

- (1) for all of the named executive officers other than Mr. Gowrappan, their 2020 and 2021 annual PSU awards granted on March 2, 2020 and March 1, 2021, that are scheduled to vest on December 31, 2022 and December 31, 2023, respectively; and for Mr. Gowrappan, the pro-rated portion of Mr. Gowrappan's 2020 and 2021 annual PSU awards that were granted on March 2, 2020 and March 1, 2021, that are scheduled to vest on December 31, 2022 and December 31, 2023, respectively.
- (2) for Mr. Vestberg, the special PSU award granted to him on August 1, 2018 in connection with his promotion to CEO with a payout range between 0% and 200% of the nominal number of PSUs subject to the award. The number of PSUs that vest at the end of the five-year award period ending July 31, 2023 will be determined based on Verizon's average annual return on equity (ROE) during that period, and the final award payout will include dividend equivalents that accrue on the vested portion of the award. No PSUs will vest unless Verizon's five-year average annual ROE meets the minimum threshold of 18%. If Verizon's five-year average annual ROE meets the target percentage of 28%, 100% of the nominal number of PSUs granted will vest. If Verizon's five-year average annual ROE is at least 38%, a maximum of 200% of the PSUs granted will vest. If Verizon's five-year average annual ROE is greater than 18% but less than 28%, the percentage of PSUs that will vest will be between 50% and 100% on an interpolated basis, and if Verizon's five-year average annual ROE is greater than 28% but less than 38%, the percentage of PSUs that will vest will be between 100% and 200% on an interpolated basis. The award, to the extent vested, will be settled in shares of Verizon common stock, and Mr. Vestberg will be required to hold any such shares for at least two years following the vesting date.

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- 5 When dividends are distributed to shareholders, dividend equivalents are credited on the PSU awards in an amount equal to the dollar amount of dividends that would be payable on the total number of PSUs credited as of the dividend distribution date and divided by the closing price of the Company's common stock on that date and are subject to the same vesting requirements that apply to the underlying PSU award. The PSUs, and the applicable dividend equivalents, are paid if and to the extent that the applicable award vests. As required by SEC rules, the number of units in this column represent the 2020 annual PSU awards at a 150% vesting percentage, the 2021 annual PSU awards at a 125% vesting percentage and Mr. Vestberg's special PSU award at a 200% vesting percentage, in each case including accrued dividend equivalents through December 31, 2021 that will be paid if the awards vest at the indicated levels.
- 6 The amounts in this column represent the value of the PSUs listed in column (i) based on a share price of \$51.96, the closing price of Verizon's common stock on December 31, 2021.

## Value realized from vested stock-based awards

The following table reports the value realized from the vesting of the following stock-based awards:

- the annual 2019 PSUs that vested on December 31, 2021 for Messrs. Vestberg, Ellis, Dunne, Malady, Gowrappan and Ms. Erwin;
- the third tranche of the annual 2018 RSUs that vested on March 6, 2021 for Messrs. Vestberg, Ellis, Dunne, Malady and Ms. Erwin;
- the third tranche of Mr. Gowrappan's 2018 RSUs that vested on April 9, 2021;
- the second tranche of annual 2019 RSUs that vested on March 8, 2021 for Messrs. Vestberg, Ellis, Dunne, Malady, Gowrappan and Ms. Erwin;
- the first tranche of annual 2020 RSUs that vested on March 2, 2021 for Messrs. Vestberg, Ellis, Dunne, Malady, Gowrappan and Ms. Erwin; and
- the 2018 special performance-based RSU (PRSU) award that vested on April 9, 2021 for Mr. Gowrappan.

Based on the Company's relative TSR as compared with the Related Dow Peers and its cumulative free cash flow over the performance period, the Committee approved a vesting percentage of 49% of the target number of PSUs granted for the 2019-2021 performance cycle for all participants. The values of the 2019 PSU awards upon vesting for Messrs. Vestberg, Ellis, Dunne, Malady, Gowrappan and Ms. Erwin were \$3,699,744, \$1,757,369, \$1,849,887, \$1,079,101, \$1,572,392 and \$1,572,392, respectively. The values of the third tranche of the 2018 RSU awards upon vesting for Messrs. Vestberg, Ellis, Dunne, Malady, Gowrappan and Ms. Erwin were \$1,148,988, \$835,631, \$739,883, \$261,140, \$2,374,321 and \$587,581, respectively. The values of the second tranche of 2019 RSUs upon vesting for Messrs. Vestberg, Ellis, Dunne, Malady, Gowrappan and Ms. Erwin were \$1,751,533, \$831,952, \$875,766, \$510,843, \$744,389 and \$744,389, respectively. The values of the first tranche of 2020 RSUs upon vesting for Messrs. Vestberg, Ellis, Dunne, Malady, Gowrappan and Ms. Erwin were \$1,777,003, \$835,054, \$901,856, \$601,218, \$768,252 and \$768,252, respectively. The value of the 2018 special PRSU award for Mr. Gowrappan was \$4,189,989.

## Option exercises and stock vested

Name (a)	Option awards		Stock awards	
	Number of shares acquired on exercise (#) (b)	Value realized on exercise (\$) (c)	Number of shares acquired on vesting <sup>1</sup> (#) (d)	Value realized on vesting <sup>1,2</sup> (\$) (e)
Mr. Vestberg	0	0	154,885	8,377,268
Mr. Ellis	0	0	78,582	4,260,006
Mr. Dunne	0	0	80,639	4,367,392
Ms. Erwin	0	0	67,835	3,672,614
Mr. Malady	0	0	45,362	2,452,302
Mr. Gowrappan	0	0	171,524	9,649,343

1 The amounts include dividend equivalents that were credited on the 2019 PSU awards and the 2018 special PRSU award for Mr. Gowrappan that vested on April 9, 2021 in accordance with the terms of the awards. The amounts also include dividend equivalents that were credited on the RSU awards that vested on March 2, 2021, March 6, 2021 and March 8, 2021, as well as the RSU award for Mr. Gowrappan that vested on April 9, 2021.

2 For Messrs. Vestberg, Ellis, Dunne, Malady, Gowrappan and Ms. Erwin, the amounts in this column include the number of shares acquired on vesting of their 2019 annual PSU awards multiplied by \$51.96, the closing price of Verizon's common stock on the December 31, 2021 vesting date. For all named executive officers except Mr. Gowrappan, the amounts in this column include the number of shares acquired on vesting of the third tranche of their 2018 annual RSU award that vested on March 6, 2021, multiplied by \$56.00, the closing price of Verizon's common stock on March 5, 2021. For Mr. Gowrappan the amount includes the number of shares acquired on vesting of the third tranche of his 2018 RSU award multiplied by \$57.49, the closing price of Verizon's common stock on the April 9, 2021 vesting date. For all named executive officers, the amounts in this column include the number of shares acquired on vesting of the second tranche of their 2019 annual RSU award that vested on March 8, 2021, multiplied by \$56.79, the closing price of Verizon's common stock on March 8, 2021. For all named executive officers, the amounts in this column include the number of shares acquired on vesting of the first tranche of their 2020 annual RSU award that vested on March 2, 2021, multiplied by \$54.98, the closing price of Verizon's common stock on March 2, 2021. For Mr. Gowrappan the amount also includes the number of shares acquired on vesting of his 2018 special PRSU award multiplied by \$57.49, the closing price of Verizon's common stock on the April 9, 2021 vesting date.

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## Pension plans

Verizon froze all future pension accruals under its management tax-qualified and nonqualified defined benefit pension plans in 2006. None of the named executive officers other than Ms. Erwin and Mr. Malady are eligible for a pension benefit.

**Verizon Wireless Retirement Plan component of the Verizon Management Pension Plan.** In 2001, Verizon Wireless consolidated the pension plans of several predecessor companies under the Verizon Wireless Retirement Plan. Effective December 31, 2017, Verizon merged the Verizon Wireless Retirement Plan into the Verizon Management Pension Plan (VMPP) and established it as a separate component plan within the VMPP. Ms. Erwin is entitled to both a tax-qualified and a nonqualified pension benefit under this plan and Mr. Malady is entitled to a tax-qualified benefit under this plan.

Ms. Erwin's tax-qualified benefit was determined under two formulas: (i) for the period from January 1, 2001 until May 31, 2004, a cash balance formula that provided pay credits equal to two percent of annual eligible pay up to the IRS compensation limit (under the cash balance formula, a participant's account balance is also credited on an ongoing basis with interest credits based upon the 30-year Treasury bond); and (ii) the formula applicable to former US West employees, which is a final average pay formula based on 11.25 years of service multiplied by (a) 1.25% of Ms. Erwin's average annual eligible pay for the five final consecutive years for each year of service through the end of 2006 up to the IRS covered compensation level in effect for 2006, the year the plan was frozen, plus (b) 1.50% of Ms. Erwin's average annual eligible pay for the five final consecutive years for each year of service through the end of 2006 in excess of the IRS covered compensation level in effect for 2006, the year the plan was frozen. The compensation used for this purpose was limited by IRS compensation limits in effect for each applicable year. The normal retirement age under the Verizon Wireless Retirement Plan is 65. The early retirement age (for unreduced benefits) under the plan is 55. Ms. Erwin is eligible for unreduced early retirement benefits under the plan upon separation from the Company. Ms. Erwin's nonqualified plan benefit was determined using the 1.50% final average pay formula and was calculated based on 11.25 years of service and only included her eligible pay in excess of the IRS compensation limit through the end of 2006, at which time no further adjustments to eligible pay were recognized under the plan. For Ms. Erwin, eligible pay consisted of base salary and the Short-Term Plan award. No participant under the plan was eligible for cash balance credits under the nonqualified portion of the plan.

Mr. Malady's tax-qualified benefit was determined as follows: for the period from January 1, 2001 until May 31, 2004, a cash balance formula that provided pay credits equal to two percent of annual eligible pay up to the IRS compensation limit (under the cash balance formula, a participant's account balance is also credited on an ongoing basis with interest credits based upon the 30-year Treasury bond). The normal retirement age under the Verizon Wireless Retirement Plan is 65. Since there are no reductions applied to cash balance formula benefits, age 65 is used as Mr. Malady's earliest unreduced retirement age. For Mr. Malady, eligible pay consisted of base salary and the Short-Term Plan award. No participant under the plan was eligible for cash balance credits under the nonqualified portion of the plan.

The following table illustrates the actuarial present value as of December 31, 2021 of pension benefits accumulated by Ms. Erwin and Mr. Malady, the only named executive officers who are eligible for pension benefits.

## Pension benefits

Name (a)	Plan name (b)	Number of years credited service (#) (c)	Present value of accumulated benefit <sup>1</sup> (\$) (d)	Payments during last fiscal year (\$) (e)
Ms. Erwin	Verizon Wireless Retirement Plan – Qualified	34	647,939	0
	Verizon Wireless Retirement Plan – Nonqualified	34	399,409	0
Mr. Malady	Verizon Wireless Retirement Plan – Qualified	21	26,237	0

<sup>1</sup> The values are based on the assumptions for the actuarial determination of pension benefits as required by the relevant accounting standards as described in note 11 to the Company's consolidated financial statements for the year ended December 31, 2021, as included in Verizon's 2021 Annual Report on Form 10-K. However, in accordance with the requirements for this table, the values are calculated using the executive's retirement at the earliest age at which they can retire without having the retirement benefit reduced under the plan.

