

REFINITIV

DELTA REPORT

10-Q

T PR A - AT&T INC.

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	1873
CHANGES	129
DELETIONS	213
ADDITIONS	1531

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)



QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2024 June 30, 2024

or



TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to
Commission File Number 001-08610

AT&T INC.

Incorporated under the laws of the State of Delaware
I.R.S. Employer Identification Number 43-1301883

208 S. Akard St., Dallas, Texas 75202
Telephone Number: (210) 821-4105

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Shares (Par Value \$1.00 Per Share)	T	New York Stock Exchange
Depository Shares, each representing a 1/1000th interest in a share of 5.000% Perpetual Preferred Stock, Series A	T PRA	New York Stock Exchange
Depository Shares, each representing a 1/1000th interest in a share of 4.750% Perpetual Preferred Stock, Series C	T PRC	New York Stock Exchange
AT&T Inc. 2.400% Global Notes due March 15, 2024	T 24A	New York Stock Exchange
AT&T Inc. Floating Rate Global Notes due March 6, 2025	T 25A	New York Stock Exchange
AT&T Inc. 3.550% Global Notes due November 18, 2025	T 25B	New York Stock Exchange
AT&T Inc. 3.500% Global Notes due December 17, 2025	T 25	New York Stock Exchange
AT&T Inc. 0.250% Global Notes due March 4, 2026	T 26E	New York Stock Exchange
AT&T Inc. 1.800% Global Notes due September 5, 2026	T 26D	New York Stock Exchange
AT&T Inc. 2.900% Global Notes due December 4, 2026	T 26A	New York Stock Exchange
AT&T Inc. 1.600% Global Notes due May 19, 2028	T 28C	New York Stock Exchange
AT&T Inc. 2.350% Global Notes due September 5, 2029	T 29D	New York Stock Exchange
AT&T Inc. 4.375% Global Notes due September 14, 2029	T 29B	New York Stock Exchange
AT&T Inc. 2.600% Global Notes due December 17, 2029	T 29A	New York Stock Exchange
AT&T Inc. 0.800% Global Notes due March 4, 2030	T 30B	New York Stock Exchange
AT&T Inc. 3.950% Global Notes due April 30, 2031	T 31F	New York Stock Exchange
AT&T Inc. 2.050% Global Notes due May 19, 2032	T 32A	New York Stock Exchange

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
AT&T Inc. 3.550% Global Notes due December 17, 2032	T 32	New York Stock Exchange
AT&T Inc. 5.200% Global Notes due November 18, 2033	T 33	New York Stock Exchange
AT&T Inc. 3.375% Global Notes due March 15, 2034	T 34	New York Stock Exchange
AT&T Inc. 4.300% Global Notes due November 18, 2034	T 34C	New York Stock Exchange
AT&T Inc. 2.450% Global Notes due March 15, 2035	T 35	New York Stock Exchange
AT&T Inc. 3.150% Global Notes due September 4, 2036	T 36A	New York Stock Exchange
AT&T Inc. 2.600% Global Notes due May 19, 2038	T 38C	New York Stock Exchange
AT&T Inc. 1.800% Global Notes due September 14, 2039	T 39B	New York Stock Exchange
AT&T Inc. 7.000% Global Notes due April 30, 2040	T 40	New York Stock Exchange
AT&T Inc. 4.250% Global Notes due June 1, 2043	T 43	New York Stock Exchange
AT&T Inc. 4.875% Global Notes due June 1, 2044	T 44	New York Stock Exchange
AT&T Inc. 4.000% Global Notes due June 1, 2049	T 49A	New York Stock Exchange
AT&T Inc. 4.250% Global Notes due March 1, 2050	T 50	New York Stock Exchange
AT&T Inc. 3.750% Global Notes due September 1, 2050	T 50A	New York Stock Exchange
AT&T Inc. 5.350% Global Notes due November 1, 2066	TBB	New York Stock Exchange
AT&T Inc. 5.625% Global Notes due August 1, 2067	TBC	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See [definition the definitions](#) of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

At [April 25, 2024](#) [July 18, 2024](#), there were [7,170,165,104](#) [7,170,243,877](#) common shares outstanding.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

AT&T INC.
AT&T INC.

AT&T INC.				CONSOLIDATED STATEMENTS OF INCOME	Dollars in millions except per share amounts	(Unaudited)
		Three months ended	Three months ended	Six months ended		

		March 31,		June 30,		June 30,	
		2024	2023	2024	2023	2024	2023
Operating Revenues	Operating Revenues			Operating Revenues			
Service							
Equipment							
Total operating revenues							
Operating Expenses							
Operating Expenses							
Operating Expenses							
Cost of revenues							
Cost of revenues							
Cost of revenues							
Equipment							
Equipment							
Equipment							
Other cost of revenues (exclusive of depreciation and amortization shown separately below)							
Other cost of revenues (exclusive of depreciation and amortization shown separately below)							
Other cost of revenues (exclusive of depreciation and amortization shown separately below)							
Selling, general and administrative							
Asset impairments and abandonments and restructuring							
Depreciation and amortization							
Total operating expenses							
Operating Income							
Other Income (Expense)							
Interest expense							
Interest expense							
Interest expense							
Equity in net income of affiliates							
Other income (expense) — net							
Total other income (expense)							
Income Before Income Taxes							
Income tax expense							
Net Income							
Net Income							
Net Income							
Less: Net Income Attributable to Noncontrolling Interest							
Net Income Attributable to AT&T							
Less: Preferred Stock Dividends							
Net Income Attributable to Common Stock							
Basic Earnings Per Share Attributable to Common Stock							
Basic Earnings Per Share Attributable to Common Stock							
Basic Earnings Per Share Attributable to Common Stock							
Diluted Earnings Per Share Attributable to Common Stock							
Diluted Earnings Per Share Attributable to Common Stock							
Diluted Earnings Per Share Attributable to Common Stock							

Weighted Average Number of Common Shares
Outstanding — Basic (in millions)

Weighted Average Number of Common Shares
Outstanding — with Dilution (in millions)

See Notes to Consolidated Financial Statements.

AT&T INC.

AT&T INC.

AT&T INC.

CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME

Dollars in millions

(Unaudited)

CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME

Dollars in millions

(Unaudited)

AT&T INC.

CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME

Dollars in millions

(Unaudited)

Three
months
ended
March 31,
2024

2023

Three months ended
June 30,

2024

2023

Six
months
ended
June 30,
2024

2023

Net income

Other comprehensive income (loss), net of tax:

Foreign currency:

Foreign currency:

Foreign currency:

Translation adjustment, net of taxes of \$8 and \$52

Translation adjustment, net of taxes of \$8 and \$52

Translation adjustment, net of taxes of \$8 and \$52

Translation adjustment, net of taxes of \$(69), \$88, \$(61)
and \$140

Translation adjustment, net of taxes of \$(69), \$88, \$(61)
and \$140

Translation adjustment, net of taxes of \$(69), \$88, \$(61)
and \$140

Reclassification adjustment included in net income,
net of taxes of \$(14), \$0, \$(14) and \$0

Securities:

Securities:

Securities:

Net unrealized gains (losses), net of taxes of \$(2) and \$8

Net unrealized gains (losses), net of taxes of \$(2) and \$8

Net unrealized gains (losses), net of taxes of \$(2) and \$8

Reclassification adjustment included in net income,
net of taxes of \$2 and \$1

Net unrealized gains (losses), net of taxes of \$1, \$(4), \$(1)
and \$4

Net unrealized gains (losses), net of taxes of \$1, \$(4), \$(1)
and \$4

Net unrealized gains (losses), net of taxes of \$1, \$(4), \$(1)
and \$4

Reclassification adjustment included in net income,
net of taxes of \$1, \$1, \$3 and \$2

Derivative instruments:

Net unrealized gains (losses), net of taxes of \$49 and \$(43)

Net unrealized gains (losses), net of taxes of \$49 and \$(43)

Net unrealized gains (losses), net of taxes of \$49 and \$(43)

Reclassification adjustment included in net income,
net of taxes of \$3 and \$3



Net unrealized gains (losses), net of taxes of \$(65), \$45, \$(16) and \$2
Net unrealized gains (losses), net of taxes of \$(65), \$45, \$(16) and \$2
Net unrealized gains (losses), net of taxes of \$(65), \$45, \$(16) and \$2
Reclassification adjustment included in net income, net of taxes of \$4, \$3, \$7 and \$6
Defined benefit postretirement plans:
Defined benefit postretirement plans:
Defined benefit postretirement plans:
Amortization of net prior service credit included in net income, net of taxes of \$(123) and \$(160)
Amortization of net prior service credit included in net income, net of taxes of \$(123), \$(161), \$(246) and \$(321)
Amortization of net prior service credit included in net income, net of taxes of \$(123) and \$(160)
Amortization of net prior service credit included in net income, net of taxes of \$(123), \$(161), \$(246) and \$(321)
Amortization of net prior service credit included in net income, net of taxes of \$(123) and \$(160)
Amortization of net prior service credit included in net income, net of taxes of \$(123), \$(161), \$(246) and \$(321)
Other comprehensive income (loss)
Other comprehensive income (loss)
Other comprehensive income (loss)
Total comprehensive income
Less: Total comprehensive income attributable to noncontrolling interest
Total Comprehensive Income Attributable to AT&T
See Notes to Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEETS

Dollars in millions except per share amounts

AT&T INC.

	March 31,	December 31,	
	June 30,	December 31,	
	2024	2023	2024
Assets			
Current Assets			
Current Assets			
Current Assets			
Cash and cash equivalents			
Accounts receivable – net of related allowances for credit loss of \$463 and \$499			
Accounts receivable – net of related allowances for credit loss of \$443 and \$499			
Inventories			
Prepaid and other current assets			
Total current assets			
Property, plant and equipment			
Less: accumulated depreciation and amortization			
Property, Plant and Equipment – Net			
Goodwill – Net			
Licenses – Net			
Other Intangible Assets – Net			

Investments in and Advances to Equity Affiliates**Operating Lease Right-Of-Use Assets****Other Assets****Other Assets****Other Assets****Total Assets****Liabilities and Stockholders' Equity****Current Liabilities****Current Liabilities****Current Liabilities**

Debt maturing within one year

Debt maturing within one year

Debt maturing within one year

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities

Advanced billings and customer deposits

Dividends payable

Total current liabilities**Long-Term Debt****Deferred Credits and Other Noncurrent Liabilities**

Deferred income taxes

Deferred income taxes

Deferred income taxes

Postemployment benefit obligation

Operating lease liabilities

Other noncurrent liabilities

Total deferred credits and other noncurrent liabilities

Redeemable Noncontrolling Interest**Stockholders' Equity**

Preferred stock (\$1 par value, 10,000,000 authorized at March 31, 2024 and December 31, 2023):

Preferred stock (\$1 par value, 10,000,000 authorized at March 31, 2024 and December 31, 2023):

Preferred stock (\$1 par value, 10,000,000 authorized at March 31, 2024 and December 31, 2023):

Series A (48,000 issued and outstanding at March 31, 2024 and December 31, 2023)

Series A (48,000 issued and outstanding at March 31, 2024 and December 31, 2023)

Series A (48,000 issued and outstanding at March 31, 2024 and December 31, 2023)

Series B (20,000 issued and outstanding at March 31, 2024 and December 31, 2023)

Series C (70,000 issued and outstanding at March 31, 2024 and December 31, 2023)

Common stock (\$1 par value, 14,000,000,000 authorized at March 31, 2024 and December 31, 2023: issued 7,620,748,598 at March 31, 2024 and December 31, 2023)

Preferred stock (\$1 par value, 10,000,000 authorized at June 30, 2024 and December 31, 2023):

Preferred stock (\$1 par value, 10,000,000 authorized at June 30, 2024 and December 31, 2023):

Preferred stock (\$1 par value, 10,000,000 authorized at June 30, 2024 and December 31, 2023):

Series A (48,000 issued and outstanding at June 30, 2024 and December 31, 2023)

Series A (48,000 issued and outstanding at June 30, 2024 and December 31, 2023)
Series A (48,000 issued and outstanding at June 30, 2024 and December 31, 2023)
Series B (20,000 issued and outstanding at June 30, 2024 and December 31, 2023)
Series C (70,000 issued and outstanding at June 30, 2024 and December 31, 2023)
Common stock (\$1 par value, 14,000,000,000 authorized at June 30, 2024 and December 31, 2023: issued 7,620,748,598 at June 30, 2024 and December 31, 2023)
Additional paid-in capital
Retained (deficit) earnings
Treasury stock (450,713,156 at March 31, 2024 and 470,685,237 at December 31, 2023, at cost)
Retained earnings (deficit)
Treasury stock (450,513,074 at June 30, 2024 and 470,685,237 at December 31, 2023, at cost)
Accumulated other comprehensive income
Noncontrolling interest
Total stockholders' equity
Total Liabilities and Stockholders' Equity
See Notes to Consolidated Financial Statements.

AT&T INC.			CONSOLIDATED STATEMENTS OF CASH FLOWS		Dollars in millions
(Unaudited)	(Unaudited)		(Unaudited)		
	Three months ended March 31, 2024	2023	Six months ended June 30, 2024	2023	
Operating Activities	Operating Activities		Operating Activities		
Net Income					
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization					
Depreciation and amortization					
Depreciation and amortization					
Provision for uncollectible accounts					
Provision for uncollectible accounts					
Provision for uncollectible accounts					
Deferred income tax expense					
Net (gain) loss on investments, net of impairments					
Pension and postretirement benefit expense (credit)					
Asset impairments and abandonments and restructuring					
Asset impairments and abandonments and restructuring					
Actuarial and settlement (gain) loss on pension and postretirement benefits - net					
Asset impairments and abandonments and restructuring					
Changes in operating assets and liabilities:					
Receivables					
Receivables					
Receivables					
Other current assets					

Accounts payable and other accrued liabilities
Equipment installment receivables and related sales
Deferred customer contract acquisition and fulfillment costs
Postretirement claims and contributions
Other - net
Total adjustments
Net Cash Provided by Operating Activities
Investing Activities
Capital expenditures
Capital expenditures
Capital expenditures
Acquisitions, net of cash acquired
Dispositions
Distributions from DIRECTV in excess of cumulative equity in earnings
(Purchases), sales and settlements of securities and investments - net
Other - net
Net Cash Used in Investing Activities
Net Cash Used in Investing Activities
Net Cash Used in Investing Activities
Financing Activities
Net change in short-term borrowings with original maturities of three months or less
Net change in short-term borrowings with original maturities of three months or less
Net change in short-term borrowings with original maturities of three months or less
Issuance of other short-term borrowings
Repayment of other short-term borrowings
Issuance of long-term debt
Repayment of long-term debt
Repayment of note payable to DIRECTV
Payment of vendor financing
Purchase of treasury stock
Purchase of treasury stock
Purchase of treasury stock
Issuance of treasury stock
Dividends paid
Dividends paid
Issuance of preferred interests in subsidiary
Redemption of preferred interests in subsidiary
Dividends paid
Other - net
Other - net
Other - net
Net Cash Used in Financing Activities
Net increase (decrease) in cash and cash equivalents and restricted cash
Net increase (decrease) in cash and cash equivalents and restricted cash
Net increase (decrease) in cash and cash equivalents and restricted cash
Cash and cash equivalents and restricted cash beginning of year
Cash and Cash Equivalents and Restricted Cash End of Period

See Notes to Consolidated Financial Statements.

AT&T INC.
AT&T INC.

AT&T INC. AT&T INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Dollars and shares in millions except per share amounts (Unaudited)	Dollars and shares in millions except per share amounts (Unaudited)				Dollars and shares in millions except per share amounts (Unaudited)								
		Three months ended			Three months ended			Six months ended					
		March 31, 2024		March 31, 2023	June 30, 2024		June 30, 2023	June 30, 2024		June 30, 2023			
		Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
Preferred Stock - Series A	Preferred Stock - Series A				Preferred Stock - Series A								
Balance at beginning of period													
Balance at end of period													
Balance at end of period													
Balance at end of period													
Preferred Stock - Series B													
Balance at beginning of period													
Balance at beginning of period													
Balance at beginning of period													
Balance at end of period													
Balance at end of period													
Balance at end of period													
Preferred Stock - Series C													
Balance at beginning of period													
Balance at beginning of period													
Balance at beginning of period													
Balance at end of period													
Balance at end of period													
Balance at end of period													
Common Stock													
Balance at beginning of period													
Balance at beginning of period													
Balance at beginning of period													
Balance at end of period													
Balance at end of period													
Balance at end of period													
Additional Paid-In Capital													
Balance at beginning of period													
Balance at beginning of period													
Balance at beginning of period													
Preferred stock dividends													
Preferred stock dividends													
Preferred stock dividends													
Common stock dividends (\$0.2775 and \$0.2775 per share)													

Common stock dividends
(\$0.2775, \$0.2775, \$0.5550
and \$0.5550 per share)

Issuance of treasury stock

Issuance of treasury stock

Issuance of treasury stock

Share-based payments

Redemption or reclassification of
interest held by noncontrolling
owners

Balance at end of period

Retained (Deficit) Earnings

Retained Earnings (Deficit)

Balance at beginning of period

Balance at beginning of period

Balance at beginning of period

Net income attributable to AT&T

Net income attributable to AT&T

Net income attributable to AT&T

Preferred stock dividends

Common stock dividends
(\$0.2775, \$0.0000, \$0.2775
and \$0.0000 per share)

Balance at end of period

Balance at end of period

Balance at end of period

See Notes to Consolidated Financial Statements.

AT&T INC.

AT&T INC.

AT&T INC.

AT&T INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY - continued

Dollars and shares in millions except per share amounts (Unaudited)	Dollars and shares in millions except per share amounts (Unaudited)					Dollars and shares in millions except per share amounts (Unaudited)							
		Three months ended				Three months ended		Six months ended					
		March 31, 2024		March 31, 2023		June 30, 2024		June 30, 2023	June 30, 2024		June 30, 2023		
						Shares	Amount						
Treasury Stock	Treasury Stock					Treasury Stock							
Balance at beginning of period													
Repurchase and acquisition of common stock													
Reissuance of treasury stock													
Balance at end of period													
Accumulated Other Comprehensive Income Attributable to AT&T, net of tax													
Balance at beginning of period													

Balance at beginning of period
Balance at beginning of period
Other comprehensive income (loss) attributable to AT&T
Balance at end of period
Noncontrolling Interest
Balance at beginning of period
Balance at beginning of period
Balance at beginning of period
Net income attributable to noncontrolling interest
Net income attributable to noncontrolling interest
Net income attributable to noncontrolling interest
Redemption of noncontrolling interest
Redemption of noncontrolling interest
Issuance and acquisition by noncontrolling owners
Redemption of noncontrolling interest
Distributions
Balance at end of period
Balance at end of period
Balance at end of period
Balance at end of period
Total Stockholders' Equity at beginning of period
Total Stockholders' Equity at end of period

1 Excludes redeemable noncontrolling interest
See Notes to Consolidated Financial Statements.

AT&T INC.
MARCH 31, JUNE 30, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
Dollars in millions except per share amounts

NOTE 1. PREPARATION OF INTERIM FINANCIAL STATEMENTS

Basis of Presentation Throughout this document, AT&T Inc. is referred to as “we,” “AT&T” or the “Company.” The consolidated financial statements include the accounts of the Company and subsidiaries and affiliates which we control. AT&T is a holding company whose subsidiaries and affiliates operate worldwide in the telecommunications and technology industries. You should read this document in conjunction with the consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2023. The results for the interim periods are not necessarily indicative of those for the full year. These consolidated financial statements include all adjustments that are necessary to present fairly the results for the presented interim periods, consisting of normal recurring accruals and other items.

All significant intercompany transactions are eliminated in the consolidation process. Investments in subsidiaries and partnerships which we do not control but have significant influence are accounted for under the equity method. Earnings from certain investments accounted for using the equity method are included in our results on a one quarter lag. We also record our proportionate share of our equity method investees’ other comprehensive income (OCI) items, including translation adjustments.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions, including estimates of fair value, probable losses and expenses, that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE 2. EARNINGS PER SHARE

A reconciliation of the numerators and denominators of basic and diluted earnings per share for the three months ended March 31, 2024 and 2023, is shown in the table below:

	Three months ended	Three months ended	Six months ended
	March 31,	June 30,	June 30,

		2024	2023	2024	2023	2024	2023
Numerators	Numerators			Numerators			
Numerator for basic earnings per share:	Numerator for basic earnings per share:			Numerator for basic earnings per share:			
Net Income Attributable to Common Stock							
Net Income Attributable to Common Stock							
Net Income Attributable to Common Stock							
Dilutive potential common shares:							
Mobility preferred interests							
Mobility preferred interests							
Mobility preferred interests							
Share-based payment							
Numerator for diluted earnings per share							
Denominators (000,000)							
Denominator for basic earnings per share:							
Denominator for basic earnings per share:							
Denominator for basic earnings per share:							
Weighted average number of common shares outstanding							
Weighted average number of common shares outstanding							
Weighted average number of common shares outstanding							
Dilutive potential common shares:							
Mobility preferred interests (in shares)							
Mobility preferred interests (in shares)							
Mobility preferred interests (in shares)							
Share-based payment (in shares)							
Denominator for diluted earnings per share							

On April 5, 2023, we repurchased all our Series A Cumulative Perpetual Preferred Membership Interests in AT&T Mobility II LLC (Mobility preferred interests). For periods prior to repurchase, under Accounting Standards Update (ASU) No. 2020-06, "Debt—Debt With Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity" (ASU 2020-06), the ability to settle the Mobility preferred interests in stock was reflected in our diluted earnings per share calculation.

AT&T INC.

MARCH 31, JUNE 30, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

NOTE 3. OTHER COMPREHENSIVE INCOME

Changes in the balances of each component included in accumulated OCI are presented below. All amounts are net of tax and exclude noncontrolling interest, tax.

	Net Unrealized Foreign Currency Translation Adjustment	Net Unrealized Gains (Losses) on Securities	Net Unrealized Gains (Losses) on Derivative Instruments	Defined Benefit Postretirement Plans	Accumulated Other Comprehensive Income (Loss)	Foreign Currency Translation Adjustment	Net Unrealized Gains (Losses) on Securities	Net Unrealized Gains (Losses) on Derivative Instruments	Defined Benefit Postretirement Plans	Accumul Othe Comprehe Income (I
Balance as of December 31, 2023										
Other comprehensive income (loss) before reclassifications										

Amounts
reclassified
from
accumulated
OCI

Net other
comprehensive
income (loss)

Net other
comprehensive
income (loss)

Net other
comprehensive
income (loss)

Balance as of
March 31,
2024

Balance as of
June 30, 2024

	Net		Net				Net		Net	
	Foreign	Unrealized	Unrealized		Defined	Accumulated	Foreign	Unrealized	Unrealized	
	Currency	Gains	Gains		Benefit	Other	Currency	(Losses)	(Losses) on	
	Translation	on	Derivative	Postretirement	Comprehensive		Translation	on	Derivative	Postretirement
	Adjustment	Securities	Instruments	Plans	Income (Loss)		Adjustment	Securities	Instruments	Plans

Balance as of
December 31,
2022

Other
comprehensive
income
(loss) before
reclassifications

Amounts
reclassified
from
accumulated
OCI

Net other
comprehensive
income (loss)

Balance as of
March 31, 2023

Balance as of
June 30, 2023

¹ (Gains) losses are included in "Other income (expense) - net" in the consolidated statements of income.

NOTE 4. SEGMENT INFORMATION

Our segments are comprised of strategic business units or other operations that offer products and services to different customer segments over various technology platforms and/or in different geographies that are managed accordingly. We have two reportable segments: Communications and Latin America.

We also evaluate segment and business unit performance based on EBITDA and/or EBITDA margin, which is defined as operating income excluding depreciation and amortization. EBITDA is used as part of our management reporting and we believe EBITDA to be a relevant and useful measurement to our investors as it measures the cash generation potential of our business units. EBITDA does not give effect to depreciation and amortization expenses incurred in operating income nor is it burdened by cash used for debt service requirements and thus does not reflect available funds for distributions, reinvestment or other discretionary uses. EBITDA margin is EBITDA divided by total revenue.

AT&T INC.

MARCH 31, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

The **Communications segment** provides wireless and wireline telecom and broadband services to consumers located in the U.S. and businesses globally. Our business strategies reflect integrated product offerings that cut across product lines and utilize shared assets. This segment contains the following business units:

- **Mobility** provides nationwide wireless service and equipment.
- **Business Wireline** provides advanced ethernet-based fiber services, IP Voice and managed professional services, as well as traditional voice and data services and related equipment to business customers. In the first quarter of 2024, we began

AT&T INC.

JUNE 30, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

offering our fixed wireless access product that provides internet services delivered over our 5G wireless network where available.

- **Consumer Wireline** provides broadband services, including fiber connections that provide multi-gig services to residential customers in select locations and our fixed wireless access product that provides home internet services delivered over our 5G wireless network where available. Consumer Wireline also provides legacy telephony voice communication services.

The **Latin America segment** provides wireless services and equipment in Mexico.

Corporate and Other reconciles our segment results to consolidated operating income and income before income taxes.

Corporate includes:

- *DTV-related retained costs*, which are costs previously allocated to the Video business that were retained after the transaction, net of reimbursements from DIRECTV Entertainment Holdings, LLC (DIRECTV) under transition service agreements.
- *Parent administration support*, which includes costs borne by AT&T where the business units do not influence decision making.
- *Securitization fees* associated with our sales of receivables (see Note 8).
- *Value portfolio*, which are businesses no longer integral to our operations or which we no longer actively market.

Other items ~~consists~~ consist of:

- *Certain significant items*, which includes items associated with the merger and integration of acquired or divested businesses, including amortization of intangible assets, employee separation charges associated with voluntary and/or strategic offers, asset impairments and abandonments and restructuring, and other items for which the segments are not being evaluated.

"Interest expense" and "Other income (expense) – net" are managed only on a total company basis and are, accordingly, reflected only in consolidated results.

For the three months ended June 30, 2024					
	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)
Communications					
Mobility	\$ 20,480	\$ 11,285	\$ 9,195	\$ 2,476	\$ 6,719
Business Wireline	4,755	3,267	1,488	1,386	102
Consumer Wireline	3,347	2,249	1,098	914	184
Total Communications	28,582	16,801	11,781	4,776	7,005
Latin America - Mexico	1,103	925	178	172	6
Segment Total	29,685	17,726	11,959	4,948	7,011
Corporate and Other					
Corporate:					
DTV-related retained costs	—	116	(116)	102	(218)
Parent administration support	—	443	(443)	2	(445)
Securitization fees	29	150	(121)	—	(121)
Value portfolio	83	25	58	5	53
Total Corporate	112	734	(622)	109	(731)
Certain significant items	—	505	(505)	15	(520)
Total Corporate and Other	112	1,239	(1,127)	124	(1,251)
AT&T Inc.	\$ 29,797	\$ 18,965	\$ 10,832	\$ 5,072	\$ 5,760

AT&T INC.

MARCH 31, JUNE 30, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

For the three months ended March 31, 2024

For the three months ended June 30, 2023

	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization		Operating Income (Loss)	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)
Communications	Communications			Communications							
Mobility											
Business Wireline											
Consumer Wireline											
Total Communications											
Latin America - Mexico											
Segment Total											
Corporate and Other	Corporate and Other										
Corporate:											
Corporate:											
Corporate:											
DTV-related retained costs											
DTV-related retained costs											

DTV-related retained costs
Parent administration support
Securitization fees
Value portfolio
Total Corporate
Certain significant items
Certain significant items
Certain significant items
Total Corporate and Other
Total Corporate and Other
Total Corporate and Other

AT&T Inc.

For the three months ended March 31, 2023

	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)
Communications					
Mobility	\$ 20,582	\$ 12,213	\$ 8,369	\$ 2,098	\$ 6,271
Business Wireline	5,331	3,623	1,708	1,330	378
Consumer Wireline	3,239	2,284	955	861	94
Total Communications	29,152	18,120	11,032	4,289	6,743
Latin America - Mexico	883	738	145	175	(30)
Segment Total	30,035	18,858	11,177	4,464	6,713
Corporate and Other					
Corporate:					
DTV-related retained costs	—	169	(169)	144	(313)
Parent administration support	(9)	374	(383)	1	(384)
Securitization fees	19	121	(102)	—	(102)
Value portfolio	94	28	66	5	61
Total Corporate	104	692	(588)	150	(738)
Certain significant items	—	(44)	44	17	27
Total Corporate and Other	104	648	(544)	167	(711)
AT&T Inc.	\$ 30,139	\$ 19,506	\$ 10,633	\$ 4,631	\$ 6,002

For the six months ended June 30, 2024

	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)
Communications					
Mobility	\$ 41,074	\$ 22,924	\$ 18,150	\$ 4,963	\$ 13,187
Business Wireline	9,668	6,754	2,914	2,748	166
Consumer Wireline	6,697	4,505	2,192	1,795	397
Total Communications	57,439	34,183	23,256	9,506	13,750
Latin America - Mexico	2,166	1,808	358	349	9
Segment Total	59,605	35,991	23,614	9,855	13,759
Corporate and Other					
Corporate:					
DTV-related retained costs	—	250	(250)	222	(472)
Parent administration support	—	835	(835)	3	(838)

Securitization fees	55	315	(260)	—	(260)
Value portfolio	165	51	114	9	105
Total Corporate	220	1,451	(1,231)	234	(1,465)
Certain significant items	—	657	(657)	30	(687)
Total Corporate and Other	220	2,108	(1,888)	264	(2,152)
AT&T Inc.	\$ 59,825	\$ 38,099	\$ 21,726	\$ 10,119	\$ 11,607

AT&T INC.

