

Verizon 2021 Annual Meeting of Shareholders

Shareholder Questions and Verizon Responses

The following questions submitted by shareholders for the 2021 Annual Meeting were unable to be answered before the conclusion of the meeting. Certain questions have been edited to combine like topics and maintain the confidentiality of personal shareholder information.

Shareholder Question	Verizon Response
<p>Verizon joined the rush to condemn Georgia's voter integrity law, a law designed to stop election fraud, as by requiring voters to provide ID, which are provided for free in Georgia. Could you explain in detail which provisions of the bill you object to and why -- along with what specific substitute reforms you have in mind that will ensure that clean and honest voting is still guaranteed?</p>	<p>Voting rights is an issue of great importance to Verizon and to our stakeholders. We strongly oppose the passage of any legislation or the adoption of any measure that would make it harder for voters, including historically marginalized groups — people of color, seniors, students and people with disabilities — to exercise their fundamental right to cast a ballot. While we recognize that everyone has different priorities and beliefs informing why they vote and who they support, as a democratic society, we are stronger together when everyone can cast their ballot free from unnecessary restrictions. Verizon has publicly called on all policymakers to be guided by these principles, which are fundamental to our democracy and shared that we will support nonpartisan efforts to encourage voting and make it more accessible for all eligible voters. Verizon further joined with our corporate partners in the Business Roundtable to call on elected officials across the country to safeguard voting rights and to provide greater access to voting.</p>
<p>What is one thing that your competitors have that you wished Verizon had?</p>	<p>Verizon is focused on our strategy and confident in the knowledge that we have the best assets in the industry. Our disciplined strategy and our strong balance sheet enabled us to be aggressive in the largest wireless spectrum auction in the history of the industry, in which we acquired the best spectrum available. This spectrum, when aggregated with our other holdings, makes our spectrum position the strongest in the industry. And the best spectrum position, combined with our superior network,</p>

	<p>means Verizon is best positioned to deliver the most powerful 5G experience to our customers.</p>
<p>Do you consider the development of technology or the maintaining of the Verizon culture to be more important for the future success of Verizon?</p>	<p>Verizon is intensely focused on two critical things: our purpose - we create the networks that move the world forward - and our brand values of trust and innovation. Moving the world forward is not just about having the best technology, it also requires attracting and retaining the best people who drive our culture. At Verizon, we are very fortunate to have both.</p>
<p>How concerned should shareholders be with the level of debt that Verizon currently has?</p>	<p>Maintaining a strong balance sheet is one of Verizon's capital allocation priorities. Our debt level has increased in prior years when we have made important acquisitions, including Alltel Wireless and Vodafone Group Plc's 45 percent interest in Verizon Wireless. In each of these transactions, Verizon committed to subsequently returning to our pre-transaction credit profile, and we delivered on those commitments. In the most recent FCC wireless spectrum auction, Verizon succeeded in more than doubling our existing mid-band spectrum through the purchase of C-Band wireless spectrum, which increased our debt levels. Once again, we have stated that we expect to return to our pre-auction leverage target within a four- to five-year period.</p>
<p>Do you see growth occurring organically or via acquisitions?</p>	<p>Verizon expects our growth to be primarily organic, driven by our continued network investments and growth in our core business, as well as new market opportunities such as fixed wireless and mobile edge compute. As part of our capital allocation priority to invest in our network, we will look to augment growth via tuck-in acquisitions, such as BlueJeans and our recent agreement to acquire Tracfone Wireless, which we expect to accelerate our network-as-a-service strategy.</p>

<p>What do you consider the three most important components of the Verizon culture?</p>	<p>There are many things Verizon considers to be critical to our culture. Our focus on diversity and inclusivity empowers V Teamers to share their authentic selves and feel seen and heard as vital contributors, which we believe is not only the right thing to do, but also a business imperative and a competitive advantage. As part of our purpose-driven culture, we strive to inspire our employees to challenge themselves, be extraordinary and build something they believe will move the world forward. We also believe that transparency is critical, so we keep our employees informed through our Inside Verizon social media channels, mobile app and Up to Speed daily broadcast. We view employee engagement as a strategic lever directly tied to business performance and overall growth, and we closely monitor employee engagement through our quarterly employee “Pulse” surveys. In addition, Verizon knows that continuous learning and access to development opportunities help our employees reach their full potential, so we invest a great deal to maintain strong education and development programs throughout our employees' entire career with the company.</p>
<p>What do you believe is the most important metric at VZ right now?</p>	<p>Verizon does not consider any one metric to be the “most important”. At Verizon we strive to be an “and” company – one that produces strong financial and operational results in order to generate both growth and shareholder returns.</p>
<p>In some areas the copper plant is deteriorating, what is the plan to fix it? Also what is the plan for expanding Fios beyond the current footprint?</p>	<p>While Verizon continues to maintain our copper plant, we are investing billions of dollars to upgrade our networks for the benefit of our current and prospective customers by replacing copper wiring with fiber, which provides more robust telephone and broadband service and is more resilient and energy efficient. Verizon has deployed our best-in-class Fios service to millions of customers throughout our current U.S. footprint. Although we are continuing to deploy Fios service in certain areas and for new construction within our current footprint, at this time we have no plans to significantly expand the availability of our Fios service within or outside our footprint. In addition, Verizon is rolling out 5G on a massive scale. 5G Ultra Wideband is expected to be available in 60+ U.S. cities by the end of 2020, and in addition to these mobile markets, Verizon continues to increase coverage for 5G Home Internet, the first 5G-powered residential broadband service. 5G is one of the fastest, most robust technologies the world has ever seen, enabling not only faster networks, but also a new global wireless standard for speed, throughput and bandwidth.</p>