## Defined contribution savings plans

The named executive officers are participants in the Company's tax-qualified defined contribution savings plan, the Verizon Management Savings Plan, which is referred to as the Savings Plan, and its nonqualified defined contribution savings plan, the Verizon Executive Deferral Plan, which is referred to as the Deferral Plan. The named executive officers who participate in these plans are subject to the same terms as other participants in these plans.

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Under the Savings Plan, executives may defer “eligible pay,” which includes base salary up to certain compensation limits imposed by the Internal Revenue Code, and Verizon provides a matching contribution equal to 100% of the first 6% of eligible pay deferred. The Deferral Plan is designed to restore benefits that are limited or cut back under the Savings Plan. Accordingly, under the Deferral Plan, a participant may elect to defer his or her base pay and Short-Term Plan award that could not be deferred into the Savings Plan due to the Internal Revenue Code limits. Verizon provides the same matching contribution on these deferred amounts as the participant would have received if such amounts had been permitted to be deferred into the Savings Plan. Prior to 2018, participants were permitted to defer certain long-term incentive awards under the Deferral Plan (those deferrals were not eligible for Company match). Deferrals of long-term incentive awards were no longer permitted after 2017. Long-term incentive awards deferred prior to 2018 remain subject to the terms of the award and the applicable deferral election.

Participants in the Deferral Plan may elect to invest their deferrals in the hypothetical investment options available to all participants under the Savings Plan or in a hypothetical cash account that earns a return rate equal to the long-term, high-grade corporate bond yield average as published by Moody’s Investor Services. Under SEC rules, earnings on balances invested in this option may be reportable as “above market” interest in the Summary Compensation table of the proxy statement in any given year if the rate of interest exceeds 120% of the applicable federal long-term rate at the time the plan interest rate or formula was originally established. Participants in the Deferral Plan may generally elect to receive their benefits in a lump sum or installments, commencing on a separation from service or specific date elected by the participant.

Mr. Malady and Ms. Erwin also have an account balance under the Verizon Wireless Executive Savings Plan (ESP). The ESP is a nonqualified deferred compensation plan that was amended to freeze the accrual of benefits under the plan as of the close of business on December 31, 2004. Participants in the ESP no longer accrue any additional benefits other than market-based investment earnings or losses on their individual accounts. No new deferrals were permitted after 2004. Participants retain the ability to invest their frozen accounts in the investment options available under the ESP. Participants in the ESP do not receive matching contribution credits or retirement credits under the plan.

The Nonqualified Deferred Compensation table below shows the 2021 account activity for each named executive officer and includes each participating executive’s contributions, Company matching contributions, earnings, withdrawals and distributions and the aggregate balance of his or her total deferral account as of December 31, 2021.

## Nonqualified deferred compensation

Name (a)		Executive contributions in last FY <sup>1</sup> (\$) (b)	Registrant contributions in last FY <sup>2</sup> (\$) (c)	Aggregate earnings in last FY (\$) (d)	Aggregate withdrawals/ distributions <sup>3</sup> (\$) (e)	Aggregate balance at last FYE <sup>3</sup> (\$) (f)
<b>Mr. Vestberg</b>	Verizon Executive Deferral Plan	290,850	290,850	(52,672)	0	2,020,541
<b>Mr. Ellis</b>	Verizon Executive Deferral Plan	122,535	122,535	(5,554)	0	2,980,374
<b>Mr. Dunne</b>	Verizon Executive Deferral Plan	116,654	116,654	(2,786)	0	2,946,462
<b>Ms. Erwin</b>	Verizon Executive Deferral Plan	1,259,688	121,363	61,947	0	4,965,481
	Verizon Wireless Executive Savings Plan	0	0	(3,994)	0	49,939
<b>Mr. Malady</b>	Verizon Executive Deferral Plan	603,554	101,954	124,453	0	5,333,700
	Verizon Wireless Executive Savings Plan	0	0	10	0	377
<b>Mr. Gowrappan</b>	Verizon Executive Deferral Plan	83,934	83,934	(18,670)	0	706,905

1 Of the amounts listed in this column, the following amounts are also included in the Summary Compensation table for 2021 in columns (c) and (j): for Mr. Vestberg, \$72,600; for Mr. Ellis, \$39,600; for Mr. Dunne, \$45,554; for Ms. Erwin, \$65,846; for Mr. Malady, \$33,554; and for Mr. Gowrappan, \$21,969.

2 The amounts listed in this column are also included in columns (i) and (j) of the Summary Compensation table.

3 The aggregate amounts shown in columns (e) and (f) include the following amounts that were reported as compensation to the named executive officers in the Summary Compensation table for the following years:

- For Mr. Vestberg, a total of \$1,606,818 was reported (2018 to 2021);
- For Mr. Ellis, a total of \$1,051,733 was reported (2017 to 2021);
- For Mr. Dunne, a total of \$871,058 was reported (2019 to 2021);
- For Ms. Erwin, a total of \$1,699,868 was reported (2020 to 2021); and
- For Mr. Gowrappan, a total of \$580,917 was reported (2019 to 2021).



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## Potential payments upon termination or change in control

The following summaries and tables describe and quantify the potential payments and benefits that would be provided to each of our named executive officers, other than Mr. Gowrappan, if a termination of employment or change in control of Verizon had occurred at the end of 2021 under Verizon's compensation plans and agreements. On September 1, 2021, Mr. Gowrappan separated from Verizon and continued employment with the Media Group upon the sale of the Media Group business to affiliates of Apollo in September 2021. The payments and benefits that Mr. Gowrappan became entitled to receive in connection with his separation from Verizon on September 1, 2021 are discussed under the heading "Separation of Mr. Gowrappan upon sale of Verizon Media" beginning on page 51.

## Payments made upon termination

Regardless of the manner in which a named executive officer's employment terminates, the executive is entitled to receive amounts earned during the term of employment. This includes amounts accrued and vested under our pension plans and nonqualified deferred compensation plans, which are reported in the Pension Benefits and Nonqualified Deferred Compensation tables above. Those benefits are not included in the summaries and tables below.

In addition, amounts earned under our 2021 Short-Term Plan awards and amounts earned under our Long-Term Plan awards that vested on December 31, 2021 are not included in the summaries or tables below. Amounts earned under our 2021 Short-Term Plan awards are discussed in the Compensation Discussion and Analysis beginning on page 27 and are reported in the Summary Compensation table on page 40. Amounts earned under our Long-Term Plan awards that vested on December 31, 2021 are discussed in the Compensation Discussion and Analysis beginning on page 32 and are reported in the Option Exercises and Stock Vested table on page 44. If a named executive officer's employment had terminated on December 31, 2021 for any reason other than for cause, the full amount of the 2021 Short-Term Plan award and the full amount of the Long-Term Plan awards that vested on December 31, 2021, in each case to the extent earned, would have been payable. These amounts would be determined and payable at the same time as awards are determined and paid to participating employees generally under those plans. In the event of a termination for cause, no amount would have been payable under these awards.

## Potential payments upon qualifying separation or involuntary termination without cause

**Mr. Vestberg.** As CEO, Mr. Vestberg is not eligible to participate in the Senior Manager Severance Plan described below. Mr. Vestberg is also not a party to an employment agreement with Verizon or any other agreement that would provide him with cash severance benefits in the event his employment is involuntarily terminated by Verizon without cause.

**Senior Manager Severance Plan.** Verizon provides severance benefits to certain employees, including all of the named executive officers other than the CEO, under the Senior Manager Severance Plan. Under the plan, a named executive officer is eligible to receive severance benefits if he or she experiences a "qualifying separation" from Verizon, which is generally defined as an involuntary termination by Verizon without cause, a voluntary termination by the executive solely due to the executive's refusal to accept a qualifying reclassification or relocation (as those terms are defined in the plan) or a determination by the independent members of the Board that the named executive officer has incurred a qualifying separation. A severance benefit, if triggered, is payable to an executive only if the executive executes a release of claims against Verizon in the form satisfactory to Verizon and agrees not to compete or interfere with any Verizon business for a period of one year after termination from employment and always to protect Verizon's trade secrets and proprietary information.

If a named executive officer incurs a qualifying separation under the plan, he or she is eligible to receive the following benefits: (i) a lump-sum cash separation payment equal to two times the sum of his or her base salary and target Short-Term Plan award opportunity; and (ii) continued medical, dental and vision coverage for two years.

In addition, if the executive's qualifying separation occurs prior to the last day of the year, the executive will receive a prorated Short-Term Plan award for the year in which the separation occurs, determined based on the actual level of achievement of the performance criteria under the Short-Term Plan for the applicable year and payable at the time that awards are payable to participating employees generally under the plan. To the extent that an executive also becomes eligible for severance benefits under any outstanding agreement, plan or any other arrangement, the executive's cash severance payment under the Senior Manager Severance Plan will be reduced on a dollar-for-dollar basis by the amount of the severance benefits payable to the executive under such other agreement, plan or arrangement.



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**Other benefits.** Upon an involuntary termination of employment without cause, a named executive officer would also be eligible to receive financial planning and outplacement services for one year following termination on the same basis as provided to other senior executives. However, executives would only be entitled to receive financial planning services if they participate in the program in the year in which their employment terminates. In addition, under the terms of the executive life insurance plan, each named executive officer who is retirement eligible upon termination and who continues to pay the annual premiums on the life insurance policy owned by the executive would be eligible to receive an annual cash payment from Verizon to defray a portion of the annual premiums until the latest of the executive's attainment of age 60 or the completion of 5 years of plan participation. Retirement eligibility is generally defined as having attained 75 points (age plus years of service) with at least 15 years of service. If the named executive officer is not retirement eligible upon termination and has not reached plan maturity (age 60 and 5 years of plan participation) upon termination, the executive would be eligible to receive one additional annual cash payment to defray a portion of the annual premiums for the two years following the year in which the executive's termination occurs. If the named executive officer is retirement eligible upon termination and has achieved plan maturity upon his or her termination, the executive would not be entitled to any additional cash payment from Verizon.

**Estimated payments.** The following table shows Verizon's estimate of the amount of benefits the named executive officers would have been entitled to receive had their employment been involuntarily terminated without cause on the last business day of 2021 or had they incurred a qualifying separation under the Senior Manager Severance Plan.