MARCH 31, JUNE 30, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

For the six months ended June 30, 2023					
	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)
Communications					
Mobility	\$ 40,897	\$ 23,792	\$ 17,105	\$ 4,221	\$ 12,884
Business Wireline	10,610	7,173	3,437	2,663	774
Consumer Wireline	6,490	4,510	1,980	1,718	262
Total Communications	57,997	35,475	22,522	8,602	13,920
Latin America - Mexico	1,850	1,559	291	360	(69)
Segment Total	59,847	37,034	22,813	8,962	13,851
Corporate and Other					
Corporate:					
DTV-related retained costs	—	347	(347)	296	(643)
Parent administration support	(12)	706	(718)	3	(721)
Securitization fees	36	275	(239)	—	(239)
Value portfolio	185	52	133	11	122
Total Corporate	209	1,380	(1,171)	310	(1,481)
Certain significant items	—	(72)	72	34	38
Total Corporate and Other	209	1,308	(1,099)	344	(1,443)
AT&T Inc.	\$ 60,056	\$ 38,342	\$ 21,714	\$ 9,306	\$ 12,408

The following table is a reconciliation of Segment Operating Income to "Income Before Income Taxes" reported in our consolidated statements of income:

	Three months ended March 31, 2024	2023	Three months ended June 30, 2024	2023	Six months ended June 30, 2024	2023
Communications						
Latin America						
Segment Operating Income						
Reconciling Items:						
Corporate						
Corporate						
Corporate						
Transaction and other costs						
Amortization of intangibles acquired						
Asset impairments and abandonments and restructuring						
Benefit-related gains (losses)						
AT&T Operating Income						
AT&T Operating Income						

AT&T Operating Income
Interest expense
Equity in net income of affiliates
Other income (expense) — net
Income Before Income Taxes

AT&T INC.
JUNE 30, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

NOTE 5. REVENUE RECOGNITION

Revenue Categories

The following tables set forth reported revenue by category and by business unit:

For the three months ended March 31, 2024												
For the three months ended March 31, 2024												
For the three months ended March 31, 2024												
For the three months ended June 30, 2024												
For the three months ended June 30, 2024												
For the three months ended June 30, 2024												
	Communications						Communications					
	Mobility	Business Wireline	Consumer Wireline	Latin America	Corporate & Other	Total	Mobility	Business Wireline	Consumer Wireline	Latin America	Corporate & Other	Total
Wireless service												
Business service												
Broadband												
Legacy voice and data												
Legacy voice and data												
Legacy voice and data												
Other												
Total Service												
Equipment												
Total												

For the three months ended June 30, 2023												
	Communications											
	Mobility	Business Wireline	Consumer Wireline	Latin America	Corporate & Other	Total						
Wireless service	\$ 15,745	\$ —	\$ —	\$ 635	\$ —	\$ 16,380						
Business service	—	5,114	—	—	—	5,114						
Broadband	—	—	2,561	—	—	2,561						
Legacy voice and data	—	—	383	—	80	463						
Other	—	—	307	—	25	332						
Total Service	15,745	5,114	3,251	635	105	24,850						
Equipment	4,570	165	—	332	—	5,067						
Total	\$ 20,315	\$ 5,279	\$ 3,251	\$ 967	\$ 105	\$ 29,917						

For the six months ended June 30, 2024

	Communications					Latin America	Corporate & Other	Total
	Mobility	Business Wireline	Consumer Wireline					
Wireless service	\$ 32,271	\$ —	\$ —	\$ 1,389	\$ —	\$ 33,660		
Business service	—	9,271	—	—	—	9,271		
Broadband	—	—	5,463	—	—	5,463		
Legacy voice and data	—	—	665	—	124	789		
Other	—	—	569	—	96	665		
Total Service	32,271	9,271	6,697	1,389	220	49,848		
Equipment	8,803	397	—	777	—	9,977		
Total	\$ 41,074	\$ 9,668	\$ 6,697	\$ 2,166	\$ 220	\$ 59,825		

AT&T INC.

MARCH 31, JUNE 30, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

For the three months ended March 31, 2023

For the three months ended March 31, 2023

For the three months ended March 31, 2023

For the six months ended June 30, 2023

For the six months ended June 30, 2023

For the six months ended June 30, 2023

	Communications					Total	Communications					Total
	Mobility	Business Wireline	Consumer Wireline	Latin America	Corporate & Other		Mobility	Business Wireline	Consumer Wireline	Latin America	Corporate & Other	
Wireless service												
Business service												
Broadband												
Legacy voice and data												
Legacy voice and data												
Legacy voice and data												
Other												
Total Service												
Equipment												
Total												

Deferred Customer Contract Acquisition and Fulfillment Costs

Costs to acquire and fulfill customer contracts, including commissions on service activations for our Mobility, Business Wireline and Consumer Wireline services, are deferred and amortized over the contract period or expected customer relationship life, which typically ranges from three years to five years.

The following table presents the deferred customer contract acquisition and fulfillment costs included on our consolidated balance sheets:

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Consolidated Balance Sheets	Consolidated Balance Sheets		Consolidated Balance Sheets	
Deferred Acquisition Costs	Deferred Acquisition Costs		Deferred Acquisition Costs	
Prepaid and other current assets				
Other Assets				
Total deferred customer contract acquisition costs				
Deferred Fulfillment Costs				
Prepaid and other current assets				

Prepaid and other current assets
Prepaid and other current assets
Other Assets
Total deferred customer contract fulfillment costs

The following table presents deferred customer contract acquisition and fulfillment cost amortization, which are primarily included in "Selling, general and administrative" and "Other cost of revenues," respectively, for the **three six** months ended:

	March 31, 2024	March 31, 2023	June 30, 2024	June 30, 2023
Consolidated Statements of Income	Consolidated Statements of Income		Consolidated Statements of Income	
Deferred acquisition cost amortization				
Deferred fulfillment cost amortization				

Contract Assets and Liabilities

A contract asset is recorded when revenue is recognized in advance of our right to bill and receive consideration. The contract asset will decrease as services are provided and billed. For example, when installment sales include promotional discounts (e.g., trade-in device credits) the difference between revenue recognized and consideration received is recorded as a contract asset to be amortized over the contract term.

Our contract assets primarily relate to our wireless businesses. Promotional equipment sales where we offer handset credits, which are allocated between equipment and service in proportion to their standalone selling prices, when customers commit to a

AT&T INC.

MARCH 31, JUNE 30, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

specified service period result in additional contract assets recognized. These contract assets will amortize over the service contract period, resulting in lower future service revenue.

When consideration is received in advance of the delivery of goods or services, a contract liability is recorded. Reductions in the contract liability will be recorded as we satisfy the performance obligations.

The following table presents contract assets and liabilities on our consolidated balance sheets:

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Consolidated Balance Sheets	Consolidated Balance Sheets		Consolidated Balance Sheets	
Contract asset				
Current portion in "Prepaid and other current assets"				
Contract liability				
Current portion in "Advanced billings and customer deposits"				

Our beginning of period contract liability recorded as customer contract revenue during 2024 was **\$2,675, \$3,142.**

Remaining Performance Obligations

Remaining performance obligations represent services we are required to provide to customers under bundled or discounted arrangements, which are satisfied as services are provided over the contract term. In determining the transaction price allocated, we do not include non-recurring charges and estimates for usage, nor do we consider arrangements with an original expected duration of less than one year, which are primarily prepaid wireless and residential internet agreements.

Remaining performance obligations associated with business contracts reflect recurring charges billed, adjusted to reflect estimates for sales incentives and revenue adjustments. Performance obligations associated with wireless contracts are estimated using a portfolio approach in which we review all relevant promotional activities, calculating the remaining performance obligation using the average service component for the portfolio and the average device price. As of **March 31, 2024, June 30, 2024**, the aggregate amount of the transaction price allocated to remaining performance obligations was **\$38,866, \$38,744**, of which we expect to recognize approximately **80% 72%** by the end of 2025, with the balance recognized thereafter.

NOTE 6. PENSION AND POSTRETIREMENT BENEFITS

Many of our employees are covered by one of our noncontributory pension plans. We also provide certain medical, dental, life insurance and death benefits to certain retired employees under various plans and accrue actuarially determined postretirement benefit costs. Our objective in funding these plans, in combination with the standards of the Employee Retirement Income Security Act of 1974, as amended (ERISA), is to accumulate assets sufficient to provide benefits described in the plans to employees upon their retirement. We do not have significant funding requirements in 2024.

We recognize actuarial gains and losses on pension and postretirement plan assets in our consolidated results as a component of "Other income (expense) – net" at our annual measurement date of December 31, unless earlier remeasurements are required.

AT&T INC.

MARCH 31, JUNE 30, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

The following table details qualified pension and postretirement benefit costs included in the accompanying consolidated statements of income. The service cost component of net periodic pension (credit) cost is recorded in operating expenses in the consolidated statements of income while the remaining components are recorded in "Other income (expense) – net."

	Three months ended March 31, 2024	2023	Three months ended June 30, 2024	2023	Six months ended June 30, 2024	2023
Pension cost:						
Service cost – benefits earned during the period						
Service cost – benefits earned during the period						
Service cost – benefits earned during the period						
Interest cost on projected benefit obligation						
Expected return on assets						
Amortization of prior service credit						
Net pension (credit) cost						
Net pension (credit) cost						
Net pension (credit) cost before remeasurement						
Actuarial (gain) loss						
Settlement (gain) loss						
Net pension (credit) cost						
Postretirement cost:						
Postretirement cost:						
Postretirement cost:						
Service cost – benefits earned during the period						
Service cost – benefits earned during the period						
Service cost – benefits earned during the period						
Interest cost on accumulated postretirement benefit obligation						
Expected return on assets						
Amortization of prior service credit						
Net postretirement (credit) cost						
Net postretirement (credit) cost						
Net postretirement (credit) cost						
Combined net pension and postretirement (credit) cost						

We also provide senior- and middle-management employees with nonqualified, unfunded supplemental retirement and savings plans. Net supplemental pension benefits costs not included in the table above were \$17 \$16 and \$19 \$18 in the second quarter and \$33 and \$37 for the first quarter ended six months of 2024 and 2023, respectively.

NOTE 7. FAIR VALUE MEASUREMENTS AND DISCLOSURE

The Fair Value Measurement and Disclosure framework in ASC 820, "Fair Value Measurement," provides a three-tiered fair value hierarchy based on the reliability of the inputs used to determine fair value. Level 1 refers to fair values determined based on quoted prices in active markets for identical assets. Level 2 refers to fair values estimated using significant other observable inputs and Level 3 includes fair values estimated using significant unobservable inputs.

The level of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Our valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable value or reflective of future fair values. We believe our valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used since December 31, 2023.

AT&T INC.**MARCH 31, JUNE 30, 2024**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

Long-Term Debt and Other Financial Instruments

The carrying amounts and estimated fair values of our long-term debt, including current maturities, and other financial instruments are summarized as follows:

	March 31, 2024		December 31, 2023		June 30, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Notes and debentures ¹								
Commercial paper								
Investment securities ²								
Investment securities ²								
Investment securities ²								

¹ Includes credit agreement borrowings.

² Excludes investments accounted for under the equity method.

The carrying amount of debt with an original maturity of less than one year approximates fair value. The fair value measurements used for notes and debentures are considered Level 2 and are determined using various methods, including quoted prices for identical or similar securities in both active and inactive markets.

Following is the fair value leveling for investment securities that are measured at fair value and derivatives as of March 31, 2024, June 30, 2024 and December 31, 2023. Derivatives designated as hedging instruments are reflected as "Prepaid and other current assets," "Other Assets," "Accounts payable and accrued liabilities," and "Other noncurrent liabilities" on our consolidated balance sheets.

	March 31, 2024			June 30, 2024		
	Level 1	Level 2	Level 3	Total	Level 1	Level 2
Equity Securities	Equity Securities			Equity Securities		
Domestic equities						
International equities						
Fixed income equities						
Available-for-Sale Debt Securities						
Asset Derivatives						
Cross-currency swaps						
Cross-currency swaps						
Cross-currency swaps						
Liability Derivatives						
Liability Derivatives						
Liability Derivatives						
Interest rate swaps						
Interest rate swaps						
Interest rate swaps						
Cross-currency swaps						

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Equity Securities				
Domestic equities	\$ 1,002	\$ —	\$ —	\$ 1,002
International equities	215	—	—	215
Fixed income equities	209	—	—	209
Available-for-Sale Debt Securities	—	1,228	—	1,228
Asset Derivatives				
Cross-currency swaps	—	424	—	424
Liability Derivatives				
Interest rate swaps	—	(2)	—	(2)
Cross-currency swaps	—	(3,601)	—	(3,601)

AT&T INC.

MARCH 31, JUNE 30, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

Investment Securities

Our investment securities include both equity and debt securities that are measured at fair value, as well as equity securities without readily determinable fair values. A substantial portion of the fair values of our investment securities is estimated based on quoted market prices. Investments in equity securities not traded on a national securities exchange are valued at cost, less any impairment, and adjusted for changes resulting from observable, orderly transactions for identical or similar securities. Investments in debt securities not traded on a national securities exchange are valued using pricing models, quoted prices of securities with similar characteristics or discounted cash flows.

The components comprising total gains and losses in the period on equity securities are as follows:

	Three months ended		Three months ended		Six months ended	
	March 31,		June 30,		June 30,	
	2024	2023	2024	2023	2024	2023
Total gains (losses) recognized on equity securities						
Gains (losses) recognized on equity securities sold						
Unrealized gains (losses) recognized on equity securities held at end of period						

At March 31, 2024 June 30, 2024, available-for-sale debt securities totaling \$1,188 \$1,169 have maturities as follows - less than one year: \$66; \$62; one to three years: \$208; \$192; three to five years: \$137; \$116; five or more years: \$777; \$799.

Our cash equivalents (money market securities), short-term investments (certificate and time deposits) and nonrefundable customer deposits are recorded at amortized cost, and the respective carrying amounts approximate fair values. Short-term investments and nonrefundable customer deposits are recorded in "Prepaid and other current assets" and our investment securities are recorded in "Other Assets" on the consolidated balance sheets.

Derivative Financial Instruments

We enter into derivative transactions to manage certain market risks, primarily interest rate risk and foreign currency exchange risk. This includes the use of interest rate swaps, interest rate locks, foreign exchange forward contracts and combined interest rate foreign exchange contracts (cross-currency swaps). We do not use derivatives for trading or speculative purposes. We record derivatives on our consolidated balance sheets at fair value that is derived from observable market data, including yield curves and foreign exchange rates (all of our derivatives are Level 2). Cash flows associated with derivative instruments are presented in the same category on the consolidated statements of cash flows as the item being hedged.

Fair Value Hedging Periodically, we enter into and designate fixed-to-floating interest rate swaps as fair value hedges. The purpose of these swaps is to manage interest rate risk by managing our mix of fixed-rate and floating-rate debt. These swaps involve the receipt of fixed-rate amounts for floating interest rate payments over the life of the swaps without exchange of the underlying principal amount.

We also designate most of our cross-currency swaps and foreign exchange contracts as fair value hedges. The purpose of these contracts is to hedge foreign currency risk associated with changes in spot rates on foreign denominated debt. For cross-currency hedges, we have elected to exclude the change in fair value of the swap related to both time value and cross-currency basis spread from the assessment of hedge effectiveness. For foreign exchange contracts, we have elected to exclude the change in fair value of forward points from the assessment of hedge effectiveness.

Unrealized and realized gains or losses from fair value hedges impact the same category on the consolidated statements of income as the item being hedged, including the earnings impact of excluded components. In instances where we have elected to exclude components from the assessment of hedge effectiveness related to fair value hedges, unrealized gains or losses on such excluded components are recorded as a component of accumulated OCI and recognized into earnings over the life of the hedging instrument. Unrealized gains on derivatives designated as fair value hedges are recorded at fair value as assets, and unrealized losses are recorded at fair market value as liabilities. Except for excluded components, changes in the fair value of derivative instruments designated as fair value hedges are offset against the change in fair value of the hedged assets or liabilities through earnings. In the three six months ended March 31, 2024 June 30, 2024 and 2023, no ineffectiveness was measured on fair value hedges.

AT&T INC.

MARCH 31, JUNE 30, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

Cash Flow Hedging We designate some of our cross-currency swaps as cash flow hedges to hedge our exposure to variability in expected future cash flows that are attributable to foreign currency risk and interest rate risk generated from our foreign-denominated debt. These agreements include initial and final exchanges of principal from fixed foreign denominated amounts to fixed U.S. dollar denominated amounts, to be exchanged at a specified rate that is usually determined by the market spot rate upon issuance. They also include an interest rate swap of a fixed or floating foreign denominated interest rate to a fixed U.S. dollar denominated interest rate.

Unrealized gains on derivatives designated as cash flow hedges are recorded at fair value as assets and unrealized losses are recorded at fair value as liabilities. For derivative instruments designated as cash flow hedges, changes in fair value are reported as a component of accumulated OCI and are reclassified into the consolidated statements of income in the same period the hedged transaction affects earnings.

Periodically, we enter into and designate interest rate locks to partially hedge the risk of changes in interest payments attributable to increases in the benchmark interest rate during the period leading up to the probable issuance of fixed-rate debt. We designate our interest rate locks as cash flow hedges. Gains and losses when we settle our interest rate locks are amortized into income over the life of the related debt. Over the next 12 months, we expect to reclassify \$59 from accumulated OCI to "Interest expense" due to the amortization of net losses on historical interest rate locks.

Collateral and Credit-Risk Contingency We have entered into agreements with our derivative counterparties establishing collateral thresholds based on respective credit ratings and netting agreements. At **March 31, 2024** **June 30, 2024**, we had posted collateral of **\$524** **\$680** (a deposit asset) and held collateral of \$0 (a receipt liability). Under the agreements, if AT&T's credit rating had been downgraded two ratings levels by Fitch Ratings, one level by S&P and one level by Moody's before the final collateral exchange in **March, June**, we would have been required to post additional collateral of **\$52** **\$50**. If AT&T's credit rating had been downgraded three ratings levels by Fitch Ratings, two levels by S&P, and two levels by Moody's, we would have been required to post additional collateral of **\$3,121** **\$3,594**. At December 31, 2023, we had posted collateral of \$670 (a deposit asset) and held collateral of \$5 (a receipt liability). We do not offset the fair value of collateral, whether the right to reclaim cash collateral (a receivable) or the obligation to return cash collateral (a payable) exists, against the fair value of the derivative instruments.

Following are the notional amounts of our outstanding derivative positions:

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Interest rate swaps				
Cross-currency swaps				
Total				
Total				
Total				

AT&T INC.

MARCH 31, JUNE 30, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

Following are the related hedged items affecting our financial position and performance:

Effect of Derivatives on the Consolidated Statements of Income

Effect of Derivatives on the Consolidated Statements of Income

Effect of Derivatives on the Consolidated Statements of Income		Effect of Derivatives on the Consolidated Statements of Income		Effect of Derivatives on the Consolidated Statements of Income	
		Three months ended March 31, 2024	Three months ended June 30, 2023		Six months ended June 30, 2024
Fair Value Hedging Relationships	Fair Value Hedging Relationships	2024	2023	Fair Value Hedging Relationships	2024
Interest rate swaps ("Interest expense"):	Interest rate swaps ("Interest expense"):			Interest rate swaps ("Interest expense"):	
Gain (loss) on interest rate swaps					
Gain (loss) on long-term debt					
Cross-currency swaps:					
Gain (loss) on cross-currency swaps					
Gain (loss) on cross-currency swaps					
Gain (loss) on cross-currency swaps					
Gain (loss) on long-term debt					
Gain (loss) recognized in accumulated OCI					
Foreign exchange contracts:					
Gain (loss) on foreign exchange contracts					
Gain (loss) on foreign exchange contracts					
Gain (loss) on foreign exchange contracts					
Gain (loss) on long-term debt					

Gain (loss) recognized in
accumulated OCI

In addition, the net swap settlements that accrued and settled in the periods above were offset against "Interest expense."

The following table presents information for our cash flow hedging relationships:

		Three months ended		Three months ended		Six months ended	
		March 31,		June 30,		June 30,	
Cash Flow Hedging Relationships	Cash Flow Hedging Relationships	2024	2023	Cash Flow Hedging Relationships	2024	2023	2024
Cross-currency swaps:	Cross-currency swaps:			Cross-currency swaps:			
Gain (loss) recognized in accumulated OCI							
Interest rate locks:							
Interest rate locks:							
Interest rate locks:							
Interest income (expense) reclassified from accumulated OCI into income							
Interest income (expense) reclassified from accumulated OCI into income							
Interest income (expense) reclassified from accumulated OCI into income							

NOTE 8. SALES OF RECEIVABLES

We have agreements with various third-party financial institutions pertaining to the sales of certain types of our accounts receivable. The most significant of these programs are discussed in detail below and generally consist of (1) receivables arising from equipment installment plans, which are sold for cash and beneficial interests, such as deferred purchase price, when applicable, and (2) revolving trade receivables, which are sold for cash. Under the terms of our agreements for these programs, we continue to service the transferred receivables on behalf of the financial institutions.

AT&T INC.

MARCH 31, JUNE 30, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

The following table sets forth a summary of cash proceeds received, net of remittances paid, from sales of receivables during the three months ended March 31, 2024 and 2023; receivables:

	Three months ended	Three months ended		Six months ended
	Three months ended			
	Three months ended			
	2024	March 31, 2024	2023	June 30, 2024
Net cash received from equipment installment receivables program ¹				2023
Net cash received from revolving receivables program				2024
Net cash received (paid) from equipment installment receivables program ¹				2023
Net cash received (paid) from revolving receivables program				2024
Net cash received (paid) from other programs				2023
Total net cash impact to cash flows from operating activities ²				

¹ Cash from initial sales of \$2,874 and \$2,529 for the three months ended March 31, 2024 and 2023, respectively. ¹ Cash from initial sales of \$2,532 and \$2,656 for the three months and \$5,406 and \$5,185 for the six months ended June 30, 2024 and 2023, respectively. ² Net of facility fees.

The sales of receivables did not have a material impact on our consolidated statements of income or to "Total Assets" reported on our consolidated balance sheets. We reflect cash receipts on sold receivables as cash flows from operations in our consolidated statements of cash flows. In the event cash is received on the beneficial interests, those receipts are classified as cash flows from investing activities, when applicable.

Our equipment installment and revolving receivables programs are discussed in detail below. The following table sets forth a summary of the receivables and accounts being serviced:

	March 31, 2024		December 31, 2023		June 30, 2024		December 31, 2023	
	Equipment Installment	Revolving	Equipment Installment	Revolving	Equipment Installment	Revolving	Equipment Installment	Revolving
Gross receivables:								
Balance sheet classification								
Accounts receivable								
Accounts receivable								
Accounts receivable								
Notes receivable								
Notes receivable								
Notes receivable								
Trade receivables								
Other Assets								
Noncurrent notes and trade receivables								
Noncurrent notes and trade receivables								
Noncurrent notes and trade receivables								
Outstanding portfolio of receivables derecognized from our consolidated balance sheets								
Outstanding portfolio of receivables derecognized from our consolidated balance sheets								
Outstanding portfolio of receivables derecognized from our consolidated balance sheets								
Cash proceeds received, net of remittances ¹								

¹ Represents amounts to which financial institutions remain entitled, excluding the beneficial interests.

Equipment Installment Receivables Program

We offer our customers the option to purchase certain wireless devices in installments over a specified period of time and, in many cases, once certain conditions are met, they may be eligible to trade in the original equipment for a new device and have the remaining unpaid balance paid or settled.

We maintain a program under which we transfer a portion of these receivables through our bankruptcy-remote subsidiary in exchange for cash and beneficial interests. In the event a customer trades in a device prior to the end of the installment contract period, we agree to make a payment to the financial institutions equal to any outstanding remaining installment receivable balance. Accordingly, we record a guarantee obligation for this estimated amount at the time the receivables are transferred.

AT&T INC.

MARCH 31, JUNE 30, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

The following table sets forth a summary of equipment installment receivables sold under this program during the three months ended March 31, 2024 and 2023: program:

	Three months ended March 31, 2024		Three months ended June 30, 2024		Six months ended June 30, 2024		2023	
		2023		2023				2023
Gross receivables sold ¹								
Net receivables sold ²								
Cash proceeds received								
Guarantee obligation recorded								
Guarantee obligation recorded								

Guarantee obligation recorded

1 Receivables net of promotion credits.

2 Receivables net of allowance and other reserves.

Beneficial interests, when applicable, and guarantee obligations are initially recorded at estimated fair value and subsequently adjusted for changes in present value of expected cash flows. The estimation of their fair values is based on remaining installment payments expected to be collected and the expected timing and value of device trade-ins. The estimated value of the device trade-ins considers prices offered to us by independent third parties and contemplates changes in value after the launch of a device model. The fair value measurements used for the beneficial interests and the guarantee obligation are considered Level 3 under the Fair Value Measurement and Disclosure framework (see Note 7).

The following table presents the previously transferred equipment installment receivables, which we repurchased in exchange for the associated beneficial interests during the three months ended March 31, 2024 and 2023:

	Three months ended March 31, 2024	2023	Three months ended June 30, 2024	2023	Six months ended June 30, 2024	2023
Fair value of repurchased receivables						
Carrying value of beneficial interests						
Gain (loss) on repurchases ¹						

¹ These gains (losses) are included in "Selling, general and administrative" expense in the consolidated statements of income.

At March 31, 2024, June 30, 2024 and December 31, 2023, our beneficial interests were \$2,483, \$2,764 and \$2,270, respectively, of which \$1,449, \$1,639 and \$1,296 are included in "Prepaid and other current assets" on our consolidated balance sheets, with the remainder in "Other Assets." The guarantee obligation at March 31, 2024, June 30, 2024 and December 31, 2023 was \$335, \$299 and \$385, respectively, of which \$120, \$106 and \$111 are included in "Accounts payable and accrued liabilities" on our consolidated balance sheets, with the remainder in "Other noncurrent liabilities." Our maximum exposure to loss as a result of selling these equipment installment receivables is limited to the total amount of our beneficial interests and guarantee obligation.

Revolving Receivables Program

During the first quarter of 2024, we expanded our revolving agreement to transfer up to \$1,800 of certain receivables through our bankruptcy-remote subsidiary subsidiaries to various financial institutions on a recurring basis in exchange for cash equal to the gross receivables transferred. This agreement is subject to renewal on an annual basis and the transfer limit may be expanded or reduced from time to time. As customers pay their balances, we transfer additional receivables into the program, resulting in our gross receivables sold exceeding net cash flow impacts (e.g., collect and reinvest). The transferred receivables are fully guaranteed by our bankruptcy-remote subsidiary subsidiaries, which holds hold additional receivables in the amount of \$698, \$1,260 that are pledged as collateral under this agreement. The transfers are recorded at fair value of the proceeds received and obligations assumed less derecognized receivables. Our maximum exposure to loss related to these receivables transferred is limited to the derecognized amount outstanding.

AT&T INC.

MARCH 31, JUNE 30, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

The following table sets forth a summary of the revolving receivables sold during the three months ended March 31, 2024 and 2023:

	Three months ended March 31, 2024	2023	Three months ended June 30, 2024	2023	Six months ended June 30, 2024	2023
Gross receivables sold/cash proceeds received ¹						
Total collections under revolving agreement						
Net cash proceeds received						
Net cash proceeds received						
Net cash proceeds received						
Net receivables sold ²						
Net receivables sold ²						
Net receivables sold ²						

¹ Includes initial sales of receivables of \$300 and \$0 for the three months ended March 31, 2024 and 2023, respectively.

¹ Includes initial sales of receivables of \$300 and \$0 for the three months ended March 31, 2024 and 2023, respectively.

¹ Includes initial sales of receivables of \$300 and \$0 for the three months ended March 31, 2024 and 2023, respectively.

¹ Includes initial sales of receivables of \$0 and \$1,000 for the three months and \$300 and \$1,000 for the six months ended June 30, 2024 and 2023, respectively.

1	Includes initial sales of receivables of \$0 and \$1,000 for the three months and \$300 and \$1,000 for the six months ended June 30, 2024 and 2023, respectively.
1	Includes initial sales of receivables of \$0 and \$1,000 for the three months and \$300 and \$1,000 for the six months ended June 30, 2024 and 2023, respectively.
2	Receivables net of allowance and other reserves.
2	Receivables net of allowance and other reserves.
2	Receivables net of allowance and other reserves.

NOTE 9. TRANSACTIONS WITH DIRECTV

We account for our investment in DIRECTV under the equity method and record our share of DIRECTV earnings as equity in net income of affiliates, with DIRECTV considered a related party.

At March 31, 2024 June 30, 2024, our investment in DIRECTV was \$685, \$293. The following table sets forth our share of DIRECTV's earnings included in equity "Equity in net income of affiliates affiliates" and cash distributions received from DIRECTV as of March 31: DIRECTV:

	March 31,
	March 31,
	March 31,
	Three months ended
	Three months ended
	Three months ended
	June 30,
	June 30,
	June 30,
	2024
	2024
	2024
DIRECTV's earnings included in equity in net income of affiliates	
DIRECTV's earnings included in equity in net income of affiliates	
DIRECTV's earnings included in equity in net income of affiliates	
DIRECTV's earnings included in Equity in net income of affiliates	
DIRECTV's earnings included in Equity in net income of affiliates	
DIRECTV's earnings included in Equity in net income of affiliates	
Distributions classified as operating activities	
Distributions classified as operating activities	
Distributions classified as operating activities	
Distributions classified as investing activities	
Distributions classified as investing activities	
Distributions classified as investing activities	
Cash distributions received from DIRECTV	
Cash distributions received from DIRECTV	
Cash distributions received from DIRECTV	

For the three and six months ended March 31, 2024 and 2023, June 30, 2024, we billed DIRECTV approximately \$145 \$134 and \$240 \$279 under commercial arrangements and transition service agreements, which were recorded as a reduction to the operations and support expenses incurred.

At March 31, June 30, 2024, we had accounts receivable from DIRECTV of \$255 \$247 and accounts payable to DIRECTV of \$41, \$50.

We are not committed, implicitly or explicitly, to provide financial or other support, other than as noted above, as our involvement with DIRECTV is limited to the carrying amount of the assets and liabilities recognized on our consolidated balance sheet.

NOTE 10. SUPPLIER AND VENDOR FINANCING PROGRAMS

Supplier Financing Program

We actively manage the timing of our supplier payments for operating items to optimize the use of our cash and seek to make payments on 90-day or greater terms, while providing suppliers with access to bank facilities that permit earlier payment at their cost. Our supplier financing program does not result in changes to our normal, contracted payment cycles or cash from operations.

AT&T INC.
JUNE 30, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
Dollars in millions except per share amounts

At the supplier's election, they can receive payment of AT&T obligations prior to the scheduled due dates, at a discounted price from the third-party financial institution. The discounted price paid by participating suppliers is based on a variable rate that is

AT&T INC.
MARCH 31, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
Dollars in millions except per share amounts

indexed to the overnight borrowing rate. We agree to pay the financial institution the stated amount generally within 90 days of receipt of the invoice. We do not have pledged assets or other guarantees under our supplier financing program.

Suppliers had elected to sell to the third-party financial institutions \$3,203 \$3,059 and \$2,844 of our outstanding payment obligations as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively. These amounts are included in "Accounts payable and accrued liabilities" on our consolidated balance sheets. Our supplier financing programs are reported as operating or investing (when capitalizable) activities in our statements of cash flows when paid.

Direct Supplier Financing

We also have arrangements with suppliers of handset inventory that allow us to extend the stated payment terms by up to 90 days at an additional cost to us (variable rate extension fee). We had \$3,917 \$3,432 of direct supplier financing outstanding at March 31, 2024 June 30, 2024 and \$5,442 as of December 31, 2023, which are included in "Accounts payable and accrued liabilities" on our consolidated balance sheets. Our direct supplier financing is reported as operating activities in our statements of cash flows when paid.

Vendor Financing

In connection with capital improvements and the acquisition of other productive assets, we negotiate favorable payment terms of 120 days or more (referred to as vendor financing), which are reported as financing activities in our statements of cash flows when paid. For the three six months ended March 31, 2024 June 30, 2024 and 2023, we recorded vendor financing commitments related to capital investments of \$99 \$523 and \$1,021, \$1,341, respectively. We had \$2,021 \$1,827 of vendor financing payables at March 31, 2024 June 30, 2024, with \$1,215 \$883 included in "Accounts payable and accrued liabilities" and \$2,833 of vendor financing payables at December 31, 2023, with \$1,975 included in "Accounts payable and accrued liabilities."

