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## Your Code of Conduct

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Your Work

# Your Code of Conduct

Your Verizon

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# VERIZON COMMITMENT AND VALUES

The Verizon commitment is to put our customers first by providing excellent service and great communications experiences. This is what we do and this is why we exist. By focusing on our customers and being a responsible member of our communities, we will produce a solid return for our shareowners, create meaningful work for ourselves and provide something of lasting value for society. As a result, Verizon will be recognized as a great company.

In order to keep this commitment, we need to always honor our core values:

## **INTEGRITY**

Integrity is at the heart of everything we do. We are honest, ethical and upfront because trust is at the foundation of our relationships with our customers, our communities, our stakeholders and each other.

## **RESPECT**

We know it is critical that we respect everyone at every level of our business. We champion diversity, embrace individuality and listen carefully when others speak.

## **PERFORMANCE EXCELLENCE**

We hold ourselves to a very high standard of performance. We prize innovative ideas and the teamwork it takes to make them realities. We never stop asking ourselves how we can make the customer experience better, and every day, we find an answer.

## **ACCOUNTABILITY**

We take responsibility for our actions as individuals, as team members, and as an organization. We work together, support one another and never let the customer — or our coworkers — down.

Great companies are judged by what they do, not by what they say. To be the best, we're going to keep pushing ourselves in new and exciting directions. These values will guide our every action.

# A Message to all Employees

In just a few short years, you have helped establish Verizon's reputation as a leader in the global communications industry and as an ethical corporate citizen. I'm proud that we are respected as a company that not only delivers great performance to customers and shareholders, but also adheres to high ethical standards and contributes to the well-being of the communities we serve.

We are at a very exciting juncture in our history. We are transforming ourselves from the inside out by revamping our processes, systems, and culture around the demands of the competitive marketplace.

It is imperative that, as we do so, we continue to uphold the Verizon commitment and core values: put customers first, act with integrity, treat people with respect, be accountable, and raise our standards of performance. This means that we also have to do more than simply follow the law: instead, we have to do the right thing - and we have to do it every day.


Ethical conduct is the foundation of any lasting business success. For Verizon to succeed and win in the competitive marketplace, our brand must stand for integrity, trust and solid ethical standards.

Each of us contributes to Verizon's success in unique ways, but we share a collective responsibility to "do the right thing" and behave ethically at all times. To give us the tools we need to continue to manage our business with integrity, we have updated the Code of Conduct. It is intended as a resource to help guide us in acting responsibly, ethically and lawfully.

I urge you to review this document thoroughly and discuss it with your co-workers. Of course, the Code cannot address every situation, and issues will continue to evolve as our business grows. When necessary, you can and should seek assistance and discuss concerns with your supervisor, the Office of Ethics and Business Conduct, or the Legal Department.

Our company will continue to win in the marketplace by putting our customers first, acting with integrity, and by making compliance and proper business conduct the foundation of our daily routine.

Sincerely,



Ivan Seidenberg,

Chairman and CEO

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**Our Commitment:**  
**Customers First**

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**Our Core Values:**

- **Integrity**
- **Respect**
- **Performance Excellence**
- **Accountability**

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# Introduction:

## Our Expectations and Values

### Sustain a Culture of Integrity

This Code of Conduct is a statement of our principles and expectations that guide ethical business conduct at Verizon. Verizon requires all employees to use their judgment, to be accountable for their actions and to conduct business with integrity.

This Code of Conduct reflects our changing business environment and has been approved by the Verizon Board of Directors. It applies to everyone who acts on behalf of Verizon and its controlled domestic subsidiaries and affiliates (except Verizon Wireless, which has its own code) — including employees, executive officers, agents, consultants, contingent workers and interns. In addition to governing conduct among employees, this Code governs conduct between employees and customers, competitors and the numerous business providers (including suppliers, vendors, contractors and agents) who assist Verizon everyday. Because we want our business providers, customers and investors to understand how we do business and what they can expect of us, this Code appears on the Verizon website and will be made available to the public in our governmental filings.

You may never violate this Code or any company policy simply because a supervisor directs you to do so. If you receive such a request, you should advise your supervisor that the request violates the Code. If your supervisor refuses to modify his or her request, you should contact the VZ Ethics and EEO GuideLine immediately.

Similarly, you may never interfere with or obstruct an investigation conducted by the company or any government agency. In addition, you may never disclose or discuss an investigation with unauthorized persons.

Failure to comply with any provision of this Code or company policy is a serious violation, and may result in disciplinary action, up to and including termination, as well as civil or criminal charges. These consequences may apply not only to employees who violate the Code, but also to those who condone misconduct, fail to report or take reasonable measures to prevent, detect and address misconduct, or seek to retaliate against those who in good faith report potential misconduct.

## Set the Tone at the Top

### Build Trust and Credibility

We earn credibility with our customers, business providers and co-workers by keeping our commitments, acting with honesty and integrity, and pursuing our company goals solely through honorable conduct.

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This Code of Conduct applies to everyone who does business for or on behalf of Verizon (for example: employees, interns, affiliates and in-house contractors).

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Report all suspected violations of this Code.

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**VZ Ethics and EEO  
GuideLine**

800-856-1885

800-968-4586 TTY

If you are a supervisor, you have the added responsibility of creating an open and supportive environment where employees feel comfortable asking questions and raising concerns. Ethical behavior does not simply happen; it is the product of clear and direct communication of behavioral expectations, modeled from the top and demonstrated by example.

## Speak Up

### **Do the Right Thing Because it's the Right Thing to Do**

At Verizon, everyone should feel comfortable to speak his or her mind, particularly with respect to ethical concerns. You must report suspected and actual violations of this Code and company policy. Verizon will investigate reported instances of questionable or unethical behavior.

In deciding whether a violation of the Code has occurred or is about to occur, you should first ask yourself:

- Would I feel uncomfortable describing this conduct at a staff meeting? To my family? To the media?
- Will this conduct hurt Verizon in the long run? Will it cause Verizon to lose credibility with its customers, business providers or investors?
- Will this conduct hurt other people such as other employees, investors or customers?
- Will this conduct subject me, my co-workers or the company to legal fines or criminal charges?

If the answer to any of these questions is “yes” or even “maybe,” you have identified a potential issue that you must report.

## Where to Report

### **You are Accountable**

Any Verizon employee may submit an anonymous or confidential complaint or inquiry, by calling the **VZ Ethics and EEO GuideLine** or on-line at **[www.verizonguideline.com](http://www.verizonguideline.com)**.

### **Illegal, Dishonest or Harmful Acts**

Illegal, dishonest or harmful acts must be reported to Security. Acts of hostility or violence should be reported immediately to local law enforcement or a 911 operator and then followed up with a call to Security.

### **Discrimination or Harassment**

If you believe you are a victim or a witness of discrimination or harassment, you must report it to your supervisor or Human Resources Business Partner, or make a confidential complaint to the VZ Ethics and EEO GuideLine. You may also address the suspected discrimination or harassment directly with the person engaging in such conduct if you are comfortable doing so and you believe the conduct is unintentional.

## **Accounting, Internal Accounting Controls or Auditing Complaints**

You must report any concerns or questions you have about the accuracy or integrity of Verizon's financial statements, reporting, accounting, internal accounting controls or auditing matters to the VZ Ethics and EEO GuideLine or Internal Audit at

**AccountingComplaints@verizon.com.**

## **Confidential Reporting and No Retaliation**

Reports and complaints will be kept confidential to the extent permitted by law and by the company's need to properly investigate the situation.

Verizon prohibits retaliation against employees who, in good faith, submit or participate in the investigation of any complaints. If you believe you or others are the subject of retaliation for reporting suspected misconduct or participating in an investigation, you must report the matter to the VZ Ethics and EEO GuideLine or the Legal Department.

## **Cooperate with Investigations**

You must cooperate completely in any investigation relating to Verizon, and must be truthful at all times. You may never interfere with or obstruct an investigation conducted by the company or any government agency. In addition, you may never disclose or discuss an investigation with unauthorized persons.

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Reports and complaints of suspected misconduct are confidential.