Name	Cash separation payment (\$)	Continued health benefits <sup>1</sup> (\$)	Outplacement services (\$)	Financial planning (\$)	Executive life insurance benefit <sup>2</sup> (\$)
<b>Mr. Vestberg</b>	0	0	0	0	0
<b>Mr. Ellis</b>	4,750,000	49,960	14,500	13,000	33,849
<b>Mr. Dunne</b>	5,250,000	33,308	14,500	16,960	174,411
<b>Ms. Erwin</b>	4,750,000	33,308	14,500	11,000	143,865
<b>Mr. Malady</b>	4,250,000	53,279	14,500	13,000	199,901

1 The amounts reflect Verizon's estimated cost of providing medical, dental and vision coverage for two years.

2 The amount for Messrs. Ellis and Dunne, who are not retirement eligible, reflects one additional annual cash payment to defray a portion of the annual premium for the two years following the year in which their termination occurs. The amounts for Ms. Erwin and Mr. Malady, who are retirement eligible, reflects the value of the future annual cash payments from Verizon used to defray a portion of the annual premiums until their attainment of age 60.

## Potential payments upon death, disability or retirement

Under the terms of the executive life insurance plan, in the event of disability or a qualifying retirement, a named executive officer who continues to pay the annual premiums on the life insurance policy owned by the executive would be eligible to receive an annual payment from Verizon to defray a portion of the annual premium until the latest of the executive's attainment of age 60 or the completion of 5 years of plan participation. If the named executive officer dies, his or her beneficiary would be entitled to receive the proceeds of the life insurance policy owned by the executive, payable by the third-party issuer of the policy.

Under the Short-Term Plan, if the named executive officer's employment terminates due to death, disability or a qualifying retirement prior to the last day of the year, the executive would be eligible for a prorated Short-Term Plan award for the year in which the termination date occurred, determined based on the actual level of achievement of the performance criteria under the Short-Term Plan for the applicable year and payable at the time that awards are generally payable to participating employees under the plan. As described above, if the executive's employment terminates on the last day of the year for any reason other than for cause, the full amount of the Short-Term Plan award, determined based on the actual level of achievement of the performance criteria under the Short-Term Plan for the applicable year, would have been payable.

In addition, upon death, disability or a qualifying retirement, each named executive officer would also be eligible to receive financial planning services for one year following termination on the same basis as provided to other senior executives, provided that the executive participated in the program in the year in which his or her employment terminates. Upon disability, the named executive officers would also be eligible for disability benefits under the tax-qualified and nonqualified disability plans.

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**Estimated payments.** The following table shows Verizon's estimate of the amount of benefits the named executive officers would have been entitled to receive had their employment terminated due to death, disability or qualifying retirement on the last business day of 2021.

Name	Executive life insurance benefit <sup>1</sup> (\$)	Disability benefit <sup>2</sup> (\$)	Financial planning (\$)
<b>Mr. Vestberg</b>			
Death	10,000,000	0	30,960
Disability	475,902	1,936,790	30,960
Retirement <sup>3</sup>	0	0	0
<b>Mr. Ellis</b>			
Death	3,810,000	0	13,000
Disability	262,919	2,002,816	13,000
Retirement <sup>3</sup>	0	0	0
<b>Mr. Dunne</b>			
Death	10,000,000	0	16,960
Disability	293,200	1,650,417	16,960
Retirement <sup>3</sup>	0	0	0
<b>Ms. Erwin</b>			
Death	3,810,000	0	11,000
Disability	143,865	1,403,590	11,000
Retirement	143,865	0	11,000
<b>Mr. Malady</b>			
Death	3,410,000	0	13,000
Disability	199,901	1,761,879	13,000
Retirement	199,901	0	13,000

- 1 In the event of death, the amount represents the proceeds from the life insurance policy owned by the named executive officer, payable by the third-party issuer of the policy. In the event of disability or retirement, the amount, if any, represents the total amount of annual cash payments to the named executive officer to defray a portion of the annual premium of the life insurance policy owned by him or her, provided that the named executive officer continues to pay the annual premiums pursuant to the terms of the executive life insurance program.
- 2 Assumes that each named executive officer would be immediately eligible for long-term disability benefits from Verizon's qualified and nonqualified disability benefit plans. The assumptions used to calculate the value of the disability benefits include a discount rate of 2.29% and mortality and recovery based on the 2012 Group Long-Term Disability Valuation Table. These rates represent the probability of death or recovery between the date of disability and the payment end date. The qualified portion of the disability benefit for Messrs. Vestberg, Ellis, Dunne, and Malady and Ms. Erwin, is estimated at \$891,583, \$705,780, \$759,754, \$621,423 and \$495,364, respectively, and the nonqualified portion of the disability benefit for Messrs. Vestberg, Ellis, Dunne, and Malady and Ms. Erwin, is estimated at \$1,045,207, \$1,297,036, \$890,663, \$1,140,456 and \$908,226. In order to receive the nonqualified portion of the disability benefit, the executive must pay the premium associated with the qualified portion of the benefit.
- 3 Messrs. Vestberg, Ellis and Dunne would not have been entitled to receive executive life insurance benefits or financial planning benefits because they had not fulfilled the eligibility requirements for retirement under the terms of those programs on the last business day of 2021.

## Potential payments upon change in control

Verizon does not maintain any plans or arrangements that provide for any named executive officer to receive cash severance or any other cash payments in connection with a change in control of Verizon. If the named executive officer's employment terminates in connection with or following a change in control, he or she would be eligible for the same benefits, if any, that would become payable to the executive upon his or her termination under the circumstances as described above. Under the Short-Term Plan, if a change in control occurs, all outstanding awards will vest and become payable on the regularly scheduled payment date.

## Treatment of equity awards

As is the case for all participants under the terms of the Long-Term Plan and the applicable award agreements, upon death, disability or qualifying retirement, each named executive officer's then unvested RSUs will vest and be payable on the regularly scheduled payment dates and each named executive officer's then unvested PSUs will vest and be payable on the regularly scheduled payment date after the end of the applicable award cycle, but only if and to the extent that the applicable performance criteria for the award are achieved at the end of the applicable award cycle. Commencing with the 2020 awards, if a named executive officer's employment is involuntarily terminated by the Company without cause, the named executive officer's then unvested RSUs and PSUs will vest only as to a prorated portion of the number of RSUs and PSUs

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awarded (and accrued dividends) based on the number of days worked during the performance period, and the remainder of the RSUs and PSUs will be forfeited. Any such prorated portion of the PSUs (and accrued dividends) will be payable only if and to the extent that the applicable performance criteria for the award are achieved at the end of the applicable award cycle, and will be payable on the regularly scheduled payment date after the end of the applicable award cycle. With respect to outstanding RSUs and PSUs granted prior to 2020, if a named executive officer's employment is involuntarily terminated by the Company without cause, the named executive officer's then unvested RSUs will vest and be payable on the regularly scheduled payment dates and each named executive officer's then unvested PSUs will vest and be payable on the regularly scheduled payment date after the end of the applicable award cycle, but only if and to the extent that the applicable performance criteria for the award are achieved at the end of the applicable award cycle. Under the Long-Term Plan, a qualifying retirement generally means to retire after having attained at least 15 years of vesting service (as defined under the applicable Verizon tax-qualified savings plan) and a combination of age and years of vesting service that equals or exceeds 75. As of December 31, 2021, none of the named executive officers other than Ms. Erwin and Mr. Malady were retirement-eligible under the Long-Term Plan.

The payment of PSU and RSU awards under the Long-Term Plan following an involuntary termination of employment without cause, death, disability or qualifying retirement is conditioned on the participant executing a release of claims against Verizon in the form satisfactory to Verizon. The grant of each award is conditioned on the participant's agreement to certain restrictive covenants including an agreement not to compete or interfere with any Verizon business for a period of one year after termination from employment (two years for the CEO), and to always protect Verizon's trade secrets and proprietary information.

In addition, under the terms of the Long-Term Plan and the applicable award agreements, if, in the 12 months following a change in control of Verizon, a participant's employment is involuntarily terminated without cause, all then-unvested RSUs will vest and be payable on the regularly scheduled payment dates and all then-unvested PSUs will vest at target level performance and be payable on the regularly scheduled payment date after the end of the applicable award cycle.

Under the Long-Term Plan, a change in control of Verizon is generally defined as the occurrence of any of the following:

- Any person becomes a beneficial owner of shares representing twenty percent or more of Verizon's outstanding voting stock;
- Verizon consummates a merger, consolidation, reorganization or any other business combination; or
- The Board adopts resolutions authorizing the liquidation or dissolution, or sale of all or substantially all of the assets, of Verizon.

However, a change in control will not occur if:

- The amount of Verizon voting stock outstanding immediately before the transaction represents at least forty-five percent of the combined voting power of the corporation that survives the transaction;
- Verizon Directors constitute at least one-half of the board of directors of the surviving corporation;
- Verizon's CEO is the CEO of the surviving corporation; and
- The headquarters of the surviving corporation is located in New York, New York.

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**Estimated payments.** The following table shows the estimated value of the awards that the named executive officers could have received in respect of their outstanding unvested equity awards if any of the following events occurred on the last business day of 2021: (i) a change in control of Verizon without a termination of employment; (ii) a change in control of Verizon and an involuntary termination of employment without cause within 12 months; (iii) a termination of employment as a result of an involuntary termination without cause (other than in connection with a change in control); (iv) a qualifying retirement; or (v) death or disability. The occurrence of the foregoing events, other than a change in control of Verizon without a termination of employment, would trigger accelerated vesting of all or a portion of the awards. The amounts represent the estimated value of the outstanding RSU and PSU awards granted in 2019, 2020 and 2021, including the estimated value of the special PSU award granted to Mr. Vestberg in 2018, calculated using the total number of units (including accrued dividends) on the last business day of 2021 and \$51.96, Verizon's closing stock price on that date, and for the PSUs, assuming the award would vest at target performance levels. The values for the RSUs and PSUs granted in 2020 and 2021 in the column reflecting an involuntary termination without cause (other than in connection with a change in control) for the named executive officers other than Ms. Erwin and Mr. Malady (who had attained retirement eligibility as of the last business day of 2021) reflect the prorated portion of the then unvested awards based on the number of days worked from the applicable grant date through the assumed termination date on the last business day of 2021 and the remainder of such awards would be forfeited on that date. The actual amount payable under these awards can be determined only at the time the awards would be paid.

Name	Change in control without termination (\$)	Change in control and termination without cause (\$)	Termination without cause (\$)	Retirement <sup>1</sup> (\$)	Death or disability (\$)
<b>Mr. Vestberg</b>	0	38,603,163	24,276,264	0	38,603,163
<b>Mr. Ellis</b>	0	12,430,703	5,891,250	0	12,430,703
<b>Mr. Dunne</b>	0	14,328,957	6,629,140	0	14,328,957
<b>Ms. Erwin</b>	0	11,923,261	11,923,261	11,923,261	11,923,261
<b>Mr. Malady</b>	0	9,402,734	9,402,734	9,402,734	9,402,734

<sup>1</sup> Messrs. Vestberg, Ellis, and Dunne would not have been entitled to receive any amount in respect of their outstanding unvested equity awards upon retirement because they had not met the eligibility requirements for retirement under the terms of the Long-Term Plan on the last business day of 2021.