NOTE 11. ADDITIONAL FINANCIAL INFORMATION

Cash and Cash Flows

We typically maintain our restricted cash balances for purchases and sales of certain investment securities and funding of certain deferred compensation benefit payments.

The following table summarizes cash and cash equivalents and restricted cash balances contained on our consolidated balance sheets:

	March 31,		December 31,		June 30,	December 31,			
	2024	2023	2023	2022	2024	2023	2023	2022	
Cash and cash equivalents									
Restricted cash in Prepaid and other current assets									
Restricted cash in Prepaid and other current assets									
Restricted cash in Prepaid and other current assets									
Restricted cash in Other Assets									
Cash and Cash Equivalents and Restricted Cash									

AT&T INC.
MARCH 31, JUNE 30, 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
Dollars in millions except per share amounts

The following table summarizes cash paid during the periods for interest and income taxes:

Three months ended		Six months ended
March 31,	June 30,	

Cash paid (received) during the period for:	Cash paid (received) during the period for: 2024	2023	Cash paid (received) during the period for: 2024	2023
Interest				
Income taxes, net of refunds				
The following table summarizes capital expenditures:				
The following table summarizes capital expenditures:				
The following table summarizes capital expenditures:				
	Three months ended			
	Three months ended			
	Three months ended			
	March 31,			
	Six months ended			
	Six months ended			
	Six months ended			
	June 30,			
	2024	2024	2023	2024
Purchase of property and equipment				
Interest during construction - capital expenditures ¹				
Total Capital Expenditures				
The following table summarizes acquisitions, net of cash acquired:				
The following table summarizes acquisitions, net of cash acquired:				
The following table summarizes acquisitions, net of cash acquired:				
	Three months ended			
	Three months ended			
	Three months ended			
	March 31,			
	Six months ended			
	Six months ended			
	Six months ended			
	June 30,			
	2024	2024	2023	2024
Business acquisitions				
Spectrum acquisitions				
Interest during construction - spectrum ¹				
Total Acquisitions				
¹ Total capitalized interest was \$103 and \$272 for the three months ended March 31, 2024 and ¹ Total capitalized interest was \$199 and \$537 for the six months ended June 30, 2023, respectively.				

AT&T INC.
MARCH 31, JUNE 30, 2024

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Dollars in millions except per share amounts

OVERVIEW

AT&T Inc. is referred to as “we,” “AT&T” or the “Company” throughout this document. AT&T products and services are provided or offered by subsidiaries and affiliates of AT&T Inc. under the AT&T brand and not by AT&T Inc., and the names of the particular subsidiaries and affiliates providing the services generally have been omitted. AT&T is a holding company whose subsidiaries and affiliates operate worldwide in the telecommunications and technology industries. You should read this discussion in conjunction with the consolidated financial statements and accompanying notes (Notes).

We have two reportable segments: Communications and Latin America. Our segment results presented in Note 4 and discussed below follow our internal management reporting. Percentage increases and decreases that are not considered meaningful are denoted with a dash.

		First Quarter		Second Quarter			Six-Month Period					
		2024	2023		Percent Change		2024		2023		Percent Change	2024
Operating Revenues	Operating Revenues			Operating Revenues								
Communications	Communications	\$28,857	\$ 29,152	(1.0)	(1.0)%	Communications	\$28,582	\$ 28,845	(0.9)	(0.9)%		\$57,439
Latin America - Mexico												
Corporate												
Corporate												
Corporate												
AT&T Operating Revenues	AT&T Operating Revenues	\$30,028	\$ 30,139	(0.4)	(0.4)%	AT&T Operating Revenues	\$29,797	\$ 29,917	(0.4)	(0.4)%		\$59,825
Operating Income												
Operating Income												
Operating Income												
Communications												
Communications												
Communications		\$ 6,745	\$ 6,743	—	— %		\$7,005	\$ 7,177	(2.4)	(2.4) %		\$13,750
Latin America - Mexico												
Segment												
Operating Income												
Corporate												
Certain significant items												
AT&T Operating Income	AT&T Operating Income	\$ 5,847	\$ 6,002	(2.6)	(2.6)%	AT&T Operating Income	\$ 5,760	\$ 6,406	(10.1)	(10.1)%		\$11,607

The **Communications segment** provides services to businesses and consumers located in the U.S. and businesses globally. Our business strategies reflect integrated product offerings that cut across product lines and utilize shared assets. This segment contains the following business units:

- **Mobility** provides nationwide wireless service and equipment.
- **Business Wireline** provides advanced ethernet-based fiber services, IP Voice and managed professional services, as well as traditional voice and data services and related equipment to business customers. In the first quarter of 2024, we began offering our fixed wireless access product that provides internet services delivered over our 5G wireless network where available.
- **Consumer Wireline** provides broadband services, including fiber connections that provide multi-gig services to residential customers in select locations and our fixed wireless access product that provides home internet services delivered over our 5G wireless network where available. Consumer Wireline also provides legacy telephony voice communication services.

The **Latin America segment** provides wireless services and equipment in Mexico.

AT&T INC.
MARCH 31, JUNE 30, 2024

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued

Dollars in millions except per share amounts

RESULTS OF OPERATIONS

Consolidated Results Our financial results are summarized in the discussions that follow. Additional analysis is discussed in our "Segment Results" section.

		First Quarter			Second Quarter			Six-Month Period							
					Percent					Percent				Percent	
		2024	2023		Change		2024	2023		Change	2024	2023		Change	
Operating Revenues	Operating Revenues				Operating Revenues										
Service	Service	\$24,842	\$24,617	0.9	0.9 %	Service	\$25,006	\$24,850	0.6	0.6 %	\$49,848	\$49,467	0.8	0.8 %	
Equipment															
Total Operating Revenues															
Operating Expenses															
Operating Expenses															
Operating Expenses															
Operations and support															
Operations and support															
Operations and support															
Depreciation and amortization															
Total Operating Expenses															
Operating Income															
Interest expense															
Equity in net income of affiliates															
Other income (expense) — net															
Income Before Income Taxes															
Net Income															
Net Income Attributable to AT&T															
Net Income Attributable to Common Stock	Net Income Attributable to Common Stock	\$3,395	\$4,176	(18.7)	(18.7) %	Net Income Attributable to Common Stock	\$3,546	\$4,437	(20.1)	(20.1) %	\$6,941	\$8,613	(19.4)	(19.4) %	

Operating revenues decreased in the **second quarter and for the first quarter six months** of 2024, reflecting declines in **Business Wireline service and Mobility equipment revenue and Business Wireline service** revenues, partially offset by Mobility service, Consumer Wireline and Mexico revenues.

Operations and support expenses decreased increased in the second quarter and decreased for the first six months of 2024. The increase in the second quarter reflects \$480 of 2024, reflecting restructuring charges primarily related to termination fees of a RAN vendor whose equipment is being phased out of our network as part of our network modernization programs. This increase is largely offset by lower Mobility equipment costs resulting from lower wireless sales volumes. Also contributing to volumes and expense declines are from our continued transformation efforts.

Expense decreases for the first six months reflect lower Mobility equipment costs and our transformation efforts that were partially offset by higher restructuring charges associated with our deployment of Open RAN, our collaboration with Ericsson for commercial scale open radio access network deployment. RAN.

Depreciation and amortization expense increased in the second quarter and for the first quarter six months of 2024, primarily due to higher depreciation expense related to ongoing capital spending for strategic initiatives such as fiber and network upgrades. Also contributing to higher depreciation expense was the impact of shortening of estimated economic lives of wireless network equipment that will be replaced earlier than originally anticipated with our deployment of Open RAN. Also contributing to higher depreciation expense was the impact of ongoing capital spending for strategic initiatives such as fiber and network upgrades.

Operating income decreased in the second quarter and for the first quarter six months of 2024. Our operating income margin in the first second quarter decreased from 19.9% 21.4% in 2023 to 19.5% 19.3% in 2024 and for the first six months decreased from 20.7% in 2023 to 19.4% in 2024.

Interest expense increased in the second quarter and for the first quarter six months of 2024, primarily due to lower capitalized interest associated with spectrum acquisitions, partially offset by lower debt balances. Interest expense in for the first six months of 2023 also included distributions on Mobility preferred interests, which were repurchased on April 5, 2023.

AT&T INC.

JUNE 30, 2024

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued

Dollars in millions except per share amounts

Equity in net income of affiliates decreased in the second quarter and for the first quarter six months of 2024, primarily due to the performance of our investment in DIRECTV, which included our share of a gain on a sale-leaseback transaction by DIRECTV of approximately \$100 in the first quarter of 2023 (see Note 9).

Other income (expense) – net decreased in the second quarter and for the first six months of 2024. The decreases were primarily driven by lower pension and postretirement benefit credits in 2024 and net actuarial and settlement gains in 2023 with no corresponding remeasurement in 2024 (see Note 6). Also contributing to the decrease for the first six months were first-quarter 2024 noncash impairments recognized on a held-for-sale business and an equity investment in a Latin America satellite business.

Income tax expense decreased in the second quarter and for the first six months of 2024, primarily due to lower income before income tax.

Our effective tax rate was 22.4% in the second quarter of 2024 and 22.7% for the first six months of 2024, versus 22.8% and 22.8% in the comparable periods in the prior year.

COMMUNICATIONS SEGMENT	Second Quarter			Six-Month Period		
	2024	2023	Percent Change	2024	2023	Percent Change
Segment Operating Revenues						
Mobility	\$ 20,480	\$ 20,315	0.8 %	\$ 41,074	\$ 40,897	0.4 %
Business Wireline	4,755	5,279	(9.9)	9,668	10,610	(8.9)
Consumer Wireline	3,347	3,251	3.0	6,697	6,490	3.2
Total Segment Operating Revenues	\$ 28,582	\$ 28,845	(0.9)%	\$ 57,439	\$ 57,997	(1.0)%
Segment Operating Income						
Mobility	\$ 6,719	\$ 6,613	1.6 %	\$ 13,187	\$ 12,884	2.4 %
Business Wireline	102	396	(74.2)	166	774	(78.6)
Consumer Wireline	184	168	9.5	397	262	51.5
Total Segment Operating Income	\$ 7,005	\$ 7,177	(2.4)%	\$ 13,750	\$ 13,920	(1.2)%

Selected Subscribers and Connections

(in 000s)	June 30,	
	2024	2023
Mobility Subscribers:	115,474	111,854
Total domestic broadband connections	15,352	15,304

Network access lines in service	3,702	4,677
VoIP connections	2,387	2,749
¹ Effective with our first-quarter 2024 reporting, we have removed connected devices from our total Mobility subscribers, consistent with industry standards and our key performance metrics. Connected devices include data-centric devices such as session-based tablets, monitoring devices and primarily wholesale automobile systems.		

Operating revenues decreased in the second quarter and for the first six months of 2024, primarily driven by declines in our Business Wireline business unit, which reflects lower demand for legacy services and product simplification, as well as the absence of revenues from our cybersecurity business that was contributed to a new cybersecurity joint venture LevelBlue in the second quarter of 2024. Revenue declines were also driven by lower Mobility equipment revenue. These decreases were partially offset by increases in our Mobility and Consumer Wireline business units, driven by gains in wireless and broadband services.

AT&T INC.

MARCH 31, JUNE 30, 2024

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued

Dollars in millions except per share amounts

Operating income Other income (expense) – net decreased in the first second quarter of 2024. The decrease was primarily driven by lower pension and postretirement benefit credits in 2024 (see Note 6), and noncash impairments recognized on a held-for-sale business and an equity investment in a Latin America satellite business.

Income tax expense decreased in for the first quarter of 2024. The decrease was primarily driven by lower income before income tax. Our effective tax rate was 23.0% in the first quarter of 2024, versus 22.8% in the comparable period in the prior year.

COMMUNICATIONS SEGMENT	First Quarter		
	2024	2023	Percent Change
Segment Operating Revenues			
Mobility	\$ 20,594	\$ 20,582	0.1 %
Business Wireline	4,913	5,331	(7.8)
Consumer Wireline	3,350	3,239	3.4
Total Segment Operating Revenues	\$ 28,857	\$ 29,152	(1.0)%
Segment Operating Income			
Mobility	\$ 6,468	\$ 6,271	3.1 %
Business Wireline	64	378	(83.1)
Consumer Wireline	213	94	—
Total Segment Operating Income	\$ 6,745	\$ 6,743	— %

Selected Subscribers and Connections

(in 000s)	March 31,	
	2024	2023
Mobility Subscribers	114,513	110,813
Total domestic broadband connections	15,334	15,345
Network access lines in service	3,934	4,938
VoIP connections	2,467	2,835

Operating revenues decreased in the first quarter of 2024, driven by decreases in our Mobility equipment revenue and Business Wireline business unit, which continues to reflect lower demand for legacy services and product simplification. These decreases were partially offset by increases in our Mobility and Consumer Wireline business units, driven by gains in wireless and broadband services.

Operating income remains consistent in the first quarter six months of 2024. Our Communications segment operating income margin in the first second quarter increased decreased from 23.1% 24.9% in 2023 to 23.4% 24.5% in 2024 and for the first six months decreased from 24.0% in 2023 to 23.9% in 2024.

Communications Business Unit Discussion

Mobility Results

	Second Quarter	Six-Month Period
--	----------------	------------------

	2024	2023	Percent Change	2024	2023	Percent Change
Operating revenues						
Service	\$ 16,277	\$ 15,745	3.4 %	\$ 32,271	\$ 31,228	3.3 %
Equipment	4,203	4,570	(8.0)	8,803	9,669	(9.0)
Total Operating Revenues	20,480	20,315	0.8	41,074	40,897	0.4
Operating expenses						
Operations and support	11,285	11,579	(2.5)	22,924	23,792	(3.6)
Depreciation and amortization	2,476	2,123	16.6	4,963	4,221	17.6
Total Operating Expenses	13,761	13,702	0.4	27,887	28,013	(0.4)
Operating Income	\$ 6,719	\$ 6,613	1.6 %	\$ 13,187	\$ 12,884	2.4 %

The following tables highlight other key measures of performance for Mobility:

Subscribers			
	June 30,		Percent
(in 000s)	2024	2023	Change
Postpaid	87,999	85,846	2.5 %
Postpaid phone	71,930	70,331	2.3
Prepaid	19,271	19,352	(0.4)
Reseller	8,204	6,656	23.3
Total Mobility Subscribers ¹	115,474	111,854	3.2 %

¹ Effective with our first-quarter 2024 reporting, we have removed connected devices from our total Mobility subscribers, consistent with industry standards and our key performance metrics. Connected devices include data-centric devices such as session-based tablets, monitoring devices and primarily wholesale automobile systems.

AT&T INC.

MARCH 31, JUNE 30, 2024

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued

Dollars in millions except per share amounts

Communications Business Unit Discussion			
Mobility Results			
	First Quarter		Percent
	2024	2023	Change
Operating revenues			
Service	\$ 15,994	\$ 15,483	3.3 %
Equipment	4,600	5,099	(9.8)
Total Operating Revenues	20,594	20,582	0.1
Operating expenses			
Operations and support	11,639	12,213	(4.7)
Depreciation and amortization	2,487	2,098	18.5
Total Operating Expenses	14,126	14,311	(1.3)
Operating Income	\$ 6,468	\$ 6,271	3.1 %

The following tables highlight other key measures of performance for Mobility:

Subscribers			
	March 31,		Percent
(in 000s)	2024	2023	Change

Postpaid	87,450	85,421	2.4 %
Postpaid phone	71,558	70,049	2.2
Prepaid	19,211	19,200	0.1
Reseller	7,852	6,192	26.8
Total Mobility Subscribers¹	114,513	110,813	3.3 %

¹ Effective with our first-quarter 2024 reporting, we have removed connected devices from our total Mobility subscribers, consistent with industry standards and our key performance metrics. Connected devices include data-centric devices such as session-based tablets, monitoring devices and primarily wholesale automobile systems.

AT&T INC.

MARCH 31, 2024

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued

Dollars in millions except per share amounts

Mobility Net Additions																	
Mobility Net Additions																	
Mobility Net Additions																	
		First Quarter				Second Quarter				Six-Month Period							
(in 000s)	(in 000s)	2024		2023		Percent Change	(in 000s)			2024		2023		Percent Change		2024	
Postpaid	Postpaid	349	424	424	(17.7)	(17.7)	Postpaid			419	326	326	28.5	28.5 %		768	
Phone Net Additions	Phone Net Additions						% Phone Net Additions										
Total																	
Phone Net Additions																	
Postpaid ²																	
Postpaid ²																	
Postpaid ²																	
Prepaid																	
Reseller																	
Mobility Net Subscriber Additions¹	Mobility Net Subscriber Additions¹	741	690	690	7.4	7.4	% Mobility Net Subscriber Additions¹	997	1,063	1,063	(6.2)	(6.2) %	1,738				
Postpaid Churn ³																	
Postpaid Churn ³																	
Postpaid Churn ³		0.89 %	0.99 %			(10) BP		0.85 %	0.95 %		(10) BP		0.87 %		0.97		
Postpaid Phone-Only Churn ³	Postpaid Phone-Only Churn ³	0.72 %	0.81 %			(9) BP	Postpaid Phone-Only Churn ³	0.70 %	0.79 %		(9) BP		0.71 %				

¹ Excludes migrations between wireless subscriber categories, including connected devices, and acquisition-related activity during the period.

² In addition to postpaid phones, includes tablets and wearables and other. Tablet net adds (losses) were (12) and (18) for the quarters ended March 31, 2024 and 2023. Wearables and other net adds were 52 and 136 for the quarters ended March 31, 2024 and 2023.

² In addition to postpaid phones, includes tablets and wearables and other. Tablet net adds (losses) were (12) and (18) for the quarters ended March 31, 2024 and 2023. Wearables and other net adds were 52 and 136 for the quarters ended March 31, 2024 and 2023.

Service revenue increased in the second quarter and for the first quarter six months of 2024. The increases are largely due to growth from subscriber gains and postpaid phone average revenue per subscriber (ARPU) growth.

ARPU

ARPU increased in the second quarter and for the first quarter six months of 2024, reflecting pricing actions taken in the third quarter of 2023, actions.

Churn

The effective management of subscriber churn is critical to our ability to maximize revenue growth and to maintain and improve margins. Postpaid churn and postpaid phone-only churn were lower in the second quarter and for the first quarter six months of 2024.

Equipment revenue decreased in the second quarter and for the first quarter six months of 2024, primarily driven by a lower wireless sales volumes.

Operations and support expenses decreased in the second quarter and for the first quarter six months of 2024, largely primarily due to lower equipment costs, costs driven by lower device sales.

Depreciation expense increased in the second quarter and for the first quarter six months of 2024, primarily due to shortening of estimated economic lives of wireless equipment that will be replaced earlier than originally anticipated with our Open RAN deployment and network transformation, and ongoing capital spending for network upgrades and expansion, which we expect to continue through the remainder of 2024.

Operating income increased in the second quarter and for the first quarter six months of 2024. Our Mobility operating income margin in the first second quarter increased from 30.5% 32.6% in 2023 to 31.4% 32.8% in 2024 and for the first six months increased from 31.5% in 2023 to 32.1% in 2024. Our Mobility EBITDA margin in the first second quarter increased from 40.7% 43.0% in 2023 to 43.5% 44.9% in 2024 and for the first six months increased from 41.8% in 2023 to 44.2% in 2024. EBITDA is defined as operating income excluding depreciation and amortization.

AT&T INC.

MARCH 31, JUNE 30, 2024

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued

Dollars in millions except per share amounts

Business Wireline Results														
Business Wireline Results														
Business Wireline Results														
Business Wireline Results														
		First Quarter		Second Quarter				Six-Month Period						
				Percent Change				Percent Change						
		2024	2023					2024	2023					
Operating revenues	Operating revenues	Operating revenues												
Service	Service	\$ 4,700	\$ 5,200	(9.6)	(9.6)%	Service	\$ 4,571	\$ 5,114	(10.6)	(10.6)%	\$ 9,271	\$ 10,314	(10.1)	(10.1)%
Equipment														
Total Operating Revenues														
Operating expenses														
Operating expenses														
Operating expenses														
Operations and support														
Operations and support														
Operations and support														
Depreciation and amortization														
Total Operating Expenses														
Operating Income	Operating Income	\$ 64	\$ 378	(83.1)	(83.1)%	Operating Income	\$ 102	\$ 396	(74.2)	(74.2)%	\$ 166	\$ 774	(78.6)	(78.6)%

Service revenues decreased in the **second quarter and for the first quarter six months** of 2024, driven by lower demand for legacy voice, data and network services along with product simplification, partially offset by growth in connectivity services. We expect these trends to continue. Revenue declines also reflect the absence of revenues from our cybersecurity business that was contributed to LevelBlue.

Equipment revenues increased in the **second quarter and for the first quarter six months** of 2024, driven by higher customer premises equipment sales, which are nonrecurring in nature.

Operations and support expenses decreased in the **second quarter and for the first quarter six months** of 2024, primarily driven by lower personnel costs associated with ongoing transformation initiatives, and lower marketing network access and customer support expenses, partially offset by expenses. Partially offsetting the decreases were higher vendor credits in the second quarter of 2023 and higher equipment costs. costs for the six-month period. Expense declines also reflect the contribution of our cybersecurity business. As part of our transformation activities, we expect operations and support expense improvements through the remainder of 2024 as we further right size our operations in alignment with the strategic direction of the business.

Depreciation expense increased in the **second quarter and for the first quarter six months** of 2024, primarily due to ongoing capital investment for strategic initiatives such as fiber, which we expect to continue through the remainder of 2024.

Operating income decreased in the **second quarter and for the first quarter six months** of 2024. Our Business Wireline operating income margin in the **first second** quarter decreased from **7.1% 7.5%** in 2023 to **1.3% 2.1%** in 2024 and for the first six months decreased from **7.3%** in 2023 to **1.7%** in 2024. Our Business Wireline EBITDA margin in the **first second** quarter decreased from **32.0% 32.8%** in 2023 to **29.0% 31.3%** in 2024 and for the first six months decreased from **32.4%** in 2023 to **30.1%** in 2024.

Consumer Wireline Results

First Quarter

Percent

	2024	2023	Change
Operating revenues			
Broadband	\$ 2,722	\$ 2,527	7.7 %
Legacy voice and data services	342	396	(13.6)
Other service and equipment	286	316	(9.5)
Total Operating Revenues	3,350	3,239	3.4
Operating expenses			
Operations and support	2,256	2,284	(1.2)
Depreciation and amortization	881	861	2.3
Total Operating Expenses	3,137	3,145	(0.3)
Operating Income	\$ 213	\$ 94	— %

AT&T INC.
MARCH 31, JUNE 30, 2024

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations- Continued
Dollars in millions except per share amounts

Consumer Wireline Results							
	Second Quarter			Percent Change	Six-Month Period		
	2024	2023			2024	2023	Percent Change
Operating revenues							
Broadband	\$ 2,741	\$ 2,561	7.0 %		\$ 5,463	\$ 5,088	7.4 %
Legacy voice and data services	323	383	(15.7)		665	779	(14.6)
Other service and equipment	283	307	(7.8)		569	623	(8.7)
Total Operating Revenues	3,347	3,251	3.0		6,697	6,490	3.2
Operating expenses							
Operations and support	2,249	2,226	1.0		4,505	4,510	(0.1)
Depreciation and amortization	914	857	6.7		1,795	1,718	4.5
Total Operating Expenses	3,163	3,083	2.6		6,300	6,228	1.2
Operating Income	\$ 184	\$ 168	9.5 %		\$ 397	\$ 262	51.5 %

The following tables highlight other key measures of performance for Consumer Wireline:

Connections	Connections	March 31,		Percent	Connections	June 30,		Percent
(in 000s)	(in 000s)	2024	2023	Change	(in 000s)	2024	2023	Change
Broadband Connections	Broadband Connections				Broadband Connections			
Total Broadband and DSL Connections	Total Broadband and DSL Connections	13,930	13,949	(0.1)	Total Broadband and DSL Connections	13,962	13,895	0.5

Broadband:
Fiber Broadband Connections
Voice Connections
Voice Connections
Voice Connections
Retail Consumer Switched Access Lines
Retail Consumer Switched Access Lines

Retail Consumer Switched Access Lines

Consumer VoIP
Connections

Total Retail Consumer Voice Connections	Total Retail Consumer Voice Connections	3,422	4,133	4,133	(17.2)	(17.2)	%	Total Retail Consumer Voice Connections	3,262	3,955	3,955	(17.5)	(17.5)	%
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1 Includes AT&T Internet Air.

Broadband Net Additions

Broadband Net Additions

Broadband Net Additions

First Quarter
First Quarter
First Quarter
Second Quarter
Second Quarter
Second Quarter
Six-Month Period

(in 000s)	(in 000s)	Percent	2024	2023	Change	(in 000s)	Percent	2024	2023	Change	2024	2023	Change
Total Broadband and DSL Net Additions													
Total Broadband and DSL Net Additions													
Total Broadband and DSL Net Additions			40	(42)	(42)	—		32	(54)	(54)	—	72	(96)
Broadband Net Additions:													
Fiber Broadband Net Additions	Fiber Broadband Net Additions		252	272	272	(7.4)		239	251	251	(4.8)	491	523

1 Includes AT&T Internet Air.

Broadband revenues increased in the **second quarter and for the first quarter six months** of 2024, driven by an increase in fiber customers, which we expect to continue as we invest further in building our fiber footprint, and higher ARPU due to prior-year promotional pricing, partially offset by declines in copper-based broadband services.

Legacy voice and data service revenues decreased in the **second quarter and for the first quarter six months** of 2024, reflecting the continued decline in demand for these services in favor of other technologies, such as wireless and fiber services.

AT&T INC.

JUNE 30, 2024

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued

Dollars in millions except per share amounts

Other service and equipment revenues decreased in the **second quarter and for the first quarter six months** of 2024, reflecting the continued decline in the number of VoIP customers.

Operations and support expenses **decreased** **increased** in the **second quarter and decreased for the first quarter six months** of 2024. Expense **decreases** **increases** in the **second quarter** were primarily due to **lower customer support costs, partially offset by** higher network-related costs as our fiber build **scales**. **scales**, largely offset by lower customer support costs. Expense **decreases** for the first six months were driven by lower customer support costs and operating taxes that were offset by higher network-related costs.

Depreciation expense increased in the **second quarter and for the first quarter six months** of 2024, primarily due to ongoing capital spending for strategic initiatives such as fiber and network upgrades and expansion, which we expect to continue through the remainder of 2024.

Operating income increased in the **second quarter and for the first quarter six months** of 2024. Our Consumer Wireline operating income margin in the **first second** quarter increased from **2.9% 5.2%** in 2023 to **6.4% 5.5%** in 2024 and for the first six months increased from **4.0% in 2023 to 5.9%** in 2024. Our Consumer Wireline EBITDA margin in the **first second** quarter increased from **29.5% 31.5%** in 2023 to **32.8%** in 2024 and for the first six months increased from **30.5%** in 2023 to **32.7%** in 2024.

LATIN AMERICA SEGMENT	Second Quarter			Six-Month Period		
	2024	2023	Percent Change	2024	2023	Percent Change
Segment Operating Revenues						
Service	\$ 699	\$ 635	10.1 %	\$ 1,389	\$ 1,226	13.3 %
Equipment	404	332	21.7	777	624	24.5
Total Segment Operating Revenues	1,103	967	14.1	2,166	1,850	17.1
Segment Operating Expenses						
Operations and support	925	821	12.7	1,808	1,559	16.0
Depreciation and amortization	172	185	(7.0)	349	360	(3.1)
Total Segment Operating Expenses	1,097	1,006	9.0	2,157	1,919	12.4
Operating Income (Loss)	\$ 6	\$ (39)	— %	\$ 9	\$ (69)	— %

The following tables highlight other key measures of performance for Mexico:

Subscribers			
(in 000s)	June 30, 2024	2023	Percent Change
Mexico Wireless Subscribers			
Postpaid	5,494	5,030	9.2 %
Prepaid	16,809	16,196	3.8
Reseller	333	463	(28.1)
Total Mexico Wireless Subscribers	22,636	21,689	4.4 %

AT&T INC.
MARCH 31, JUNE 30, 2024

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations- Continued

Dollars in millions except per share amounts

LATIN AMERICA SEGMENT	First Quarter		
	2024	2023	Percent Change
Segment Operating Revenues			
Service	\$ 690	\$ 591	16.8 %
Equipment	373	292	27.7
Total Segment Operating Revenues	1,063	883	20.4
Segment Operating Expenses			
Operations and support	883	738	19.6
Depreciation and amortization	177	175	1.1
Total Segment Operating Expenses	1,060	913	16.1
Operating Income (Loss)	\$ 3	\$ (30)	— %

The following tables highlight other key measures of performance for Mexico:

Subscribers
Subscribers
Subscribers

		March 31,		Percent																
(in 000s)		2024	2023	Change																
Mexico Wireless Subscribers																				
Postpaid		5,352	4,973	7.6 %																
Prepaid																				
Reseller																				
Total Mexico Wireless Subscribers																				
		22,459	21,613	3.9 %																
Mexico Wireless Net Additions																				
Mexico Wireless Net Additions																				
Mexico Wireless Net Additions																				
Mexico Wireless Net Additions																				
		First Quarter		Second Quarter	Six-Month Period															
				Percent				Percent				Percent								
(in 000s)	(in 000s)	2024	2023	Change	(in 000s)	2024	2023	Change		2024	2023	Change								
Mexico Wireless Net Additions	Mexico Wireless Net Additions	Mexico Wireless Net Additions																		
Postpaid	Postpaid	116	49	49	—	—	%	Postpaid	142	56	56	—	—	%	258	105	105	—	—	%
Prepaid																				
Reseller																				
Total Mexico Wireless Net Additions	Total Mexico Wireless Net Additions	143	10	10	—	—	%	Total Mexico Wireless Net Additions	177	76	76	—	—	%	320	86	86	—	—	%

Service revenues increased in the second quarter and for the first six months of 2024. The increase in the second quarter was primarily due to growth in subscribers and ARPU, as well as favorable foreign exchange impacts. The increase for the first six months reflects favorable exchange rates primarily from the first quarter of 2024, reflecting favorable foreign exchange impacts with subscriber and ARPU growth in subscribers, also contributing to higher revenues.

Equipment revenues increased in the second quarter and for the first quarter six months of 2024, primarily driven by higher equipment sales and favorable foreign exchange impacts.

Operations and support expenses increased in the second quarter and for the first quarter six months of 2024, driven by primarily due to increased equipment and selling costs resulting from higher sales and unfavorable impact of foreign exchange and increased equipment costs resulting from higher sales. exchange. Approximately 4% of Mexico expenses are U.S. dollar based, with the remainder in the local currency.

Depreciation and amortization expense increased decreased in the second quarter and for the first quarter six months of 2024, primarily driven by lower in-service assets, partially offset by unfavorable impact of foreign exchange partially offset by lower in-service assets. exchange.

AT&T INC.