<p>Why don't you offer a senior citizen or loyalty discount?</p>	<p>Verizon offers monthly rewards, including tech, gift cards, music and more, to all of our customers through Verizon Up rewards. We also periodically offer discounted rates to a variety of other groups, including those who serve - military, nurses, teachers and first responders as well as students.</p>
<p>I am Chief Economist of a small institutional investor. We are small investors, not social activists, but are increasingly concerned about corporations wandering into contentious social issues, for example, corporate foundation funding of Planned Parenthood and also the companies statements in favor of The Equality Act which weakens the Religious Freedom Restoration Act. Is it a good idea to weigh in on one side of a culture war?</p>	<p>Our purpose as a company is to create the networks that move the world forward. We cannot commit to this purpose unless we are committed to helping move it forward for everyone. We ground our decisions as to whether to speak out on specific social issues in our corporate values. These values are reflected in our Credo. With respect to our corporate giving through our Foundation, we support our employees who make private donations to qualified 501c3 charities by providing matching funds through our employee matching program. In this case, the recipients of the corporate match are directed by the employee and not by the company.</p>
<p>What are the requirements to get a shareholder proposal on the proxy?</p>	<p>As described on page 72 of the Verizon's 2021 proxy statement, any shareholder may submit a proposal to be included in the proxy statement for the 2022 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 29, 2021. Please note that Verizon is 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.</p>
<p>What is Verizon doing to protect existing C band users?</p>	<p>Verizon and other relevant parties are following the extensive procedures set forth in the orders and rules adopted by the Federal Communications Commission to repurpose the C-Band wireless spectrum from existing satellite uses to communications uses over the next several years. The rules and orders lay out specific details on how the transition will occur and include specific technical requirements that prohibit interference with other lawful uses. Verizon will comply with those orders and rules in using the C-Band spectrum licenses that it won at auction once those licenses are issued.</p>

<p>Will there be an increase in the pensions?</p>	<p>While Verizon appreciates the contributions made by our former employees, the company has no plans to provide for an increase in pension benefits. Many retirees left Verizon with a comprehensive retirement package, including defined benefit pensions and 401k savings accounts as well as retiree medical programs that include substantial subsidies provided by Verizon.</p>
<p>Why isn't the company promoting from within to executive leadership for successorship, including CEO and President?</p>	<p>At Verizon, investing and growing our talent from within is critical to our growth strategy. Our people are our most important asset. Inherent to our talent strategy is the notion that we grow our leaders internally. At Verizon, we continue to develop and advance the careers of our leaders from within. Consistent with our talent strategy, the vast majority of senior management roles (Vice President and above) have been filled through the promotion of strong internal leaders.</p>
<p>What is the potential liability when people are unable to call police, fire, or medical help due to conversion from copper to fiber in a long term power outage?</p>	<p>Potential liability would depend on the facts of a particular case; however, Verizon takes every precaution when migrating customers to different technologies, and there are many public safety benefits to our fiber services. In addition, for Verizon customers on Fios, Verizon offers battery backup through a system that can be run with ordinary batteries that can be purchased at a pharmacy, hardware store or grocery store.</p>
<p>What will be the cost of complying with Check 21 and the Federal Trade Commission Act because of ongoing willing and conversion of checks to EFT?</p>	<p>Verizon does not believe there will be any new costs of complying with the Check Clearing for the 21st Century Act (Check 21), which went into effect in 2004, as Verizon today and for many years routinely uses the electronic check conversion process instead of paper check clearance. Verizon also already complies with the Federal Trade Commission Act's general prohibitions on unfair and deceptive trade practices.</p>

How Verizon protect itself from ransomware attack as done to Continental pipeline?

Verizon relies on a defense-in-depth approach to protect our systems and networks against cyber threats, including ransomware. Among other strategies, we train our employees on how to spot malicious emails that can be an infection vector for malicious software, we employ a comprehensive Enterprise Vulnerability Management (EVM) program designed to identify and protect our systems and networks against cyber threats like ransomware, and we invest heavily in business continuity planning, including a comprehensive data backup strategy. You can read more about Verizon's innovative cybersecurity program in our recently-released 2020 ESG Report at <https://www.verizon.com/about/sites/default/files/esg-report/2020/index.html>.