## Separation of Mr. Gowrappan upon sale of Verizon Media

On September 1, 2021, Mr. Gowrappan separated from Verizon and continued employment with the Media Group upon the consummation of the sale of the Media Group business to affiliates of Apollo. Mr. Gowrappan was not eligible for separation benefits under the Verizon Senior Manager Severance Plan upon his separation from Verizon. Under the terms of the purchase agreement between Verizon and Apollo, Verizon Media employees whose employment continued with the Media Group following the consummation of the sale, including Mr. Gowrappan, were considered to have incurred an involuntary separation from Verizon without cause solely for purposes of the terms of their outstanding Verizon long-term incentive awards. As a result, upon the closing of the sale, Mr. Gowrappan was entitled to retain his outstanding 2019 PSUs and RSUs, and a pro-rated portion of his outstanding 2020 and 2021 PSU and RSU awards based on the number of days worked during the applicable performance period, subject to his execution of a release of claims against Verizon. The portion of Mr. Gowrappan's 2020 and 2021 PSU and RSU awards that did not vest were forfeited on his separation. The following table sets forth the estimated payments and benefits Mr. Gowrappan became entitled to receive upon his separation from Verizon.

Name	Cash separation payment (\$)	Continued health benefits (\$)	Equity <sup>1</sup> (\$)	Financial planning (\$)	Executive life insurance benefit <sup>2</sup> (\$)	Outplacement services (\$)
<b>Mr. Gowrappan</b>	0	0	5,747,794	0	9,973	0

<sup>1</sup> Represents the value upon vesting of Mr. Gowrappan's 2019 annual PSU award, estimated value of his 2019 annual RSU award and the estimated value of the pro-rated portion of his outstanding 2020 and 2021 annual RSU and PSU awards. For the 2019 PSU award, the value represents the number of shares acquired on vesting of his 2019 annual PSU award multiplied by \$51.96, the closing price of Verizon's common stock on the December 31, 2021 vesting date, as reported in the Options Exercised and Stock Vested table on page 44. The value of the 2019 RSU award and the pro-rated 2020 and 2021 RSU and PSU awards was calculated using the total number of units (including accrued dividends) on the last business day of 2021 and \$51.96, Verizon's closing stock price on that date, and, in the case of the PSUs, assuming the awards would vest at target performance levels. These awards will be paid on the regularly scheduled payment date following the applicable vesting date based on the stock price on the applicable vesting date, and in the case of the PSUs only if and to the extent that the applicable performance criteria have been satisfied.

<sup>2</sup> Represents the total amount of annual cash payments to Mr. Gowrappan to defray a portion of the premium costs for the life insurance policy owned by him for two years following his separation.

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## CEO pay ratio disclosure

Pursuant to SEC rules, we are required to disclose in this proxy statement the ratio of the annual total compensation of our CEO to the median of the annual total compensation of all of our employees (excluding the CEO). We determined that the annualized total compensation of Mr. Vestberg was \$20,361,824, the median of the 2021 annual total compensation of all of our employees (excluding Mr. Vestberg) was \$122,492, and the ratio of these amounts was 166 to 1. For purposes of calculating the ratio, the value of employer provided benefits under non-discriminatory health plans was included in the compensation of each of Mr. Vestberg and the median employee.

To identify the “median employee” for purposes of this disclosure (i.e., the individual employee whose compensation was at the median level among our entire employee group), we used a determination date of October 1, 2021 and analyzed, for all of the individuals employed by us or any of our consolidated subsidiaries on that date, the compensation that we paid to each of those individuals for the 12-month period ending on that date. We considered each employee’s “compensation” to consist of (i) the employee’s total gross earnings for the 12-month period ending October 1, 2021, plus (ii) the estimated amount of Verizon’s contributions for that period to the retirement plans in which the employee participates, plus (iii) the estimated present value of the employee’s accrual under a Verizon pension plan (if any) for those who are still accruing service and whose benefits have not otherwise been frozen. The compensation for employees, other than temporary and seasonal employees, who were not employed by us for the entire 12-month period was annualized to reflect compensation for the entire 12-month period.

# Audit matters

## Item 3: Ratification of appointment of independent registered public accounting firm

The Audit Committee considered the performance and qualifications of Ernst & Young LLP, and has reappointed the independent registered public accounting firm to audit the financial statements of Verizon for fiscal year 2022 and to audit the effectiveness of internal control over financial reporting. Ernst & Young has been retained as Verizon's independent registered public accounting firm since 2000.

Verizon paid the following fees to Ernst & Young for services rendered during fiscal years 2021 and 2020.

	Audit fees	Audit-related fees	Tax fees	All other fees
2021	\$37.1 million	\$13.5 million	\$4.8 million	—
2020	\$37.7 million	\$ 7.8 million	\$5.2 million	—

Audit fees are attributable to services that include the financial statement audit, the audit of the effectiveness of Verizon's internal control over financial reporting required by the Sarbanes-Oxley Act, financial statement audits required by statute for our foreign subsidiaries and procedures in connection with securities offerings and SEC filings. Audit-related fees are attributable to services that primarily include audits of other subsidiaries, reviews of controls over services provided to customers, work related to the implementation of new accounting standards, and attestation procedures with respect to sustainability reporting, as well as other audits and due diligence procedures performed in connection with acquisitions, dispositions or other financial transactions, including the disposition of Verizon Media Group in 2021. Tax fees are attributable to services that primarily consist of federal, state, local and international tax planning and compliance. The Audit Committee considered, in consultation with management and the independent registered public accounting firm, whether Ernst & Young could provide these services while maintaining independence.

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the independent registered public accounting firm that performs audit services. In considering Ernst & Young's appointment for the 2022 fiscal year, the Committee reviewed the firm's qualifications and competencies, including the following factors:

- Ernst & Young's historical performance and its recent performance during its engagement for the 2021 fiscal year;
- Ernst & Young's capability and expertise in handling the breadth and complexity of Verizon's operations;
- the qualifications and experience of key members of the engagement team, including the lead engagement partner, for the audit of Verizon's financial statements;
- the quality of Ernst & Young's communications with the Committee regarding the conduct of the audit, and with management with respect to issues identified in the audit;
- external data on audit quality and performance of, including recent Public Company Accounting Oversight Board reports on, Ernst & Young;
- the appropriateness of Ernst & Young's fees for audit and non-audit services, on both an absolute basis and as compared to its peer firms; and
- Ernst & Young's reputation for integrity and competence in the fields of accounting and auditing.

In addition, in order to facilitate continuing auditor independence, the Committee periodically considers whether there should be a regular rotation of the independent registered public accounting firm. The Committee oversees the routine mandated rotation of Ernst & Young's personnel and is directly involved in the selection of Ernst & Young's lead engagement partner.



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The Committee has established policies and procedures regarding pre-approval of services provided by the independent registered public accounting firm and is responsible for negotiating the audit fees associated with the engagement. At the beginning of the fiscal year, the Committee pre-approves the engagement of the independent registered public accounting firm to provide audit services based on fee estimates. The Committee also pre-approves proposed audit-related services, tax services and other permissible services based on specified project and service details, fee estimates, and aggregate fee limits. The Committee receives a report at each meeting on the status of services provided or to be provided by the independent registered public accounting firm and approves the related fees. The Committee pre-approved all of Ernst & Young's 2021 fees and services.

The affirmative vote of a majority of the shares cast at the annual meeting is required to ratify the reappointment of Ernst & Young for the 2022 fiscal year. The Committee believes that continuing to retain Ernst & Young to serve as Verizon's independent registered public accounting firm is in the best interests of Verizon and our shareholders. If this appointment is not ratified by the shareholders, the Committee will reconsider its decision. One or more representatives of Ernst & Young will join the 2022 Annual Meeting of Shareholders. They will have an opportunity to make a statement and will be available to respond to appropriate questions.



**The Board of Directors recommends that you vote **FOR** ratification.**

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## Audit Committee Report

In the performance of our oversight responsibilities, the Committee has reviewed and discussed with management and the independent registered public accounting firm Verizon's audited financial statements for the year ended December 31, 2021, and the effectiveness of Verizon's internal control over financial reporting as of December 31, 2021.

The Committee has discussed with the independent registered public accounting firm the matters required to be discussed by the Securities and Exchange Commission, the New York Stock Exchange, The Nasdaq Stock Market and Public Company Accounting Oversight Board Auditing Standard No. 1301, *Communications with Audit Committees*.

The Committee has received written disclosures and a letter from the independent registered public accounting firm consistent with applicable Public Company Accounting Oversight Board requirements for independent registered public accounting firm communications with audit committees concerning independence, and has discussed with the independent registered public accounting firm its independence.

The Committee discussed with the internal auditors and the independent registered public accounting firm the overall scope and plans for their respective audits. The Committee met with the internal auditors and the independent registered public accounting firm, with and without management present, to discuss the results of their examinations, their evaluations of Verizon's internal controls and the overall quality of Verizon's financial reporting.

The Committee has assessed and discussed with management Verizon's significant business risk exposures and overseen management's programs and policies to monitor, assess and manage such exposures. The Committee also periodically monitored and evaluated the primary risks associated with particular business units and functions.

Based on the reviews and discussions referred to above, in reliance on management and the independent registered public accounting firm, and subject to the limitations of our role, the Committee recommended to the Board of Directors, and the Board has approved, the inclusion of the financial statements referred to above in Verizon's Annual Report on Form 10-K for the year ended December 31, 2021.

The Committee reviewed the independent registered public accounting firm's performance, qualifications and tenure, the qualifications of the lead engagement partner, management's recommendation regarding retention of the firm, and considerations related to audit firm rotation, as discussed further on page 53. Based on that review, the Committee reappointed the independent registered public accounting firm for fiscal year 2022.

Respectfully submitted,

The Audit Committee

**Gregory Weaver, Chair**  
**Shellye Archambeau**  
**Roxanne Austin**  
**Laxman Narasimhan**  
**Clarence Otis, Jr.**

March 2, 2022

# Stock ownership

## Security ownership of certain beneficial owners and management

### Principal shareholders

On March 14, 2022, there were approximately 4.20 billion shares of Verizon common stock outstanding. Each of these shares is entitled to one vote. The following table sets forth information about persons we know to beneficially own more than five percent of the shares of Verizon common stock, based on our records and information reported in filings with the SEC. To the extent that information in the table is based on information contained in an SEC filing, it is accurate only as of the date referenced in the filing.

Name and address of beneficial owner	Amount and nature of beneficial ownership	Percent of class
<b>The Vanguard Group<sup>1</sup></b> 100 Vanguard Blvd. Malvern, Pennsylvania 19355	321,650,268	7.7%
<b>BlackRock, Inc.<sup>2</sup></b> 55 East 52 <sup>nd</sup> Street New York, New York 10055	290,740,893	6.9%

1 This information is based on a Schedule 13G filed with the SEC on February 9, 2022 by The Vanguard Group, setting forth information as of December 31, 2021. The Schedule 13G states that The Vanguard Group has sole voting power with respect to 0 shares, shared voting power with respect to 6,589,406 shares, sole dispositive power with respect to 304,591,267 shares, and shared dispositive power with respect to 17,059,001 shares.