MARCH 31, 2024

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued

Dollars in millions except per share amounts

Operating income improved in the second quarter and for the first quarter six months of 2024. Our Mexico operating income margin in the first second quarter increased from (3.4) (4.0)% in 2023 to 0.3% 0.5% in 2024 and for the first six months increased from (3.7)% in 2023 to 0.4% in 2024. Our Mexico EBITDA margin in the first second quarter increased from 16.4% 15.1% in 2023 to 16.9% 16.1% in 2024 and for the first six months increased from 15.7% in 2023 to 16.5% in 2024.

COMPETITIVE AND REGULATORY ENVIRONMENT

Overview AT&T subsidiaries operating within the United States are subject to federal and state regulatory authorities. AT&T subsidiaries operating outside the United States are subject to the jurisdiction of national and supranational regulatory authorities in the markets where service is provided.

In the Telecommunications Act of 1996 (Telecom Act), Congress established a national policy framework intended to bring the benefits of competition and investment in advanced telecommunications facilities and services to all Americans by opening all telecommunications markets to competition and reducing or eliminating regulatory burdens that harm consumer welfare. Nonetheless, since then, the FCC and some state regulatory commissions have maintained, re-imposed or expanded certain regulatory requirements that were imposed decades ago on our traditional wireline subsidiaries when they operated as legal monopolies. Recently, the FCC's regulatory approach has depended on control of the executive branch, eliminating a variety of antiquated and unnecessary regulations in a number of areas, while imposing or re-imposing regulations in other areas. We continue to support regulatory and legislative measures and efforts, at both the state and federal levels, to reduce inappropriate regulatory burdens that inhibit our ability to compete effectively and offer needed services to our customers, including initiatives to transition services from traditional networks to all IP-based networks. At the same time, we also seek to ensure that legacy regulations are not further extended to broadband or wireless services, which are subject to vigorous competition.

Until 2015, the FCC classified fixed and mobile consumer broadband internet access services as information services subject to minimal regulation. In 2015, the FCC reclassified such services as telecommunications services subject to broader regulation by the FCC and imposed "net neutrality rules." Since then, the FCC has twice reversed course, most recently again reclassifying such services as telecommunications services subject to broader regulation by the FCC in an order adopted on April 25, 2024, in a yet-to-be released order, and scheduled to take effect on July 22, 2024. Multiple trade associations and other parties have challenged the FCC's

AT&T INC.

JUNE 30, 2024

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued

Dollars in millions except per share amounts

reclassification decision in appeals consolidated in the U.S. Court of Appeals for the Sixth Circuit. The trade associations have petitioned the Sixth Circuit to stay the FCC's order. On July 12, 2024, the Sixth Circuit issued a temporary administrative stay of the FCC order until August 5, 2024, and requested additional briefing from the parties on the impact of the recent United States Supreme Court decision in *Loper Bright Enterprises v. Raimondo*.

Since 2018, some states have adopted legislation or issued executive orders that established state net neutrality rules. Suits were filed challenging two such laws in rules, including California and Vermont. The California statute is now in effect. The challenge to the Vermont statute was stayed pending resolution of a separate challenge to a New York statute raising similar preemption issues. On April 26, 2024, the Second Circuit overturned a lower court's decision that the New York statute was preempted, which could have the effect of restarting the Vermont litigation. We expect additional states may seek to impose net neutrality and other requirements on broadband in the future.

On November 15, 2021, the Infrastructure Investment and Jobs Act (IIJA) was signed into law. The legislation appropriates \$65,000 to support broadband deployment and adoption. The National Telecommunications and Information Agency (NTIA) is responsible for distributing more than \$48,000 of this funding, including \$42,500 in state grants for broadband deployment projects in unserved and underserved areas through the Broadband, Equity, Access, and Deployment (BEAD) Programs. NTIA and states are in the process of administering these grants. Where appropriate, AT&T has applied for, and in some cases has been awarded, and may continue to apply for grants under this or other government infrastructure programs. The IIJA also appropriated \$14,200 for establishment of the Affordable Connectivity Program (ACP), an FCC-administered monthly, low-income broadband benefit program, replacing the Emergency Broadband Benefit program (established in December 2020 by the Consolidated Appropriations Act, 2021). Qualifying customers can receive up to thirty dollars per month (or seventy-five dollars per month for those on Tribal lands) to assist with their internet bill. AT&T is a participating provider participated in the ACP program. Absent additional funding, on January 11, 2024 the FCC announced that it currently projects April 2024 to be the last month providers will be fully reimbursed for the ACP benefit provided to enrolled households and established February 7, 2024 as the last date for new enrollments into the program. On March 4, 2024, the FCC issued a Public Notice confirming announced that absent additional funding from Congress, April 2024 is would be the last fully funded month for the ACP benefit. The ACP has now ended.

On November 15, 2023, the FCC adopted rules to "facilitate" equal access to broadband and prevent digital discrimination in broadband access. The rules, which became effective March 22, 2024, prohibit covered entities from implementing policies or practices not justified by genuine issues of technical or economic feasibility, that differentially impact consumers' access to broadband internet access service based on prohibited characteristics (including income level, race, and ethnicity) or that have such differential impact, whether intentional or not. The rules broadly apply prospectively to all aspects of an ISP's service that could impact a consumer's ability to access broadband, including deployment, marketing, and credit checks, among other things. We may be required to answer complaints alleging that the company has violated the FCC rules and those complaints may seek relief, including changes to our business practices or civil forfeitures that could result in significant costs or reputational harm. It is currently uncertain how the FCC will implement and enforce these new rules. Several business and

AT&T INC.

MARCH 31, 2024

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued

Dollars in millions except per share amounts

consumer-oriented associations have filed appeals challenging the rules and those appeals have been consolidated in the Eighth Circuit.

Privacy-related legislation continues to be adopted or considered in a number of jurisdictions. Legislative, regulatory and litigation actions could result in increased costs of compliance, further regulation or claims against broadband internet access service providers and others, and increased uncertainty in the value and availability of data.

During 2020-2021, we deployed 5G nationwide on "low band" spectrum on macro towers. Executing on recent spectrum purchases, we announced ongoing construction and continuing deployment of 5G on 3.45 GHz and C-band spectrum in 2022 and beyond. Additional spectrum will be needed industrywide for 5G and future services. In 2023, the federal government released a national spectrum strategy that focused on spectrum sharing but did not include specific timelines to make additional spectrum bands available for 5G and future generations of service. As a result, the federal government's ability and intent to make sufficient spectrum available to the industry in needed timeframes remains uncertain.

AT&T INC.**JUNE 30, 2024****Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued**

Dollars in millions except per share amounts

LIQUIDITY AND CAPITAL RESOURCES

For three months ended March 31,	2024	2023
For six months ended June 30,	2024	2023
Cash provided by operating activities		
Cash used in investing activities		
Cash used in financing activities		

	March 31,	December 31,		
	June 30,	December 31,		
	2024	2024	2023	2024 2023
Cash and cash equivalents				
Total debt				

We had \$3,520 \$3,093 in cash and cash equivalents available at March 31, 2024 June 30, 2024, decreasing \$3,202 \$3,629 since December 31, 2023. Cash and cash equivalents included cash of \$1,202 \$1,094 and money market funds and other cash equivalents of \$2,318, \$1,999. Approximately \$1,435 \$1,397 of our cash and cash equivalents were held by our foreign entities in accounts predominantly outside of the U.S. and may be subject to restrictions on repatriation.

For the first three six months of 2024, cash inflows were primarily provided by cash receipts from operations, including cash from our sale and transfer of our receivables to third parties, issuance of commercial paper and distributions from DIRECTV. These inflows were exceeded by cash used to meet the needs of the business, including, but not limited to, payment of operating expenses, repayment of expenses. The cash generated from operating activities was used to repay short-term borrowings and long-term debt, funding capital expenditures and vendor financing payments, and dividend payments to stockholders. We maintain availability under our credit facilities and our commercial paper program to meet our short-term liquidity requirements.

Cash Provided by Operating Activities

During the first three six months of 2024, cash provided by operating activities was \$7,547, \$16,640, compared to \$6,678 \$16,600 for the first three six months of 2023, reflecting operational growth and timing of working capital including associated with device payments, as well as the first-quarter 2024 expansion of committed, cost-efficient receivable sales programs that were partially offset by higher device payments, programs.

We actively manage the timing of our supplier payments for operating items to optimize the use of our cash. Among other things, we seek to make payments on 90-day or greater terms, while providing the suppliers with access to bank facilities that permit earlier payments at their cost (referred to as supplier financing program). In addition, for payments to suppliers of handset inventory, as part of our working capital initiatives, we have arrangements that allow us to extend the stated payment terms by up to 90 days at an additional cost to us (referred to as direct supplier financing). The net impact of direct supplier financing, including principal and interest payments, was to decrease cash from operating activities \$1,584 approximately \$2,120 and \$432 \$2,100 for the three six months ended March 31, 2024 June 30, 2024 and 2023, respectively. All supplier financing payments are due within one year. (See Note 10)

AT&T INC.**MARCH 31, 2024****Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued**

Dollars in millions except per share amounts

Cash Used in Investing Activities

For the first three six months of 2024, cash used in investing activities totaled \$2,961 \$6,977 and consisted primarily of \$3,758 \$8,118 (including interest during construction) for capital expenditures. During the first three six months of 2024, we also paid \$266 in cash on FirstNet sustainability payment. During the first three six months of 2024, we received a return of investment of \$194 \$586 from DIRECTV representing distributions in excess of cumulative equity in earnings from DIRECTV (see Note 9).

For capital improvements, we have negotiated favorable vendor payment terms of 120 days or more (referred to as vendor financing) with some of our vendors, which are excluded from capital expenditures and reported as financing activities. For the first three six months of 2024, vendor financing payments were \$841, \$1,391, compared to \$2,113 \$3,756 for the first three six months of 2023. Capital expenditures for the first three six months of 2024 were \$3,758, \$8,118, and when including \$841 \$1,391 cash paid for vendor financing, capital investment was \$4,599 \$9,509 (\$1,849 \$2,852 lower than the prior-year comparable period).

The vast majority of our capital expenditures are spent on our networks, including product development and related support systems. During the first three six months of 2024, we placed \$99 \$523 of equipment productive assets (primarily software) in service under vendor

AT&T INC.

JUNE 30, 2024

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued

Dollars in millions except per share amounts

financing arrangements (compared to \$1,021 \$1,341 in the prior-year comparable period). The amount of capital expenditures is influenced by demand for services and products, capacity needs and network enhancements.

Cash Provided by or Used in Financing Activities

For the first three six months of 2024, cash used in financing activities totaled \$7,815 \$13,293 and was comprised of debt issuances and repayments, payments of dividends and vendor financing payments.

A tabular summary of our debt activities for the three six months ended March 31, 2024 June 30, 2024 is as follows:

	Three months ended March 31, 2024		
Net commercial paper borrowings	\$		428
Repayments			
USD notes	\$		(2,300)
EUR notes			(2,181)
Other			(204)
Repayments of long-term debt	\$		(4,685)
	First Quarter	Second Quarter	Six months ended June 30, 2024
Net commercial paper borrowings	\$ 428	\$ 262	\$ 690
Repayments			
USD notes	\$ (2,300)	\$ (1,615)	\$ (3,915)
EUR notes	(2,181)	(32)	(2,213)
CAD notes	—	(442)	(442)
Other	(204)	(136)	(340)
Repayments of long-term debt	\$ (4,685)	\$ (2,225)	\$ (6,910)

The weighted average interest rate of our long-term debt portfolio, including credit agreement borrowings and the impact of derivatives, was approximately 4.2% as of March 31, 2024 June 30, 2024 and as of December 31, 2023. We had \$128,533 \$126,253 of total notes and debentures outstanding at March 31, 2024 June 30, 2024. This also included Euro, British pound sterling, Canadian dollar, Swiss franc, and Australian dollar denominated debt that totaled approximately \$32,738, \$32,113.

At March 31, 2024 June 30, 2024, we had \$7,060 \$5,249 of debt maturing within one year, consisting of \$2,430 \$2,693 of commercial paper borrowings and \$4,630 \$2,556 of long-term debt issuances. The weighted average interest rate on our outstanding short-term borrowings was approximately 5.5% as of March 31, 2024 June 30, 2024 and 6.0% as of December 31, 2023.

For the first three six months of 2024, we paid \$841 \$1,391 of cash under our vendor financing program, compared to \$2,113 \$3,756 in the prior-year comparable period. Total vendor financing payables included in our March 31, 2024 June 30, 2024 consolidated balance sheet were \$2,021, \$1,827, with \$1,215 \$883 due within one year (in "Accounts payable and accrued liabilities") and the remainder predominantly due within five years (in "Other noncurrent liabilities").

At March 31, 2024 June 30, 2024, we had approximately 144 million shares remaining from our share repurchase authorizations approved by the Board of Directors in 2014.

We paid dividends on common and preferred shares of \$2,034 \$4,133 during the first three six months of 2024, compared with \$2,014 \$4,097 for the first three six months of 2023.

AT&T INC.

MARCH 31, 2024

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued

Dollars in millions except per share amounts

Dividends on common stock declared by our Board of Directors totaled \$0.2775 \$0.5550 per share in the first three six months of 2024 and 2023. Our dividend policy considers the expectations and requirements of stockholders, capital funding requirements of AT&T and long-term growth opportunities.

Credit Facilities

The following summary of our various credit and loan agreements does not purport to be complete and is qualified in its entirety by reference to each agreement filed as exhibits to our Annual Report on Form 10-K.

We use credit facilities as a tool in managing our liquidity status. We currently have one \$12,000 revolving credit agreement that terminates on November 18, 2028 (Revolving Credit Agreement). No amount was outstanding under the Revolving Credit Agreement as of **March 31, 2024** **June 30, 2024**.

We also utilize other external financing sources, which include various credit arrangements supported by government agencies to support network equipment purchases as well as a commercial paper program.

AT&T INC.

JUNE 30, 2024

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued

Dollars in millions except per share amounts

Our Revolving Credit Agreement contains covenants that are customary for an issuer with investment grade senior debt credit rating as well as a net debt-to-EBITDA financial ratio covenant requiring AT&T to maintain, as of the last day of each fiscal quarter, a ratio of not more than 3.75-to-1. As of **March 31, 2024** **June 30, 2024**, we were in compliance with the covenants for our credit facilities.

Collateral Arrangements

Most of our counterparty collateral arrangements require cash collateral posting by AT&T only when derivative market values exceed certain thresholds. Under these arrangements, which cover the majority of our approximate **\$37,600** **\$37,100** derivative portfolio, counterparties are still required to post collateral. During the first **three** **six** months of 2024, we **received** **posted** approximately **\$140** **\$15** of cash collateral, on a net basis. Cash postings under these arrangements vary with changes in credit ratings and netting agreements. (See Note 7)

Other

Our total capital consists of debt (long-term debt and debt maturing within one year), redeemable noncontrolling interest and stockholders' equity. Our capital structure does not include debt issued by our equity method investments. At **March 31, 2024** **June 30, 2024**, our debt ratio was **52.4%** **51.8%**, compared to **55.9%** **54.8%** at **March 31, 2023** **June 30, 2023** and 53.5% at December 31, 2023. The debt ratio is affected by the same factors that affect total capital, and reflects our recent debt issuances, repayments and reclassifications related to redemption of noncontrolling interests.

CRITICAL ACCOUNTING ESTIMATES

Asset Valuations and Impairments As discussed in Note 1 of our 2023 Annual Report on Form 10-K, goodwill and other indefinite-lived assets are tested for impairment at least annually as of October 1, generally utilizing a quantitative approach. While an interim quantitative impairment was not warranted in the second quarter of 2024, because of the industry-wide secular decline of legacy voice, which has led to a faster-than-anticipated rate of decline for our legacy voice services in our Business Wireline reporting unit, and the potential of sustained higher discount rates, it is possible that the book values of one or more of our reporting units will exceed their respective fair values, which may result in the recognition of a noncash impairment of goodwill and/or indefinite-lived intangible assets in the third or fourth quarters of 2024 that could be material.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

At **March 31, 2024** **June 30, 2024**, we had interest rate swaps with a notional value of \$1,750 and a fair value of **\$(2)** **\$(1)**.

We have fixed-to-fixed and floating-to-fixed cross-currency swaps on foreign currency-denominated debt instruments with a U.S. dollar notional value of **\$35,825** **\$35,351** to hedge our exposure to changes in foreign currency exchange rates and interest rates. These derivatives have been designated as cash flow or fair value hedges with a net fair value of **\$(3,195)** **\$(3,673)** at **March 31, 2024** **June 30, 2024**. We had no rate locks at **March 31, 2024** **June 30, 2024**.

Item 4. Controls and Procedures

The registrant maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed by the registrant is recorded, processed, summarized, accumulated and communicated to its management, including its principal executive and principal financial officers, to allow timely decisions regarding required disclosure, and reported within the time periods specified in the SEC's rules and forms. The Chief Executive Officer and Chief Financial Officer have performed an evaluation of the effectiveness of the design and operation of the registrant's disclosure controls and procedures as of **March 31, 2024** **June 30, 2024**. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the registrant's disclosure controls and procedures were effective as of **March 31, 2024** **June 30, 2024**.

There have not been any changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

AT&T INC.

MARCH 31, JUNE 30, 2024

CAUTIONARY LANGUAGE CONCERNING FORWARD-LOOKING STATEMENTS

Information set forth in this report contains forward-looking statements that are subject to risks and uncertainties, and actual results could differ materially. Many of these factors are discussed in more detail in the "Risk Factors" section herein and in our most recent Form 10-K. We claim the protection of the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995.

The following factors could cause our future results to differ materially from those expressed in the forward-looking statements:

- Adverse economic and political changes, including inflation and rising interest rates, war or other hostilities, and public health emergencies, and our ability to access financial markets at favorable rates and terms.
- Increases in our benefit plans' costs, including due to worse-than-assumed investment returns and discount rates, mortality assumptions, medical cost trends, or healthcare laws or regulations.
- The final outcome of FCC and other federal, state or foreign government agency proceedings (including judicial review of such proceedings) and legislative and regulatory efforts involving issues important to our business, including, without limitation, pending Notices of Apparent Liability; the transition from legacy technologies to IP-based infrastructure, including the withdrawal of legacy TDM-based services; universal service; broadband deployment; wireless equipment siting regulations and, in particular, siting for 5G service; E911 services; rules concerning digital discrimination; competition policy; privacy; net neutrality; copyright protection; availability of new spectrum on fair and balanced terms; and wireless and satellite license awards and renewals, and our response to such legislative and regulatory efforts.
- Enactment of or changes to state, local, federal and/or foreign tax laws and regulations, and actions by tax agencies and judicial authorities that reduce our incentive to invest in our networks, and the resolution of disputes with any taxing jurisdictions, pertaining to our subsidiaries and foreign investments.
- U.S. and foreign laws and regulations regarding intellectual property rights protection and privacy, personal data protection and user consent, which are complex and rapidly evolving.
- Our ability to compete in an increasingly competitive industry and against competitors that can offer product/service offerings at lower prices due to lower cost structures and regulatory and legislative actions adverse to us, including non-regulation of comparable alternative technologies and/or government-owned or subsidized networks, and our response to such competition and emerging technologies.
- Disruption in our supply chain for a number of reasons, including, difficulties in obtaining export licenses for certain technology, an inability to secure component parts, lack of suppliers, general business disruption, workforce shortage, natural disasters, safety issues, vendor fraud, and economic and political instability, including disruptions in the capital markets, the outbreak of war or other hostilities, and public health emergencies.
- The development and delivery of attractive and profitable wireless and broadband offerings and devices, including our ability to match speeds offered by competitors; the impact of regulatory and build-out requirements; and the availability, cost and/or reliability of technologies required to provide such offerings.
- Our ability to adequately fund additional wireless spectrum and network development, deployment and maintenance; and regulations and conditions relating to spectrum use, licensing, obtaining additional spectrum, technical standards and deployment and usage, including network management rules.
- Our ability to manage growth in wireless data services, including network quality and acquisition of adequate spectrum at reasonable costs and terms.
- The outcome of pending, threatened or potential litigation and arbitration, including, without limitation, patent and product safety claims by or against third parties or claims based on alleged misconduct by employees.
- The impact from major equipment, software or other failures or errors that disrupt our networks or cyber incidents; the effect of security breaches related to the network or customer information; our inability to obtain handsets, equipment/software or have handsets, equipment/software serviced in a timely and cost-effective manner from suppliers; or severe weather conditions or other natural disasters including earthquakes and forest fires, public health emergencies, energy shortages, wars or terrorist attacks.
- The issuance by the FASB or other accounting oversight bodies of new or revised accounting standards.
- The uncertainty surrounding further congressional action regarding spending and taxation, which may result in changes in government spending and affect the ability and willingness of businesses and consumers to spend in general.
- Our ability to realize or sustain the expected benefits of our business transformation initiatives, which are designed to reduce costs, enable legacy rationalization, streamline distribution, remove redundancies and simplify and improve processes and support functions.
- Our ability to successfully complete divestitures, as well as achieve our expectations regarding the financial impact of completed and/or pending transactions.

Readers are cautioned that other factors discussed in this report and our most recent Form 10-K, although not enumerated here, also could materially affect our future earnings.

AT&T INC.

MARCH 31, JUNE 30, 2024

PART II – OTHER INFORMATION

Dollars in millions except per share amounts

Item 1A. Risk Factors

We discuss in our Annual Report on Form 10-K for the year ended December 31, 2023 various risks that may materially affect our business. We use this section to update this discussion to reflect material developments. For the first quarter of 2024, there were no such material developments since our Form 10-K was filed.

Cyberattacks impacting our networks, systems or data or those of our suppliers or vendors may have a material adverse effect on our operations or results of operations.

Cyberattacks – including through the use of malware, computer viruses, distributed denial of services attacks, ransomware attacks, credential harvesting, social engineering and other means for obtaining unauthorized access to or disrupting the operation of our networks and systems or accessing our data and those of our suppliers, vendors and other service providers – could have a material adverse effect on our operations or results of operations. Cyberattacks can cause equipment or network failures, copying or loss of information, including sensitive personal information of customers or employees or proprietary information, as well as disruptions to our or our customers', suppliers' or vendors' operations, which could result in significant expenses, potential investigations and legal liability, a loss of current or future customers and reputational damage. As our networks evolve, they are becoming increasingly reliant on software and cloud technologies to handle growing demands for data consumption. Cyberattacks against the Company and its

suppliers and vendors have occurred in the past, will continue to occur in the future and are increasing in frequency, scope and potential harm over time. For example, in July 2024, the Company disclosed a cybersecurity incident on Item 1.05 of Form 8-K relating to the copying of mobile customer call data.

Due to the complexity and interconnectedness of our systems and those of our suppliers, vendors and other service providers, the process of enhancing our protective measures can itself create a risk of systems disruptions and security issues. Further, the use of artificial intelligence and machine learning by cybercriminals may increase the frequency and severity of cybersecurity attacks against us or our suppliers, vendors and other service providers. In addition, despite our efforts to detect unlawful intrusions, an attack may persist for an extended period of time before being detected, and, following detection, it may take considerable time for us to obtain sufficient information about the nature, scope and timing of the incident as well as the impact or reasonably likely impact on us. Indeed, as cyberattacks become increasingly sophisticated, a post-attack investigation may not be able to ascertain the entire scope of the attack's impact.

Extensive and costly efforts are undertaken to develop and test systems before deployment and to conduct ongoing monitoring and updating to prevent and withstand such attacks. While, to date, we have not been subject to a cyberattack that has had a material adverse effect on our operations or results of operations, the preventive actions we take, or our suppliers or vendors take, to reduce the risks associated with cyberattacks may be insufficient to repel or mitigate the effects of a major cyberattack in the future.

AT&T INC.
JUNE 30, 2024

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) A summary of our repurchases of common stock during the first second quarter of 2024 is as follows:

Period	(a)	(b)	(c)	(d)	Period	(a)	(b)	(c)	(d)
	Total Number of Shares (or Units) Purchased, ¹	Average Price Paid Per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs ¹	Maximum Number (or Approximate Dollar Value) of Shares (or Units) That May Yet Be Purchased Under The Plans or Programs		Total Number of Shares (or Units) Purchased, ¹	Average Price Paid Per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs ¹	Maximum Number (or Approximate Dollar Value) of Shares (or Units) That May Yet Be Purchased Under The Plans or Programs
January 1, 2024 - January 31, 2024	1,057,164	\$ 16.60	—	143,731,972					
February 1, 2024 - February 29, 2024	4,795,814	17.10	—	143,731,972					
March 1, 2024 - March 31, 2024	3,343,743	17.18	—	143,731,972					
April 1, 2024 - April 30, 2024	57,168	\$ 17.38	—	143,731,972					
May 1, 2024 - May 31, 2024	22,588	17.34	—	143,731,972					
June 1, 2024 - June 30, 2024	11,225	18.05	—	143,731,972					
Total	9,196,721	\$ 17.07	—	—	Total	90,981	\$ 17.45	—	—

¹ In March 2014, our Board of Directors approved an authorization to repurchase up to 300 million shares of our common stock. The authorization has no expiration date.

² These shares were acquired through the withholding of taxes on the vesting of restricted stock and performance shares or in respect of the exercise price of options.

Item 5. Other Information

(c) During the quarter ended March 31, 2024 June 30, 2024, no director or officer (as defined in Rule 16a-1(f)) of the Company adopted or terminated a contract, instruction or written plan for the purchase or sale of securities of the Company intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) and/or a non-Rule 10b5-1 trading arrangement.

Item 6. Exhibits

The following exhibits are filed or incorporated by reference as a part of this report:

Exhibit

Number	Exhibit Description
10.1	AT&T Cash Deferral Plan as amended May 16, 2024
10.2	AT&T Stock Purchase and Deferral Plan as amended May 16, 2024
10.3	AT&T Inc. Health Plan effective January 1, 2025
31	Rule 13a-14(a)/15d-14(a) Certifications 31.1 Certification of Principal Executive Officer 31.2 Certification of Principal Financial Officer
32	Section 1350 Certifications
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 June 30, 2024, formatted in Inline XBRL: (i) Consolidated Statements of Cash Flows, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Balance Sheets, and (v) Notes to Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 June 30, 2024, (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AT&T Inc.

May 1, July 25, 2024

/s/ Pascal Desroches

Pascal Desroches

Senior Executive Vice President
and Chief Financial Officer

44

Exhibit 10.1

AT&T INC.

CASH DEFERRAL PLAN

Adopted November 19, 2004

As amended through May 16, 2024

Article 1 – Statement of Purpose

The purpose of the Cash Deferral Plan (“Plan”) is to provide savings opportunities to a select group of management employees of AT&T Inc. (“AT&T”) and its Subsidiaries.

Article 2 – Definitions

For the purpose of this Plan, the following words and phrases shall have the meanings indicated, unless the context indicates otherwise:

Annual Bonus. The award designated the “Annual Bonus” by AT&T (including but not limited to an award that may be paid in more frequent installments than annually), together with any individual discretionary award made in connection therewith, or comparable awards, if any, determined by AT&T to be used in lieu of these awards.

Base Compensation. The following types of cash-based compensation paid by an Employer (but not including payments made by a non-Employer, such as state disability payments), before reduction due to any contribution pursuant to this Plan or reduction pursuant to any deferral plan of an Employer, including but not limited to a plan that includes a qualified cash or deferral arrangement under Section 401(k) of the Code:

(a) base salary;

(b) lump sum payments in lieu of a base salary increase; and

(c) Annual Bonus.

Payments by an Employer under a disability plan made in lieu of any compensation described above, shall be deemed to be a part of the respective form of compensation it replaces for purposes of this definition. Base Compensation does not include zone allowances or any other geographical differential and shall not include payments made in lieu of unused vacation or other paid days off, and such payments shall not be contributed to this Plan.

Determinations by AT&T (the Committee with respect to Officer Level Employees) of the items that make up Base Compensation shall be final. The Committee may, from time to time, add or subtract types of compensation to or from the definition of “Base Compensation” provided, however, any such addition or subtraction shall be effective only with respect to the next period in which a Participant may make an election to establish a Cash Deferral Account. Base Compensation that was payable in a prior Plan Year but paid in a later Plan Year shall not be used to determine Employee Contributions in the later Plan Year.

1

2

Business Day. Any day during regular business hours that AT&T is open for business.

Cash Deferral Account or Account. The Account or Accounts established annually by an election by a Participant to make Employee Contributions to the Plan with each account relating to a Plan Year. For each Plan Year after 2008, there shall be a separate Cash Deferral Account for Base Compensation (excluding Annual Bonus) and a separate Cash Deferral Account for the Short Term Incentive Award and/or Annual Bonus. Earnings on each of Employee Contributions shall accrue to the respective Cash Deferral Accounts where they are earned.

Change in Control. With respect to AT&T's direct and indirect ownership of an Employer, a “Change in the effective control of a Corporation,” as defined in Treasury Regulation Section 1.409A-3(i)(5)(vi)(A)(1), regardless of whether the Employer is a corporation or non-corporate entity as permitted by the regulation, and using “50 percent” in lieu of “30 percent” in such regulation. A Change in Control will not apply to AT&T itself.

Chief Executive Officer. The Chief Executive Officer of AT&T Inc.

Code. References to the Code shall be to provisions of the Internal Revenue Code of 1986, as amended, including regulations promulgated thereunder and successor provisions. Similarly, references to regulations shall include amendments and successor provisions.

Committee. The Human Resources Committee of the Board of Directors of AT&T Inc.

Disability. Absence of an Employee from work with an Employer under the relevant Employer's disability plan.

Eligible Employee. An Employee who:

(a) is a full or part time, salaried Employee of AT&T or an Employer in which AT&T has a direct or indirect 100% ownership interest and who is on active duty or Leave of Absence (but only while such Employee is deemed by the Employer to be an Employee of such Employer);

(b) is, as determined by AT&T, a member of Employer's "select group of management or highly compensated employees" within the meaning of the Employee Retirement Income Security Act of 1974, as amended, and regulations thereunder ("ERISA"), which is deemed to include each Officer Level Employee; and

(c) has an employment status which has been approved by AT&T to be eligible to participate in this Plan or is an Officer Level Employee.

Notwithstanding the foregoing, AT&T (the Committee with respect to Officer Level Employees) may, from time to time, exclude any Employee or group of Employees from being deemed an "Eligible Employee" under this Plan.

In the event a court or other governmental authority determines that an individual was improperly excluded from the class of persons who would be permitted to make Employee Contributions during a particular time for any reason, that individual shall not be permitted to

3

4

make such contributions for purposes of the Plan for the period of time prior to such determination.

Employee. Any person employed by an Employer and paid on an Employer's payroll system, excluding persons hired for a fixed maximum term and excluding persons who are neither citizens nor permanent residents of the United States, all as determined by AT&T. For purposes of this Plan, a person on Leave of Absence who otherwise would be an Employee shall be deemed to be an Employee.

Employee Contributions. Amounts credited to a Cash Deferral Account pursuant to Section 4.1 (Election to Make Contributions) of the Plan.

Employer. AT&T Inc. or any of its Subsidiaries.

Incentive Award. A cash award paid by an Employer (and not by a non-Employer, such as state disability payments) under the Short Term Incentive Plan or any successor plan, the 2006 Incentive Plan or any successor plan, or any other award that the Committee specifically permits to be contributed to a Cash Deferral Account under this Plan (regardless of the purpose of the award).