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Verizon will not tolerate retaliation against employees who report suspected misconduct, or provide information as part of an investigation.

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- **Read the Code**
  - **Understand the Code**
  - **Utilize Available Resources**
  - **Comply with the Code**

## **Legal Notice**

This Code of Conduct is not an employment contract. Adherence to the standards of the Code of Conduct is a condition of continued employment. This Code does not give you rights of any kind, and may be changed by the company at any time without notice. Unless governed by a collective bargaining agreement, employment with Verizon is "at will," which means that you or Verizon may terminate your employment for any reason or no reason, with or without notice, at any time. This at-will employment relationship may not be modified except in a written agreement signed by the employee and an authorized representative of Verizon.

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Diverse minds, experiences, cultures and perspectives help us better serve our customers.

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Harassment or discrimination of any kind is not tolerated.

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**Q.** My supervisor requires the team to meet attendance targets and quality goals. Every month there is another requirement. Isn't this harassment?

**A.** It is not considered harassment for management to enforce job performance requirements in a fair and consistent manner.

## Maintaining an Inclusive, Fair and Healthy Work Environment

### **Treat Each Other With Respect and Act With Integrity**

Key components of our success are a diverse, productive work environment that is free from unlawful discrimination or harassment, and our commitment to fair and honest dealings in all of our transactions. Verizon is committed to creating such an environment because it brings out the full potential in each of us, which in turn contributes directly to our success.

### **1.1 Diversity and Equal Opportunity Commitment**

At Verizon, Diversity means embracing differences and cultivating an inclusive organization that reflects our marketplace and leverages the diversity of employees, customers, suppliers, and community partners because it's the right thing to do and drives business success.

Verizon is committed to attracting, developing and retaining a highly qualified, diverse and dedicated work force. It is Verizon's policy to comply fully with all laws providing equal opportunity to all persons without regard to race, color, religion, gender, sexual orientation, age, national origin, disability, military service or status, veteran status, marital status, citizenship status, or any other protected category under federal, state or local law. For company business, Verizon will use facilities, sponsor events or maintain memberships only at businesses or organizations that do not have exclusionary membership practices.

### **1.2 Discrimination and Harassment**

Verizon has a policy of zero tolerance for discrimination, sexual harassment or other unlawful harassment based on age, race, color, national origin, religion, gender, sexual orientation, disability or any other legally protected category under federal, state or local law.

Harassment includes but is not limited to, racist, sexist or ethnic comments, jokes, gestures, or any action or statement creating an intimidating, hostile or offensive work environment.

### **1.3 Workplace Violence**

We all deserve to work in an environment that is free from violence or hostility. Verizon will not tolerate any threatening, hostile or abusive behavior by employees in the workplace, while operating company vehicles or on company business, or by any persons on company property, and will take immediate and appropriate action against offenders, up to and including termination and referral for criminal prosecution. Damage to property is also prohibited.

You may not possess or use any weapon or any component of a weapon (e.g. ammunition) on company property. You must not use any tool, equipment or other material as a weapon or as a component of a weapon. You must report any instance of violence, hostile behavior

or possession of weapons on company property to Security and a supervisor immediately. In cases of imminent danger, you should contact 911 or local law enforcement first, and then contact Security.

Domestic violence can also adversely affect workplace safety. If you are the victim of such violence, you should notify the police and Security of any person who may affect your safety or the safety of your fellow employees. You can also contact the Employee Assistance Program for further assistance through **VZ LIFE at 800-845-0632 (800-832-9559 TTY)**.

## **1.4 Environmental Health and Safety**

Verizon is committed to providing a safe work environment for all employees, and complying with applicable environmental laws and regulations that govern workplace health and safety. You must immediately report to your supervisor all unsafe conditions or work-related injuries, illnesses, and accidents.

You are responsible for performing your job in an environmentally responsible manner, for recognizing environmental issues, and for seeking advice on how to comply with the law. You should also familiarize yourself with Verizon's environmental program which is available on **[www22.verizon.com/pages/environment](http://www22.verizon.com/pages/environment)**.

If you believe that an environmental hazard exists, that there has been a release of any hazardous substance, or that environmental guidelines are not being followed, you must immediately report the situation to Workplace Safety and Environmental Compliance at **800-386-9639**.

If you are a supervisor, you must also ensure that your direct reports know the safety practices applicable to each of their jobs and implement and enforce all applicable regulations and policies. You must investigate all safety issues that come to your attention, and refer the matter to Workplace Safety and Environmental Compliance.

If you believe that your supervisor has failed to take appropriate action to remedy an unsafe condition, contact a representative of the Workplace Safety and Environmental Compliance Organization.

The company is required to record and report work-related accidents. If you are involved in a work-related accident, you must immediately report it to a supervisor and follow the company's policies for reporting accidents and injuries.

Federal and state agencies may conduct periodic inspections. You must comply with these inspections and report any contact from a governmental agency or official immediately to a company representative in Workplace Safety and Environment Compliance so that appropriate personnel may assist in any inspection.

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Perform your job in a safe and environmentally responsible manner.

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**Q.** I am attending a work related conference. During the evening welcoming reception alcohol is served. Can I drink alcoholic beverages at this event?

**A.** Yes, but consumption must be in moderation to avoid intoxication as you are representing Verizon and must behave professionally. However, employees driving company vehicles are prohibited from consuming any alcohol. You should never drink and drive.

## **1.5 Substance Abuse — Illegal Drugs and Controlled Substances**

Verizon is committed to maintaining a safe and drug-free environment for all its employees. While on company time, company premises, or while operating company equipment or vehicles, you may never use, transfer, sell, manufacture or possess illegal drugs (which include any controlled substances that have not been prescribed for you by your doctor) or drug paraphernalia. You may not report to work under the influence of any illegal drug (e.g. show any sign of having taken the drug or drug testing demonstrates that you have used or consumed an illegal drug).

If you are taking any medication that creates a safety risk, you must report this to your supervisor, and you must not operate any Verizon machinery or vehicle if the medication affects your perception or responsiveness.

If you are arrested for a drug-related offense relating to conduct while on company property or business — or that otherwise relates to your work responsibilities — you must immediately report this arrest to your supervisor.

### **1.5.1 Alcohol**

You may not possess, be under the influence of, or drink alcohol while at work, while operating any vehicle, machinery, tools or equipment, while conducting company business or while engaging in company activities for which any alcohol consumption might endanger the safety of yourself or others (e.g., construction or technical repairs) or impair your ability to perform your job.

Except where you have obtained prior approval from a department vice president or higher level senior manager, you may not serve, drink or possess alcohol on company premises, including in company or personal vehicles, while on company business. Although alcohol may be served at certain Verizon functions, if authorized by a department vice president or higher level senior manager, or at external events at which you are representing Verizon, consumption at any such event is completely voluntary, should always be in moderation, and never in a manner that would embarrass or harm the company.

## **1.6 Gambling, Solicitation and Fundraising**

Gambling, solicitation and fundraising distract from work time productivity, may be perceived as coercive, and may be unlawful. You may not gamble or participate in any games of chance (including raffles, sports pools or lotteries) on company premises, on company systems or while conducting company business. Periodic collection or pooling of funds by employees is also prohibited.

Solicitation during work time (defined as the work time of either the employee making or receiving the solicitation), the distribution of literature in work areas at any time, or the use of company resources (emails, fax machines, computers, telephones, etc.) to solicit or distribute, is prohibited. Non-employees may not engage in solicitation or distribution of literature on

company premises. The only exception to this policy is where the company has authorized communications relating to benefits or services made available to employees by the company, company-sponsored charitable organizations, or other company-sponsored events or activities. To determine whether a particular activity is authorized by the company, contact the VZ Ethics and EEO GuideLine at **800-856-1885**.

All fundraising and philanthropic initiatives that refer to or use the Verizon name, or that are organized by or directed to Verizon employees in the workplace, must be conducted by the Verizon Foundation, an Employee Resource Group or the Verizon TelecomPioneers. Fundraisers may not include any gambling (including lotteries or raffles) and must conform to all company standards, including this Code.