2 This information is based on a Schedule 13G filed with the SEC on February 3, 2022 by BlackRock, Inc., setting forth information as of December 31, 2021. The Schedule 13G states that BlackRock, Inc. has sole voting power with respect to 249,188,937 shares, shared voting power with respect to 0 shares, sole dispositive power with respect to 290,740,893 shares, and shared dispositive power with respect to 0 shares.

### Director and executive officer stock ownership requirements

Verizon requires that all Directors and executive officers maintain the significant stock ownership levels shown to the right, in order to align their interests with those of our shareholders.

Executive officers, including the CEO, are required to attain these stock ownership levels within five years of assuming their leadership roles, and Directors are required to do so within three years of joining the Board.

To determine whether a Director or executive officer meets the required share ownership level, shares of common stock held directly, through a broker, or in the Verizon tax-qualified savings plan or non-qualified deferred compensation plans are included in the calculation. This calculation does not include any unvested RSUs or PSUs granted to an executive officer. Share equivalents credited to a Director's or an executive officer's account under the Verizon non-qualified deferred compensation plans are included because they create the same exposure for Directors and executive officers to Verizon, the same alignment with shareholders' interests, and the same incentives to drive the Company's success as stock held directly or through a broker.

Each of the Directors and named executive officers is in compliance with the stock ownership guidelines, or on track to meet them within the required period.

**7x**  
base salary  
for the CEO

**4x**  
base salary  
for other named  
executive officers

**3x**  
cash component of annual  
retainer  
for Directors

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## Directors and executive officers

The following table shows the number of shares of Verizon common stock beneficially owned by, as well as the total-stock based holdings of, each of the named executive officers, each Director, and all executive officers and Directors as a group as of February 15, 2022. The “Stock” column includes shares held in Verizon’s employee savings plans and shares that may be acquired within 60 days upon the conversion of certain stock units under deferred compensation plans and/or stock-based long-term incentive awards. The aggregate number of shares beneficially owned by executive officers and Directors represents less than one percent of the total number of outstanding shares of Verizon common stock. Unless we indicate otherwise, each individual has sole voting and/or investment power with respect to the shares.

Named executive officers	Stock <sup>1</sup>	Total stock-based holdings <sup>2</sup>
Hans Vestberg*	252,462	922,470
Matthew Ellis	136,132	346,686
Ronan Dunne	152,527	393,567
Tami Erwin	113,749	314,713
Kyle Malady	74,646	249,527
K. Guru Gowrappan**	29,005	88,475
<b>Directors</b>		
Shellye Archambeau	0	36,158
Roxanne Austin	0	7,312
Mark Bertolini	225	30,865
Vittorio Colao***	0	0
Melanie Healey	0	47,398
Laxman Narasimhan	248	4,965
Clarence Otis, Jr.	3,000	99,669
Daniel Schulman	0	14,932
Rodney Slater	0	60,625
Carol Tomé	48	1,136
Gregory Weaver	0	28,111
<b>All of the above and other executive officers as a group<sup>3</sup></b>	<b>765,138</b>	<b>2,999,363</b>

## What are “total stock-based holdings”?

The “Total stock-based holdings” column shows the total economic exposure that the Directors and executive officers have to Verizon common stock. In addition to shares of common stock beneficially held, which are included in the “Stock” column, our Directors and executive officers have interests in other stock-based units under Verizon deferred compensation plans and stock-based long-term incentive awards. We include these interests in the “Total stock-based holdings” column because they create the same exposure for Directors and executive officers to Verizon, the same alignment with shareholders’ interests, and the same incentives to drive the Company’s success.

\* Mr. Vestberg also serves as a Director.

\*\* Mr. Gowrappan separated from Verizon and continued employment with the Media Group upon the sale of the Media Group business to affiliates of Apollo on September 1, 2021.

\*\*\* Mr. Colao served on the Board until February 13, 2021.

1 In addition to direct and indirect holdings, the “Stock” column includes shares that may be acquired within 60 days pursuant to the conversion of RSUs as follows: 102,698 shares for Mr. Vestberg; 47,695 shares for Mr. Ellis; 53,494 shares for Mr. Dunne; 44,809 shares for Ms. Erwin; 34,107 shares for Mr. Malady; and 29,005 shares for Mr. Gowrappan. Prior to conversion, the shares underlying the RSUs may not be voted or transferred. The amounts in this column for Mr. Bertolini and Ms. Tomé include shares held by foundations. No shares are pledged as security.

2 The “Total stock-based holdings” column includes, in addition to shares listed in the “Stock” column, stock-based units under deferred compensation plans and stock-based long-term incentive awards, which may not be voted or transferred.

3 Does not include shares held by Mr. Dunne, who ceased to be an executive officer as of December 31, 2021; Mr. Gowrappan, who ceased to be an executive officer as of September 1, 2021; or Mr. Colao, who served on the Board until February 13, 2021.

# Items 4 – 7

## Shareholder proposals

We have been advised that the shareholders submitting the proposals or their representatives intend to present the following proposals at the Annual Meeting. The statements contained in the proposals and supporting statements are the sole responsibility of the respective proponents. We have printed the proposals as they were submitted. The proposals may contain assertions about Verizon or other matters that Verizon believes are incorrect, but we do not attempt to refute all of those assertions. The addresses of the proponents are available upon written request to the Assistant Corporate Secretary at the address specified under “Contacting us.”

### Item 4: Report on charitable contributions

National Legal and Policy Center, owner of 77 shares of Verizon’s common stock, proposes the following:

Request for Charitable Donation Disclosure

RESOLVED:

The shareholders request that Verizon Communications Inc. provide a report, published on the company’s website and updated semi-annually – and omitting proprietary information and at reasonable cost – that discloses, itemizes and quantifies all Company charitable donations, aggregated by recipient name & address each year for contributions that exceed \$999 annually.

This report shall include:

1. Monetary and non-monetary contributions made to non-profit organizations operating under Section 501(c)(3) and 501(c)(4) of the Internal Revenue Code, and any other public or private charitable organization;
2. Policies and procedures for charitable contributions (both direct and indirect) made with corporate assets;
3. Rationale for each of the charitable contributions.

SUPPORTING STATEMENT:

Verizon Communications Inc.’s assets belong to its shareholders. The expenditure or distribution of corporate assets, including charitable contributions, should be consistent with shareholder interests. Accordingly, the Company’s policies and procedures for charitable contributions should be disclosed to shareholders.

Company executives exercise wide discretion over the use of corporate assets for charitable purposes. Absent a system of transparency and accountability for charitable contributions, Company executives may use Company assets for objectives that are not shared by and may be inimical to the interests of the Company and its shareholders.

Current disclosure is insufficient to allow the Company’s Board, its shareholders, and its current and prospective customers to fully evaluate the charitable use of corporate assets.

There is currently no single source providing shareholders the information sought by this resolution.

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information**The Board of Directors recommends that you vote **AGAINST** this proposal for the following reasons:**

The Board believes that Verizon's charitable activities have made a difference in thousands of communities where Verizon's customers and employees live and work. Through our charitable activities and the charitable activities of the Verizon Foundation, we have supported communities and enhanced our shared future in numerous ways, such as by helping communities recover from natural disasters, assisting employees who have experienced hardship and encouraging employees' passion to serve others.

Through our governance processes, we ensure that our giving aligns with our values and purpose. Our charitable contributions are governed by internal policies and review processes, which establish eligibility criteria and are designed to ensure that Company resources are allocated in an effective and impartial manner. Our policies also require executive approval for significant charitable contributions. As an additional safeguard, our Code of Conduct is clear that employees should never use their position at the Company to advance their personal interests or those of a friend or relative at the expense of the Company's interests.

There are a number of ways that Verizon and the Verizon Foundation give back to the community, including donating to charitable causes and partnering with our employees to give back to their communities. Our efforts include supporting natural disaster relief efforts, social and racial justice initiatives, our VtoV employee relief fund, our employee matching gift program and our volunteer incentive program. For example, in 2021 we contributed to natural disaster relief efforts across the country, including winter storm relief efforts in Texas, Hurricane Ida relief efforts in Louisiana and tornado relief efforts in the Midwest.

We aim to be transparent about charitable donations and publish information on our giving approach, the rules applicable to charitable contributions and information about individual contributions that we have made. We have a dedicated webpage on our corporate giving programs <https://www.verizon.com/about/responsibility/giving-and-grants> and publish detailed grant guidelines that cover eligible types of organizations, exemptions and guidelines for applications <https://www.verizon.com/about/responsibility/grant-requirements>. The Verizon Foundation also publishes rules for its Employee Matching Gifts Program, which cover employee eligibility, eligible types of organizations and rules for contributions <https://www.verizon.com/about/sites/default/files/Verizon-Matching-Incentive-Program-Rules.pdf>, and it publishes rules for its Volunteer Incentive Program <https://www.verizon.com/about/sites/default/files/Volunteer-Incentive-Program-Rules.pdf>. Additionally, we issue frequent press releases with updates on our giving activities and we regularly publish information on our giving activities in our annual ESG Report and in public filings such as the Verizon Foundation's IRS Form 990.

The Board appreciates the importance of governance and transparency of charitable giving. We have appropriate governance processes in place, which confirm that our giving is aligned with our values and purpose. We also publish information on our giving programs, policies, and individual charitable contributions. For these reasons, the Board of Directors believes that preparing the additional semi-annual report requested by the proponent would not provide value to shareholders.



## Item 5: Amend clawback policy

Thomas M. Steed, owner of 280 shares of Verizon's common stock, proposes the following:

### **Amend Senior Executive Compensation Clawback Policy**

**RESOLVED:** Verizon shareholders urge our Board of Directors to amend the Company's Senior Executive Clawback Policy to state that "conduct" – not "willful misconduct" – may trigger application of that policy, with the Board or its Human Resources Committee to report to shareholders the results of any deliberations about whether to cancel or seek recoupment of compensation paid, granted or awarded to a senior executive. These amendments should operate prospectively and be implemented so as not to violate any contract, compensation plan, law or regulation.

### **SUPPORTING STATEMENT**

Verizon's current policy allows the company to cancel or "clawback" the cash- and equity-based compensation of senior executives who engage in "willful misconduct . . . that results in significant reputational or financial harm to Verizon."

A clawback policy limited to "willful misconduct," and that does not require disclosure to shareholders, is too narrow in our view. And although the Human Resources Committee can claw back incentive compensation due to "gross negligence," the current policy is limited to financial harm so enormous that it results in a material restatement of financial results.

We are concerned that a "willful misconduct" standard is also too vague and will not address situations where an executive fails to exercise oversight responsibilities that result in significant financial or reputational damage to Verizon. It should.

Wells Fargo is a prime example. After Congressional hearings in 2016, Wells Fargo agreed to pay \$185 million to resolve claims of fraudulent sales practices. Wells Fargo's board then moved to claw back \$136 million in compensation from two top executives based on a policy of the sort we propose here. Wells Fargo concluded the CEO had turned a blind eye to the widespread practice of opening fraudulent accounts without customer consent.

Like Wells Fargo, Verizon is a consumer-facing company with significant exposure to reputational and financial harm from large fines or restitutions for conduct alleged to violate federal or state laws.