Leave of Absence. Where a person is absent from employment with an Employer on a leave of absence, military leave, sick leave, or Disability, where the leave is given in order to prevent a break in the continuity of term of employment, and permission for such leave is granted (and not

revoked) in conformity with the rules of the Employer that employs the individual, as adopted from time to time, and the Employee is reasonably expected to return to service. Except as set forth below, the leave shall not exceed six (6) months for purposes of this Plan, and the Employee shall Terminate Employment upon termination of such leave if the Employee does not return to work prior to or upon expiration of such six (6) month period, unless the individual retains a right to reemployment under law or by contract. A twenty-nine (29) month limitation shall apply in lieu of such six (6) month limitation if the leave is due to the Employee being "disabled" (within the meaning of Treasury Regulation §1.409A-3(i)(4)). A Leave of Absence shall not commence or shall be deemed to cease under the Plan where the Employee has incurred a Termination of Employment.

Officer Level Employee. Any executive officer of AT&T, as that term is used under the Securities Exchange Act of 1934, as amended, and any Employee that is an "officer level" Employee for compensation purposes as shown on the records of AT&T.

Participant. An Employee or former Employee who participates in this Plan.

Plan Interest Rate. An annual rate of interest equal to Moody's Long-Term Corporate Bond Yield Average for the September preceding the calendar year during which the interest rate will apply. The Committee may choose another method of calculating the Plan Interest Rate, but such other method may only apply to Cash Deferral Units that Participants have not yet elected to establish.

5

6

Plan Year. Each of the following shall be a Plan year: the period from January 1, 2005 through January 15, 2006; the period January 16, 2006 through December 31, 2006; and, for all later Plan Years, it is defined as the period from January 1 through December 31.

Retirement or Retire. Termination of Employment on or after the date the Participant has attained one of the following combinations of age and Net Credited Service:

Net Credited Service	Age
10 years or more	65 or older
20 years or more	55 or older
25 years or more	50 or older
30 years or more	Any age

For purposes of this Plan only, Net Credited Service shall be calculated in the same manner as "Pension Eligibility Service" under the AT&T Pension Benefit Plan – Nonbargained Program ("Pension Plan"), as the same existed on October 1, 2008, except that service with an Employer shall be counted as though the Employer were a "Participating Company" under the Pension Plan and the Employee was a participant in the Pension Plan.

Senior Manager. Any Employee who is a "senior manager" for compensation purposes as shown on the records of AT&T.

Short Term Incentive Award. A cash award paid by an Employer (and not by a non-Employer, such as state disability payments) under the Short Term Incentive Plan or any successor plan, together with any individual discretionary award made in connection therewith; an award under a

similar plan intended by the Committee to be in lieu of an award under such Short Term Incentive Plan, including, but not limited to, Performance Units granted under the 2006 Incentive Plan or any successor plan. It shall also include any other award that the Committee designates as a Short Term Incentive Award specifically for purposes of this Plan (regardless of the purpose of the award) provided the deferral election is made in accordance with Section 409A.

Specified Employee. Any Participant who is a "Key Employee" (as defined in Code Section 416(i) without regard to paragraph (5) thereof), as determined by AT&T in accordance with its uniform policy with respect to all arrangements subject to Code Section 409A, based upon the 12-month period ending on each December 31st (such 12-month period is referred to below as the "identification period"). All Participants who are determined to be Key Employees under Code Section 416(i) (without regard to paragraph (5) thereof) during the identification period shall be treated as Key Employees for purposes of the Plan during the 12-month period that begins on the first day of the 4th month following the close of such identification period.

7

Subsidiary. Any corporation, partnership, venture or other entity or business with which AT&T would be considered a single employer under Sections 414(b) and (c) of the Code, using 50% as the ownership threshold as provided under Section 409A of the Code.

8

Termination of Employment. References herein to "Termination of Employment," "Terminate Employment" or a similar reference, shall mean the event where the Employee has a "separation from service," as defined under Section 409A, with all Employers. For purposes of this Plan, a Termination of Employment with respect to an Employer also shall be deemed to occur when such Employer incurs a Change in Control.

Article 3 – Administration of the Plan

3.1 The Committee.

Except as delegated by this Plan or by the Committee, the Committee shall be the administrator of the Plan and will administer the Plan, interpret, construe and apply its provisions and all questions of administration, interpretation and application of the Plan, including, without limitation, questions and determinations of eligibility entitlement to benefits and payment of benefits, all in its sole and absolute discretion. The Committee may further establish, adopt or revise such rules and regulations and such additional terms and conditions regarding participation in the Plan as it may deem necessary or advisable for the administration of the Plan. References in this Plan to determinations or other actions by AT&T, herein, shall mean actions authorized by the Committee, the Chief Executive Officer, the Senior Executive Vice President of AT&T in charge of Human Resources, or their respective successors or duly authorized delegates, in each case in the discretion of such person. All decisions by the Committee, its delegate or AT&T, as applicable, shall be final and binding.

3.2 Claims and Appeals.

(a) Claims. A person who believes that he or she is being denied a benefit to which he or she is entitled under this Plan (hereinafter referred to as a "Claimant") may file a written request for such benefit with the Executive Compensation Administration Department, setting forth his or her claim. The request must be addressed to the AT&T Executive Compensation Administration Department at its then principal place of business.

(b) Claim Decision. Upon receipt of a claim, the AT&T Executive Compensation Administration Department shall review the claim and provide the Claimant with a written notice of its decision within a reasonable period of time, not to exceed ninety (90) days, after the claim is received. If the AT&T Executive Compensation Administration Department determines that special circumstances require an extension of time beyond the initial ninety (90)-day claim review period, the AT&T Executive Compensation Administration Department shall notify the Claimant in writing within the initial ninety (90)-day period and explain the special circumstances that require the extension and state the date by which the AT&T Executive Compensation Administration Department expects to render its decision on the claim. If this notice is provided, the AT&T Executive Compensation Administration Department may take up to an additional ninety (90) days (for a total of one hundred eighty (180) days after receipt of the claim) to render its decision on the claim.

9

If the claim is denied by the AT&T Executive Compensation Administration Department, in whole or in part, the AT&T Executive Compensation Administration Department shall provide a written decision using language calculated to be understood by the Claimant and

10

setting forth: (i) the specific reason or reasons for such denial; (ii) specific references to pertinent provisions of this Plan on which such denial is based; (iii) a description of any additional material or information necessary for the Claimant to perfect his or her claim and an explanation of why such material or such information is necessary; (iv) a description of the Plan's procedures for review of denied claims and the steps to be taken if the Claimant wishes to submit the claim for review; (v) the time limits for requesting a review of a denied claim under this section and for conducting the review under this section; and (vi) a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA if the claim is denied following review under this section.

(c) Request for Review. Within sixty (60) days after the receipt by the Claimant of the written decision on the claim provided for in this section, the Claimant may request in writing that the Committee review the determination of the AT&T Executive Compensation Administration Department. Such request must be addressed to the Committee at the address for giving notice under this Plan. To assist the Claimant in deciding whether to request a review of a denied claim or in preparing a request for review of a denied claim, a Claimant shall be provided, upon written request to the Committee and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim. The Claimant or his or her duly authorized representative may, but need not, submit a statement of the issues and comments in writing, as well as other documents, records or other information relating to the claim for consideration by the Committee. If the Claimant does not request a review of the AT&T Executive Compensation Administration Department's decision by the Committee within such sixty (60)-day period, the Claimant shall be barred and estopped from challenging the determination of the AT&T Executive Compensation Administration Department.

(d) Review of Decision. Within sixty (60) days after the Committee's receipt of a request for review, the Administrator will review the decision of the AT&T Executive Compensation Administration Department. If the Committee determines that special circumstances require an extension of time beyond the initial sixty (60)-day review period, the Committee shall notify the Claimant in writing within the initial sixty (60)-day period and explain the special circumstances that require the extension and state the date by which the Committee expects to render its decision on the review of the claim. If this notice is provided, the Committee may take up to an additional sixty (60) days (for a total of one hundred twenty (120) days after receipt of the request for review) to render its decision on the review of the claim.

During its review of the claim, the Committee shall:

(1) Take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial review of the claim conducted pursuant to this section;

(2) Follow reasonable procedures to verify that its benefit determination is made in accordance with the applicable Plan documents; and

11

(3) Follow reasonable procedures to ensure that the applicable Plan provisions are applied to the Participant to whom the claim relates in a manner consistent with how such provisions have been applied to other similarly-situated Participants.

After considering all materials presented by the Claimant, the Committee will render a decision, written in a manner designed to be understood by the Claimant. If the Committee denies the claim on review, the written decision will include (i) the specific reasons for the decision; (ii) specific references to the pertinent provisions of this Plan on which the decision is based; (iii) a statement that the Claimant is entitled to receive, upon request to the Committee and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim; and (iv) a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA.

The Committee shall serve as the final review committee under the Plan and shall have sole and complete discretionary authority to administer, interpret, construe and apply the Plan provisions, and determine all questions of administration, interpretation, construction, and application of the Plan, including questions and determinations of eligibility, entitlement to benefits and the type, form and amount of any payment of benefits, all in its sole and absolute discretion. The Committee shall further have the authority to determine all relevant facts and related issues, and all documents, records and other information relevant to a claim conclusively for all parties, and in accordance with the terms of the documents or instruments governing the Plan. Decisions by the Committee shall be conclusive and binding on all parties and not subject to further review.

In any case, a Participant or Beneficiary may have further rights under ERISA. The Plan provisions require that Participants or Beneficiary pursue all claim and appeal rights described in this section before they seek any other legal recourse regarding claims for benefits.

Article 4 – Contributions

4.1 Election to Make Contributions.

(a) The Committee shall establish dates and other conditions for participation in the Plan and making contributions as it deems appropriate. Except as otherwise provided by the Committee, each year an Employee who is an Eligible Employee as of September 30 may thereafter make an election on or prior to the last Business Day of the immediately following November (such election shall be cancelled if the Employee is not an Eligible Employee on the last day such an election may be made) to contribute on a pre-tax basis, through payroll deductions, any combination of the following:

(1) From 1% to 50% (in whole percentage increments) of the Participant's monthly Base Compensation, other than Annual Bonus, during the calendar year (the Plan Year for such contributions) following the calendar year of such election. Employees who are below the level of Senior Manager, as shown on the records of AT&T at the time of the election, may contribute no more than 25% or such other amount as determined by AT&T.

12

(2) Up to 95% (in whole percentage increments) of a Short Term Incentive Award, or up to 50% (in whole percentage increments) of Annual Bonus (25% for Employees who are below

13

the level of Senior Manager), in each case such contributions shall be made during the second calendar year (which is the Plan Year for such contributions) following the year of such election, except that in 2008 a separate election may be made with respect to contributions to be made in 2009. An Employee may make such an election with respect to the type of Award (Short Term Incentive Award or Annual Bonus) that the Employee is under as of the time the Employee's eligibility to make such election is determined. If because of a promotion or otherwise, the Employee receives a different type of Award instead of or in partial or full replacement for the type of Award subject to the Employee's election for the relevant Plan Year, the election will apply to the other Award as well, including but not limited to any individual discretionary award related thereto.

(b) The Committee may permit an Eligible Employee to make an election to make other contributions under this Plan with compensation other than Base Compensation or Short Term Incentive Awards on such terms and conditions as such Committee may permit from time to time provided that any such election is made in accordance with Section 409A of the Code.

(c) Notwithstanding anything to the contrary in this Plan, no election shall be effective to the extent it would permit an Employee Contribution or distribution to be made that is not in compliance with Section 409A of the Code. To the extent such election related to Employee Contributions that complied with such statute and regulations, thereunder, that portion of the election shall remain valid, except as otherwise provided under this Plan.

(d) To the extent permitted by Section 409A of the Code, AT&T may refuse or terminate, in whole or in part, any election to make contributions to the Plan at any time; provided, however, only the Committee may take such action with respect to persons who are Officer Level Employees.

(e) To the extent a Participant makes contributions to the Plan where the payment of which would be deductible by AT&T under Section 162(m) of the Code without regard to the size of the distribution, such contributions and earnings thereon shall be distributed first.

(f) With respect to a Plan Year, an Employee may elect to (1) make Employee Contributions of Base Compensation other than Annual Bonus to this Plan but only if the Employee elects to contribute at least 6% of Base Compensation other than Annual Bonus for the same Plan Year to the Stock Purchase and Deferral Plan and/or (2) make Employee Contributions of Annual Bonus to this Plan but only if the Employee elects to contribute at least 6% of Annual Bonus for the same Plan Year to the Stock Purchase and Deferral Plan.

4.2 Contributions to a Cash Deferral Account.

(a) Employee Contributions shall be made pursuant to a proper election, only during the Participant's lifetime; provided, however, with respect to Employee Contribution elections made prior to 2007, the Employee must remain an Eligible Employee while making any such

14

contributions. In the event of a Change in Control of an Employer, subsequent compensation from the Employer may not be contributed to the Plan. The Employer may continue the then

current elections of the participants under a subsequent plan in order to comply with applicable tax laws.

(b) A Participant's contributions shall be credited to the Participant's Cash Deferral Account on the day the compensation – from which the contribution is to be deducted – is to be paid ("paid," as used in this Plan, includes amounts contributed to the Plan that would have been paid were it not for an election under this Plan), as determined by the relevant Employer. Earnings on each Cash Deferral Account shall be recorded on Participant's statements quarterly. The Committee may modify or change this paragraph (b) from time to time.

4.3 Earnings on Cash Deferral Accounts.

During a calendar year, the Participant's Cash Deferral Account shall accrue interest on amounts held by such Account at the Plan Interest Rate for such year, compounded quarterly on the last day of each quarter. Interest will accrue on unpaid amounts in the Cash Deferral Account from the date credited to such Account.

Article 5 – Distributions

5.1 Distributions of Cash Deferral Accounts.

(a) Initial Election with Respect to a Cash Deferral Account. At the time the Participant makes an election to make Employee Contributions with respect to a Cash Deferral Account, the Participant shall also elect the calendar year of the distribution of the Cash Deferral Account and the number of installments. The Participant may elect either of the following:

(i) Specified Date Distribution. That the distribution of the Cash Deferral Account commence in the calendar year specified by the Participant, but no later than the 10th calendar year after the Plan Year the Cash Deferral Account commenced, in up to Ten (10) installments. However, for purposes of Initial Elections with respect to Plan Years prior to 2009 only, in the event the Participant Terminates Employment prior to the calendar year of the distribution, the Cash Deferral Account must commence distribution the calendar year following the calendar year of the Termination of Employment, with the same number of installments, unless the Employee has made an irrevocable election under (b), below. For example, if the Participant elected a 2010 distribution with five (5) installments, but Terminated Employment in 2007, the Cash Deferral Account would commence distribution in 2008.

(ii) Retirement Distribution. That the distribution of the Cash Deferral Account commence the calendar year following the calendar year of Retirement in up to (10) installments. If the Participant Terminates Employment while not Retirement eligible, the distribution shall commence the calendar year following the calendar year of Termination of Employment, but shall be limited to five (5) installments. This distribution alternative will not be available for Initial Elections made after 2007.

If no timely distribution election is made by the Participant, then the Participant will be deemed to have made an election to have the Cash Deferral Account distributed in a single

installment in the first calendar year after the calendar year Employee Contributions were first made.

(b) Election to Delay a Specified Date Distribution.

(i) If an Employee elected a Specified Date Distribution for a Cash Deferral Account, the Employee may elect to delay the Specified Date Distribution commencement date any time at least 12 months prior to the scheduled distribution and, as part of such delay election elect a new number of installments; provided, however, Termination of Employment will not accelerate the distribution, unlike the initial deferral election. Unless otherwise provided by AT&T, the election of a new distribution commencement date for a Cash Deferral Account must be made at least twelve (12) months prior to the scheduled distribution date.

(ii) To make this election, the Participant must be an Employee on the day of such election. The new distribution election must delay commencement of the distribution by five (5) or more years.

(iii) Notwithstanding anything to the contrary in this Plan:

- a. an election to delay the Specified Date Distribution commencement date must be made at least 12 months prior to the date of the first scheduled payment under the prior distribution election, and
- b. the election shall not take effect until at least 12 months after the date on which the election is made.

(c) A Participant's Cash Deferral Account shall be distributed to the Participant on March 10 (or as soon thereafter as administratively practicable, as determined by AT&T) of the calendar year elected by the Participant for the Account. In the event the distribution is to be made to a "Specified Employee" as a result of the Participant's Termination of Employment (other than as a result of a Change in Control), the distribution shall not occur until the later of such March 10 or six (6) months after the Termination of Employment, except it shall be distributed upon the Participant's earlier death in accordance with this Plan. The distributions shall continue annually on each successive March 10 (or such other date as determined by AT&T) until the number of installments elected by the Participant is reached. In each installment, AT&T shall distribute to the Participant that portion of the Participant's Cash Deferral Account that is equal to the total dollar amount of the Participant's Account divided by the number of remaining installments.

(d) The Committee may establish other distribution alternatives from time to time, but such alternatives may be offered no earlier than the next period in which a Participant may make an election to establish a Cash Deferral Account.

5.2 Death of the Participant.

In the event of the death of a Participant, notwithstanding anything to the contrary in this Plan, all undistributed Cash Deferral Accounts shall be distributed to the Participant's beneficiary in accordance with the AT&T Rules for Employee Beneficiary Designations, as the

same may be amended from time to time, within the later of 90 days following such determination or the end of the calendar year in which determination was made.

5.3 Unforeseeable Emergency Distribution.

If a Participant experiences an "Unforeseeable Emergency," the Participant may submit a written petition to AT&T (the Committee in the case of Officer Level Employees), to receive a partial or full distribution of his Cash Deferral Account(s). In the event that AT&T (the Committee in the case of Officer Level Employees), upon review of the written petition of the Participant, determines in its sole discretion that the Participant has suffered an "Unforeseeable Emergency," AT&T shall make a distribution to the Participant from the Participant's Cash Deferral Accounts, on a pro-rata basis, within the later of 90 days following such determination or the end of the calendar year in which determination was made, subject to the following:

(a) "Unforeseeable Emergency" shall mean a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's legal spouse, the Participant's beneficiary, or the Participant's dependent (as defined in Code Section 152, without regard to Code Section 152(b)(1), (b)(2), and (d)(1)(B)); loss of the Participant's property due to casualty; or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, all as determined in the sole discretion of the Committee. Whether a Participant is faced with an Unforeseeable Emergency permitting a distribution is to be determined based on the relevant facts and circumstances of each case, but, in any case, a distribution on account of Unforeseeable Emergency shall not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not cause severe financial hardship, or by cessation of deferrals under the Plan.

(b) The amount of a distribution to be made because of an Unforeseeable Emergency shall not exceed the amount reasonably necessary, as determined by AT&T (the Committee in the case of Officer Level Employees) in its sole discretion, to satisfy the emergency need (which may include amounts necessary to pay any Federal, state, local, or foreign income taxes or penalties reasonably anticipated to result from the distribution). Determinations of the amount reasonably necessary to satisfy the emergency need shall take into account any additional compensation that is available if the plan provides for cancellation of a deferral election upon a payment due to an Unforeseeable Emergency. The determination of amounts reasonably necessary to satisfy the Unforeseeable Emergency need is not required to, but may, take into account any additional compensation that, due to the Unforeseeable Emergency, is available under another nonqualified deferred compensation plan but has not actually been paid, or that is available due to the Unforeseeable Emergency under another plan that would provide for deferred compensation except due to the application of the effective date provisions under Treasury Regulation § 1.409A-6.

(c) Upon such distribution on account of an Unforeseeable Emergency under this Plan, any election to make Employee Contributions by such Participant shall be immediately

20

21

cancelled, and the Participant shall not be permitted to make a new election with respect to Employee Contributions that would be contributed during the then current and immediately following calendar year.

5.4 Ineligible Participant.

Notwithstanding any other provisions of this Plan to the contrary, if AT&T receives an opinion from counsel selected by AT&T, or a final determination is made by a Federal, state or local government or agency, acting within its scope of authority, to the effect that an individual's continued participation in the Plan would violate applicable law, then such person shall not make further contributions to the Plan to the extent permitted by Section 409A of the Code.

5.5 Conflict of Interest Distribution.

AT&T may in its sole discretion accelerate a distribution(s) to the Participant, provided he or she is no longer actively employed by AT&T: (a) to the extent necessary for any Federal officer or employee in the executive branch to comply with an ethics agreement with the Federal government or (b) to the extent reasonably necessary to avoid the violation of an applicable Federal, state, local, or foreign ethics law or conflicts of interest law (including where such payment is reasonably necessary to permit the service provider to participate in activities in the normal course of his or her position in which the service provider would otherwise not be able to participate under an applicable rule). Any such distribution may only be made in accordance with Section 409A of the Code and the regulations thereunder.

Article 6 – Transition Provisions

6.1 2005 Cash Deferral Accounts.

Notwithstanding Article 4 to the contrary, if an Employee is an Eligible Employee on September 30, 2004, the Employee may make an election under Article 4 on or prior to December 15, 2004, with respect to the establishment of a Cash Deferral Account for the contribution of Base Compensation and/or Incentive Awards that would otherwise be paid during the period from January 1, 2005, through January 15, 2006, which shall be the Plan Year for such Cash Deferral Account.

6.2 2007 Amendments.

Amendments made to the Plan on November 15, 2007, shall be effective January 1, 2008, except for amendments to this Article 7, which shall be effective upon adoption. Any

22

Participants electing prior to November 15, 2007, to make Employee Contributions in 2008 shall have their elections canceled if they do not consent by December 14, 2007, to all prior

23

amendments to this Plan and to the Stock Purchase and Deferral Plan. Subject to the foregoing consent requirements, all Employee Contribution elections made prior to 2008, including but not limited to elections to contribute cash with respect to Performance Shares granted that would be distributed under the 2001 Incentive Plan or a successor plan, shall remain in force, subject to all other terms of the amended Plan.

6.3 2008 Amendments. For the 2008 Plan Year, only Salary and Short Term Incentive Awards paid after Termination of Employment may be contributed to the Plan. Article 7 – Discontinuation, Termination, Amendment.

7.1 AT&T's Right to Discontinue Offering Cash Deferral Accounts.

The Committee may at any time discontinue offerings of Cash Deferral Accounts or contributions under the Plan. Any such discontinuance shall have no effect upon existing Cash Deferral Accounts or the terms or provisions of this Plan as applicable to such Accounts.

7.2 AT&T's Right to Terminate Plan.

The Committee may terminate the Plan at any time. Upon termination of the Plan, contributions shall no longer be made under the Plan.

After termination of the Plan, Participants shall continue to earn interest on undistributed amounts and shall continue to receive all distributions under this Plan at such time as provided in and pursuant to the terms and conditions of Participant's elections and this Plan. Notwithstanding the foregoing, the termination of the Plan shall be made solely in accordance with Section 409A of the Code and in no event shall cause the accelerated distribution of any Account unless such termination is effected in accordance with Section 409A of the Code.

7.3 Amendment.

The Committee may at any time amend the Plan in whole or in part; provided, however, that no amendment, including but not limited to an amendment to this section, shall be effective, without the consent of a Participant, to alter, to the material detriment of such Participant, any of the Cash Deferral Accounts of the Participant, other than as provided elsewhere in this section. For purposes of this section, an alteration to the material detriment of a Participant shall include, but not be limited to, a material reduction in the period of time over which the Participant's Cash Deferral Account may be distributed to a Participant, any reduction in the amounts credited to the Participant's Cash Deferral Accounts, or any reduction in the Plan Interest Rate (other than as it may fluctuate in accordance with its terms) for Cash Deferral Accounts previously elected by the Participant. Any such consent may be in a writing, telecopy, or e-mail or in another electronic format. An election to make Employee Contributions shall be conclusively deemed to be the consent of the Participant to any and all amendments to the Plan prior to such election, and such consent shall be a condition to making any election with respect to Employee Contributions.

24

The Plan is established in order to provide deferred compensation to a select group of management and highly compensated employees with in the meaning of Sections 201(2) and 301(a)(3) of ERISA. To the extent legally required, the Code and ERISA shall govern the Plan,

25

and if any provision hereof is in violation of an applicable requirement thereof, the Company reserves the right to retroactively amend the Plan to comply therewith to the extent permitted under the Code and ERISA. The Company also reserves the right to make such other changes as may facilitate implementation of Section 409A of the Code. Provided, however, that in no event shall any such amendments be made in violation of the requirements of Section 409A of the Code.

Article 8 – Miscellaneous

8.1 Tax Withholding.

Upon a distribution from a Participant's Cash Deferral Account, AT&T shall withhold sufficient amounts to satisfy the minimum amount of Federal, state, and local taxes required by law to be withheld as a result of such distribution.

8.2 Loyalty Conditions for Officer Level Employees and Senior Managers.

Each Officer Level Employee or a Senior Manager who elects to make Employee Contributions under Section 4.1 of this Plan shall be subject to the agreements and conditions of this section. The non-compete and non-solicitation provisions below do not apply to employees who live or work in California at the time of their termination of employment, or anywhere where such provisions are not permitted by law.

(a) By making an Employee Contribution election under Section 4.1 of this Plan after September 1, 2009, a Participant acknowledges that AT&T would be unwilling to provide for such an election but for the loyalty conditions and covenants set forth in this section, and that the conditions and covenants herein are a material inducement to AT&T's willingness to sponsor the Plan and to offer Plan benefits for the Participants. Accordingly, as a condition to making an Employee Contribution election under Section 4.1 of this Plan after September 1, 2009, each such electing Participant is deemed to agree that he shall not, without obtaining the written consent of the Committee in advance, participate in activities that constitute engaging in competition with AT&T or engaging in conduct disloyal to AT&T, as those terms are defined in this section.

26

(b) Definitions. For purposes of this section and of the Plan generally:

(i) an "Employer Business" shall mean AT&T Inc. and any of its Subsidiaries, or any business in which they or any affiliate of theirs has a substantial ownership or joint venture interest;

(ii) "engaging in competition with AT&T" shall mean, while employed by AT&T or any of its Subsidiaries, or within two (2) years after Participant's Termination of Employment, engaging by the Participant in any business or activity in all or any portion of the same geographical market where the same or substantially similar business or activity is being carried on by an Employer Business. "Engaging in competition with AT&T" shall not include owning a non-substantial publicly traded interest as a shareholder in a business that competes with an Employer Business. "Engaging in competition with AT&T" shall include representing or providing consulting services to, or being an employee of, any person or entity that is engaged in competition with any Employer Business or that takes a position adverse to any Employer Business.

(iii) "engaging in conduct disloyal to AT&T" means, while employed by AT&T or any of its Subsidiaries, or within two (2) years after Participant's Termination of Employment, (i) soliciting for employment or hire, whether as an employee or as an independent contractor, for any business in competition with an Employer Business, any person employed by AT&T or any of its Subsidiaries during the one (1) year prior to the Participant's Termination of Employment, whether or not acceptance of such position would constitute a breach of such person's contractual obligations to AT&T or any of its Subsidiaries; (ii) soliciting, encouraging, or inducing any vendor or supplier with which Participant had business contact on behalf of any Employer Business during the two (2) years prior to the Participant's Termination

of Employment (regardless of the reason for that termination) to terminate, discontinue, renegotiate, reduce, or otherwise cease or modify its relationship with AT&T or any of its Subsidiaries; or (iii) soliciting, encouraging, or inducing any customer or active prospective customer with whom Participant had business contact, whether in person or by other media ("Customer"), on behalf of any Employer Business during the two (2) years prior to the Participant's Termination of Employment (regardless of the reason for that termination), to terminate, discontinue, renegotiate, reduce, or otherwise cease or modify its relationship with any Employer Business, or to purchase competing goods or services from a business competing with any Employer Business, or accepting or servicing business from such Customer on behalf of himself or any other business. "Engaging in conduct disloyal to AT&T" shall also mean, disclosing Confidential Information to any third party or using Confidential Information, other than for an Employer Business, or failing to return any

27

Confidential Information to the Employer Business following termination of employment.

(iv)

28

(v) "Confidential Information" shall mean all information belonging to, or otherwise relating to, an Employer Business, which is not generally known, regardless of the manner in which it is stored or conveyed to Participant, and which the Employer Business has taken reasonable measures under the circumstances to protect from unauthorized use or disclosure. Confidential Information includes trade secrets as well as other proprietary knowledge, information, know-how, and non-public intellectual property rights, including unpublished or pending patent applications and all related patent rights, formulae, processes, discoveries, improvements, ideas, conceptions, compilations of data, and data, whether or not patentable or copyrightable and whether or not it has been conceived, originated, discovered, or developed in whole or in part by Participant. For example, Confidential Information includes, but is not limited to, information concerning the Employer Business' business plans, budgets, operations, products, strategies, marketing, sales, inventions, designs, costs, legal strategies, finances, employees, customers, prospective customers, licensees, or licensors; information received from third parties under confidential conditions; or other valuable financial, commercial, business, technical or marketing information concerning the Employer Business, or any of the products or services made, developed or sold by the Employer Business. Confidential Information does not include information that (i) was generally known to the public at the time of disclosure; (ii) was lawfully received by Participant from a third party; (iii) was known to Participant prior to receipt from the Employer Business; or (iv) was independently developed by Participant or independent third parties; in each of the foregoing circumstances, this exception applies only if such public knowledge or possession by an independent third party was without breach by Participant or any third party of any obligation of confidentiality or non-use, including but not limited to the obligations and restrictions set forth in this Plan.

(c) Equitable Relief. The parties recognize that any Participant's breach of any of the covenants in this section will cause irreparable injury to the AT&T, will represent a failure of the consideration under which AT&T (in its capacity as creator and sponsor of the Plan) agreed to provide the Participant with the opportunity to receive Plan benefits, and that monetary damages would not provide AT&T with an adequate or complete remedy that would warrant AT&T's continued sponsorship of the Plan (including the accrual or granting of Share Units, Matching Share Units and Options) for all Participants. Accordingly, in the event of a Participant's actual or threatened breach of the covenants in this section, the Committee, in addition to all other rights and acting as a fiduciary under ERISA on behalf of all Participants, shall have a fiduciary duty (in order to assure that AT&T receives fair and promised consideration for its continued Plan sponsorship and funding) to seek an injunction restraining the Participant from breaching the covenants in this Section. AT&T shall pay for any Plan expenses that the Committee incurs hereunder, and shall be entitled to recover from the Participant its reasonable attorneys' fees and costs incurred in obtaining such injunctive remedies.

(d) Uniform Enforcement. In recognition of AT&T's need for nationally uniform standards for the Plan administration, it is an absolute condition in consideration of any Participant's ability to make Employee Contribution elections under Section 4.1 of this Plan after

September 1, 2009, that each and all of the following conditions apply to all such electing Participants:

(i) ERISA shall control all issues and controversies hereunder, and the Committee shall serve for purposes hereof as a "fiduciary" of the Plan and its "named fiduciary" within the meaning of ERISA.

(ii) All litigation between the parties relating to this section shall occur in federal court, which shall have exclusive jurisdiction; any such litigation shall be held in the United States District Court for the Northern District of Texas, and the only remedies available with respect to the Plan shall be those provided under ERISA.