This section does not apply to political activities (addressed separately in section 2.2 of this Code) undertaken on Verizon's behalf in coordination with the Public Affairs, Policy and Communications department.

## **1.7 Employee Privacy**

Verizon acquires and retains personal information about its employees in the normal course of operations, such as for employee identification purposes and provision of employee benefits. You should take appropriate steps to protect all personal employee information, including social security numbers, identification numbers and residential telephone numbers and addresses. You should never access, obtain or disclose another employee's personal information to persons inside or outside of Verizon unless you have proper approval and are acting for legitimate business purposes and in accordance with applicable laws and company policies.

### **1.7.1 Monitoring On the Job**

In order to protect company assets, provide excellent service and ensure a safe workplace, it is necessary to monitor employees and company systems. As permitted by law, Verizon reserves the right to inspect, monitor and record the use of all company property, vehicles, systems and facilities — with or without notice — and to search any and all company property at any time and any personal property (including vehicles) on company premises.

Unless you are participating in an approved observation program or you have obtained prior approval from Security or the Legal Department, you may not record or videotape another employee, or access another employee's systems, records or equipment without that employee's knowledge and approval. In addition, unless you receive prior approval from the Legal Department, you may never record or videotape any customer, business provider or competitor without that person's knowledge and approval.

## **1.8 Misconduct Off the Job**

Employees must avoid conduct off the job that could impair work performance or affect the company's reputation or business interests. You must advise your Human Resources Business Partner of all felony convictions, and any criminal arrest or conviction that may affect your ability to perform your job.

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Verizon reserves the right to inspect, monitor and record the use of all company property and systems.

**Q.** I am dating a co-worker who is being considered for an acting team leader position. Do we have to bring this to the attention of our supervisor?

**A.** Yes. This situation would create a conflict of interest in your group. Even if you and your colleague are currently equals in the same group, you should advise your supervisor of the relationship so that your supervisor can prevent an inappropriate reporting relationship.

**Q.** I need to make extra money and I want to get a second job. Is this a problem?

**A.** This may create a conflict of interest if your second job provides any of the same types of services or products as Verizon, compromises Verizon's interests, or adversely affects your job performance.

## Maintaining Integrity and Fairness in the Workplace

Verizon's reputation depends heavily on the actions and integrity of its employees. It is imperative that you avoid any relationships or activity that might impair, or even appear to impair, your ability to make objective and fair decisions when performing your job. You owe a duty to Verizon to advance its legitimate interests when the opportunity to do so arises. You must never use Verizon property or information for personal gain, or take personal advantage of any opportunity that arises in the course of your work for Verizon.

### 2.1 Avoiding Conflicts of Interest

You must make sound, impartial and objective decisions on behalf of the company. To ensure that your actions are in the best interests of the company, you should disclose any potential or actual conflict to the VZ Ethics and EEO GuideLine.

This chapter addresses some of the most common conflicts.

#### 2.1.1 Personal Conflicts of Interest

You may not supervise someone with whom you share a close personal relationship, such as anyone in your family or household, someone with whom you have or had a romantic relationship, or a similarly close personal relationship. Nor may you participate in the selection process for, or supervise Verizon's relationship with, a company that does business with Verizon if it employs someone with whom you have such a close personal relationship.

If you supervise someone, even indirectly, with whom you have one of the relationships described above, or if you have such a relationship with an employee of a company that does business with Verizon, you must disclose the relationship as soon as you become aware of it. To report a conflict of interest, or potential conflict of interest, call the VZ Ethics and EEO GuideLine.

#### 2.1.2 Employment Outside Verizon

You may not — with or without compensation — be self-employed or employed by, consult with, own, perform services for, or aid a company or organization (including a charitable organization), that is a vendor, supplier, contractor, subcontractor or competitor of Verizon's, or in the same lines of business as Verizon, including, but not limited to: communications, cable, video, entertainment or information management, long-distance, Internet, software or Web design, or any other line of business which Verizon is actively seeking to enter. This limitation also applies to simultaneous employment by Verizon and its subsidiaries and affiliates.

### **2.1.3 Activities Outside of Verizon**

Many employees participate in outside organizations (such as their local school board or homeowners' association). Membership in these associations can cause conflicts if and when you make decisions regarding Verizon or its products. If you are a member of an outside organization, you must remove yourself from discussing or voting on any matter that involves the interests of Verizon or its competitors. In addition, you must disclose this conflict to your outside organization without disclosing nonpublic company information. You must also disclose any potential conflict to the VZ Ethics and EEO GuideLine.

You must obtain approval from both your director-level or above supervisor and the business unit's highest level senior officer prior to serving on a board or committee of a public company, or acting as a representative of Verizon on a board or committee of any outside organization.

## **2.2 Political Conflicts of Interest**

Verizon encourages its employees to participate in the political process. It is the responsibility of every Verizon employee to comply fully with all laws and regulations relating to political contributions and interaction with government officials, including lobbying.

### **2.2.1 Personal Political Interests**

Your personal political contributions and activities must be kept separate from the company. If you make political contributions, you may not refer in any way to your employment or use the company's assets, including its name, in connection with your contributions, unless required to do so by law.

If you are appearing before a government body or engaging in contact with a public official outside of your ordinary work duties regarding a business in which Verizon is engaged or a business issue in which Verizon has an interest, you should make it clear that you are not representing Verizon, and you should advise your supervisor in advance.

### **2.2.2 Contributions of Corporate Assets**

You may not make payments of corporate contributions, whether monetary or non-monetary assets, to any domestic or foreign political party, candidate, campaign or public official unless that contribution is permitted under applicable laws inside and outside the U.S., and approved in advance by the Legal Department and the Public Affairs, Policy and Communications Department.

Verizon and its subsidiaries administer Political Action Committees (PACs) that accept contributions from employees who wish to support the political process in a way that identifies Verizon, as permitted by law. Your personal contributions to these PACs are entirely voluntary.

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**Q.** When I receive e-mails advising me how I may contact my Congressperson about certain telecommunications laws, am I required to do so?

**A.** Your involvement in the political process is purely voluntary.

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Do not take advantage of, for yourself or others, any opportunities that are discovered through the use of your position, or Verizon information or property.

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You should never trade or help others trade on information that may be viewed as material inside information.

### **2.2.3 Seeking Public Office**

Before you seek any elected or appointed political office, including a local position, such as school board president, you must discuss this matter with the Legal Department to ensure that no potential conflict of interest exists.

## **2.3 Insider Trading and Financial Interests**

As an employee, you may become aware of material “inside information” — that is, information that is not publicly available and that could reasonably lead a person to buy or sell Verizon’s or another company’s securities. You must never use material inside information (even if you acquired it as a “tip” from others) to trade — or advise or assist another person in trading — in Verizon’s or any other company’s stock or securities. This also prohibits you from trading in derivatives of these securities, such as call or put options. Insider trading is a serious violation of the law and can result in severe civil or criminal penalties, including imprisonment.

You should never trade or help others trade on information that may be viewed as material “inside information.” If you are at all unsure whether information is material “inside information,” you must consult the Legal Department before making any decision to buy or sell a security, or before disclosing such information. As a general rule, nonpublic information concerning a company’s business, financial prospects, regulatory or legal matters, or management issues, is often considered “material.”

There are extensive and complex rules relating to insider trading. If you — or any family or household member, or person with whom you have a close personal relationship — have any inside information about Verizon or another company that you have learned about through your position at Verizon (regardless of whether you think the information is material), you should check with the Legal Department prior to trading in the securities or stock of Verizon or that company.

### **2.3.1 Investments in Companies with Whom You Conduct Business on Verizon’s Behalf**

If you conduct or supervise business on Verizon’s behalf with a company, you must not transact any business in that company’s securities or derivatives of those securities. If you already own stock in a company, and your position at Verizon requires you to conduct or supervise business with this company, you must disclose your ownership interest to a vice president level or above supervisor, and seek approval from the Legal Department prior to trading in that company’s securities.