Verizon's record underscores the need for a stronger policy. For example, in 2020 the Federal Communications Commission proposed a \$48.3 million fine against Verizon for selling customer location data without consent. The case is pending. In 2015 Verizon paid \$90 million to settle a FCC investigation alleging "cramming," which is the unauthorized placement of third-party charges on subscribers' mobile phone bills.

Did Verizon's board scrutinize the knowledge and actions of the executives responsible to determine if any incentive compensation should be recouped? If not, why not?

A *New York Times* Sunday business section column agreed that "Verizon's policy should also cover wrongdoing that arose because of negligence or a supervisory failure." (*Want Change? Shareholders Have a Tool for That*, by Gretchen Morgenson, March 24, 2017).

Incentives influence behavior. At Verizon, where most senior executive compensation is tied to financial performance, we believe incentives not to take undue risks to boost short-term profitability are appropriate.

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information**The Board of Directors recommends that you vote **AGAINST** this proposal for the following reasons:**

Verizon already has two strong clawback policies that the Board believes protect the interests of Verizon and its shareholders in two different circumstances:

- **Reputational or financial harm.** Verizon's clawback policy for senior executives gives Verizon the right to cancel and/or demand reimbursement of cash and equity incentive compensation if the Human Resources Committee of the Board determines that the executive engaged in willful misconduct in connection with the performance of his or her duties that resulted in significant reputational or financial harm to the Company.
- **Financial restatement.** An additional clawback policy that applies to executives' equity grants under Verizon's Long-Term Plan requires the cancellation and/or repayment of the executive's cash and equity incentive compensation if the Committee determines that Verizon was required to materially restate its financial results because of the executive's willful misconduct or gross negligence.

The Board believes the proposal is defective because it would allow for a clawback of compensation without taking into account an executive's personal culpability. The Board designed Verizon's clawback policies to target and discourage wrongdoing by executives, which the Board believes is the purpose of clawback policies.

The Board of Directors believes that a clawback policy that does not take into account personal culpability is inappropriate because it would potentially allow for a clawback of compensation for legitimate business decisions that subsequently come under scrutiny. By seeking to disregard personal culpability, the proposal could discourage senior executives from exercising the business judgment necessary to deliver shareholder value. The Board also believes that mandating disclosure of its deliberations is inappropriate because it would deprive the Board of the ability to exercise judgment and discretion with respect to the disclosure of potentially sensitive information.

## Item 6: Shareholder ratification of annual equity awards

The Association of BellTel Retirees Inc., owner of 214 shares of Verizon's common stock, proposes the following:

### Shareholder Ratification of Executive Severance Packages

**RESOLVED:** Verizon shareholders urge the Board to seek shareholder approval of any senior executive officer's new or renewed compensation package that provides for severance or termination payments with an estimated total value exceeding 2.99 times the sum of the executive's base salary plus target short-term bonus.

"Severance or termination payments" include any cash, equity or other compensation that is paid out or vests due to a senior executive's termination for any reason. Payments include those provided under employment agreements, severance plans, and change-in-control clauses in long-term equity plans. Payments do not include life insurance, pension benefits, or other deferred compensation earned and vested prior to termination.

"Estimated total value" includes: lump-sum payments; payments offsetting tax liabilities; perquisites or benefits not vested under a plan generally available to management employees; post-employment consulting fees or office expense; and equity awards if vesting is accelerated, or a performance condition waived, due to termination.

The Board shall retain the option to seek shareholder approval after material terms are agreed upon.

### **SUPPORTING STATEMENT**

While we support generous performance-based pay, we believe that requiring shareholder ratification of "golden parachute" severance packages with a total cost exceeding 2.99 times base salary plus target bonus better aligns compensation with shareholder interests.

Verizon's 2021 Proxy discloses (page 55) that if CEO Vestberg is terminated without cause within 12 months after a change in control, he would receive an estimated \$39.4 million in termination payments, more than **seven (7) times his 2020 base salary plus short-term bonus**.

Similarly, when former CEO McAdam retired, he received an estimated \$27 million in separation payments, nearly **five (5) times** his 2018 base salary plus bonus. These payments represented the estimated value of performance-based equity grants covering periods as long as two years after McAdam's retirement (2019 Proxy, page 66).

These termination payments are in addition to compensation earned prior to separation, including executive life insurance, pension and nonqualified deferred compensation plans.

A decade ago, following a 59% shareholder vote in favor, Verizon adopted a policy to seek shareholder approval for severance with a "cash value" in excess of 2.99 times salary plus target bonus.

But the current policy has a huge loophole: It excludes the value of the accelerated vesting of performance shares and restricted stock, including dividends accrued over the three-year cycle, from the cost calculation that triggers the need for shareholder ratification.

If a senior executive terminates after a change in control, "all then-unvested PSUs will vest at target level performance," as do all unvested RSUs (2021 Proxy, page 55). Had the executive not terminated, the PSUs would not vest or pay out until the end of the performance period – as long as 3 years later – and could be worthless if performance conditions are not satisfied.

This practice effectively waives performance conditions that justify "performance-based" equity grants.

Please vote FOR this policy.

**The Board of Directors recommends that you vote **AGAINST** this proposal for the following reasons:**

Verizon already has a longstanding policy to obtain shareholder ratification of any new executive employment agreement or severance agreement that provides for severance benefits with a total cash value exceeding 2.99 times the sum of the executive's base salary plus target short-term incentive opportunity. The Board believes that this policy provides reasonable and appropriate limits on severance payments and that the proposal would be contrary to shareholders' interests.

- Pro-rated vesting of equity awards instituted commencing with 2020 awards. Commencing with the 2020 equity awards granted to Verizon employees, including our executives, Verizon implemented pro-rated vesting upon an involuntary termination of employment from the company without cause outside of a change in control for employees who have not attained retirement eligibility. As a result, executives whose employment is involuntarily terminated from Verizon without cause will not receive the full acceleration value of the award but rather they will only retain a portion of their unvested equity awards based on the period of time they provide services to Verizon prior to their separation date.
- Proposal could create increased risk for shareholders. The proposal directly conflicts with Verizon's shareholder-approved, broad-based Long-Term Incentive Plan, which expressly provides for acceleration of outstanding equity awards in the event of an involuntary termination following a change in control of the Company. The Board believes, and our shareholders have agreed, that this provision encourages our executive officers, who might be distracted by a potential loss of employment, to remain with the Company and diligently work to achieve Board- and shareholder- approved goals, including completing a transformative transaction and any related transition process. Indeed, a substantial majority of companies include this type of provision in their equity awards because it promotes stability and focus during a time of potential uncertainty. Because of the impracticability of conducting a shareholder vote to ratify each of Verizon's annual grants of equity awards as required by the proposal, implementation of the proposal could result in the elimination of this important retention tool, increasing risk for shareholders in change in control transactions.
- Proposal discourages the use of performance-based equity awards. Except in the case of termination following a change in control, Verizon does not waive any performance conditions with respect to outstanding performance-based equity awards. Payouts are determined at the end of the applicable award cycle, and there is no guarantee of any payout amount. Despite the fact that the payout of an executive's performance stock unit award can be zero, the proposal requires that the full target value of that award be used in calculating the value of severance benefits. In other words, it treats a performance-based equity award the same as an award of stock. The Board believes that this discourages the use of performance-based equity awards.
- Proposal could put Verizon at a competitive disadvantage. The Board also believes that the proposal could have an adverse effect on Verizon's ability to recruit and retain executive talent because a significant portion of the executives' annual compensation would be uncertain and at risk for at least the first four months of the year until a shareholder vote could be held.

For these reasons, the Board of Directors believes this proposal is unnecessary and not in the best interests of our shareholders.

## Item 7: Business operations in China

Steven Milloy, owner of 100 shares of Verizon's common stock, proposes the following:

### **Communist China Audit**

#### ***Resolved:***

Shareholders request that, beginning in 2022, Verizon report to shareholders on the general nature and extent to which corporate operations involve or depend on Communist China, which is a serial human rights violator and a geopolitical threat and adversary to the US. The report should exclude confidential business information but provide shareholders with a basic sense of Verizon's reliance on activities conducted within, and under control of the Communist Chinese government.

#### ***Supporting Statement:***

American companies doing business in Communist China is a controversial public policy issue. See, e.g., "Doing business in China is difficult. A clash over human rights is making it harder," April 2, 2021, <https://www.cnn.com/2021/04/02/business/nike-china-western-business-intl-hnk/index.html>.

Verizon does business in, and likely relies on parts, raw materials and/or services from entities in Communist China.

Communist China is a well-known serial violator of human and political rights.

Communist China may also possibly become a hostile adversary of the US for a variety of reasons, including:

- Communist China intends to displace the US as the lone global superpower by 2049.
- The US has committed to defending Taiwan, which Communist China may attempt to seize by force.
- US-China relations are tense over a number of issues including Communist China's military expansion, egregious human rights violations, actions related to the COVID pandemic, intellectual property theft, elimination of political freedom in Hong Kong, and environmental pollution.

Communist China has also publicly indicated that it would use its industrial capabilities for strategic purposes against adversaries. Communist China has already taken action against Australia, for example, for COVID-related criticism.

Given the controversial, if not dangerous nature of doing business in China, shareholders have the right to know the general nature and extent [sic] to which Verizon's business operations are involved with or depend on Communist China.

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information**The Board of Directors recommends that you vote **AGAINST** this proposal for the following reasons:**

The Board believes that the requested report requiring Verizon to disclose the nature and extent to which its corporate operations involve or depend on “Communist China” would not provide additional value to the Company’s shareholders. Verizon, as a reporting company for purposes of the Securities Exchange Act of 1934, is already subject to comprehensive and ongoing business-related reporting requirements that require it to inform its shareholders about its operations in China to the extent they are material. Additionally, the Board believes that Verizon’s approach to managing operational risk – having a robust enterprise risk management program in place – is the most effective way to mitigate risk.

A foundational principle of the U.S. securities laws is that public companies have an obligation to publicly disclose information that is material to making informed investment decisions. Under Regulation S-K of the Securities Act of 1933, for example, Verizon is required to disclose a broad range of information regarding its operations, including a description of its business, its properties and its material risk factors. To the extent that Verizon were to consider its operations in China to be material or to raise material risks, it would be required to make disclosures about its operations in China and the associated risks in its regulatory filings. The fact that Verizon does not make disclosures in its filings in respect of its operations in China demonstrates that it does not consider its operations in China or any associated risks to be material to shareholders.

Additionally, Verizon has a formalized enterprise risk management program in place that is overseen by the Audit Committee of the Board and that is designed to provide visibility to the Board about critical risks to business operations and risk mitigation strategies. The Board works with senior management to develop a comprehensive view of Verizon’s key short- and long-term business risks. The Board addresses the primary risks associated with the Company’s business units and corporate functions in its operations reviews of those units and functions. Likewise, the Board reviews the risks associated with the implementation of the Company’s strategic plan throughout the year. The Board believes that this existing program is a more effective way to assess and mitigate the risks identified in the proposal, than the report requested in the proposal.