8.3 Elections and Notices. Notwithstanding anything to the contrary contained in this Plan, all elections and notices of every kind under this Plan shall be made (1) on forms prepared by AT&T or the General Counsel, Secretary or Assistant Secretary, or their respective delegates, or (2) in such other manner as permitted or required by AT&T or the General Counsel, Secretary or Assistant Secretary, or their respective delegates, including through electronic means, over the Internet or otherwise. An election shall be deemed made when received by AT&T (or its designated agent, but only in cases where the designated agent has been appointed for the purpose of receiving such election), which may waive any defects in form. Unless made irrevocable by the electing person, each election with regard to making Employee Contributions or distributions of Cash Deferral Accounts shall become irrevocable at the close of business on the last day the Employee is permitted to make such election. Notwithstanding anything to the contrary in this Plan, AT&T may place additional limits on the times during which elections may be made to make contribution(s) or to delay distribution(s).

If not otherwise specified by this Plan or AT&T, any notice or filing required or permitted to be given to AT&T under the Plan shall be delivered to the principal office of AT&T, directed to the attention of the Senior Executive Vice President in charge of Human Resources for AT&T or his or her successor. Such notice shall be deemed given on the date of delivery.

Notice to the Participant shall be deemed given when mailed (or sent by telecopy) to the Participant's work or home address as shown on the records of AT&T or, at the option of AT&T, to the Participant's e-mail address as shown on the records of AT&T. It is the Participant's responsibility to ensure that the Participant's addresses are kept up to date on the records of AT&T. In the case of notices affecting multiple Participants, the notices may be given by general distribution at the Participants' work locations.

By participating in the Plan, each Participant agrees that AT&T may provide any documents required or permitted under the Federal or state securities laws, including but not limited to the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as

amended, by e-mail, by e-mail attachment, or by notice by e-mail of electronic delivery through AT&T's Internet Web site or by other electronic means.

32

8.4 Unsecured General Creditor.

Participants and their beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, interest, or claims in any property or assets of any Employer. No assets of any Employer shall be held under any trust for the benefit of Participants, their beneficiaries, heirs, successors, or assigns, or held in any way as collateral security for the fulfilling of the obligations of any Employer under this Plan. Any and all of each Employer's assets shall be, and remain, the general, unpledged, unrestricted assets of such Employer. The only obligation of an Employer under the Plan shall be merely that of an unfunded and unsecured promise of AT&T to make distributions under and in accordance with the terms of the Plan.

8.5 Non-Assignability.

Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage, or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt, any Cash Deferral Account under the Plan, if any, or any part thereof, which are, and all rights to which are, expressly declared to be unassignable and non-transferable. No part of a distributable Cash Deferral Account shall, prior to actual distribution, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.

8.6 Employment Not Guaranteed.

Nothing contained in this Plan nor any action taken hereunder shall be construed as a contract of employment or as giving any employee any right to be retained in the employ of an Employer or to serve as a director.

8.7 Errors.

At any time AT&T or an Employer may correct any error made under the Plan without prejudice to AT&T or any Employer. Neither AT&T nor any Employer shall be liable for any damages resulting from failure to timely allow any contribution to be made to the Plan or for any damages resulting from the correction of, or a delay in correcting, any error made under the Plan. In no event shall AT&T or any Employer be liable for consequential or incidental damages arising out of a failure to comply with the terms of the Plan.

8.8 Captions.

The captions of the articles, sections, and paragraphs of this Plan are for convenience only and shall not control nor affect the meaning or construction of any of its provisions.

33

8.9 Governing Law.

To the extent not preempted by Federal law, the Plan, and all benefits and agreements hereunder, and any and all disputes in connection therewith, shall be governed by and construed in accordance with the substantive laws of the State of Texas, without regard to conflict or choice of law principles which might otherwise refer the construction, interpretation or enforceability of this Plan to the substantive law of another jurisdiction.

Because benefits under the Plan are granted in Texas, records relating to the Plan and benefits thereunder are located in Texas, and the Plan and benefits thereunder are administered in Texas, AT&T and the Participant under this Plan, for themselves and their successors and assigns, irrevocably submit to the exclusive and sole jurisdiction and venue of the state or Federal courts of Texas with respect to any and all disputes arising out of or relating to this Plan, the subject matter of this Plan or any benefits under this Plan, including but not limited to any disputes arising out of or relating to the interpretation and enforceability of any benefits or the terms and conditions of this Plan. To achieve certainty regarding the appropriate forum in which to prosecute and defend actions arising out of or relating to this Plan, and to ensure consistency in application and interpretation of the Governing Law to the Plan, the parties agree that (a) sole and exclusive appropriate venue for any such action shall be an appropriate Federal or state court in Dallas County, Texas, and no other, (b) all claims with respect to any such action shall be heard and determined exclusively in such Texas court, and no other, (c) such Texas court shall have sole and exclusive jurisdiction over the person of such parties and over the subject matter of any dispute relating hereto and (d) that the parties waive any and all objections and defenses to bringing any such action before such Texas court, including but not limited to those relating to lack of personal jurisdiction, improper venue or forum non conveniens.

8.10 Plan to Comply with Section 409A.

In the event any provision of this Plan is held invalid, void, or unenforceable, the same shall not affect, in any respect whatsoever, the validity of any other provision of this Plan. Notwithstanding any provision to the contrary in this Plan, each provision in this Plan shall be interpreted to permit the deferral of compensation in accordance with Section 409A of the Code and any provision that would conflict with such requirements shall not be valid or enforceable.

8.11 Successors and Assigns.

This Plan shall be binding upon AT&T and its successors and assigns.

34

Attachment A

Eligibility Criteria

Stock Purchase and Deferral Plan and Cash Deferral Plan (the "Plans")

Effective May 18, 2023

The following criteria shall apply with respect to participation in the Plans, subject to all other requirements of the Plans:

Management Employees who are "third level or above managers" (as indicated by a job level indicator of "3" or higher) or the equivalent, are eligible to participate in the Plans and shall be deemed to be included as members of "Employer's 'select group of management or highly compensated employees'" for purposes of the Employee Retirement Income Security Act.

To be an Eligible Employee, the Employer of the Employee must be a domestic Subsidiary (a Subsidiary that is incorporated or organized under the laws of a state of the United States). Employees who are not citizens of the United States but who otherwise meet eligibility criteria must be stationed in the United States to be an Eligible Employee.

An Employee shall not be considered an Eligible Employee for purposes of making a contribution election or a further defer election under the Plans while the Employee is:

An Employee of or scheduled to become an Employee of, one of the following companies or its respective directly or indirectly held subsidiaries:

- i. AT&T Technical Services Company, Inc.

- ii. DIRECTV Entertainment Holdings, LLC
- iii. Gigapower, LLC
- iv. Certain Subsidiaries that are, or may become, less than wholly owned by AT&T, as determined by the SEVP-HR by September 30 of each year, with respect to Employees other than executive officers of AT&T, as that term is used under the Securities Exchange Act of 1934, as amended.

Each of the above companies are an "Excluded Company". In addition, an Employee's contribution election shall be canceled if on the last day of the calendar year for making such election, the Employee was an Employee of or scheduled to become an Employee of an Excluded Company.

Notwithstanding the foregoing, an Employee of an Excluded Company may make a contribution election and such election shall not be cancelled if such Employee is scheduled to become an Employee of a Subsidiary other than an Excluded Company as of January 1 of the Plan Year for which the election is made.

Residents of Puerto Rico or other territories of the United States ("territory"; shall not include any state of the United States) are also ineligible to participate in the Plans.

Capitalized terms used herein shall have the meanings set forth in the Plans, as applicable, unless the context requires otherwise.

Eligibility under the foregoing criteria shall be determined by the AT&T Management Compensation Group or the AT&T Executive Compensation Group, as applicable.

35

Exhibit 10.2

AT&T INC.

STOCK PURCHASE AND DEFERRAL PLAN

Adopted November 19, 2004
As amended through May 16, 2024

Article 1 - Statement of Purpose

The purpose of the Stock Purchase and Deferral Plan ("Plan") is to increase stock ownership by, and to provide savings opportunities to, a select group of management employees of AT&T Inc. ("AT&T") and its Subsidiaries.

Article 2 - Definitions

For the purpose of this Plan, the following words and phrases shall have the meanings indicated, unless the context indicates otherwise:

Annual Bonus. The award designated the "Annual Bonus" by AT&T (including but not limited to an award that may be paid in more frequent installments than annually), together with any individual discretionary award made in connection therewith, or comparable awards, if any, determined by AT&T to be used in lieu of these awards.

Base Compensation. The following types of cash-based compensation paid by an Employer (but not including payments made by a non-Employer, such as state disability payments), before reduction due to any contribution pursuant to this Plan or reduction pursuant to any deferral plan of an Employer, including but not limited to a plan that includes a qualified cash or deferral arrangement under Section 401(k) of the Code:

- (a) base salary;
- (b) lump sum payments in lieu of a base salary increase; and
- (c) Annual Bonus.

Payments by an Employer under a disability plan made in lieu of any compensation described above shall be deemed to be a part of the respective form of compensation it replaces for purposes of this definition. Base Compensation does not include zone allowances or any other geographical differential and shall not include payments made in lieu of unused vacation or other paid days off, and such payments shall not be contributed to this Plan.

Determinations by AT&T (the Committee with respect to Officer Level Employees) of the items that make up Base Compensation shall be final. The Committee may, from time to time, add or subtract types of compensation to or from the definition of "Base Compensation" provided, however, any such addition or subtraction shall be effective only with respect to the next period in which a Participant may make an election to establish a Share Deferral Account.

Base Compensation that was payable in a prior Plan Year but paid in a later Plan Year shall not be used to determine Employee Contributions or Matching Contributions in such later Plan Year.

Page 2

Business Day. Any day during regular business hours that AT&T is open for business.

Change in Control. With respect to AT&T's direct and indirect ownership of an Employer, a "Change in the effective control of a Corporation," as defined in Treasury Regulation Section 1.409A-3(i)(5)(vi)(A)(1), regardless of whether the Employer is a corporation or non corporate entity as permitted by the regulation, and using "50 percent" in lieu of "30 percent" in such regulation. A Change in Control will not apply to AT&T itself.

Chief Executive Officer. The Chief Executive Officer of AT&T Inc.

Code. References to the Code shall be to provisions of the Internal Revenue Code of 1986, as amended, including regulations promulgated thereunder and successor provisions. Similarly, references to regulations shall include amendments and successor provisions.

Committee. The Human Resources Committee of the Board of Directors of AT&T Inc.

Disability. Absence of an Employee from work with an Employer under the relevant Employer's disability plan.

Eligible Employee. An Employee who:

(a) is a full or part time, salaried Employee of AT&T or an Employer in which AT&T has a direct or indirect 100% ownership interest and who is on active duty or Leave of Absence (but only while such Employee is deemed by the Employer to be an Employee of such Employer);

(b) is, as determined by AT&T, a member of Employer's "select group of management or highly compensated employees" within the meaning of the Employee Retirement Income Security Act of 1974, as amended, and regulations thereunder ("ERISA"), which is deemed to include each Officer Level Employee; and

(c) has an employment status which has been approved by AT&T to be eligible to participate in this Plan or is an Officer Level Employee.

Notwithstanding the foregoing, AT&T (the Committee with respect to Officer Level Employees) may, from time to time, exclude any Employee or group of Employees from being deemed an "Eligible Employee" under this Plan.

In the event a court or other governmental authority determines that an individual was improperly excluded from the class of persons who would be permitted to make Employee Contributions during a particular time for any reason, that individual shall not be permitted to make such contributions for purposes of the Plan for the period of time prior to such determination.

Employee. Any person employed by an Employer and paid on an Employer's payroll system, excluding persons hired for a fixed maximum term and excluding persons who are neither citizens nor permanent residents of the United States, all as determined by AT&T. For purposes of this Plan, a person on Leave of Absence who otherwise would be an Employee shall be deemed to be an Employee.

Page 3

Page 4

Employee Contributions. Amounts credited to a Share Deferral Account pursuant to Section 4.1 (Election to Make Contributions) of the Plan.

Employer. AT&T Inc. or any of its Subsidiaries.

Exercise Price. The price per share of Stock purchasable under an Option.

Fair Market Value or FMV. In valuing Stock or any other item subject to valuation under this Plan, the Committee may use such index or measurement as the Committee may reasonably determine from time to time, and such index or measurement shall be the FMV of such Stock or other item, provided that for purposes of determining the Exercise Price of Stock Options, the Committee shall use a value consistent with the requirements of Section 409A. In the absence of such action by the Committee, FMV means, with respect to Stock, the closing price on the New York Stock Exchange ("NYSE") of the Stock on the relevant date, or if on such date the Stock is not traded on the NYSE, then the closing price on the immediately preceding date such Stock is so traded.

Leave of Absence. Where a person is absent from employment with an Employer on a leave of absence, military leave, sick leave, or Disability where the leave is given in order to prevent a break in the continuity of term of employment, and permission for such leave is granted (and not revoked) in conformity with the rules of the Employer that employs the individual, as adopted from time to time, and the Employee is reasonably expected to return to service. Except as set forth below, the leave shall not exceed six (6) months for purposes of this Plan, and the Employee shall Terminate Employment upon termination of such leave if the Employee does not return to work prior to or upon expiration of such six (6) month period, unless the individual retains a right to reemployment under law or by contract. A twenty-nine (29) month limitation shall apply in lieu of such six (6) month limitation if the leave is due to the Employee being "disabled" (within the meaning of Treasury Regulation §1.409A-3(i)(4)). A Leave of Absence shall not commence or shall be deemed to cease under the Plan where the Employee has incurred a Termination of Employment.

Officer Level Employee. Any executive officer of AT&T, as that term is used under the Securities Exchange Act of 1934, as amended, and any Employee that is an "officer level" Employee for compensation purposes as shown on the records of AT&T.

Options or Stock Options. Options to purchase Stock issued pursuant to this Plan.

Participant. An Employee or former Employee who participates in this Plan.

Plan Year. Each of the following shall be a Plan Year: the period January 1, 2005, through January 15, 2006; the period January 16, 2006, through December 31, 2006; and, for all later Plan Years, it is defined as the period from January 1 through December 31.

Retirement or Retire. Termination of Employment on or after the earlier of the following dates, unless otherwise provided by the Committee: (a) for Officer Level Employees, the date the Participant is at least age 55 and has five (5) years of Net Credited Service; or (b) the date the Participant has attained one of the following combinations of age and Net Credited Service:

Page 5

Net Credited Service	Age
10 years or more	65 or older
20 years or more	55 or older
25 years or more	50 or older
30 years or more	Any age

For purposes of this Plan only, Net Credited Service shall be calculated in the same manner as “Pension Eligibility Service” under the AT&T Pension Benefit Plan – Nonbargained Program (“Pension Plan”), as amended from time to time, except that service with an Employer shall be counted as though the Employer were a “Participating Company” under the Pension Plan and the Employee was a participant in the Pension Plan.

Senior Manager. Any Employee who is a “senior manager” for compensation purposes as shown on the records of AT&T.

Shares or Share Units. An accounting entry representing the right to receive an equivalent number of shares of Stock.

Share Deferral Account or Account. The Account or Accounts established annually by an election by a Participant to make Employee Contributions to the Plan, with each Account relating to a Plan Year. For each Plan Year after 2008, there shall be (1) a separate Share Deferral Account for Share Units purchased with Employee Contributions of Base Compensation (excluding Annual Bonus) and related Matching Share Units and (2) a separate Share Deferral Account for Share Units purchased with Employee Contributions of Short Term Incentive Award and/or Annual Bonus and any related Matching Share Units. Earnings on Share Units and Matching Share Units shall accrue to the respective Share Deferral Accounts where they are earned.

Short Term Incentive Award. A cash award paid by an Employer (and not by a non-Employer, such as state disability payments) under the Short Term Incentive Plan or any successor plan, together with any individual discretionary award made in connection therewith; an award under a similar plan intended by the Committee to be in lieu of an award under such Short Term Incentive Plan, including, but not limited to, Performance Units granted under the 2006 Incentive Plan or any successor plan. It shall also include any other award that the Committee designates as a Short Term Incentive Award specifically for purposes of this Plan (regardless of the purpose of the award) provided the deferral election is made in accordance with Section 409A.

Specified Employee. Any Participant who is a “Key Employee” (as defined in Code Section 416(i) without regard to paragraph (5) thereof), as determined by AT&T in accordance with its uniform policy with respect to all arrangements subject to Code Section 409A, based upon the 12-month period ending on each December 31st (such 12-month period is referred to below as the “identification period”). All Participants who are determined to be Key Employees under Code Section 416(i) (without regard to paragraph (5) thereof) during the identification period shall be treated as Key Employees for purposes of the Plan during the 12-month period that begins on the first day of the 4th month following the close of such identification period.

Stock. The common stock of AT&T Inc.

Subsidiary. Any corporation, partnership, venture or other entity or business with which AT&T would be considered a single employer under Sections 414(b) and (c) of the Code, using 50% as the ownership threshold as provided under Section 409A of the Code.

Termination of Employment. References herein to "Termination of Employment," "Terminate Employment" or a similar reference, shall mean the event where the Employee has a "separation from service," as defined under Section 409A, with all Employers. For purposes of this Plan, a Termination of Employment with respect to an Employer shall be deemed to also occur when such Employer incurs a Change in Control.

Article 3 - Administration of the Plan

3.1 The Committee.

Except as delegated by this Plan or by the Committee, the Committee shall be the administrator of the Plan and will administer the Plan, interpret, construe and apply its provisions and determine all questions of administration, interpretation and application of the Plan, including, without limitation, questions and determinations of eligibility, entitlement to benefits and payment of benefits, all in its sole and absolute discretion. The Committee may further establish, adopt or revise such rules and regulations and such additional terms and conditions regarding participation in the Plan as it may deem necessary or advisable for the administration of the Plan. References in this Plan to determinations or other actions by AT&T, herein, shall mean actions authorized by the Committee, the Chief Executive Officer, the Senior Executive Vice President of AT&T in charge of Human Resources, or their respective successors or duly authorized delegates, in each case in the discretion of such person. All decisions by the Committee, its delegate or AT&T, as applicable, shall be final and binding.

3.2 Authorized Shares of Stock.

(a) Except as provided below, the number of shares of Stock which may be distributed pursuant to the Plan, exclusive of Article 8 - Options, is 76,000,000. The number of shares of Stock which may be issued pursuant to the exercise of Stock Options is 34,000,000 (together with an equal number of Stock Options). In determining the number of authorized shares remaining available for issuance, shares withheld for taxes in a distribution shall not be considered issued and shall not reduce the number of authorized shares. When an Option is exercised, the authorized shares of Stock that may be issued pursuant to an Option exercise shall be reduced by the number of Options so exercised. To the extent an Option issued under this Plan is canceled, terminates, expires, or lapses for any reason, such Option shall again be available for issuance under the Plan. Conversions of Stock awards into Share Units and their eventual distribution (excluding the effects of any dividends on such Share Units) shall count only against the limits of the plans from which they originated and shall not be applied against the limits in this Plan. To the extent Share Units are credited through deferrals of Stock or Employee Contributions where the distribution of which would be deductible by AT&T under Section 162(m) of the Code without regard to the size of the distribution, and such deductible Share Units are available for distribution, such Share Units shall be distributed first.

(b) In the event the Committee determines that continuing the issuance of Share Units under the Plan or Stock Options under the Plan may cause the number of shares of Stock that are to be distributed under this Plan or the number of Stock Options (as determined pursuant to

subsection (a), above) to exceed the number of authorized shares of Stock, then in lieu of distributing Stock, the Committee may provide after such determination and only with respect to Share Units that have not theretofore been credited to a Share Deferral Account, that such Share Units may be settled in cash equal to the value of the Stock that would otherwise be distributed based on the FMV of the Stock on the date of the distribution of such Share Unit. The Committee may also provide after such determination and only with respect to Stock Options that have not theretofore been issued that such Stock Options may only be settled on a Net-Settled basis in cash equal to the value of the Stock that would otherwise be distributed based on the FMV of the Stock on the day of exercise.

(c) In the event of a merger, reorganization, consolidation, recapitalization, separation, liquidation, stock dividend, stock split, share combination, or other change in the corporate structure of AT&T affecting the shares of Stock (including a conversion of Stock into cash or other property), such adjustment shall be made to the number and class of the shares of Stock which may be delivered under the Plan (including but not limited to individual limits), and in the number and class of and/or price of shares of Stock subject to outstanding Options granted under the Plan, and/or in the number of outstanding Options and Share Units, or such other adjustment determined by the Committee, in each case as may be determined to be appropriate and equitable by the Committee, in its sole discretion, to prevent dilution or enlargement of rights.

3.3 Claims and Appeals.

(a) Claims. A person who believes that he or she is being denied a benefit to which he or she is entitled under this Plan (hereinafter referred to as a "Claimant") may file a written request for such benefit with the Executive Compensation Administration Department, setting forth his or her claim. The request must be addressed to the AT&T Executive Compensation Administration Department at its then principal place of business.

(b) Claim Decision. Upon receipt of a claim, the AT&T Executive Compensation Administration Department shall review the claim and provide the Claimant with a written notice of its decision within a reasonable period of time, not to exceed ninety (90) days, after the claim is received. If the AT&T Executive Compensation Administration Department determines that special circumstances require an extension of time beyond the initial ninety (90)-day claim review period, the AT&T Executive Compensation Administration Department shall notify the Claimant in writing within the initial ninety (90)-day period and explain the special circumstances that require the extension and state the date by which the AT&T Executive Compensation Administration Department expects to render its decision on the claim. If this notice is provided, the AT&T Executive Compensation Administration Department may take up to an additional ninety (90) days (for a total of one hundred eighty (180) days after receipt of the claim) to render its decision on the claim.

If the claim is denied by the AT&T Executive Compensation Administration Department, in whole or in part, the AT&T Executive Compensation Administration Department shall provide a written decision using language calculated to be understood by the Claimant and setting forth: (i) the specific reason or reasons for such denial; (ii) specific references to pertinent provisions of this Plan on which such denial is based; (iii) a description of any

Page 11

additional material or information necessary for the Claimant to perfect his or her claim and an explanation of why such material or

Page 12

such information is necessary; (iv) a description of the Plan's procedures for review of denied claims and the steps to be taken if the Claimant wishes to submit the claim for review; (v) the time limits for requesting a review of a denied claim under this section and for conducting the review under this section; and (vi) a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA if the claim is denied following review under this section.

(c) Request for Review. Within sixty (60) days after the receipt by the Claimant of the written decision on the claim provided for in this section, the Claimant may request in writing that the Committee review the determination of the AT&T Executive Compensation Administration Department. Such request must be addressed to the Committee at the address for giving notice in this Plan. To assist the Claimant in deciding whether to request a review of a denied claim or in preparing a request for review of a denied claim, a Claimant shall be provided, upon written request to the Committee and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim. The Claimant or his or her duly authorized representative may, but need not, submit a statement of the issues and comments in writing, as well as other documents, records or other information relating to the claim for consideration by the Committee. If the Claimant does not request a review by the Committee of the AT&T Executive Compensation Administration Department's decision within such sixty (60)-day period, the Claimant shall be barred and stopped from challenging the determination of the AT&T Executive Compensation Administration Department.

(d) Review of Decision. Within sixty (60) days after the Committee's receipt of a request for review, the Administrator will review the decision of the AT&T Executive Compensation Administration Department. If the Committee determines that special circumstances require an extension of time beyond the initial sixty (60)-day review period, the Committee shall notify the Claimant in writing within the initial sixty (60)-day period and explain the special circumstances that require the extension and state the date by which the Committee expects to render its decision on the review of the claim. If this notice is provided, the Committee may take up to an additional sixty (60) days (for a total of one hundred twenty (120) days after receipt of the request for review) to render its decision on the review of the claim.

During its review of the claim, the Committee shall:

(1) Take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial review of the claim conducted pursuant to this section;

(2) Follow reasonable procedures to verify that its benefit determination is made in accordance with the applicable Plan documents; and

(3) Follow reasonable procedures to ensure that the applicable Plan provisions are applied to the Participant to whom the claim relates in a manner consistent with how such provisions have been applied to other similarly-situated Participants.

After considering all materials presented by the Claimant, the Committee will render a decision, written in a manner designed to be understood by the Claimant. If the

Page 13

Committee denies the claim on review, the written decision will include (i) the specific reasons for the decision; (ii) specific references to the pertinent provisions of this Plan on which the decision is based; (iii) a statement that the Claimant is entitled to receive, upon request to the Committee and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim; and (iv) a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA.

The Committee shall serve as the final review committee under the Plan and shall have sole and complete discretionary authority to administer, interpret, construe and apply the Plan provisions, and determine all questions of administration, interpretation, construction, and application of the Plan, including questions and determinations of eligibility, entitlement to benefits and the type, form and amount of any payment of benefits, all in its sole and absolute discretion. The Committee shall further have the authority to determine all relevant facts and related issues, and all documents, records and other information relevant to a claim conclusively for all parties, and in accordance with the terms of the documents or instruments governing the Plan. Decisions by the Committee shall be conclusive and binding on all parties and not subject to further review.

In any case, a Participant or Beneficiary may have further rights under ERISA. The Plan provisions require that Participants or Beneficiary pursue all claim and appeal rights described in this section before they seek any other legal recourse regarding claims for benefits.

Article 4 - Contributions

4.1 Election to Make Contributions.

(a) The Committee shall establish dates and other conditions for participation in the Plan and making contributions as it deems appropriate. Except as otherwise provided by the Committee, each year an Employee who is an Eligible Employee as of September 30 may thereafter make an

election on or prior to the last Business Day of the immediately following November (such election shall be cancelled if the Employee is not an Eligible Employee on the last day such an election may be made) to contribute on a pre-tax basis, through payroll deductions, any combination of the following:

(1) From 6% to 30% (in whole percentage increments) of the Participant's monthly Base Compensation, other than Annual Bonus, during the calendar year (the Plan Year for such contributions) following the calendar year of such election. The Employee Contributions shall be used to acquire Share Units to be credited to the Share Deferral Account for that Plan Year.

(2) Up to 95% (in whole percentage increments or limited to the target amount) of a Short Term Incentive Award, or from 6% to 30% (in whole percentage increments) of Annual Bonus, in each case such contributions shall be made during the second calendar year (which is the Plan Year for such contributions) following the year of such election, except that in 2008 a separate election may be made with respect to contributions to be made in 2009. An Employee may make such an election with respect to the type of Award (Short Term Incentive Award or Annual Bonus) that the Employee is under as of the time the Employee's eligibility to make such election is determined. If because of a promotion or otherwise, the Employee receives a different type of Award instead of, or in partial or full replacement for, the type of Award subject to the

Page 14

Employee's election for the relevant Plan Year, the election will apply to the other Award as well, including but not limited to any individual discretionary award related thereto.

Page 15

(b) The Committee may permit an Eligible Employee to make an election to purchase Share Units under this Plan with compensation other than Base Compensation or Short Term Incentive Awards on such terms and conditions as such Committee may permit from time to time, provided that any such election is made in accordance with Section 409A of the Code. In no event shall an acquisition of Share Units pursuant to this paragraph (b) or pursuant to the conversion of a right to receive Stock into Share Units (such as through a distribution of Stock under the 2001 Incentive Plan) result in the crediting of an AT&T Matching Contribution or Options.

(c) Notwithstanding anything to the contrary in this Plan, no election shall be effective to the extent it would permit an Employee Contribution or distribution to be made that is not in compliance with Section 409A of the Code. To the extent such election related to Employee Contributions that complied with such statute and regulations thereunder, that portion of the election shall remain valid, except as otherwise provided under this Plan.

(d) To the extent permitted by Section 409A of the Code, AT&T may refuse or terminate, in whole or in part, any election to purchase Share Units in the Plan at any time; provided, however, that only the Committee may take such action with respect to persons who are Officer Level Employees.

4.2 Purchase of Share Units.

(a) Employee Contributions (as well as any corresponding AT&T Matching Contributions) shall be made pursuant to a proper election, only during the Participant's lifetime; provided, however, with respect to Employee Contribution elections made prior to 2007, the Employee must remain an Eligible Employee while making any such contributions. In the event of a Change in Control of an Employer, subsequent compensation from the Employer may not be contributed to the Plan. The Employer may continue the then current elections of the participants under a subsequent plan in order to comply with applicable tax laws.

(b) The number of Share Units purchased by a Participant during a calendar month shall be found by dividing the Participant's Employee Contributions during the month by the FMV of a share of Stock on the last day of such month.

(c) A contribution to the Plan shall be made when the compensation – from which the contribution is to be deducted – is to be paid (“paid,” as used in this Plan, includes amounts contributed to the Plan that would have been paid were it not for an election under this Plan), as determined by the relevant Employer. The Committee may modify or change this paragraph (c) from time to time.

4.3 Reinvestment of Dividends.

In the month containing a record date for a cash dividend on Stock, each Share Deferral Account shall be credited with that number of Share Units equal to the declared dividend per share of Stock, multiplied by the number of Share Units held in such Share Deferral Account as of such record date, and dividing the product by the FMV of a share of Stock on the last day of such month.

Page 16

Page 17

Article 5 - AT&T Matching Contributions

5.1 AT&T Match.

(a) Each month AT&T shall credit the Participant's relevant Share Deferral Account with the number of “Matching Share Units” found by taking the percentage of company matching contribution that the Employee is eligible to receive under the AT&T Retirement Savings Plan (or such other 401(k) plan of an Employer that the Employee is eligible to participate in) multiplied by the Participant's Employee Contributions from Base Compensation made to this Plan and to the Cash Deferral Plan during the month with respect to the first six percent (6%) of the Participant's monthly Match Eligible Compensation (as defined below) and dividing the resulting figure by the FMV of the Stock on the last day of such month (such resulting amount shall be the “Matching Contribution”). The monthly “Match Eligible Compensation” shall be the sum of:

(1) the monthly Employee Contributions from Base Compensation to this Plan and the Cash Deferral Plan (in the aggregate, “Deferred BC”), plus

(2) the amount of the Participant's monthly Base Compensation in excess of the Deferred BC (“Non-Deferred BC”) but only to the extent such monthly Non-Deferred BC, when aggregated with the Participant's total Non-Deferred BC for prior months in such Plan Year, as determined by the relevant Employer, exceeds the limit in effect under Section 401(a)(17) of the Code applicable with respect to such Plan Year.

The foregoing formula shall apply regardless of whether or not the Participant makes contributions to a 401(k) plan.

A Participant may receive Matching Share Units in a Share Deferral Account for a particular form of compensation only if the Participant is then making contributions to the same Share Deferral Account; provided, however, this condition shall not apply for purposes of determining under Section 5.1(a)(2) whether the limit described therein has been reached.

As provided in the definition of Share Deferral Account, Matching Share Units shall be credited to the respective Share Deferral Account that is related to the same form of Employee Contributions (either (1) Base Compensation excluding Annual Bonus or (2) Annual Bonus).