### **2.3.2 Significant Financial Interests in Companies**

You may not take a significant financial interest in a company that is a business provider or that competes with or is in one of the same lines of business as Verizon. A significant financial interest is any financial interest that: (a) is more than 1/10 of one percent of a company's publicly traded securities or other financial instruments, and (b) exceeds 25 percent of an employee's Verizon annual base salary and last annual bonus.

### **2.3.3 Transactions in Securities**

You must not engage in any financial transaction that permits you to benefit from the devaluation of Verizon's stocks, bonds or other securities, including, but not limited to, short selling or buying "put" options on Verizon stock.

In addition, you may not participate in financial transactions in the stock or other securities of business providers or prospective business providers, including "friends and family" deals or initial public offerings (IPOs), if these opportunities may influence, or appear to influence, your business judgment on behalf of Verizon.

### **2.3.4 Loans**

Personal loans from the company to any executive officer (as defined by securities law) are unlawful and strictly prohibited. Personal loans from the company to any other employee must be approved in writing in advance by the Legal Department or in accordance with an approved Verizon program. Loans between employees who are in a direct or indirect reporting relationship are prohibited.

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**Q.** My supervisor is experiencing a personal emergency and I offered a loan until the next pay period. Is this a concern?

**A.** Yes, loans between employees who are in a direct or indirect reporting relationship are prohibited.

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No business goal of any kind is ever an excuse for misrepresenting facts or falsifying records.

## Protecting Verizon's Assets and Reputation

### Promote Substance Over Form

#### 3.1 Preparing, Disclosing and Maintaining Accurate Records

Verizon is committed to maintaining and providing truthful information that fully satisfies applicable legal disclosure requirements.

##### 3.1.1 Create Accurate Records

The U.S. Securities laws, including the Sarbanes-Oxley Act of 2002, protect investors and govern Verizon's disclosure of information. These laws require us to create and maintain full, fair, timely, accurate and understandable records. All employees are responsible for Verizon's compliance with these standards.

You must create accurate records that reflect the true nature of the transactions and activities that they record (including the reporting of time and documenting attendance and absence). You must resolve discrepancies in any records and make appropriate corrections. If you suspect or learn that records are misleading or contain errors, you must promptly inform your supervisor and, if applicable, customers and business providers. Because even a minor error can affect the truthfulness of a record, you must report all errors, regardless of their size or how long ago they may have occurred.

Verizon does not tolerate falsification or improper alteration of records. It is never appropriate to direct someone else to prepare or approve a false or misleading record and it is no defense to say that someone else directed you to make a record that you knew or had reason to suspect was false or misleading.

If you have concerns about a record's accuracy and you have brought them to your supervisor's attention and your supervisor has failed to address them, you must report those concerns to either the VZ Ethics and EEO GuideLine or Internal Audit.

##### 3.1.2 Promote Transparent and Complete Disclosure

Verizon is committed to transparency in financial reporting to enhance investors' understanding of the company's business and to facilitate informed investment decisions. All disclosures made in financial reports and public documents filed with the Securities and Exchange Commission, and other public communications must be full, fair, accurate, timely and understandable.

You must not selectively disclose (whether in one-on-one or small discussions or meetings) any material information regarding Verizon, its securities, business operations, plans, financial condition, results or any development or plan. You should be particularly careful not to disclose such information if you make presentations or proposals to customers, business providers, investors or to any other third party.

To ensure accurate reporting, Verizon employs both internal and outside auditors. You must cooperate with and provide any auditor or investigator accurate, timely and truthful information. You must not improperly influence, manipulate or mislead any auditor or investigator. Failure to cooperate with any audit or related investigation will result in discipline, up to and including termination.

### **3.1.3 Retaining Company Records**

Company records must be retained according to applicable laws, Verizon's Records Management Policy and the Verizon Records Retention Schedule, which are accessible to employees on the corporate policy section of the Verizon e-web. You may never destroy, alter, mutilate or conceal any record if you have been directed to retain it or if you know — or contemplate or reasonably believe there is a possibility — of any litigation, or any internal or external investigation concerning that record. If any person directs you to violate this policy, you must immediately contact the Legal Department or Security and use all reasonable measures to protect the record.

## **3.2 Safeguarding Company Information**

You must protect company information, both nonpublic information, which includes “inside information” (information that could reasonably lead a person to buy, sell or hold Verizon's or another company's securities) and nonpublic information entrusted to Verizon (such as an unlisted telephone number, marketing presentations, correspondence), as well as publicly available information in which Verizon or others have intellectual property rights (such as copyrighted materials).

### **3.2.1 Protecting Nonpublic Company Information**

You must safeguard nonpublic company information by following company policies and procedures and contractual agreements for identifying, using, retaining, protecting and disclosing this information.

You may not release nonpublic company financial information to the public or third parties unless specifically authorized by Verizon's Controller. You may not release other nonpublic company information to the public or third parties unless you are specifically authorized by a vice president or higher-level supervisor to do so.

You may only disclose nonpublic company information to employees who have demonstrated a legitimate, business-related need for the information. If you receive a subpoena or court order that requires the disclosure of nonpublic information, you must coordinate your response with Security and the Legal Department.

You may never disclose nonpublic company information to Internet forums (including “blogs”, chat rooms or electronic bulletin boards), selected shareholders or financial analysts.

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**Q.** I am able to get an early start on my day by returning calls during my train ride to work. Is this a problem?

**A.** You must be careful not to discuss nonpublic company information in public places, such as in taxis, elevators, or at conferences and trade shows. When it is necessary to conduct a telephone call in a public place, be mindful of your surroundings.

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Do not acquire or disclose nonpublic information.

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Corporate credit cards are to be used only for approved business purposes.

When outside parties request nonpublic company information, you must inform your supervisor and refer the requesting party to the Legal Department.

Even after the company releases information, you should be mindful that related information may still be nonpublic and must be protected.

Your obligation to safeguard nonpublic information continues after your employment with the company terminates. Without Verizon's specific written prior authorization, you may never disclose or use nonpublic company information.

If you suspect or are aware of any improper disclosure of nonpublic company information, you must report it to Security immediately.

### **3.2.2 Acquiring Nonpublic Company Information of Others**

You cannot accept nonpublic information belonging to a third party (including information from a former employer) unless the person disclosing the information is authorized to do so, Verizon has the owner's written permission to receive it, and the information is provided according to a written agreement that has been approved in advance by your supervisor and the Legal Department.

### **3.3 Proper Use of Verizon's Property and Property Owned by Others**

You must always protect Verizon's tangible and intangible property and any property entrusted to your care by customers or business providers. Company property and the property of co-workers, customers, and business providers may not be taken, sold, loaned, given away or otherwise disposed of, regardless of its condition or value, without specific authorization. Property includes, but is not limited to, tangible property, data, records, and all communications.

It is never appropriate to use Verizon machinery, switching equipment or vehicles for personal purposes, or any device or system to obtain unauthorized free or discount service.

#### **3.3.1 Company Benefits**

Verizon's benefits plans and programs are provided as compensation and must be used honestly. You must not misrepresent your health status, your covered members, your beneficiaries, or any other facts, including reasons for absence, in order to claim benefits to which you, or someone else, are not entitled.

#### **3.3.2 Company Funds**

Company funds — which include anything that has or represents financial value — must be handled responsibly, honestly and in accordance with applicable company policies. Personal or unauthorized use of company funds is strictly prohibited. Corporate credit cards must be used solely for authorized business purposes and may not be used for personal charges.

## 3.4 Protecting Communications and Computer Systems

Communication and information systems are provided to employees to conduct Verizon business and are valuable assets that must be protected by all employees. You must protect company information and data from accidental or unauthorized disclosure, misuse, improper alteration or destruction. Limited personal use of communications equipment, however, may be permissible when authorized by an employee's supervisor, so long as it does not interfere with work responsibilities or business operations, incur inappropriate costs, or violate the law, this Code, or Verizon policy.

### 3.4.1 Prohibited Activities

You may never use company systems (such as e-mail, instant messaging, the Intranet or Internet) to engage in activities that are unlawful, violate company policies, or result in Verizon's liability or embarrassment. Some examples of inappropriate uses of the Internet and e-mail include:

- Pornographic, obscene, offensive, harassing or discriminatory content;
- Chain letters, pyramid schemes or commercial ventures;
- Religious materials or unauthorized mass distributions;
- Gambling, auction-related materials or games;
- Large personal files containing graphic or audio material;
- Violation of others' intellectual property rights;
- Malicious software or instructions for compromising the company's security.