The Company also has a formalized supplier risk management program that supports the Company’s overall commitment to responsible sourcing. This program is managed by a dedicated team in Verizon’s Supplier Risk Office and enables the Company to identify, assess, monitor and manage a range of supply chain-related risks, including those that may be associated with the social and environmental impacts of supplier activity. The Supplier Risk Office works closely with other teams throughout the Company, including Sourcing, Business Risk, Sustainability, Business & Human Rights, and Compliance to implement a risk management framework that allows the Company to continually assess and manage supplier-related risks.

Given Verizon’s existing disclosure obligations and the extensive risk management programs currently in place, the Board believes the proposal is not in the best interests of shareholders.



# Additional information

## Additional information about our annual meeting

### Our meeting details

#### Date, time and location

Thursday, May 12, 2022  
8:45 AM, local time

Marriott Dallas Las Colinas  
223 West Las Colinas Boulevard  
Irving, Texas 75039

#### Admission

Only Verizon shareholders as of the record date, March 14, 2022, may attend the meeting. **To be admitted, you will need to register in advance of the meeting and bring valid photo identification. If you hold your shares in street name, you must also bring proof of ownership, as described below.** Registration requests must be received by May 9, 2022 and may be sent by email to [legalproxy@computershare.com](mailto:legalproxy@computershare.com) (with “Verizon Meeting Registration” in the subject line) or by mail to:

Computershare  
Verizon Meeting Registration  
P.O. Box 43001  
Providence, RI 02940-3001

- If you are a registered shareholder, your request must include your 15-digit control number included on your proxy card, Notice of Internet Availability, or the email you received providing access to the proxy materials and online voting website, and an email address and/or phone number where you may be reached.
- If you hold your shares in the name of a bank, broker or other institution, your request must include your name and an email address and/or phone number where you may be reached. On the day of the meeting, you must present your Notice of Internet Availability, voting instruction form or a letter from your bank or broker confirming that you owned Verizon common stock on March 14, 2022, the record date for the meeting, to be granted admission.

The meeting facility is accessible to all shareholders. If you require any special accommodations, please mail your request to the Assistant Corporate Secretary at the address shown under “Contacting us” no later than April 22, 2022.

For safety and security reasons, we do not permit anyone to bring large bags, briefcases or packages into the meeting room or to record or photograph the meeting.

The health and well-being of our employees, Directors and shareholders is our top priority. We continue to monitor developments regarding the COVID-19 pandemic, including public health and safety protocols required or recommended by federal, state and local governments. We may implement protocols consistent with guidelines or facility requirements applicable at the time of the meeting, which may include the use of face coverings, temperature checks and symptom and exposure screening, proof of vaccination and/or maintaining appropriate social distancing. If we implement any such requirements, we will communicate them to registered attendees in advance of the meeting.

In addition, as we continue to monitor COVID-19 developments and guidance from public health officials, we may announce alternative arrangements for the annual meeting, which may include switching to a virtual-only meeting format (i.e., attendance solely by means of remote communication) or changing the date, time or location of the annual meeting. If we take this step, we will announce any changes in advance of the meeting in a press release, additional proxy materials filed with the SEC and on our website at [www.verizon.com/about/investors/corporate-governance](http://www.verizon.com/about/investors/corporate-governance).

This proxy statement and the 2021 Annual Report on Form 10-K are available at [www.edocumentview.com/vz](http://www.edocumentview.com/vz).

If you are a registered holder, you can also view or download these materials when you vote online at [www.envisionreports.com/vz](http://www.envisionreports.com/vz).

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## Our voting procedures and results

### Who may vote?

Shareholders of record as of the close of business on March 14, 2022, the record date, may vote at the meeting. As of March 14, 2022, there were approximately 4.20 billion shares of common stock outstanding and entitled to vote.

### How do I vote my shares?

**Registered shares.** If you hold your shares in your own name, you may vote by proxy in four convenient ways:

#### Online



Go to [www.envisionreports.com/vz](http://www.envisionreports.com/vz) and follow the instructions. You will need to enter certain information that is printed on your proxy card or Notice of Internet Availability of Proxy Materials or included in your email notification. You can also use this website to elect to be notified by email that future proxy statements and annual reports are available online instead of receiving printed copies of those materials by mail.

#### Phone



Call toll-free 1-800-652-VOTE (8683) within the United States, U.S. territories and Canada and follow the instructions. You will need to provide certain information that is printed on your proxy card or Notice of Internet Availability of Proxy Materials or included in your email notification.



#### Mail

Complete, sign and date your proxy card and return it in the envelope provided.



#### In person

You may also vote in person at the meeting as long as your shares are not held through the Verizon Savings Plan and you follow any applicable instructions.

**Verizon savings plan shares.** If you are or were an employee and hold shares in a current or former Verizon savings plan, the proxy that you submit will provide your voting instructions to the plan trustee. You may vote online, by telephone or by returning the proxy card in the envelope provided. You may attend the annual meeting, but you cannot vote your savings plan shares in person. If you do not submit a proxy, the plan trustee will vote your plan shares in the same proportion as the shares for which the trustee receives voting instructions from other participants in that plan. To allow sufficient time for the savings plan trustees to tabulate the vote of the plan shares, your vote must be received before the close of business on May 9, 2022.

**Street name shares.** If you hold shares through a bank, broker or other institution, you will receive material from that firm explaining how to vote.

### How does voting by proxy work?

The Board is soliciting your proxy. By giving us your proxy, you authorize the proxy committee to vote your shares in accordance with the instructions you provide. You may vote for or against any or all of the Director candidates and any or all of the other proposals. You may also abstain from voting.

Your proxy provides voting instructions for all Verizon shares that are registered in your name on March 14, 2022 and all shares that you hold in a current or former Verizon savings plan or in your Verizon Direct Stock Purchase and Dividend Reinvestment Plan account.

If you return your signed proxy card but do not specify how to vote, the proxy committee will vote your shares in favor of the Director candidates listed on the proxy card, in favor of the advisory vote to approve executive compensation, and in favor of the ratification of the independent registered public accounting firm. Unless instructed otherwise, the proxy committee will vote your shares against the shareholder proposals. The proxy committee also has the discretionary authority to vote your shares on any other matter that is properly brought before the annual meeting.

### Can I change my vote?

**Registered shares.** If you hold your shares in your own name, you can revoke your proxy before it is exercised by delivering a written notice to the Assistant Corporate Secretary at the address given under “Contacting us.” You can change your vote by voting again online or by telephone or by returning a later-dated proxy card to Computershare Trust Company, N.A. at the address given under “Contacting us.” Your changed vote must be received before the polls close at the annual meeting. You can also change your vote by voting in person at the annual meeting.

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**Verizon savings plan shares.** If you hold shares in a current or former Verizon savings plan, you can change your voting instructions for those shares by voting again online or by telephone or by returning a later-dated proxy card to Computershare Trust Company, N.A. at the address given under “Contacting us.” To allow sufficient time for the savings plan trustees to tabulate the vote of the plan shares, your changed vote must be received before the close of business on May 9, 2022.

**Street name shares.** If you hold your shares through a bank, broker or other institution, you can change your voting instructions for those shares by voting again online or by telephone. Please check with that firm for additional instructions on how to revoke your proxy or change your vote.

### **What vote is required to elect a Director or approve a proposal?**

Directors are elected by a majority of the votes cast in an uncontested election. The affirmative vote of a majority of the votes cast is required to approve each of the other management and shareholder proposals.

In order to officially conduct the meeting, we must have a quorum present. This means that at least a majority of the outstanding shares of Verizon common stock that are eligible to vote must be represented at the meeting either in person or by proxy. If a quorum is not present, we will reschedule the annual meeting for a later date.

### **How are the votes counted?**

Each share is entitled to one vote on each Director and on each matter presented at the annual meeting. Shares owned by Verizon, which are called treasury shares, do not count toward the quorum and are not voted.

**Abstentions.** Under our bylaws, we do not count abstentions in determining the total number of votes cast on any item. We only count abstentions in determining whether a quorum is present. This means that abstentions have no effect on the election of Directors or on the outcome of the vote on any proposal.

**Failures to vote.** Failures to vote will have no effect on the election of Directors or on the outcome of the vote on any proposal.

**Broker non-votes.** The failure of a bank, broker or other institution to cast a vote with respect to any proposal (for example, because it did not receive voting instructions from the beneficial owner) will have the same effect as a failure to vote.

### **Is my vote confidential?**

It is our policy to maintain the confidentiality of proxy cards, ballots and voting tabulations that identify individual shareholders, except where disclosure is required by law and in other limited circumstances.

### **Where can I find the voting results of the annual meeting?**

We will report the voting results on a Current Report on Form 8-K filed with the SEC no later than May 18, 2022. We will also post the voting results on the Corporate Governance section of our website at [www.verizon.com/about/investors/corporate-governance](http://www.verizon.com/about/investors/corporate-governance) promptly after the meeting.

### **Who tabulates and certifies the vote?**

Computershare Trust Company, N.A. will tabulate the vote, and independent inspectors of election will certify the results.

## **Proxy materials**

### **May I receive my materials electronically?**

We encourage shareholders to sign up for electronic delivery of future proxy materials.

- Registered shareholders may sign up when voting online at [www.envisionreports.com/vz](http://www.envisionreports.com/vz).
- If your shares are held by a bank or broker, follow the instructions provided by your bank or broker.
- If you are a registered shareholder and have enrolled in Computershare’s Investor Center, you may sign up by accessing your account at [www.computershare.com/verizon](http://www.computershare.com/verizon) and clicking on “Update Profile” and then “Communication Preferences.”

<b>Proxy summary</b>	<b>Governance</b>	<b>Executive compensation</b>	<b>Audit matters</b>	<b>Stock ownership</b>	<b>Shareholder proposals</b>	<b><u>Additional information</u></b>
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Once you sign up for electronic delivery, you will no longer receive a printed copy of the proxy materials unless you specifically request one. Each year you will receive an email explaining how to access the proxy materials online as well as how to vote your shares online. If you are a registered shareholder, you may suspend electronic delivery of the proxy materials at any time by accessing your account through Computershare's Investor Center at [www.computershare.com/verizon](http://www.computershare.com/verizon) and clicking on "View and update your profile" and then "Communication Preferences." If your shares are held by a bank or broker and you wish to suspend electronic delivery, follow the instructions provided by your bank or broker.

### **There are several shareholders at my address. Why did we receive only one set of proxy materials?**

For registered shareholders, we have adopted a procedure called "householding" that was approved by the SEC. This means that we send only one notice or one proxy statement and 2021 Annual Report on Form 10-K to any registered shareholders sharing the same last name and home address, regardless of how many shareholders reside at that address, unless a shareholder submits a request to Computershare to receive individual copies using one of the methods shown under "Contacting us."

If you would like to receive individual copies of the proxy materials, we will provide them promptly. Please send your request to Computershare using one of the methods shown under "Contacting us." Householding does not apply to shareholders who have signed up for electronic delivery of proxy materials.