(b) In the sole discretion of the Committee, in the event the Committee reduces the number of Options that AT&T issues for each Share Unit purchased, the Committee may provide for the contribution of a Bonus Matching Contribution on such terms as the Committee determines. Such Bonus Matching Contribution may not exceed 20% of the Participant's Employee Contributions for the month. The Bonus Matching Contribution shall be subject to such terms and conditions as required by the Committee and, unless otherwise provided by the Committee, to the same distribution requirements as Matching Contributions. Pursuant to the foregoing authority and until otherwise provided by the Committee, effective for Share Accounts created pursuant to Employee Contribution elections where such elections are made after January 1, 2010, AT&T shall make Bonus

Matching Contributions equal to 20% of the Participant's monthly Employee Contributions from each of Base Compensation and Short Term Incentive Award (not to exceed the target amount of such award, which limit shall be pro rated for any

Page 18

partial year award). Such Bonus Matching Contribution shall be used to purchase that number of Matching Share Units

Page 19

found by dividing the relevant Bonus Matching Contribution for the month by the FMV of the Stock on the last day of such month.

5.2 Distribution of Share Units Acquired with Matching Contributions.

A Participant's Matching Share Units shall be distributed in a lump sum, in accordance with the Plan's distribution provisions, in the earlier of: (a) the calendar year following the calendar year of the Termination of Employment of the Participant, or (b) the calendar year in which the Participant reaches age 55, in each case only with respect to Matching Share Units relating to Share Deferral Accounts for Plan Years before such distribution calendar year.

Matching Share Units acquired as part of a Share Deferral Account that commences in or after the calendar year the Employee reaches age 55 or after the calendar year in which the Employee Terminates Employment will be distributed in the same manner and time as other Share Units in such Share Deferral Account.

Notwithstanding anything to the contrary in this section, Matching Share Units acquired in 2008 and later shall be distributed at the same time as other Share Units (including those acquired with Employee Contributions) in the same Share Deferral Account.

Article 6 - Distributions

6.1 Distributions of Share Units.

(a) Initial Election with Respect to a Share Deferral Account. At the time the Participant makes an election to make Employee Contributions with respect to a Share Deferral Account, the Participant shall also elect the calendar year the Share Deferral Account shall be distributed, which may be from the first through fifth calendar years after the Plan Year the Account commenced (except as otherwise provided in this Plan with respect to Matching Share Units). For example, if an Account commenced in 2005, the Participant may elect to commence the distribution in any calendar year from and including 2006 to and including 2010. If no timely distribution election is made by the Participant, then the Participant will be deemed to have made an election to have the Share Deferral Account distributed in a single installment in the first calendar year after the calendar year the Account commenced.

(b) Election to Delay a Scheduled Distribution.

- (i) An Employee may elect to defer a scheduled distribution of a Share Deferral Account for five (5) or more additional calendar years beyond that previously elected (except as otherwise provided in this Plan with respect to Matching Share Units). Unless otherwise provided by AT&T, the election to defer the distribution must be made at least twelve (12) months prior to the scheduled distribution date.
- (ii) To make this election, the Participant must be an Employee on the day of such election.
- (iii) Notwithstanding anything to the contrary in this Plan:

Page 20

- a. an election to defer the distribution of a Share Deferral Account must be made at least 12 months prior to the date of the first scheduled payment under the prior distribution election, and
- b. the election shall not take effect until at least 12 months after the date on which the election is made.

Page 21

(c) A Participant's Share Deferral Account shall be distributed to the Participant on March 10 (or as soon thereafter as administratively practicable as determined by AT&T) of the calendar year elected by the Participant for that Account. In the event the distribution is to be made to a "Specified Employee" as a result of the Participant's Termination of Employment (other than as a result of a Change in Control), the distribution shall not occur until the later of such March 10 or six (6) months after the Termination of Employment, except it shall be distributed upon the Participant's earlier death in accordance with this Plan.

6.2 Death of the Participant.

In the event of the death of a Participant, notwithstanding anything to the contrary in this Plan, all undistributed Share Deferral Accounts shall be distributed to the Participant's beneficiary in accordance with the AT&T Rules for Employee Beneficiary Designations, as the same may be amended from time to time, within the later of 90 days following such determination or the end of the calendar year in which determination was made.

6.3 Unforeseeable Emergency Distribution.

If a Participant experiences an "Unforeseeable Emergency," the Participant may submit a written petition to AT&T (the Committee in the case of Officer Level Employees), to receive a partial or full distribution of his Share Deferral Account(s). In the event that AT&T (the Committee in the case of Officer Level Employees), upon review of the written petition of the Participant, determines in its sole discretion that the Participant has suffered an "Unforeseeable Emergency," AT&T shall make a distribution to the Participant from the Participant's Share Deferral Accounts (other than Matching Share Units), on a pro-rata basis, within the later of 90 days following such determination or the end of the calendar year in which determination was made, subject to the following:

(a) "Unforeseeable Emergency" shall mean a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's legal spouse, the Participant's beneficiary, or the Participant's dependent (as defined in Code Section 152, without regard to Code Section 152(b)(1), (b)(2), and (d)(1)(B)); loss of the Participant's property due to casualty; or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, all as determined in the sole discretion of the Committee. Whether a Participant is faced with an Unforeseeable Emergency permitting a distribution is to be determined based on the relevant facts and circumstances of each case, but, in any case, a distribution on account of Unforeseeable Emergency shall not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not cause severe financial hardship, or by cessation of deferrals under the Plan.

(b) The amount of a distribution to be made because of an Unforeseeable Emergency shall not exceed the lesser of (i) the FMV of the Participant's vested Share Deferral Account, calculated as the date on which the amount becomes payable, as determined by AT&T (the Committee in the case of Officer Level Employees) in its sole discretion, and (ii) the amount

Page 22

reasonably necessary, as determined by the AT&T (the Committee in the case of Officer Level Employees) in its sole discretion, to satisfy the emergency need (which may include amounts

Page 23

necessary to pay any Federal, state, local, or foreign income taxes or penalties reasonably anticipated to result from the distribution). Determinations of the amount reasonably necessary to satisfy the emergency need shall take into account any additional compensation that is available if the plan provides for cancellation of a deferral election upon a payment due to an Unforeseeable Emergency. The determination of amounts reasonably necessary to satisfy the Unforeseeable Emergency need is not required to, but may, take into account any additional compensation that, due to the Unforeseeable Emergency, is available under another nonqualified deferred compensation plan but has not actually been paid, or that is available due to the Unforeseeable Emergency under another plan that would provide for deferred compensation except due to the application of the effective date provisions under Treasury Regulation §1.409A-6.

(c) Upon such distribution on account of an Unforeseeable Emergency under this Plan, any election to make Employee Contributions by such Participant shall be immediately cancelled, and the Participant shall not be permitted to make a new election with respect to Employee Contributions that would be contributed during the then current and immediately following calendar year.

6.4 Ineligible Participant.

Notwithstanding any other provisions of this Plan to the contrary, if AT&T receives an opinion from counsel selected by AT&T, or a final determination is made by a Federal, state or local government or agency, acting within its scope of authority, to the effect that an individual's continued participation in the Plan would violate applicable law, then such person shall not make further contributions to the Plan to the extent permitted by Section 409A of the Code.

6.5 Conflict of Interest Distribution.

AT&T may in its sole discretion accelerate a distribution(s) to the Participant, provided he or she is no longer actively employed by AT&T: (a) to the extent necessary for any Federal officer or employee in the executive branch to comply with an ethics agreement with the Federal government or (b) to the extent reasonably necessary to avoid the violation of an applicable Federal, state, local, or foreign ethics law or conflicts of interest law (including where such payment is reasonably necessary to permit the service provider to participate in activities in the normal course of his or her position in which the service provider would otherwise not be able to participate under an applicable rule). Any such distribution may only be made in accordance with Section 409A of the Code and the regulations thereunder.

6.6 Distribution Process.

A Share Deferral Account shall be distributed under this Plan by taking the number of Share Units comprising the Account to be distributed and converting them into an equal number of shares of Stock. (Once distributed, a Share Unit shall be canceled.)

Page 24

Article 7 - Transition Provisions

7.1 Stockholder Approval

The Plan was approved by Stockholders at the 2005 Annual Meeting of Stockholders.

7.2 2005 Share Deferral Accounts.

Notwithstanding Article 4 to the contrary, if an Employee is an Eligible Employee on September 30, 2004, the Employee may make an election under Article 4 on or prior to December 15, 2004, with respect to the establishment of a Share Deferral Account for the (i) contribution of Base Compensation and/or Short Term Incentive Awards paid during the period from January 1, 2005, through January 15, 2006, which shall be the Plan Year for such Share Deferral Account; and/or (ii) the conversion of a distribution of Stock that would be made during the same Plan Year pursuant to the 2001 Incentive Plan into an equal number of Share Units, so long as such conversion would not cause the recognition of income for Federal income tax purposes in respect of such distribution of Stock prior to distribution of Share Units under this Plan.

7.3 2007 Amendments.

(a) Amendments made to the Plan on November 15, 2007, shall be effective January 1, 2008, except for amendments to this Article 7, which shall be effective upon adoption. Any Participants electing prior to November 15, 2007, to make Employee Contributions in 2008 shall have their elections canceled if they do not consent by December 14, 2007, to all prior amendments to this Plan and to the Cash Deferral Plan. Subject to the foregoing consent requirements, all Employee Contribution elections made prior to 2008, including but not limited to elections to contribute Stock that would be distributed under the 2001 Incentive Plan or a successor plan, shall remain in force, subject to all other terms of the amended Plan. In addition, all unvested but not forfeited Matching Share Units shall vest on November 15, 2007. Matching Shares that have been forfeited shall not be reinstated, and no amendment to this Plan shall be interpreted as reinstating such forfeitures.

(b) Notwithstanding anything to the contrary in this Plan, a Participant who as of December 29, 2006, was eligible for an additional payment pursuant to Section 4A of the BellSouth Corporation Executive Incentive Award Deferral Plan shall not, with respect to the 2008 Plan Year, receive Matching Share Units on Base Compensation that exceeds \$230,000.

7.4 2008 Amendments.

For Plan Years prior to 2009, Participants who, at the time of the determination of their eligibility to participate in an Account, are paid through a "sales plan" involving the use of commissions may elect to contribute up to 40% of Base Compensation. For the 2008 Plan Year, only Salary and Short Term Incentive Awards paid after Termination of Employment may be contributed to the Plan.

Page 25

Article 8 - Options

8.1 Grants.

Options may be issued in definitive form or recorded on the books and records of AT&T for the account of the Participant, at the discretion of AT&T. If AT&T elects not to issue the Options in definitive form, they shall be deemed issued, and the Participants shall have all rights incident thereto as if they were issued on the dates provided herein, without further action on the part of AT&T or the Participant. In addition to the terms herein, all Options shall be subject to such additional provisions and limitations as provided in any Administrative Procedures adopted by the Committee prior to the issuance of such Options. The number of Options issued to a Participant shall be reflected on the Participant's annual statement of account.

8.2 Term of Options.

The Options may only be exercised: (a) after the earlier of (i) the expiration of one (1) year from date of issue or (ii) the Participant's Termination of Employment, and (b) no later than the tenth (10th) anniversary of their issue; and Options shall be subject to earlier termination as provided herein.

8.3 Exercise Price.

The Exercise Price of an Option shall be the FMV of the Stock on the date of issuance of the Option, and an Option may not be repriced.

8.4 Issuance of Options.

(a) For each Share Deferral Account established by a Participant pursuant to an Employee Contribution election where such election was made prior to January 1, 2010:

(1) on June 15 of the Plan Year for the Share Deferral Account, the Participant shall receive two (2) Options for each Share Unit acquired by the Participant as part of such Share Deferral Account during the immediately preceding January through May period with Employee Contributions of Base Compensation and/or Short Term Incentive Award. A fractional number of Options shall be rounded up to the next whole number.

(2) on the February 15 immediately following the Plan Year for the Share Deferral Account, a Participant shall receive:

(i) two (2) Options for each Share Unit acquired by the Participant as part of such Share Deferral Account during the immediately preceding June through the remainder of the relevant Plan Year with Employee Contributions of Base Compensation and/or Short Term Incentive Award; and

(ii) two (2) Options for each Share Unit acquired prior to such date by the Participant with dividend equivalents that were derived, directly or indirectly (such as dividend equivalents paid on Share Units acquired with dividend

Page 26

equivalents), from Share Units acquired with Employee Contributions as part of such Share Deferral Account.

Page 27

(b) A fractional number of Options shall be rounded up to the next whole number.

(c) If Stock is not traded on the NYSE on any of the foregoing Option issuance dates, then the Options shall not be issued until the next such day on which Stock is so traded.

(d) If a Participant Terminates Employment other than (i) while Retirement eligible or (ii) because of death or Disability, no further Options shall be issued to or with respect to such Participant. In the event of re-Employment following a Termination of Employment, the preceding sentence shall not apply to those Options resulting from participation in the Plan after such re-Employment until a subsequent Termination of Employment.

(e) No more than 400,000 Options shall be issued to any individual under this Plan during a calendar year. No Share Unit may be counted more than once for the issuance of Options.

(f) The Committee may, in its sole discretion, at any time, increase or lower the number of Options that are to be issued for each Share Unit acquired, not to exceed two (2) Options per Share Unit purchased. However, if the Committee lowers the number of Options, then such change shall only be effective with respect to the next Share Deferral Account a Participant may elect to establish.

(g) The Committee may also, at any time and in any manner, limit the number of Options which may be acquired as a result of the Short Term Incentive Award being contributed to the Plan. Further, except as otherwise provided by the Committee, in determining the number of Options to be issued to a Participant with respect to a Participant's contribution of a Short Term Incentive Award to the Plan and subsequent crediting of Share Units, Options may be issued only with respect to an amount which does not exceed the target amount of such award (or such other portion of the award as may be determined by the Committee). Where a Participant's election to contribute a Short Term Incentive Award to the Plan becomes applicable to Annual Bonus, the above limitation on options shall apply to the contribution of Annual Bonus as though it were a Short Term Incentive Award.

(h) No options shall be issued to or in respect of a Participant for a particular issuance, unless at least ten (10) Options will be issued to that Participant.

8.5 Exercise and Payment of Options.

Options shall be exercised by providing notice to the designated agent selected by AT&T (if no such agent has been designated, then to AT&T), in the manner and form determined by AT&T, which notice shall be irrevocable, setting forth the exact number of shares of Stock with respect to which the Option is being exercised and including with such notice payment of the Exercise Price. When Options have been transferred, AT&T or its designated agent may require appropriate documentation that the person or persons exercising the Option, if other than the Participant, has the right to exercise the Option. No Option may be exercised with respect to a fraction of a share of Stock.

Page 28

Exercises of Options may be effected only on days and during the hours that the New York Stock Exchange is open for regular trading or as otherwise provided or limited by AT&T. If an Option expires on a day or at a time when exercises are not permitted, then the Options may be exercised no later than the immediately preceding date and time that the Options were exercisable.

The Exercise Price shall be paid in full at the time of exercise. No Stock shall be issued or transferred until full payment has been received therefore.

Payment may be made:

(a) in cash, or

(b) unless otherwise provided by the Committee at any time, and subject to such additional terms and conditions and/or modifications as AT&T may impose from time to time, and further subject to suspension or termination of this provision by AT&T at any time, by:

(i) electing a Stock-Settled Exercise on or after February 1, 2013. Upon exercise of Options through a Stock-Settled Exercise, the Participant shall receive that number of shares of Stock found by (1) subtracting the Exercise Price of an Option being exercised (on a per share basis) from the FMV of the Stock as of the immediately preceding day that the Stock was traded on the NYSE, (2) multiplying the difference by the number of Options being exercised, and (3) dividing the result by the same FMV. For example, a Participant exercises 1,000 Options with an Exercise Price of \$30 (exercises may only occur on a day when the NYSE is open for regular trading) and the FMV for the immediately preceding trading day was \$40. In that case, the Participant would receive his \$10,000 profit in the form of 250 shares of Stock, subject to tax withholding and any other costs provided under this Plan.

or,

(ii) if AT&T has designated a stockbroker to act as AT&T's agent to process Option exercises, issuance of an exercise notice to such stockbroker together with instructions irrevocably instructing the stockbroker: (A) to immediately sell (which shall include an exercise notice that becomes effective upon execution of a sell order) a sufficient portion of the Stock to pay the Exercise Price of the Options being exercised and the required tax withholding, and (B) to deliver on the settlement date the portion of the proceeds of the sale equal to the Exercise Price and tax withholding to AT&T. In the event the stockbroker sells any Stock on behalf of a Participant, the stockbroker shall be acting solely as the agent of the Participant, and AT&T disclaims any responsibility for the actions of the stockbroker in making any such sales. No Stock shall be issued until the settlement date and until the proceeds (equal to the Exercise Price and tax withholding) are paid to AT&T.

8.6 Restrictions on Exercise and Transfer.

Page 29

No Option shall be transferable except: (a) upon the death of a Participant in accordance with AT&T's Rules for Employee Beneficiary Designations, as the same may be amended from time to time; and (b) in the case of any holder after the Participant's death, only by will or by the

Page 30

laws of descent and distribution. During the Participant's lifetime, the Participant's Options shall be exercisable only by the Participant or by the Participant's guardian or legal representative. After the death of the Participant, an Option shall only be exercised by the holder thereof (including but not limited to an executor or administrator of a decedent's estate) or his or her guardian or legal representative. In each such case the Option holder shall be considered a Participant for the limited purpose of exercising such Options.

8.7 Termination of Employment.

(a) *Not Retirement Eligible.* Unless otherwise provided by the Committee, if a Participant Terminates Employment while not Retirement eligible, a Participant's Options may be exercised, to the extent then exercisable:

(i) if such Termination of Employment is by reason of death or Disability, then for a period of three (3) years from the date of such Termination of Employment or until the expiration of the stated term of such Option, whichever period is shorter; or

(ii) if such Termination of Employment is for any other reason, then for a period of one (1) year from the date of such Termination of Employment or until the expiration of the stated term of such Option, whichever period is shorter.

(b) *Retirement Eligible.* Unless otherwise provided by the Committee, if a Participant Terminates Employment while Retirement eligible, the Participant's Option may be exercised, to the extent then exercisable: (i) for a period of five (5) years from the date of Retirement or (ii) until the expiration of the stated term of such Option, whichever period is shorter.

(c) Re-Employment of a Participant after a Termination of Employment shall have no effect on the periods during which Options resulting from the prior Employment may be exercised. For example, if the Option exercise period has been shortened because of the prior Termination of Employment, it shall not be extended because of the re-Employment.

(d) Notwithstanding any other definition of Termination of Employment under this Plan, for purposes of this Article 8 – Options only, a Termination of Employment shall mean the cessation of the Employee being employed by any corporation, partnership, venture or other entity in which AT&T holds, directly or indirectly, a 50% or greater ownership interest, including but not limited to where AT&T ceases to hold such interest in the employing company. In addition, the definition of Retirement for purposes of this Article 8 shall use the immediately foregoing definition of Termination of Employment in lieu of any other definition.

Article 9 - Discontinuation, Termination, Amendment.

9.1 AT&T's Right to Discontinue Offering Share Units.

The Committee may at any time discontinue offerings of Share Units under the Plan. Any such discontinuance shall have no effect upon existing Share Units or the terms or provisions of this Plan as applicable to such Share Units.

Page 31

Page 32

9.2 AT&T's Right to Terminate Plan.

The Committee may terminate the Plan at any time. Upon termination of the Plan, contributions shall no longer be made under the Plan.

After termination of the Plan, Participants shall continue to earn dividend equivalents in the form of Share Units on undistributed Share Units and shall continue to receive all distributions under this Plan at such time as provided in and pursuant to the terms and conditions of Participant's elections and this Plan. Notwithstanding the foregoing, the termination of the Plan shall be made solely in accordance with Section 409A of the Code and in no event shall cause the accelerated distribution of any Account unless such termination is effected in accordance with Section 409A of the Code.

9.3 Amendment.

The Committee may at any time amend the Plan in whole or in part including but not limited to changing the formulas for determining the amount of AT&T Matching Contributions under Article 5 or decreasing the number of Options to be issued under Article 8; provided, however, that no amendment, including but not limited to an amendment to this section, shall be effective, without the consent of a Participant, to alter, to the material detriment of such Participant, a Share Deferral Account of the Participant, other than as provided elsewhere in this section. For purposes of this section, an alteration to the material detriment of a Participant shall include, but not be limited to, a material reduction in the period of time over which Stock may be distributed to a Participant, any reduction in the Participant's number of vested Share Units or Options, or an increase in the Exercise Price or decrease in the term of an Option. Any such consent may be in a writing, telecopy, or e-mail or in another electronic format. An election to acquire Share Units with Employee Contributions shall be conclusively deemed to be the consent of the Participant to any and all amendments to the Plan prior to such election, and such consent shall be a condition to making any election with respect to Employee Contributions.

Notwithstanding anything to the contrary contained in this section of the Plan, the Committee may modify this Plan with respect to any person subject to the provisions of Section 16 of the Securities Exchange Act of 1934, as amended ("Exchange Act") to place additional restrictions on the exercise of any Option or the transfer of any Stock not yet issued under the Plan.

The Plan is established in order to provide deferred compensation to a select group of management and highly compensated employees with in the meaning of Sections 201(2) and 301(a)(3) of ERISA. To the extent legally required, the Code and ERISA shall govern the Plan, and if any provision hereof is in violation of an applicable requirement thereof, the Company reserves the right to retroactively amend the Plan to comply therewith to the extent permitted under the Code and ERISA. The Company also reserves the right to make such other changes as may facilitate implementation of Section 409A of the Code. Provided, however, that in no event shall any such amendments be made in violation of the requirements of Section 409A of the Code.

Page 33

Article 10 – Miscellaneous.

10.1 Tax Withholding.

Upon distribution of Stock, including but not limited to, shares of Stock issued upon the exercise of an Option, AT&T shall withhold shares of Stock sufficient in value, using the FMV on the date determined by AT&T to be used to value the Stock for tax purposes, to satisfy the minimum amount of Federal, state, and local taxes required by law to be withheld as a result of such distribution. Employment taxes incurred by a Participant on Employee Contributions and on Matching Contributions shall be withheld from the Participant's regular wages or paid in cash by the Participant as they become due.

Any fractional share of Stock payable to a Participant shall be withheld as additional Federal withholding, or, at the option of AT&T, paid in cash to the Participant.

Unless otherwise determined by the Committee, when the method of payment for the Exercise Price is from the sale by a stockbroker pursuant to Section 8.5, hereof, of the Stock acquired through the Option exercise, then the tax withholding shall be satisfied out of the proceeds. For administrative purposes in determining the amount of taxes due, the sale price of such Stock shall be deemed to be the FMV of the Stock.

10.2 Elections and Notices.

Notwithstanding anything to the contrary contained in this Plan, all elections and notices of every kind under this Plan shall be made (1) on forms prepared by AT&T or the General Counsel, Secretary or Assistant Secretary, or their respective delegates, or (2) in such other manner as permitted or required by AT&T or the General Counsel, Secretary or Assistant Secretary, or their respective delegates, including through electronic means, over the Internet or otherwise. An election shall be deemed made when received by AT&T (or its designated agent, but only in cases where the designated agent has been appointed for the purpose of receiving such election), which may waive any defects in form. Unless made irrevocable by the electing person, each election with regard to making Employee Contributions or distributions of Share Deferral Accounts shall become irrevocable at the close of business on the last day the Employee is permitted to make such election. Notwithstanding anything to the contrary in this Plan, AT&T may place additional limits on the times during which elections may be made to make contribution(s) or to delay distribution(s).

If not otherwise specified by this Plan or AT&T, any notice or filing required or permitted to be given to AT&T under the Plan shall be delivered to the principal office of AT&T, directed to the attention of the Senior Executive Vice President in charge of Human Resources for AT&T or his or her successor. Such notice shall be deemed given on the date of delivery.

Notice to the Participant shall be deemed given when mailed (or sent by telecopy) to the Participant's work or home address as shown on the records of AT&T or, at the option of AT&T, to the Participant's e-mail address as shown on the records of AT&T. It is the Participant's responsibility to ensure that the Participant's addresses are kept up to date on the records of

Page 34

AT&T. In the case of notices affecting multiple Participants, the notices may be given by general distribution at the Participants' work locations.

Page 35

By participating in the Plan, each Participant agrees that AT&T may provide any documents required or permitted under the Federal or state securities laws, including but not limited to the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, by e-mail, by e-mail attachment, or by notice by e-mail of electronic delivery through AT&T's Internet Web site or by other electronic means.

10.3 Unsecured General Creditor.

Participants and their beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, interest, or claims in any property or assets of any Employer. No assets of any Employer shall be held under any trust for the benefit of Participants, their beneficiaries, heirs, successors, or assigns, or held in any way as collateral security for the fulfilling of the obligations of any Employer under this Plan. Any and all of each Employer's assets shall be, and remain, the general, unpledged, unrestricted assets of such Employer. The only obligation of an Employer under the Plan shall be merely that of an unfunded and unsecured promise of AT&T to distribute shares of Stock corresponding to Share Units and Options, under the Plan.

10.4 Non-Assignability.

Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage, or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt, shares of Stock corresponding to Share Units under the Plan, if any, or any part thereof, which are, and all rights to which are, expressly declared to be unassignable and non-transferable. No part of the Stock distributable

shall, prior to actual distribution, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.

10.5 Employment Not Guaranteed.

Nothing contained in this Plan nor any action taken hereunder shall be construed as a contract of employment or as giving any employee any right to be retained in the employ of an Employer or to serve as a director.

10.6 Errors.

At any time AT&T or an Employer may correct any error made under the Plan without prejudice to AT&T or any Employer. Neither AT&T nor any Employer shall be liable for any damages resulting from failure to timely allow any contribution to be made to the Plan or for any damages resulting from the correction of, or a delay in correcting, any error made under the Plan. In no event shall AT&T or any Employer be liable for consequential or incidental damages arising out of a failure to comply with the terms of the Plan.

10.7 Captions.

The captions of the articles, sections, and paragraphs of this Plan are for convenience only and shall not control nor affect the meaning or construction of any of its provisions.

Page 36

Page 37

10.8 Governing Law.

To the extent not preempted by Federal law, the Plan, and all benefits and agreements hereunder, and any and all disputes in connection therewith, shall be governed by and construed in accordance with the substantive laws of the State of Texas, without regard to conflict or choice of law principles which might otherwise refer the construction, interpretation or enforceability of this Plan to the substantive law of another jurisdiction.

Because benefits under the Plan are granted in Texas, records relating to the Plan and benefits thereunder are located in Texas, and the Plan and benefits thereunder are administered in Texas, AT&T and the Participant under this Plan, for themselves and their successors and assigns, irrevocably submit to the exclusive and sole jurisdiction and venue of the state or Federal courts of Texas with respect to any and all disputes arising out of or relating to this Plan, the subject matter of this Plan or any benefits under this Plan, including but not limited to any disputes arising out of or relating to the interpretation and enforceability of any benefits or the terms and conditions of this Plan. To achieve certainty regarding the appropriate forum in which to prosecute and defend actions arising out of or relating to this Plan, and to ensure consistency in application and interpretation of the Governing Law to the Plan, the parties agree that (a) sole and exclusive appropriate venue for any such action shall be an appropriate Federal or state court in Dallas County, Texas, and no other, (b) all claims with respect to any such action shall be heard and determined exclusively in such Texas court, and no other, (c) such Texas court shall have sole and exclusive jurisdiction over the person of such parties and over the subject matter of any dispute relating hereto and (d) that the parties waive any and all objections and defenses to bringing any such action before such Texas court, including but not limited to those relating to lack of personal jurisdiction, improper venue or *forum non conveniens*.

10.9 Plan to Comply with Section 409A.

In the event any provision of this Plan is held invalid, void, or unenforceable, the same shall not affect, in any respect whatsoever, the validity of any other provision of this Plan. Notwithstanding any provision to the contrary in this Plan, each provision in this Plan shall be interpreted to permit the

deferral of compensation in accordance with Section 409A of the Code and any provision that would conflict with such requirements shall not be valid or enforceable.

10.10 Successors and Assigns.

This Plan shall be binding upon AT&T and its successors and assigns.

10.11 Loyalty Conditions for Officer Level Employees and Senior Managers

Each Officer Level Employee or a Senior Manager who elects to make Employee Contributions under Section 4.1 of this Plan shall be subject to the agreements and conditions of this section. The non-compete and non-solicitation provisions below do not apply to employees who live or work in California at the time of their termination of employment, or anywhere where such provisions are not permitted by law.

(a) By making an Employee Contribution election under Section 4.1 of this Plan after September 1, 2009, a Participant acknowledges that AT&T would be unwilling to provide for

Page 38

such an election but for the loyalty conditions and covenants set forth in this section, and that the conditions and covenants herein are a material inducement to AT&T's willingness to sponsor the Plan and to offer Plan benefits for the Participants. Accordingly, as a condition to making an

Page 39

▪ Employee Contribution election under Section 4.1 of this Plan after September 1, 2009, each such electing Participant is deemed to agree that he shall not, without obtaining the written consent of the Committee in advance, participate in activities that constitute engaging in competition with AT&T or engaging in conduct disloyal to AT&T, as those terms are defined in this section.

(b) Definitions. For purposes of this section and of the Plan generally:

(i) an "Employer Business" shall mean AT&T Inc. and any of its Subsidiaries, or any business in which they or any affiliate of theirs has a substantial ownership or joint venture interest;

(ii) "engaging in competition with AT&T" shall mean, while employed by AT&T or any of its Subsidiaries, or within two (2) years after Participant's Termination of Employment, engaging by the Participant in any business or activity in all or any portion of the same geographical market where the same or substantially similar business or activity is being carried on by an Employer Business. "Engaging in competition with AT&T" shall not include owning a non-substantial publicly traded interest as a shareholder in a business that competes with an Employer Business. "Engaging in competition with AT&T" shall include representing or providing consulting services to, or being an employee of, any person or entity that is engaged in competition with any Employer Business or that takes a position adverse to any Employer Business.

(iii) "engaging in conduct disloyal to AT&T" means, while employed by AT&T or any of its Subsidiaries, or within two (2) years after Participant's Termination of Employment, (i) soliciting for employment or hire, whether as an employee or as an independent contractor, for any business in competition with an Employer Business, any person employed by AT&T or any of its Subsidiaries during the one (1) year prior to the Participant's Termination of Employment, whether or not acceptance of such position would constitute a breach of such person's contractual obligations to AT&T or any of its Subsidiaries; (ii) soliciting, encouraging, or inducing any vendor or supplier with which Participant had business contact on behalf of any Employer Business during the two (2) years prior to the Participant's Termination of Employment (regardless of the reason for that termination) to terminate, discontinue, renegotiate, reduce, or otherwise cease or modify its relationship with AT&T or any of its Subsidiaries; or (iii) soliciting, encouraging, or inducing any customer or active prospective

customer with whom Participant had business contact, whether in person or by other media ("Customer"), on behalf of any Employer Business during the two (2) years prior to the Participant's Termination of Employment (regardless of the reason for that termination), to terminate, discontinue, renegotiate, reduce, or otherwise cease or modify its relationship with any Employer Business, or to purchase competing goods or services from a business competing with any Employer Business, or accepting or servicing business from such Customer on behalf of himself or any other business. "Engaging in conduct disloyal to AT&T" shall also mean, disclosing Confidential Information to any third party or using Confidential

Page 40

Information, other than for an Employer Business, or failing to return any Confidential Information to the Employer Business following termination of employment.