In addition, you may not use company communication networks or equipment to access personal e-mail service, such as "Hotmail," "America Online," "Earthlink" or any other external e-mail service without authorization from your supervisor.

### 3.4.2 Protecting Company Systems

You must protect the security of any identification access number or password that you use for any computer, network or communication device. All electronic media — such as software, diskettes, CD-ROMs, and files, when acquired through public networks (e.g. the Internet) or from outside parties, must be checked for viruses prior to installation or use. Only approved and properly licensed software is to be used on company systems, and its use is subject to the applicable software owner's license agreements. You must obtain proper authorization prior to acquiring, accessing, using, commenting over public networks (e.g., the Internet), altering, disposing of, or destroying data.

## 3.5 Sabotage and Espionage

Verizon's operations must be appropriately secured from sabotage and espionage to protect our customers and each other. This includes customer and employee personal information,

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External electronic mail sources may in some instances circumvent company virus protections.

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**Q.** A friend sent me a chain letter e-mail requesting that I forward to ten others to support a charitable cause. Is this O.K.?

**A.** No. Circulating chain letters through company systems or mail is prohibited.

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**Q.** Can I check the weather on the internet with my computer?

**A.** If authorized by your supervisor, limited use of company systems may be permitted if it conforms to Code standards.

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Always wear/display your identification badge at work.

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Always protect Verizon's property.

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Never compromise integrity for a quick solution.

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Intellectual Property can be many things such as marketing strategies, business plans, and other items. If not certain, contact the Legal Department.

network operations and facilities, computer systems and passwords, security procedures, company facilities and their locations, technical and marketing research data, product development information and business plans and strategies.

You must take all appropriate precautions to protect Verizon's systems and premises. Do not leave visitors unescorted or sensitive areas unattended or unlocked. When on company property (or, if appropriate, while on company business) wear your identification badge and request identification from others whom you do not recognize. Most importantly, you must report all suspicious activity to Verizon Security immediately.

### **3.6 Intellectual Property**

Intellectual property includes information protected by Verizon's trademarks or copyrights, the use of which is restricted by applicable intellectual property laws. To safeguard Verizon's intellectual property from illegal copying or other misuse, employees must ensure it is affixed with or identified by trademark, service mark or copyright symbols.

If you're unsure whether or what protection is necessary or appropriate, or if you believe disclosure or use by a third party is improper, contact the Legal Department.

#### **3.6.1 Proper Use of Others' Intellectual Property**

You must respect the proprietary rights of others by complying with all applicable laws and agreements that protect the intellectual property rights of others, including all business providers, competitors or customers. Unless you obtain the intellectual property owner's specific prior consent, you may not copy, distribute, display, perform, or modify third-party copyrighted materials, or conduct peer-to-peer or other file sharing of copyrighted materials. A work may be protected by a copyright even if there is no notice on the work.

#### **3.6.2 Information of Former Employers**

Former employers may require you to sign non-disclosure or other agreements that may affect your work at Verizon. If you have not done so already, you must disclose these agreements to your supervisor immediately after you join Verizon.

### **3.7 Protecting Verizon's Reputation**

Verizon's reputation as a company and corporate citizen is a key asset. You are responsible for protecting this valuable asset.

Requests and inquiries must be referred to the authorized groups described below:

- Media Relations is responsible for contacts with the news media and inquiries about community relations.
- Investor Relations handles communications related to Verizon's financial performance and all contacts with the financial community.

- The Legal Department and Public Affairs, Policy & Communications handle contacts from outside attorneys and federal and state legislative bodies and regulatory agencies.
- Human Resources, 1-877-Ask-VzHR, offers programs and services regarding current and former employees, including employment verification.
- Security and the Legal Department respond to subpoenas, court orders and criminal inquiries and interface with law enforcement on security matters, including emergency response.

Unless you receive prior approval, you may never suggest that you are speaking on behalf of Verizon when presenting your personal views at community, professional or cultural functions, or on the Internet.

Use of the company brand and logo must adhere to approved corporate identity specifications. To seek guidance or report misuse, contact the Corporate Brand Management organization on their Brand Identity intranet site **eWeb.verizon.com/logo**.

Verizon will generally deny requests for company-sponsored endorsements or testimonials. All requests, including the use of Verizon's name or an employee endorsement in any business provider's advertising or literature must be coordinated and approved by the Public Affairs, Policy & Communications Department and the Corporate Brand Management Department.

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**Public Affairs, Policy & Communications:**

[pa.verizon.com/pa](http://pa.verizon.com/pa)

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**Media Contacts:**

[newscenter.verizon.com/contact.vtml](http://newscenter.verizon.com/contact.vtml)

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**Investor Relations:**

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

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**1-877-Ask-VzHR:**

1-877-275-8947

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**Verizon Security:**

800-997-3287

Note: For legal assistance, please contact your business unit's assigned attorney. Please check within your department to identify your contact.

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Always report information accurately and promptly resolve discrepancies in company records.

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Verizon's reputation is a key asset that all employees must protect.

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Treat customers fairly in all aspects of transactions, including pricing, advertising, marketing and service solutions.

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Protect customer confidential information and respect customer privacy by following the Verizon Privacy Principles.

## Maintaining Integrity and Fairness in the Marketplace

### Our Keys to Success

Verizon's integrity in the marketplace is a key component of our reputation for trustworthiness and service.

### 4.1 Customer Relationships

Verizon's customers expect and deserve fair, honest and respectful service. You are accountable for your role in the delivery of that standard of service.

#### 4.1.1 Customer Privacy and Communications

You must not — or permit others to — access, listen to, monitor, record, tamper with or intrude upon any customer conversation or non-voice communication, or divulge their existence, except in response to a verified service or installation order, or to comply with a valid legal order or law.

In addition to protecting customer communications, you must also protect customer information. That means you must not use, access or disclose customer information — including information concerning your friends, acquaintances, family or coworkers — except as authorized.

You must ensure that business providers, such as contractors and vendors, make appropriate arrangements to protect customer privacy and identifying information. If you are aware of or even suspect a breach of customer privacy — including a loss of customers' personal identifying information — you must notify Security immediately.

You should also know and follow the ten "Privacy Principles" below.

#### VERIZON PRIVACY PRINCIPLES

1. Verizon obtains and uses individual customer information for business purposes only.
2. Verizon informs customers how information Verizon obtains about them is used, as well as their options regarding its use.
3. Verizon gives customers opportunities to control how and if Verizon uses individual information about them to sell them products and services.
4. Verizon enables customers to control how and if Verizon discloses individual information about them to other persons or entities — except as required by law or to protect the safety of customers, employees or property.
5. Verizon strives to ensure that the information Verizon obtains and uses about customers is accurate.

6. Verizon considers privacy implications as new services are planned and introduced and informs customers of the privacy implications of these services.
7. All Verizon employees are responsible for safeguarding individual customer communications and information.
8. Verizon participates in and supports consumer, government and industry efforts to identify and resolve privacy issues.
9. Verizon complies with all applicable privacy laws and regulations wherever Verizon does business.
10. Each Verizon company is responsible for implementing these principles and informing customers about its privacy practices. Verizon encourages companies related to, but not wholly owned by Verizon, to adopt these principles.

### **4.1.2 Customer Marketing**

Before using any customer information to market additional products or services, or disclosing customer information to other companies for marketing purposes, you must follow all company policies and applicable laws and regulations regarding the use and disclosure of this information.

When customers are also telecommunications carriers or resellers of telecommunications, you should not use their subscriber information, orders or processes/services to aid in Verizon's retail marketing or sales efforts.

### **4.1.3 Customer Contracts and Charges**

In servicing customer contracts, you must make every effort to ensure that all charges are accurate and properly billed. You may not, without the customer's consent (and the Legal Department's written approval), shift costs among contracts, deviate from contract requirements by substituting products or services, or cause customers to incur inaccurate charges.