### **How can I request a single set of proxy materials for my household?**

If you are a registered shareholder and you are receiving more than one set of proxy materials, please contact Computershare by one of the methods shown under "Contacting us" to request a single set. This request will become effective approximately 30 days after receipt and will remain in effect for future mailings unless you or another registered shareholder within your household changes the instruction or provides Computershare with a new mailing address.

If you hold your shares through a broker, bank or other institution, you can contact that firm to request a single set of proxy materials from that firm.

### **Who is Verizon's proxy solicitor?**

Innisfree M&A Incorporated is helping us distribute proxy materials and solicit votes for a base fee of \$30,000, plus reimbursable expenses and customary charges. In addition to solicitations by mail, Verizon employees and the proxy solicitor may solicit proxies in person or by telephone. Verizon will bear the cost of soliciting proxies.

## **Shareholder proposals**

### **How do I submit a shareholder proposal to be included in the proxy statement for next year's annual meeting?**

Any shareholder may submit a proposal to be included in the proxy statement for the 2023 Annual Meeting of Shareholders by sending it to the Assistant Corporate Secretary at Verizon Communications Inc., 1095 Avenue of the Americas, New York, New York 10036. We must receive the proposal no later than November 28, 2022. We are not required to include any proposal in our proxy statement that we receive after that date or that does not comply with applicable SEC rules.

### **How do I nominate a Director to be included in the proxy statement for next year's annual meeting?**

Under the "proxy access" provisions of our bylaws, any shareholder or group of up to 20 shareholders who have maintained continuous qualifying ownership of at least 3% or more of Verizon's outstanding common stock for at least the previous three years may include a specified number of Director nominees in our 2023 proxy materials. The bylaws require that the shareholder proponents:

- Notify us in writing between October 29, 2022 and November 28, 2022; and
- Provide the additional required information and comply with the other requirements contained in our bylaws.

**How do I otherwise nominate a Director or bring other business before next year's annual meeting?**

Under our bylaws, a shareholder may nominate an individual to serve as a Director or bring other business before the 2023 Annual Meeting of Shareholders. The bylaws require that the shareholder:

- Notify us in writing between January 12, 2023, and February 11, 2023;
- Include his or her name, record address and Verizon share ownership;
- Include specific information about the shareholder proponent, any beneficial owner, and any nominee and their respective affiliates and associates, and provide specified agreements by certain of those parties; and
- Update this information as of the record date and after any subsequent change.

The notice required for any such nomination must be sent to the Assistant Corporate Secretary at Verizon Communications Inc., 1095 Avenue of the Americas, New York, New York 10036. Shareholders may request a copy of the bylaw requirements by writing to the Assistant Corporate Secretary at that address.

**Must a shareholder proponent appear personally at the annual meeting to present his or her proposal?**

A shareholder proponent or the proponent's qualified representative must attend the meeting to present the proposal. Under our bylaws, in the event a qualified representative of a shareholder proponent will appear at the annual meeting to present the proposal, the shareholder proponent must provide notice of the designation, including the identity of the representative, to the Assistant Corporate Secretary at the address specified under "Contacting us" at least 48 hours prior to the meeting.

## Delinquent Section 16(a) Reports

SEC rules require us to disclose any late filings of stock transaction reports by our executive officers and Directors. Based solely on a review of the reports that we filed on behalf of these individuals or that were otherwise provided to us, our executive officers and Directors met all Section 16(a) filing requirements during calendar year 2021, except that, as a result of an administrative error, one transaction by Craig L. Silliman was not reported timely. This transaction was reported within two business days of the filing due date.

## Contacting us

**How to contact Verizon**

If you need more information about the annual meeting or would like copies of any of the materials posted on the Corporate Governance section of our website, please write to:

Assistant Corporate Secretary  
Verizon Communications Inc.  
1095 Avenue of the Americas  
New York, New York 10036

**How to contact our transfer agent**

If you are a registered shareholder, please direct all questions concerning your proxy card or voting procedures to our transfer agent, Computershare Trust Company, N.A. You should also contact Computershare if you have questions about your stock account, stock certificates, dividend checks or transferring ownership. Computershare can be reached:

**By mail:**

Verizon Communications Shareowner Services  
c/o Computershare  
P.O. Box 43006  
Providence, RI 02940-3006

**By telephone:**

1-800-631-2355 (U.S.)  
1-866-725-6576 (International)

**Online:**

[www.computershare.com/verizon](http://www.computershare.com/verizon)

**By email:**

[verizon@computershare.com](mailto:verizon@computershare.com)

**Proxy  
summary****Governance****Executive  
compensation****Audit  
matters****Stock  
ownership****Shareholder  
proposals****Additional  
information**

For information about the Direct Stock Purchase and Dividend Reinvestment Plan, as well as direct deposit of your dividend, go to [www.verizon.com/about/investors/shareowner-services](http://www.verizon.com/about/investors/shareowner-services).

## Other business

Verizon is not aware of any other matters that will be presented at the annual meeting. If other matters are properly introduced, the proxy committee will vote the shares it represents in accordance with its judgment.

By Order of the Board of Directors,

**William L. Horton, Jr.**  
Senior Vice President,  
Deputy General Counsel and  
Corporate Secretary

March 28, 2022



# Appendix A

## Nasdaq board diversity disclosure

The following table is presented in accordance with the requirements of, and in the format prescribed by, Nasdaq Rule 5606.\*

### Board diversity matrix (as of March 28, 2022)

Total number of Directors: 11

	Female	Male	Non-binary	Did not disclose gender
<b>Part I: Gender identity</b>				
<b>Directors</b>	4	7	—	—
<b>Part II: Demographic background</b>				
<b>African American or Black</b>	1	2	—	—
<b>Alaskan Native or Native American</b>	—	—	—	—
<b>Asian</b>	—	1	—	—
<b>Hispanic or Latinx</b>	1	—	—	—
<b>Native Hawaiian or Pacific Islander</b>	—	—	—	—
<b>White</b>	3	4	—	—
<b>Two or more races or ethnicities</b>	1	—	—	—
<b>LGBTQ+</b>			—	
<b>Did not disclose demographic background</b>			—	

\* Consistent with the instructions to the Nasdaq board diversity disclosure, a Director who self-identifies as more than one race or ethnicity is identified in each individual category in which he or she self-identifies, as well as in the "Two or more races or ethnicities" category.

# Appendix B

## Reconciliation of non-GAAP measures

The following tables reconcile our service and other revenue, adjusted operating income, cash flow from operations, and network expense for Short-Term Incentive Plan and free cash flow for Long-Term Incentive Plan, presented on pages 30-31 and 35 to the most comparable metrics under U.S. generally accepted accounting principles (GAAP).

### Service and other revenue reconciliation for Short-Term Incentive Plan

	(dollars in billions)		
Year ended December 31, 2021	Verizon Consumer Group	Verizon Business Group	Verizon Corporate
<b>Reported service and other revenue</b>	<b>\$75.5</b>	<b>\$27.7</b>	<b>\$110.4</b>
Strategic transactions:			
Strategic acquisitions	(0.6)	—	(0.6)
Media divestiture	—	—	2.9
<b>Adjusted service and other revenue</b>	<b>\$74.9</b>	<b>\$27.7</b>	<b>\$112.7</b>

### Operating income reconciliation for Short-Term Incentive Plan

	(dollars in billions)		
Year ended December 31, 2021	Verizon Consumer Group	Verizon Business Group	Verizon Corporate
<b>Reported operating income</b>	<b>\$30.0</b>	<b>\$3.4</b>	<b>\$32.4</b>
Severance	—	—	0.2
Loss on spectrum licenses	—	—	0.2
Net gain from Media divestiture	—	—	(0.7)
<b>Adjusted operating income*</b>	<b>\$30.0</b>	<b>\$3.4</b>	<b>\$32.2</b>
Strategic transactions and other:			
Strategic acquisitions	(0.1)	—	(0.1)
C-Band Acquisition	0.1	—	0.2
Media divestiture	—	—	(0.3)
Intercompany allocation of expenses	0.1	0.1	—
<b>Adjusted operating income for Short-Term Incentive Plan*</b>	<b>\$30.1</b>	<b>\$3.5</b>	<b>\$31.9</b>

\* May not add due to rounding.

**Cash flow from operations reconciliation for Short-Term Incentive Plan**

	(dollars in billions)
<b>Year ended December 31,</b>	<b>2021</b>
<b>Net cash provided by operating activities</b>	<b>\$39.5</b>
C-Band related adjustments:	
Cash interest payments	\$ 0.4
Capitalized interest costs	\$ (1.3)
Cash taxes	\$ (0.7)
<b>Adjusted cash flow from operations for Short-Term Incentive Plan*</b>	<b>\$ 37.8</b>

\* May not add due to rounding.

**Network expense reconciliation for Short-Term Incentive Plan**

	(dollars in billions)
<b>Year ended December 31,</b>	<b>2021</b>
Total consolidated cost of service	\$31.2
Total consolidated selling, general and administrative expenses	\$28.7
<b>Total cost of service and selling, general and administrative expenses</b>	<b>\$59.9</b>
Less: cost of service not attributable to network	\$21.0
Less: selling, general and administrative expenses not attributable to network	\$24.7
<b>Network expense</b>	<b>\$ 14.2</b>
C-Band Acquisition	\$ (0.2)
<b>Adjusted network expense</b>	<b>\$ 14.0</b>

**Free cash flow reconciliation for Long-Term Incentive Plan**

	(dollars in billions)		
<b>Years ended December 31,</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Net cash provided by operating activities</b>	<b>\$ 35.7</b>	<b>\$ 41.8</b>	<b>\$ 39.5</b>
<b>Net cash provided by (used in) device installment receivable securitizations</b>	<b>2.3</b>	<b>(1.8)</b>	<b>3.6</b>
Less: capital expenditures (including capitalized software)	(17.9)	(18.2)	(20.3)
<b>Free cash flow for Long-Term Incentive Plan*</b>	<b>\$ 20.1</b>	<b>\$ 21.8</b>	<b>\$ 22.9</b>
<b>Net cash used in (provided by) discretionary pension plan contribution</b>	<b>0.2</b>	<b>—</b>	<b>—</b>
<b>Cash provided by tax benefit from disposition of preferred stock</b>	<b>—</b>	<b>(2.2)</b>	<b>—</b>
<b>C-Band related adjustments:</b>			
Cash interest payment	—	—	0.7
Capitalized interest costs	—	—	(1.3)
Cash taxes	—	—	(1.7)
Capital expenditures	—	—	2.1
<b>Adjusted free cash flow for Long-Term Incentive Plan*</b>	<b>\$ 20.3</b>	<b>\$ 19.6</b>	<b>\$ 22.6</b>
<b>Cumulative adjusted free cash flow for Long-Term Incentive Plan</b>			<b>\$ 62.5</b>

\* May not add due to rounding.

Note: cumulative adjusted free cash flow represents the sum of the three years presented.

Verizon Communications Inc.  
1095 Avenue of the Americas  
New York, NY 10036  
212.395.1000



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