

Verizon's Global Tax Policy

Verizon is a global leader in the communications and technology industry operating in over 150 jurisdictions around the world. How Verizon conducts business is predicated on Verizon's Credo, which consists of six core values: Integrity, Respect, Performance, Excellence, Accountability, and Social Responsibility. The Verizon Credo is also embedded in our Global Tax Policy. In particular, the core values of Integrity and Accountability underpin the fundamental principle of our Global Tax Policy: that Verizon is committed to pay the correct amount of tax in each jurisdiction in which Verizon operates and to fully comply with the applicable tax laws, rules, regulations and disclosure requirements of those jurisdictions. In applying the Verizon Credo to our tax affairs, we consider, assess, and monitor whether we are acting in a manner that our customers, shareholders and the wider public would expect.

Approach to taxation

Verizon's Global Tax Policy applies to all taxes applicable to our global operations, including but not limited to, income taxes, indirect taxes, property taxes, telecommunications taxes and payroll taxes. Verizon's Global Tax organization partners with our businesses to engage in transactions that are supported by a non-tax, business purpose and have economic substance that are intended to create long-term, sustainable value to our shareholders. Verizon only operates in jurisdictions based on the needs of the business and the requirements of our multinational customers. Verizon does not utilize zero or low tax jurisdictions outside the United States to minimize its taxes. Verizon has a low tolerance for tax risk and does not engage in transactions that are inconsistent with our tax principles or that could injure our business reputation. More specifically, we do not engage in tax shelter transactions or transaction that have been identified as "Listed Transactions" or "transactions of interest" by the IRS and other taxing authorities. Verizon's transfer pricing policies are based on the arm's length principle and compliance with guidelines and documentation requirements set forth by the IRS, OECD and other applicable taxing authorities. Verizon has implemented policies, procedures and controls to ensure the timely and accurate filing of all applicable tax returns, the timely payment of all applicable taxes and the accurate presentation of taxes in our financial statements.

Tax risk management and governance

Verizon's tax principles, and compliance with them, are subject to the oversight of and are periodically reviewed by the Audit Committee of Verizon's Board of Directors as well as the Chief Financial Officer and General Counsel. Day to day responsibility for the development and adherence to Verizon's global tax principles resides with the Senior Vice President & Deputy General Counsel - Corporate Taxes ("SVP Tax").



The SVP Tax is supported by qualified tax professionals who have the relevant credentials, skills and experience to perform and carry out their roles and responsibilities in accordance with Verizon's tax principles. Verizon has sufficient U.S. and international in-house tax resources to ensure compliance with applicable tax laws and regulations in each jurisdiction in which we operate. Verizon routinely engages third party tax advisors to provide subject matter expertise and assistance, to keep us apprised of tax law changes that are relevant to our business and assist with our tax compliance and reporting responsibilities.

Verizon has implemented formal tax governance policies and controls that strive to meet or exceed best practices on tax governance. Our tax control framework is SOX compliant and subject to periodic review by the SVP Tax, our external auditors and Verizon's Internal Audit function. These tax policies and controls are also fully aligned with Verizon's wider commercial, reputational and business practices, consistent with our commitment to corporate responsibility as guided by the Verizon Credo.

Relationship with tax authorities

Verizon is a responsible taxpayer and we are committed to maintaining a transparent and positive working relationship with tax authorities in the jurisdictions in which we operate. Our interactions with tax authorities are predicated on mutual respect, trust, collaboration and transparency. Verizon has been accepted into various real-time audit programs in various jurisdictions which enable us to proactively engage with tax authorities to ensure that we are interpreting their tax laws and other relevant guidance in a compliant manner while ensuring the wider reputation of Verizon is not compromised. In the event a tax authority disagrees with a position that we have taken on the tax treatment of a specific item, we will work constructively to resolve the disagreement using the appropriate administrative and judicial dispute resolution mechanisms authorized in the applicable jurisdiction. We seek to be a valued partner to tax authorities and governments and advocate for tax guidance and legislation that provides clarity, is administrable, reduces tax disputes and is socially and fiscally responsible.