## **4.2 The Government as a Customer**

When dealing with federal, state and local government agencies that are customers, you should apply the same high standards of fairness and integrity that you employ with all customer contracts and you should consult with the Legal Department to identify additional laws, regulations and procedures that you must follow.

### **4.2.1 Cooperating With Government Investigations**

You must cooperate with government investigations and inquiries relating to Verizon. To ensure that the company properly responds to an investigation, you must advise the Legal Department and Security of any government inquiry. Any documents, information or testimony you provide in response to a request by a government agency must be full, fair, accurate and timely, and reviewed in advance by the Legal Department.

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Provide accurate and clear information.

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Learn and follow all additional requirements when dealing with the government as a customer.

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Ethical behavior is promoted by full and open disclosure.

If you discover or suspect any misrepresentation, misstatement, misunderstanding, omission or other mistake by yourself or another employee, you must immediately disclose it to the Legal Department so that the company can take prompt steps to remedy the situation.

#### **4.2.2 Disclosure of a Court Order**

Verizon may receive court orders seeking information about its customers. You may neither confirm nor deny to any unauthorized person the existence of, or any information concerning, a subpoena, warrant or court order. You should immediately refer to Security any inquiries or requests of this kind.

#### **4.2.3 Classified and National Security Information**

The U.S. Espionage Act and other regulations govern our work with U.S. classified and national security information and impose stringent penalties for misuse or unauthorized disclosure of this information. You must take all necessary steps to protect classified and national security information and you must coordinate all activities related to this information with Security personnel who have appropriate clearance. It is never appropriate to disclose this information to another person without explicit approval from Security.

### **4.3 Selecting and Maintaining Relationships with Business Providers**

You must use care and good judgment in selecting and maintaining relationships with all of Verizon's business providers. Employees who participate in the selection of any business provider must:

- Use a selection process that is fair, does not improperly discriminate, and complies with all company policies and procedures;
- Ensure business providers are apprised of their obligation to abide by Verizon's standards of business conduct;
- Put all agreements in writing and consult with Corporate Sourcing, or the Legal Department if warranted, before executing them;
- When the business provider or project is located outside the U.S., consult the Legal Department to discuss additional legal and regulatory requirements that may apply.

#### **4.3.1 Gifts and Entertainment**

Verizon competes on the merit of its products and services, and not through gifts, entertainment, or other business courtesies. Although the exchange of gifts and entertainment can promote successful working relationships and good will, you must follow all applicable laws and company rules and procedures. Failure to follow these provisions can harm Verizon's reputation or result in fines or criminal penalties.

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**Q.** My wife manages a training consulting firm. Can she submit a proposal to become a Verizon vendor?

**A.** You should report this relationship to your supervisor, refer the matter to Corporate Sourcing, and refrain from participating in Verizon's discussions or relationship on this matter.

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You should never use gifts and entertainment to place undue influence on Verizon's business providers.

### 4.3.2 Gift and Entertainment Defined

A “gift” is anything of value, including promotional trinkets, food, beverages, tickets to cultural or sporting events, that you or someone in your family or household — or a person with whom you have a close personal relationship — either give or receive.

Entertainment includes meals and cultural and sporting events that you attend with a customer or business provider. If you do not attend the event with the customer or business provider, the tickets to such an event are not entertainment, but rather, “gifts” which are subject to the gift restrictions in this Code.

Verizon’s restrictions on gifts and entertainment apply equally to gifts and entertainment purchased completely or partially with your own money.

### 4.3.3 When Are Gifts Appropriate

To be appropriate, a gift (whether it is given or received) must be:

- Unsolicited;
- Not cash or usable as cash (for example, a gift certificate is not acceptable, with the exception of certain Verizon marketing promotions that have been specifically approved in advance by the Legal Department and are otherwise consistent with Verizon policies);
- Of moderate value (that is, no more than \$100 in face value in a calendar year to or from the same organization) unless approved in advance by a vice president level or above supervisor.

### 4.3.4 When Is Entertainment Appropriate

To be appropriate, entertainment must be:

- Unsolicited;
- Offered or accepted in the normal course of business;
- Attended by both a Verizon employee and a business provider’s employee and be an occasion where business is discussed;
- Not unduly lavish (e.g., charging more than would be reasonable or customary for a business dinner or lunch);
- At a venue and conducted in a manner that does not violate other provisions of this Code or harm the company’s reputation (e.g., an event at an adult entertainment venue is not acceptable).

Regardless of value, the appearance of influence must always be considered when accepting any business courtesy, such as a gift or entertainment. For any type of business courtesy, you may never use your own money or resources to do something that is prohibited with Verizon’s resources.

In addition, when you offer gifts or provide entertainment to others consistent with this Code, you must also ensure that these courtesies are properly reflected on Verizon’s books and records.

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**Q.** A vendor has offered me tickets to a baseball game. Can I accept them?

**A.** Possibly. If the vendor is inviting you to attend the game with him/her, this may constitute a business function and may be appropriate if it is within Verizon standards, and with your supervisor’s authorization. If the vendor is not attending, then the tickets would be considered a gift and must conform to Verizon’s standards for accepting gifts.

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**Q.** My group is participating in a bidding process for the renewal of a customer's contract. Recently, my supervisor suggested that we should send baseball tickets to our customer after my next presentation. What should I do?

**A.** You should remind your supervisor that the Code of Conduct prohibits the offer of gifts (such as baseball tickets) while we are bidding for the customer's business. If your supervisor insists, you should call the VZ Ethics and EEO GuideLine.

### **4.3.5 Prohibited Exchanges**

Even if the gift or entertainment meets the above standards, you must not exchange it if:

(a) it is intended to influence another person's business judgment; (b) it might create the appearance of undue influence, unfairness or impropriety; or (c) you are participating in, conducting, or directly supervising a formal procurement process (such as a request for bids) on Verizon's behalf.

### **4.3.6 Special Rules for Government Officials**

It is important to remember that special rules apply to domestic government officials. Laws, rules and regulations concerning appropriate gifts and entertainment for government employees are complex and can vary depending on government branch, state or other jurisdiction. All Verizon employees who, on Verizon's behalf, interact with government officials are responsible for complying with applicable laws and regulations.

### **4.3.7 Special Rules for Foreign Officials**

The Foreign Corrupt Practices Act and other countries' laws restrict the exchange of gifts and entertainment with foreign officials. Before offering meals, gifts, gratuities, entertainment or anything of value to any foreign government personnel, official, political party or party official or candidate, you must consult in advance with the Legal Department to make sure that you are in compliance with applicable U.S. and foreign laws and Verizon standards.

### **4.3.8 Returning Gifts**

If a gift exceeds the standards set forth in this Code, you should return the gift with an explanation that company standards do not permit you to accept such gifts. If returning a perishable item is not feasible, it should be anonymously donated to charity or accepted on behalf of Verizon and shared among all employees in the office. If shared, the gift's value per person should not exceed the \$100 calendar year limit.

If you receive a gift in a foreign country that falls outside of the Verizon standards and you are unable to return it, you must contact the VZ Ethics and EEO GuideLine for appropriate documentation, safeguarding and disposition of the gift.

### **4.3.9 Gifts Outside the Workplace**

Employees who are personal friends of customers or business providers might wish to exchange gifts outside of the workplace for appropriate events (such as a wedding or baby shower). These exchanges should be infrequent, disconnected from any work activities and disclosed to a supervisor beforehand to ensure that they do not improperly influence or appear to influence business decisions.

#### 4.4 Bribes, Kickbacks, Gratuities and Loans

It is never appropriate to offer or receive bribes, kickbacks or gratuities, which can subject you to criminal or civil penalties. You should politely decline all gratuities (e.g., bottle of wine, tips offered by customers) and immediately notify Security about any bribe or kickback offered to you. If you are unsure if a payment or gift is a bribe, kickback or gratuity, you should seek guidance from the Legal Department.

It is never appropriate to offer or accept personal loans or guarantees (e.g., preferences or discounts not offered widely) to or from customers, business providers, or competitors of Verizon.

