



## 2024 Verizon Proxy Voting Recommendations

### **Item 1. Election of Directors**

**Recommendation:** Vote your conscience

**Background:** The [Board of Directors](#) consists of 12 individuals, 11 of whom are independent according to the company, except for Hans Vestberg, Verizon's CEO who also serves as board chair. Current board member Melanie Healy announced she is not running for reelection, marking the end of her term. Current board member Gregory Weaver is not running for reelection because he has reached the mandatory age for retirement from the board..

### **Item 2. Advisory Approval of Executive Compensation**

**Recommendation:** Vote AGAINST

**Background:** The proposal asks shareholders to approve a compensation program already in place. The vote is only advisory and would not be binding on the company. The proxy statement includes principles for setting pay and a detailed discussion of all aspects of executive pay. This is the sixth year public companies must report the ratio of CEO pay to median compensation at the company. CEO Hans Vestberg received total compensation of \$19.8 million in 2022, for a ratio of 130 to 1. For 2023 Mr. Vestberg made \$24.15 million for a ratio of 144 to 1. Votes AGAINST the approval of the executive compensation plan are warranted.

### **Item 3. Ratification of the Appointment of Ernst & Young as Independent Auditor**

**Recommendation:** Vote AGAINST

**Background:** Ernst & Young has been the auditor for Verizon since 2000. The Board's Audit Committee has re-appointed the firm for another fiscal year, through December 31, 2024. With this vote, shareholders are asked to affirm the Committee's decision. Corporate governance experts believe that such lengthy relationships can compromise the independent perspective necessary for a trustworthy review of financial results.<sup>1</sup> Regular auditor refreshment is a key corporate governance principle. Votes AGAINST this proposal are warranted for the lack of regular auditor refreshment.

### **Item 4. Shareholder Proposal: Prohibit Political Contributions Study**

**Recommendation:** Vote FOR

**Background:** Trillium ESG Global Equity Fund proposes that the board commission, oversee, and publish an independent third-party study which examines the impact on the company, the sector, and American democracy of the company adopting a policy prohibiting the use of corporate or PAC funds for direct or indirect contributions to political candidates. The study should provide recommendations and potential next steps. Given the proposed report will provide greater disclosure to shareholders regarding

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<sup>1</sup> See, for example, Council of Institutional Investors, "Policies on Corporate Governance," last updated March 7, 2022. CII recommends "a fact specific explanation for not changing the company's auditor if the committee chooses to renew the engagement of an auditor with more than 10 consecutive years of service."

[https://www.cii.org/corp\\_gov\\_policies](https://www.cii.org/corp_gov_policies)

the value of political spending which sometimes conflicts with the company's stated values and goals, support FOR the item is warranted.

#### **Item 5. Shareholder Proposal: Lobbying Activities Report**

**Recommendation:** Vote FOR

**Background:** Alyson Pytte and a co-sponsor propose the board prepare a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Verizon used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Verizon's membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management's decision-making process and the Board's oversight for making payments described in sections 2 and 3 above.

The proposed report will provide greater disclosure to shareholders regarding political spending which sometimes conflicts with the company's stated values and goals. Support FOR the item is warranted.

#### **Item 6. Shareholder Proposal: Amend Senior Executive Compensation Clawback Policy**

**Recommendation:** Vote FOR

**Background:** Thomas M. Steed proposes the Board of Directors amend the Company's Senior Executive Clawback Policy to state that "conduct" – not "willful misconduct" – may trigger application of that policy. The proposal asks that the Board or its Human Resources Committee 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. This policy would empower the board to take action against unscrupulous NEO behavior at any level which would guard against reputational risks and protect shareholder investments. Support FOR this proposal is warranted.

#### **Item 7. Independent Board Chair**

**Recommendation:** Vote FOR

**Background:** Kenneth Steiner proposes that the Board of Directors adopt a policy requiring that two separate people hold the office of the board chair and CEO and the board chair should be independent whenever possible.<sup>2</sup> This type of proposal is supported by many institutional shareholders because it is a structure designed to assure greater board oversight of management. Currently Hans Vestberg is both Chair of the Board and Chief Executive Officer of the corporation, and before August 2018 Lowell McAdam held both positions. This proposal has been on the proxy in previous years and received significant support, yet has not been adopted. An independent board chair provides balance to the influence of the executives and an unbiased view of company operations. Support FOR the proposal is warranted.

#### **Item 8: Civil Liberties in Digital Services**

**Recommendation:** Vote AGAINST

**Background:** The American Family Association proposes the Board of Directors of Verizon conduct an evaluation and issue a report within the next year evaluating how it oversees risks related to discrimination against users or customers based on their race, color, religion (including religious views), sex, national origin, or political views, and how such discrimination impacts users, customers, and other

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<sup>2</sup> [https://www.sec.gov/Archives/edgar/data/732717/000119312524087253/d502707ddef14a.htm#toc502707\\_7](https://www.sec.gov/Archives/edgar/data/732717/000119312524087253/d502707ddef14a.htm#toc502707_7)

individuals' exercise of their constitutionally protected civil rights. Taken in context of the supporting statement, the proponent is seeking to restrain the company from supporting Diversity Equity & Inclusion (DEI) initiatives focused on the LGBTQ community based on an ultra-conservative definition of religious civil liberty<sup>3</sup> and related analysis based on questionable methodology.<sup>4</sup> The American Family Association is a right wing think tank which promotes anti-Environmental, Social, Governance (anti-ESG) shareholder proposals designed to urge issuers to adopt policies or disclose data which is intended to make a political point. Votes AGAINST this proposal are warranted.

#### **Item 9: Lead-Sheathed Cable Report**

**Recommendation:** No position, because CWA continues to bargain directly with Verizon regarding workplace lead-related issues.

**Background:** The Association of BellTel Retirees Inc. proposes that the company undertake a comprehensive independent study and publicly release an independent report by December 2024 that demonstrates the Company has assessed all potential sources of liability related to lead-sheathed cables, including a comprehensive mapping of the locations impacted and conclusions on the potential cost of remediation, along with the most responsible and cost-effective way to prioritize the remediation of sites that pose a risk to public health. CWA is neutral on this proposal because the union continues to bargain directly with Verizon regarding workplace lead-related issues.

#### **Item 10: Political Expenditures Misalignment**

**Recommendation:** Vote FOR

**Background:** The Woodcock Foundation and two co-sponsors propose the Board annually report on Verizon's political and electioneering expenditures, identifying and analyzing incongruence between such expenditures and the Company's operational and strategic needs and its stated values and policies. The report should state whether Verizon has made, or plans to make, changes in contributions or communications as a result of identified incongruencies. Considering this disclosure would enable shareholders to assess potential risks related to the company's support of political candidates and causes, support FOR the proposal is warranted.

#### **Meeting Logistics**

2024 Annual Meeting of Stockholders: Thursday, May 9, 2024, 10:00 AM, Eastern Daylight Time  
Online virtual meeting site: [meetnow.global/VZ2024](https://meetnow.global/VZ2024)

The 2024 Annual General Meeting is virtual. You will not be able to attend the meeting at a physical location. To access the online meeting you will need a control number, as described on page 79 of [the proxy](#).

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<sup>3</sup> [https://1792exchange.com/pdf/?c\\_id=705](https://1792exchange.com/pdf/?c_id=705) This report deems support for civil rights and reproductive health support as "controversial" among other things leading to their definition as "ultra-Conservative".

<sup>4</sup> [https://storage.googleapis.com/vds\\_storage/document/Business-Index-Methodology.pdf](https://storage.googleapis.com/vds_storage/document/Business-Index-Methodology.pdf)