#### 4.5 Relationships with Departing and Former Employees

Your obligation to abide by certain company standards exists even after your employment ends. For example, absent vice president level or above approval, you may not accept a job with another company if your new duties would cause you to:

- Breach any employment condition or agreement you have with Verizon; or
- Use or disclose Verizon nonpublic information in the new position.

In addition, when leaving or retiring from the company you must ensure that you return all Verizon property in your possession, including all records and equipment.

You may not provide any Verizon nonpublic company information to former employees. If a former employee solicits this information from you, you must notify Security or the Legal Department immediately.

You may not rehire a former employee or engage that employee as an independent contractor or agency employee unless that person has been separated from the company for a minimum time period established by Human Resources.

You may not purchase products or services on Verizon's behalf from former employees unless they have been separated from the company for more than a year. Even if this is the case, you must obtain appropriate authorization from your supervisor and follow Verizon's procurement policies.

Certain former employees may have information from which they can still unfairly benefit even after a year. If you suspect this is the case, you should consult with Corporate Sourcing for appropriate action. Exceptions may be made only with approval from a department vice president.

#### 4.6 Interaction with Competitors

Verizon is dedicated to ethical, fair and vigorous competition. We will sell our products and services on the basis of their merit, superior quality and competitive pricing.

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**Q.** A former employee who left Verizon last month contacted me about selling products that Verizon uses at a great savings. Should I save the company money by buying from him?

**A.** You may not rehire or contract with a former employee unless that person has been separated from the company for a minimum time period established by Human Resources, and you must contact Corporate Sourcing.

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**Q.** I have established good relations with the account executives of some of our competitors. At trade shows and conferences we often catch up on industry trends, customer deals, etc. Is this appropriate?

**A.** Use caution in these situations and do not discuss the price or terms of any Verizon contracts or gain competitive information directly from a competitor. You should not even joke about work related topics since this could be misinterpreted. You should refuse to discuss any anti-competitive issues and leave such conversations immediately.

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You must make independent pricing and marketing decisions and cannot coordinate your actions with Verizon's competitors.

#### 4.6.1 Avoiding Violations of the Antitrust Laws

The antitrust laws prohibit two kinds of activities. If you have any questions about whether any activity falls into the following categories, or if you have any information about someone in the company engaging in the following types of conduct, you must contact the Legal Department.

**First**, the antitrust laws prohibit agreements with competitors fixing prices, dividing markets, rigging bids, or otherwise limiting competition. Both explicit agreements and informal “gentlemen’s agreements” are against the law. Violation of these prohibitions may result in serious consequences for you or the company, including criminal liability and imprisonment.

The following activities are **prohibited**:

- **Price Fixing.** You must not agree with a competitor on prices or set prices in concert with a competitor.
- **Market Allocation.** You must not agree with a competitor to divide markets or engage in any communications with competitors about the places or customers for which they or Verizon are competing.
- **Bid Rigging.** You must not agree with a competitor to set the terms or direct the outcome of a bidding process. You also must not engage in any communications with competitors about bids.
- **Group Boycotts.** You must not boycott a supplier or customer as a way to make the supplier or customer stop dealing with a rival. A group boycott – an agreement with others not to deal with another person or business – may violate the antitrust laws if it is used to force customers to pay higher prices or to hinder a rival from entering the market.

In addition, you should be careful of the following:

- **Joint Ventures, Teaming Arrangements, and Non-Competition Agreements.**  
The antitrust laws do not prohibit all joint ventures or teaming arrangements. Sometimes, agreements not to compete are permissible as part of otherwise valid business arrangements. But those occasions are limited and must be approved by the Legal Department. You may not submit a joint bid, enter into a joint venture or teaming arrangement, or negotiate a non-compete agreement without the approval and involvement of the Legal Department.

**Second**, the antitrust laws prohibit certain types of unilateral conduct, that is, conduct undertaken by Verizon alone. Violation of this prohibition may result in large fines and judgments against the company.

You must not engage in the following conduct:

- **Sabotage.** Do not tamper with competitors’ products, sales materials, or other property.

- **False Statements.** When making comparisons to a competitor, stick to the facts. Do not embellish, exaggerate, or mislead.
- **Setting Resale Prices.** You may not try to establish the price that resellers or distributors charge for Verizon's products.

The antitrust laws limit the circumstances in which certain business or marketing decisions are permissible. Before engaging in any of the conduct described below, consult the Legal Department for guidance:

- **Exclusive Dealing.** Exclusive dealing occurs when a company requires, as a condition of doing business, that a customer forego dealing with competitors.
- **Refusals To Deal.** Refusals to deal occur when a company declines to offer to one customer a service that it makes available to other customers, or when a company offers a service to one customer on more burdensome terms than it makes available to other similarly situated customers.
- **Tying.** Tying occurs when a company forces a customer who wants one product to buy a second product also, as a condition of buying the desired product.
- **Reciprocal Dealing.** Reciprocal dealing occurs when a company forces a supplier to buy something from the company as a condition for the company continuing its business relationship with the supplier.
- **Bundling.** Bundling occurs when a company offers a discount on one product if it is purchased together with another.
- **Setting Prices Below Cost.** The antitrust laws limit the circumstances in which a company may set prices below cost.

#### 4.6.2 Marketing Company Products and Services

You may not make inaccurate, misleading or unsubstantiated comments when discussing Verizon's products and services in business-related conversations, advertising and other public communications. You must obtain approval beforehand from your business unit's Marketing Department prior to releasing any new marketing campaign or communication to current or potential customers.

Prior to marketing or discussing the company's products or services with potential customers, you must familiarize yourself with applicable laws and regulations. If you are unsure which regulations or laws apply to you, you should consult the Legal Department.

#### 4.6.3 Statements About Competitors and Their Products

You should promote Verizon's products and services through fair and accurate comparisons with its competitors, and sell on the strength of Verizon's products, services and reputation.

You should not make unfair, misleading or inaccurate comparisons with competitors' products and services; comment on competitors' character, financial condition, or potential

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Deal fairly and honestly in all activities, including pricing, licensing, and rights to sell.

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Accurately identify yourself when you gather public information about competitors.

legal or regulatory problems; or make negative remarks about entire groups of competitors and their products and services.

#### **4.6.4 Gathering Information About Competitors**

While it is entirely proper for employees to gather information about competitors, you must avoid even the appearance of improperly acquiring this information. You must accurately represent yourself and never misrepresent your identity when gathering competitive information. You must also ensure that any agents or consultants employed to obtain competitive information on Verizon's behalf also represent themselves accurately and follow these principles.

Generally, it is appropriate to gather competitive information from public sources, industry gatherings and surveys, and benchmarking/competitive research. It is never appropriate to request or obtain nonpublic competitor information from government or agency reports that are not available to the public from other competitors or former employees of competitors, who must abide by any non-disclosure or confidentiality agreements with their former employers, unless you are well briefed beforehand by the Legal Department regarding what you can and cannot discuss. It is also never appropriate to commit theft, espionage or breach of a competitor's non-disclosure agreement.

If you have reason to believe that competitive information from customers or others may not be public, you should consult with the Legal Department before accepting or using this information.

#### **4.7 Relationships With Affiliates**

In order to ensure that the company's organizational structure is not used unfairly, all transactions between and among the Verizon companies (also called "affiliates") must comply with company policy and all federal and state laws and regulations.

Permissible inter-company transactions must be priced at a level that complies with company policy and any applicable laws, and appropriately documented to reflect this pricing.

Affiliates that conduct joint marketing or share resources and company information (including Customer Proprietary Network Information — CPNI) must do so in accordance with applicable laws, third party agreements and company policies.

If you have any questions regarding an inter-company transaction or affiliate relationship, you should consult the Legal Department.

#### **4.8 International Relationships**

We must abide by the laws, rules and regulations of countries where we do business. We are committed to following not only U.S. laws that deal with foreign business transactions

(such as the Foreign Corrupt Practices Act), but also with the laws of the host countries in which we operate.

Because cultural differences and local customs or laws may raise issues, prior to engaging in any international business, you should review this section and discuss these issues with your supervisor and the Legal Department.

#### **4.8.1 Locating Offices or Receiving Services Outside of the United States**

If you are considering locating or moving a project, unit, group or any Verizon activity outside the United States, or obtaining services from employees or external providers located outside the United States (including any call center or IT services from individuals located outside of the United States), you must contact the Legal Department and, if applicable, the IT Global Sourcing Program Management Office to determine the rules, policies, and laws that may apply.

#### **4.8.2 Import/Export Control**

It is Verizon's policy to comply with all domestic and foreign import and export laws and regulations. Failure to do so could result in criminal and civil penalties, as well as the loss of Verizon's ability to import or export products and services.

Because specific authorizations or licensing may be required, you should contact the Legal Department before:

- Exporting any product, service, or technical information from the U.S. or moving it between or among countries. Technical information can consist of manufacturing processes, product use or commercial and technical expertise, data or software;
- Providing any product, service or technical information to parties that previously have been denied an export license; or
- Discussing with or displaying to foreign nationals (including Verizon employees) any Verizon technical data, equipment or nonpublic information or its application, whether in the U.S. or abroad, either on company or personal business.

You should consult the Legal Department to identify situations that may require written assurance by non-U.S. recipients that they will abide by U.S. export control regulations.

#### **4.8.3 Payments in Foreign Countries or to Foreign Officials**

Payments we make in the course of doing business internationally must reflect the value of the services actually provided, be directed to proper business purposes, made to legitimate business service providers and meet the requirements of the laws of the U.S. and of other countries where we do business.

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When working abroad, you must adhere to this Code of Conduct.

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When dealing with international issues, seek guidance from your business unit's legal counsel.

One key law governing our conduct of business in other countries is the Foreign Corrupt Practices Act (FCPA), which governs payments from U.S. companies and some foreign companies to foreign government officials. Generally, it is a violation of the FCPA to make payments or related offers, or to provide any other benefit, to or for the benefit of a foreign official. Regardless of the particular customs of a foreign country, you must be particularly careful to follow company standards, local laws and U.S. laws regarding doing business with non-U.S. officials or their family members.

You must never make payments to a third party that you suspect may be passed to officials outside the U.S. or other persons to improperly influence any person's decision-making to secure, retain or direct business for Verizon. You must not use an agent to make any payment that Verizon itself cannot make. Whenever you retain any agent in connection with foreign business, you must make sure that you can properly trace any funds provided to the agent to ensure that they are not used to make improper payments to government officials or their representatives.

#### **4.8.4 Facilitating Payments**

Often, in business transactions and operations in foreign countries, companies are called upon to make payments to expedite or "facilitate" routine government actions (for example, obtaining utility services or visas, clearing customs). In some cases, these payments may be appropriate; in others, they may violate local law or the FCPA. You should review with the Legal Department the types and amounts of such payments that may be required by your contract and you should obtain specific approval from the Legal Department before making any new or unusual payment.

#### **4.8.5 Payments to Contractors**

Payments to contractors (including agents, marketing representatives and consultants) must be made in accordance with the terms of their contracts, which must be in writing. Prior to entering any contract with a foreign party, you should review it with the Legal Department. Contracts that provide for payments to parties other than the contracting party are generally not acceptable.

In order to comply with the FCPA's record-keeping requirements, you must deny requests from foreign parties to vary the terms of contracts by:

- Increasing or decreasing agreed amounts on any invoice if such a request is contrary to Verizon's standards, procedures or applicable laws; or
- Submitting multiple invoices if you suspect such invoices may be used in a manner contrary to Verizon standards, procedures or applicable laws or otherwise being used improperly.

Commissions and other fees paid must be reasonable and customary, and may not exceed legal limits in the locality where they are paid.

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Pay promptly and in accordance with agreed upon terms.

#### 4.8.6 Record Keeping Requirements

Verizon is required to accurately record information regarding payments, including the amount and recipient. These record-keeping requirements apply to any agents or consultants who represent Verizon. This means that you must ensure that Verizon — and any agent or consultant who acts on Verizon's behalf — properly documents all transactions and maintains accurate information with respect to the amount and ultimate recipient of contract payments, commissions and other payments.

#### 4.8.7 Economic Sanctions and Embargoes

Federal law makes it illegal for any U.S. company or person to engage in any transactions with a number of designated countries (for example Cuba), or with certain designated parties anywhere in the world (for example groups that support terrorism). To ensure that Verizon follows these laws, you must check with the Legal Department and Security prior to initiating any business relationship in a country in which Verizon has not previously done business, and to determine the status of any party with whom Verizon has not previously done business.

In addition, because the United States has restricted travel to certain countries, employees who travel internationally must familiarize themselves with the rules and procedures for obtaining and using business travel documents, including passports, visas, approvals and special documentation.

#### 4.8.8 Illegal Boycotts

Verizon will not participate in boycotts of countries, their nationals or blacklisted companies, unless these boycotts are sanctioned by the U.S. and participation by Verizon is approved by the Legal Department. Nor will Verizon disclose information about present or prospective business relationships in countries that are the subject of illegal or improper boycotts.

Unless approved by the Legal Department, you must not furnish information about:

- Verizon's past, present or prospective business relationships with illegally boycotted countries or blacklisted companies; or
- Any person's: a) race, religion, gender, national origin or nationality, b) membership in or support of a charitable or fraternal organization supporting boycotted countries, c) relationship with nationals of boycotted countries, or d) relationship with a boycotted country or blacklisted company; or
- Any person believed to be restricted from doing business with a boycotted country.

Any request for information regarding boycotted countries or organizations must be referred to the Legal Department immediately.

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**Q.** My business group was recently contacted by a foreign organization that wants to arrange for the purchase of certain services and products from Verizon. The organization is headquartered in a country in which we have never done business. What should I do?

**A.** Before discussing business with this organization, you must first check with the Legal Department to determine if you will be doing business in a country or with an organization that is the subject of any legally imposed economic sanctions.

## Sources of Help

Verizon provides many resources to help you make ethical decisions. In addition to your supervisor, you may consult with your Human Resources Business Partner or the VZ Ethics and EEO GuideLine.

Verizon's eWeb (Intranet), <http://eweb.verizon.com>, contains expansive helpful contact and subject matter information listed under the **Digital Workplace tabs**. You will need your VZID and password to access this information.

In addition, please reference the chart below for some important resources.

### Quick Reference Chart:

Resource	Phone Number	Websites
VZ Ethics & EEO GuideLine	800-856-1885 800-968-4586 TTY	<a href="http://www.verizonguideline.com">www.verizonguideline.com</a>
Human Resources Programs & Services	877-Ask-VzHR 877-275-8947	Digital Workplace - "VZ Info" Tab - HR Contacts
Security	800-997-3287	<a href="http://security.verizon.com">http://security.verizon.com</a>
Legal Department	Consult website	<a href="http://vids.verizon.com/corporate/legal/lg/index.shtml">http://vids.verizon.com/corporate/legal/lg/index.shtml</a>
Internal Audit	Consult website	<a href="http://eweb.verizon.com/corporate/finance/ia">http://eweb.verizon.com/corporate/finance/ia</a>
Workplace Safety	800-386-9639	Digital Workplace - "Work Tools" Tab
Environmental Protection	800-386-9639	<a href="http://multimedia.verizon.com/responsibility/protect/index.aspx">http://multimedia.verizon.com/responsibility/protect/index.aspx</a>
Labor Relations	Consult website	Digital Workplace - "Work Tools" Tab
Public Affairs & Communications - Media Relations	Consult website	<a href="http://newscenter.verizon.com/contact.vtml">http://newscenter.verizon.com/contact.vtml</a>
Corporate Responsibility	Consult website	<a href="http://multimedia.verizon.com/responsibility">http://multimedia.verizon.com/responsibility</a>
Verizon Foundation	800-360-7955	<a href="http://www.verizon.com/foundation">www.verizon.com/foundation</a>
VZ LIFE - Work/Life Events	800-845-0632 800-832-9559 TTY	<a href="http://www.verizon.com/life">www.verizon.com/life</a>







*We never stop working for you.*