Page 41

(iv) "Confidential Information" shall mean all information belonging to, or otherwise relating to, an Employer Business, which is not generally known, regardless of the manner in which it is stored or conveyed to Participant, and which the Employer Business has taken reasonable measures under the circumstances to protect from unauthorized use or disclosure. Confidential Information includes trade secrets as well as other proprietary knowledge, information, know-how, and non-public intellectual property rights, including unpublished or pending patent applications and all related patent rights, formulae, processes, discoveries, improvements, ideas, conceptions, compilations of data, and data, whether or not patentable or copyrightable and whether or not it has been conceived, originated, discovered, or developed in whole or in part by Participant. For example, Confidential Information includes, but is not limited to, information concerning the Employer Business' business plans, budgets, operations, products, strategies, marketing, sales, inventions, designs, costs, legal strategies, finances, employees, customers, prospective customers, licensees, or licensors; information received from third parties under confidential conditions; or other valuable financial, commercial, business, technical or marketing information concerning the Employer Business, or any of the products or services made, developed or sold by the Employer Business. Confidential Information does not include information that (i) was generally known to the public at the time of disclosure; (ii) was lawfully received by Participant from a third party; (iii) was known to Participant prior to receipt from the Employer Business; or (iv) was independently developed by Participant or independent third parties; in each of the foregoing circumstances, this exception applies only if such public knowledge or possession by an independent third party was without breach by Participant or any third party of any obligation of confidentiality or non-use, including but not limited to the obligations and restrictions set forth in this Plan.

(c) Equitable Relief. The parties recognize that any Participant's breach of any of the covenants in this section will cause irreparable injury to the AT&T, will represent a failure of the consideration under which AT&T (in its capacity as creator and sponsor of the Plan) agreed to provide the Participant with the opportunity to receive Plan benefits, and that monetary damages would not provide AT&T with an adequate or complete remedy that would warrant AT&T's continued sponsorship of the Plan (including the accrual or granting of Share Units, Matching Share Units and Options) for all Participants. Accordingly, in the event of a Participant's actual or threatened breach of the covenants in this section, the Committee, in addition to all other rights and acting as a fiduciary under ERISA on behalf of all Participants, shall have a fiduciary duty (in order to assure that AT&T receives fair and promised consideration for its continued Plan sponsorship and funding) to seek an injunction restraining the Participant from breaching the covenants in this Section. AT&T shall pay for any Plan expenses that the Committee incurs hereunder, and shall be entitled to recover from the Participant its reasonable attorneys' fees and costs incurred in obtaining such injunctive remedies.

(d) Uniform Enforcement. In recognition of AT&T's need for nationally uniform standards for the Plan administration, it is an absolute condition in consideration of any Participant's ability to make Employee Contribution elections under Section 4.1 of this Plan after

Page 42

September 1, 2009, that each and all of the following conditions apply to all such electing Participants:

- (i) ERISA shall control all issues and controversies hereunder, and the Committee shall serve for purposes hereof as a "fiduciary" of the Plan and its "named fiduciary" within the meaning of ERISA.
- (ii) All litigation between the parties relating to this section shall occur in federal court, which shall have exclusive jurisdiction; any such litigation shall be held in the United States District Court for the Northern District of Texas, and the only remedies available with respect to the Plan shall be those provided under ERISA.

Page 43

Attachment A

Eligibility Criteria

Stock Purchase and Deferral Plan and Cash Deferral Plan (the "Plans")

Effective May 18, 2023

The following criteria shall apply with respect to participation in the Plans, subject to all other requirements of the Plans:

Management Employees who are "third level or above managers" (as indicated by a job level indicator of "3" or higher) or the equivalent, are eligible to participate in the Plans and shall be deemed to be included as members of "Employer's 'select group of management or highly compensated employees'" for purposes of the Employee Retirement Income Security Act.

To be an Eligible Employee, the Employer of the Employee must be a domestic Subsidiary (a Subsidiary that is incorporated or organized under the laws of a state of the United States). Employees who are not citizens of the United States but who otherwise meet eligibility criteria must be stationed in the United States to be an Eligible Employee.

An Employee shall not be considered an Eligible Employee for purposes of making a contribution election or a further defer election under the Plans while the Employee is:

An Employee of or scheduled to become an Employee of, one of the following companies or its respective directly or indirectly held subsidiaries:

- i. AT&T Technical Services Company, Inc.
- ii. DIRECTV Entertainment Holdings, LLC
- iii. Gigapower, LLC
- iv. Certain Subsidiaries that are, or may become, less than wholly owned by AT&T, as determined by the SEVP-HR by September 30 of each year, with respect to Employees other than executive officers of AT&T, as that term is used under the Securities Exchange Act of 1934, as amended.

Each of the above companies are an "Excluded Company". In addition, an Employee's contribution election shall be canceled if on the last day of the calendar year for making such election, the Employee was an Employee of or scheduled to become an Employee of an Excluded Company.

Notwithstanding the foregoing, an Employee of an Excluded Company may make a contribution election and such election shall not be cancelled if such Employee is scheduled to become an Employee of a Subsidiary other than an Excluded Company as of January 1 of the Plan Year for which the election is made.

Residents of Puerto Rico or other territories of the United States ("territory"; shall not include any state of the United States) are also ineligible to participate in the Plans.

Page 44

Page 45

Capitalized terms used herein shall have the meanings set forth in the Plans, as applicable, unless the context requires otherwise.

Eligibility under the foregoing criteria shall be determined by the AT&T Management Compensation Group or the AT&T Executive Compensation Group, as applicable.

Page 46

Exhibit 10.3

AT&T HEALTH PLAN

Effective January 1, 2025

ARTICLE 1 PURPOSE

The AT&T Health Plan ("Plan") provides Participants with certain medical, dental, and vision benefits, as specified herein. Effective March 23, 2010, the Plan shall be frozen to new Participants, except as described in Section 2.15. The Company intends this Plan to be a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the "Affordable Care Act"). Appendix C hereto contains the required Participant disclosure regarding the Plan's grandfathered status under the Affordable Care Act.

ARTICLE 2 DEFINITIONS

For purposes of this Plan, the following words and phrases shall have the meanings indicated, unless the context clearly indicates otherwise:

2.1 Active Participant. "Active Participant" shall mean an Active Employee Participant and his Dependents.

2.2 Active Employee Participant. "Active Employee Participant" shall mean an Eligible Employee electing to participate in the Plan while in active service, on a Leave of Absence or while receiving short term disability benefits under the Officer Disability Plan.

2.3 Annual Deductible. "Annual Deductible" shall mean the amount the Active Participant must pay for Covered Health Services in a Plan Year before the Plan will begin paying for Covered Benefits in that calendar year. The Annual Deductible applies to all Covered Health Services. The Annual Deductible does not apply to Preventive Care, Dental Services and Vision Services. Once the Participant meets his applicable Annual Deductible, the Plan will begin to pay Covered Benefits, subject to any required Coinsurance, in accordance with and as governed by Section 4.1. The applicable Annual Deductible is set forth in Appendix A to this Plan.

2.4 Annual Out-of-Pocket Maximum. "Annual Out-of-Pocket Maximum" shall mean the maximum amount of Covered Health Services an Active Participant must pay out-of-pocket every calendar year, including the Participant's Annual Deductible. Once the Participant reaches the applicable Annual Out-of-Pocket Maximum, Covered Benefits for those Covered Health Services that apply to the Annual Out-of-Pocket Maximum are payable in accordance with and as governed by Section 4.1 during the rest of that Plan Year. The following costs shall never apply toward the Annual Out-of-Pocket Maximum: (a) any applicable Monthly Contributions and (b) any charges for Non-Covered Health Services. Even when the Annual Out-of-Pocket Maximum has been reached, Covered Benefits will not be provided for the following: (a) any applicable Monthly Contributions and (b) any charges for Non-Covered Health Services. The applicable Annual Out-of-Pocket Maximum is set forth in [Appendix A](#) to this Plan.

2.5 AT&T. "AT&T" shall mean AT&T Inc. References to "Company" shall mean AT&T.

2.6 CEO. "CEO" shall mean the Chief Executive Officer of AT&T Inc.

2.7 COBRA. "COBRA" shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

2.8 Coinsurance. "Coinsurance" shall mean the amount an Active Participant must pay each time he/she receives Covered Health Services, after he/she meets the applicable Annual Deductible. Coinsurance payments are calculated as a percentage of Covered Health Services, rather than a set dollar amount. Coinsurance does not apply to Preventive Care, Dental Services and Vision Services (or Medical Services for Retired Participants as provided in Section 4.1(c)). The applicable Coinsurance percentage is set forth in [Appendix A](#) to this Plan.

2.9 Committee. "Committee" shall mean the Human Resources Committee of the Board of Directors of AT&T Inc.

2.10 Covered Benefits. "Covered Benefits" shall mean the benefits provided by the Plan, as provided for and governed by Section 4.1 of the Plan.

2.11 Covered Health Services. "Covered Health Services" means all Medical Services or Preventive Care that would qualify as deductible medical expenses for federal income tax purposes, whether deducted or not. Dental Services and Vision Services are not included in the definition of Covered Health Services.

2.12 Dental Services. "Dental Services" shall mean services for dental and orthodontic care. The Plan Administrator, in its sole discretion, shall determine whether a particular service is classified as Preventive Care or a Dental, Medical or Vision Service.

2.13 Dependent(s). "Dependent(s)" shall mean those individuals who would qualify as a Participant's dependent(s) under the terms of the AT&T Medical Program.

2.14 Disability. "Disability" shall mean qualification for long term disability benefits under Section 3.1 of the Officer Disability Plan.

2.15 Eligible Employee. "Eligible Employee" shall mean an Officer. Notwithstanding the foregoing, the CEO may, from time to time, exclude any Officer or group of Officers from being an "Eligible Employee" under this Plan. Employees of a company acquired by AT&T shall not be considered an Eligible Employee unless designated as such by the CEO. Notwithstanding the foregoing, only the Committee shall have the authority to exclude from participation or take any action with respect to Executive Officers.

Notwithstanding the foregoing provisions, unless otherwise provided for in [Appendix D](#) to this Plan, individuals hired, rehired or promoted to an Officer level position on or after March 23, 2010 shall be excluded from the term Eligible Employee, and such individuals (and their Dependents) shall not be eligible to participate in this Plan.

2.16 Employer. "Employer" shall mean AT&T Inc. or any of its Subsidiaries.

2.17 Executive Officer. "Executive Officer" shall mean any executive officer of AT&T, as that term is used under the Securities Exchange Act of 1934.

2.18 International Plan. "International Plan" shall mean the "AT&T International Health Plan" for Officers serving in expatriate positions with the Company.

2.19 Leave of Absence. "Leave of Absence" shall mean a Company-approved leave of absence.

2

3

2.20 Medical Services. "Medical Services" shall mean medical/surgical, mental health/substance abuse and prescription pharmacy services. The Plan Administrator, in its sole discretion, shall determine whether a particular service is classified as Preventive Care or a Medical, Dental or Vision Service. Medical Services do not include Dental Services and Vision Services.

2.21 Monthly Contributions. "Monthly Contributions" shall mean the monthly premiums or contributions required for participation in this Plan as further governed by Article 7 of the Plan. The applicable Monthly Contributions are set forth in Exhibit A to this Plan.

2.22 Non-Covered Health Services. "Non-Covered Health Services" shall mean any Medical Services or Preventive Care which do not meet the definition of Covered Health Services.

2.23 Officer. "Officer" shall mean an individual who is designated as an officer level employee for compensation purposes on the records of AT&T.

2.24 Participant. "Participant" shall mean an Active Participant or Retired Participant or both, as the context indicates.

2.25 Plan Administrator. "Plan Administrator" shall mean the SEVP-HR, or any other person or persons whom the Committee may appoint to administer the Plan; provided that the Committee may act as the Plan Administrator at any time.

2.26 Plan Year. "Plan Year" shall mean the calendar year.

2.27 Preventive Care. "Preventive Care" generally focuses on evaluating a Participant's current health status when the Participant is symptom-free and taking the necessary steps to maintain the Participant's health. The Plan Administrator, in its sole discretion, shall determine whether a particular service constitutes Preventive Care.

2.28 Qualified Dependent. "Qualified Dependent" shall mean a Dependent who loses coverage under a COBRA eligible program due to a Qualifying Event.

2.29 Qualifying Event. "Qualifying Event" shall mean any of the following events if, but for COBRA continuation coverage, they would result in a Participant's loss of coverage under this Plan:

- (1) death of a covered Eligible Employee;
- (2) termination (other than by reason of such Eligible Employee's gross misconduct) of an Employee's employment;
- (3) reduction in hours of an Eligible Employee;
- (4) divorce or legal separation of an Eligible Employee or dissolution of an Eligible Employee's registered domestic partnership;
- (5) an Eligible Employee's entitlement to Medicare benefits; or
- (6) a Dependent child ceasing to qualify as a Dependent

2.30 Retire, Retired or Retirement. "Retire," "Retired" or "Retirement" shall mean the termination of an Active Employee Participant's employment with AT&T or any of its Subsidiaries, for reasons other than death, on or after the earlier of the following dates: (1) the date such Active Employee Participant has attained age 55, and, for an Active Employee Participant on or after January 1, 2002, has

4

five (5) years of service, or (2) the date the Active Employee Participant has attained one of the following combinations of age and service at termination of employment on or after April 1, 1997:

5

Net Credited ServiceAge

25 years or more 50 or older

30 years or more Any age

2.31 Retired Participant. "Retired Participant" shall mean a Retired Employee Participant and his Dependents.

2.32 Retired Employee Participant. "Retired Employee Participant" shall mean a former Active Employee Participant who has Retired within the meaning of Section 2.30 and who meets the additional requirements of Section 3.2 to be eligible for coverage in Retirement.

2.33 SEVP-HR. "SEVP-HR" shall mean AT&T's highest ranking Officer, specifically responsible for human resources matters.

2.34 Subsidiary. "Subsidiary" shall mean any corporation, partnership, venture or other entity in which AT&T holds, directly or indirectly, a 50% or greater ownership interest. The Committee may, at its sole discretion, designate any other corporation, partnership, venture or other entity a Subsidiary for the purpose of participating in this Plan.

2.35 Vision Services. "Vision Services" shall mean services for vision care. The Plan Administrator, in its sole discretion, shall determine whether a particular service is classified as Preventive Care or a Vision, Medical or Dental Service.

2.36 Medicare Eligible Retired Participant. "Medicare Eligible Retired Participant" shall mean a Retired Participant who is eligible for Medicare due to reaching the eligible age for Medicare.

ARTICLE 3 ELIGIBILITY

3.1 Active Participants. Each Eligible Employee shall be eligible to participate in this Plan along with his/her Dependent(s) beginning on the effective date of the employee becoming an Eligible Employee.

In order to continue participation, the Active Participant must pay all applicable Monthly Contributions. If an Active Employee Participant terminates participation in this Plan at any time for any reason, that Participant and his/her Dependent(s) shall be ineligible to participate in the Plan at any time in the future.

3.2 Retired Participants. Provisions of this Plan will continue in effect during Retirement for each Retired Employee Participant and his/her Dependent(s) with respect to any Eligible Employee who became a Participant before January 1, 1999. Neither an Eligible Employee who became a Participant after December 31, 1998 nor his/her Dependent(s) shall be eligible for participation hereunder on or after such Participant's Retirement. Coverage for Retired Participants shall be subject to the payment of all applicable Monthly Contributions, as governed by Article 7. The provisions of this Plan related to Retired Participants, including the level of Covered Benefits and the applicable Monthly Premiums, shall begin to apply on the first day of the month following the month in which the Active Employee Participant Retires. If a Retired Employee Participant terminates participation at any time for any reason, participation of that Retired Employee participant and his/her Dependent(s) may not be reinstated for any reason.

6

3.3 Requirement to Enroll and Participate in Medicare and the International Plan. Notwithstanding any provision in this plan to the contrary, as a condition to participation in the Plan, each Participant must be enrolled in, paying for, and participating in (i) all parts of Medicare for which such Participant is eligible and for which Medicare would be primary if enrolled therein, except for Medicare Part D relating to prescription drug coverage, and (ii) the International Plan (if eligible).

ARTICLE 4 BENEFITS

4.1 Covered Benefits. Subject to the limitations in this Plan (including but not limited to the loyalty conditions set forth in Article 8 below), this Plan provides the benefits described below. Monthly Contributions for participation in this Plan, the International Plan, Medicare, or any other health plan are not considered "services", and are therefore are not Covered Benefits under this Plan.

(a) Active Participants (Medical Services and Preventive Care) -

Medical Services - After the Annual Deductible has been met, 100% payment of Covered Health Services not paid under the International Plan or Medicare minus the amount of Coinsurance, until the Active Participant reaches the Annual Out-of-Pocket Maximum, at which time coverage is 100% of Covered Health Services (or 100% of Covered Health Services not paid under the International Plan).

Preventive Care - Preventive Care is covered at 100%, not subject to the Annual Deductible or Coinsurance.

(b) Active Participants (Dental Services and Vision Services) -

100% payment, through reimbursement or otherwise, of all Dental Services and Vision Services not paid under the Active Participant's (i) Medicare, or (ii) International Plan, provided expenses for such services would qualify as deductible medical expenses for federal income tax purposes, whether deducted or not.

(c) Retired Participants

100% payment, through reimbursement or otherwise, of all Medical, Dental, Vision and Preventive services not paid under the Retired Participant's Medicare, provided expenses for such services would qualify as deductible medical expenses for federal income tax purposes, whether deducted or not.

4.2 Priority of Paying Covered Claims. Claims for benefits will be applied against the various health plans, as applicable, and coordinated with Medicare in the following order:

- (1) Medicare, to the extent the Participant is eligible therefore and such claim is actually paid by Medicare,
- (2) International Plan, if applicable,
- (2) CarePlus, if elected,
- (3) Long Term Care Plan, if elected,
- (4) this Plan.

ARTICLE 5 TERMINATION OF PARTICIPATION

5.1 Termination of Participation. Participation will cease on the last day of the month in which one of the following conditions occurs:

- (1) A Participant ceases to meet the definition of a Dependent (as set forth in Section 2.13 of this Plan) for any reason, in which case participation ceases for such Participant;
- (2) A Participant eligible to enroll in Medicare is no longer a participant in all parts of Medicare for which such Participant is eligible to enroll and for which Medicare would be primary if enrolled therein, except for Medicare Part D relating to prescription drug coverage, in which case participation ceases for such Participant;
- (3) The Active Employee Participant's termination of employment for reasons other than Death, Disability, or Retirement by an individual who meets the applicable requirements of Section 3.2 in order to qualify for Plan benefits in Retirement, in which case participation ceases for the Participant and his/her Dependent(s);
- (4) The demotion or designation of an Active Employee Participant so as to no longer be eligible to participate in the Plan, in which case participation ceases for the Participant and his/her Dependent(s);
- (5) The Active Employee Participant (or Retired Employee Participant) participates in an activity that constitutes engaging in competitive activity with AT&T or engaging in conduct disloyal to AT&T under Article 8, in which case participation ceases for the Active Employee Participant (or Retired Employee Participant) and his/her Dependent(s); or
- (6) Discontinuance of the Plan by AT&T, or, with respect to a Subsidiary's Active Employee Participants (or Retired Employee Participants), such Subsidiary's failure to make the benefits hereunder available to Active Employee Participants employed by it (or its Retired Employee Participants).

Death. In the event of the Active Employee Participant's (or Retired Employee's Participant's) death, his Dependents may continue participation in this Plan as follows:

- (1) In the event of the death of a Retired Employee Participant such Retired Employee Participant's Dependents may continue participation in this Plan, eligible for the Covered Benefits described in Section 4.1(c) of the Plan, for so long as such Dependents would have otherwise been eligible to participate under the terms of the AT&T Medical Program, are paying any applicable contributions for this Plan as provided in Article 7, and are participating in Medicare if eligible. If a surviving spouse of such deceased Active Employee Participant otherwise eligible for participation in the Plan remarries, his/her participation and the participation of any otherwise eligible Dependents will cease with the effective date of his/ her marriage.
- (2) In the event of an in-service death of an Active Employee Participant eligible to participate in the Plan in Retirement as provided under Article 3.2, who was Retirement eligible, within the meaning of Section 2.30, at the time of death, such Active Employee Participant's surviving Dependents may continue participation in this Plan, eligible for the Covered Benefits described in Section 4.1(a) and (b), for so long as such Dependents would have otherwise been eligible for participation under the terms of the AT&T Medical Program, are paying any applicable contributions for this Plan as provided in Article 7, and are participating in Medicare if eligible. If a surviving spouse of such deceased Active Employee Participant otherwise eligible for participation in the Plan remarries, his/her participation and the participation of any otherwise eligible Dependents will cease with the effective date of his/ her marriage.
- (3) In the event of (i) an in-service death of an Active Employee Participant not eligible to participate in the Plan in Retirement as provided in Article 3.2 or (ii) an in-service death of an Active Employee Participant eligible to participate in the Plan in Retirement as provided in Article 3.2 but the individual was not Retirement eligible, within the meaning of Section 2.30, at the time of death, such Active Employee Participant's Dependent(s) may continue participation in this Plan, eligible for the Covered Benefits described in Sections 4.1(a) and (b), for a 36-month period commencing the month following the month in which such Active Employee Participant dies as long as such Dependent(s) would have otherwise been eligible for participation under the terms of the AT&T Medical Program and subject to the payment of Active Participant Contributions for the first 12 months and payment of Active COBRA Contributions for the remaining 24 months, as provided by Articles 7 and 10.1. If the Active Employee Participant's

Dependent(s) are eligible for COBRA, they will automatically be enrolled in COBRA so that there is no lapse in coverage, and this 36-month coverage will be integrated and run concurrently with COBRA coverage.

ARTICLE 6 DISABILITY

6.1 Disability. With respect to any Active Employee Participant who commences receipt of short term or long term disability benefits under the Officer Disability Plan, participation under this Plan will be as follows:

- (1) The Participant will continue to participate in this Plan, eligible for the Covered Benefits described in Section 4.1(a) and (b), for as long as he/she receives short term disability benefits under the Officer Disability Plan and pays the applicable contributions for this Plan as provided by Article 7.
- (2) An Active Employee Participant not eligible to participate in the Plan in Retirement as provided in Article 3.2 who commences long term disability benefits under the Officer Disability Plan or an Active Employee Participant eligible to participate in the Plan in Retirement as provided in Article 3.2 but who is not Retirement eligible, within the meaning of Section 2.30, at the time long term disability benefits under the Officer Disability Plan commence, will cease participation in this Plan (along with his/her Dependents) effective as of the last day of the calendar month in which such long term disability benefits commence, unless such benefits commence on the first day of a calendar month, in which case participation in this Plan shall cease effective as of the last day of the prior month.
- (3) An Active Employee Participant eligible to participate in the Plan in Retirement as provided in Article 3.2, who is Retirement eligible, within the meaning of Section 2.30, at the time long term disability benefits under the Officer Disability Plan commence, will be eligible to continue participation in this Plan on the same terms and conditions that participation would be available to such Participant in Retirement, subject to the payment of applicable contributions for this Plan as provided by Article 7, regardless of his/her continued receipt of long term disability benefits under the Officer Disability Plan.

ARTICLE 7 COSTS

7.1 Provision of Benefits under the Plan. Except as provided below in this Article 7 with respect to required Monthly Contributions or with respect to any required Coinsurance, the benefits available to Participants under this Plan shall be provided through an insurance policy maintained by AT&T.

7.2 Active Participant Contributions. An Active Participant electing to participate in the Plan will pay Monthly Contributions to participate in the Plan while in active service, while on Leave of Absence or while receiving short term disability benefits under the Officer Disability Plan. The Monthly Contribution for participation may change annually, effective at the beginning of each Plan Year. Contributions to be made by Active Participants electing to participate in the Plan shall be set annually by the SEVP-HR, determined in the SEVP-HR's sole and absolute discretion. The SEVP-HR may adopt tiered rates for similarly situated groups of Participants based on factors such as the number of Dependents covered or Medicare eligibility. Notwithstanding the foregoing, required Monthly Contributions for Executive Officers shall be approved by the Committee.

7.3 Retired Participant Contributions. Retired Participants who elect to participate will pay Monthly Contributions to participate in the Plan. The Monthly Contribution for participation may change annually, effective at the beginning of each Plan Year. Contributions to be made by

Retired Participants who elect to participate shall be set annually by the SEVP-HR (in his/her sole and absolute discretion), to the extent their contributions have not previously been provided for in a separate agreement.

7.4 Survivor Contributions. Upon the death of a Participant, the Participant's Dependents shall be required to pay Monthly Contributions to participate in the Plan. The Monthly Contributions shall be set annually by the SEVP-HR, in the SEVP-HR's sole and absolute discretion. Any changes to the Monthly Contributions shall be effective at the beginning of each Plan Year.

7.5 Contributions for Participants on Disability. Participants continuing benefits while on Disability shall be required to pay Monthly Contributions to participate in the Plan. The Monthly Contributions shall be set annually by the SEVP-HR, determined in the SEVP-HR's sole and absolute discretion. Any changes to the Monthly Contributions shall be effective at the beginning of each Plan Year.

ARTICLE 8 LOYALTY CONDITIONS

8.1 Participants acknowledge that no coverage and benefits would be provided under this Plan on and after January 1, 2010 but for the loyalty conditions and covenants set forth in this Article, and that the conditions and covenants herein are a material inducement to AT&T's willingness to sponsor the Plan and to offer Plan coverage and benefits for the Participants on or after January 1, 2010. Accordingly, as a condition of receiving coverage and any Plan benefits on or after January 1, 2010, each Participant is deemed to agree that he/she shall not, without obtaining the written consent of the Plan Administrator in advance, participate in activities that constitute engaging in competition with AT&T or engaging in conduct disloyal to AT&T, as those terms are defined in this Section. Further and notwithstanding any other provision of this Plan, all coverage and benefits under this Plan on and after January 1, 2010 with respect to a Participant and his or her Dependents shall be subject in their entirety to the enforcement provisions of this Section if the Participant, without the Plan Administrator's consent, participates in an activity that constitutes engaging in competition with AT&T or engaging in conduct disloyal to AT&T, as defined below. The provisions of this Article 8 as in effect immediately before such date shall be applicable to Participants who retire before January 1, 2010.

8.2 Definitions. For purposes of this Article and of the Plan generally

(1) an "Employer Business" shall mean AT&T, any Subsidiary, or any business in which AT&T or a Subsidiary or an affiliated company of AT&T has a substantial ownership or joint venture interest;

(2) "engaging in competition with AT&T" shall mean, while employed by an Employer Business or within two (2) years after the Participant's termination of employment, engaging by the Participant in any business or activity in all or any portion of the same geographical market where an Employer Business is carrying on the same or substantially similar business or activity. "Engaging in competition with AT&T" shall not include owning a nonsubstantial publicly traded interest as a shareholder in a business that competes with an Employer Business. "Engaging in competition with AT&T" shall include representing or providing consulting services to, or being

12

an employee or director of, any person or entity that is engaged in competition with any Employer Business or that takes a position adverse to any Employer Business.

13

(3) "engaging in conduct disloyal to AT&T" means, while employed by an Employer Business or within two (2) years after the Participant's termination of employment, (i) soliciting for employment or hire, whether as an employee or as an independent contractor, for any business in competition with an Employer Business, any person employed by AT&T or its affiliates during the one (1) year prior to the termination of the Participant's employment, whether or not acceptance of such position would constitute a breach of such person's contractual obligations to AT&T and its affiliates; (ii) soliciting, encouraging, or inducing any vendor or supplier with which Participant had business contact on behalf of any Employer Business during the two (2) years prior to the termination of the Participant's employment, for any reason to terminate, discontinue, renegotiate, reduce, or otherwise cease or modify its relationship with AT&T or its affiliate; or (iii) soliciting, encouraging, or inducing any customer or active prospective customer with whom Participant had business

contact, whether in person or by other media, on behalf of any Employer Business during the two (2) years prior to the termination of Participant's employment for any reason ("Customer"), to terminate, discontinue, renegotiate, reduce, or otherwise cease or modify its relationship with any Employer Business, or to purchase competing goods or services from a business competing with any Employer Business, or accepting or servicing business from such Customer on behalf of himself or any other business. "Engaging in conduct disloyal to AT&T" also means, disclosing Confidential Information to any third party or using Confidential Information, other than for an Employer Business, or failing to return any Confidential Information to the Employer Business following termination of employment.

(4) "Confidential Information" shall mean all information belonging to, or otherwise relating to, an Employer Business, which is not generally known, regardless of the manner in which it is stored or conveyed to the Participant, and which the Employer Business has taken reasonable measures under the circumstances to protect from unauthorized use or disclosure. Confidential Information includes trade secrets as well as other proprietary knowledge, information, know-how, and non-public intellectual property rights, including unpublished or pending patent applications and all related patent rights, formulae, processes, discoveries, improvements, ideas, conceptions, compilations of data, and data, whether or not patentable or copyrightable and whether or not it has been conceived, originated, discovered, or developed in whole or in part by the Participant. For example, Confidential Information includes, but is not limited to, information concerning the Employer Business' business plans, budgets, operations, products, strategies, marketing, sales, inventions, designs, costs, legal strategies, finances, employees, customers, prospective customers, licensees, or licensors; information received from third parties under confidential conditions; or other valuable financial, commercial, business, technical or marketing information concerning the Employer Business, or any of the products or services made, developed or sold by the Employer Business. Confidential Information does not include information that (i) was generally known to the public at the time of disclosure; (ii) was lawfully received by the Participant from a third party; (iii) was known to the Participant prior to receipt from the Employer Business; or (iv) was independently developed by the Participant or independent third parties; in each of the foregoing circumstances, this exception applies only if such public knowledge or possession by an independent third party was without breach by the Participant or any third party of any obligation of confidentiality or non-use, including but not limited to the obligations and restrictions set forth in this Plan.

8.3 Forfeiture of Benefits. Subject to the provisions of Section 1001(5) of the Affordable Care Act, coverage and benefits shall be forfeited and shall not be provided under this Plan for any period as to

14

which the Plan Administrator determines that, within the time period and without the written consent specified, Participant has been either engaging in competition with AT&T or engaging in conduct disloyal to AT&T.

15

8.4 Equitable Relief. The parties recognize that any Participant's breach of any of the covenants in this Article 8 will cause irreparable injury to AT&T, will represent a failure of the consideration under which AT&T (in its capacity as creator and sponsor of the Plan) agreed to provide the Participant with the opportunity to receive Plan coverage and benefits, and that monetary damages would not provide AT&T with an adequate or complete remedy that would warrant AT&T's continued sponsorship of the Plan and payment of Plan benefits for all Participants. Accordingly, in the event of a Participant's actual or threatened breach of the covenants in this Article, the Plan Administrator, in addition to all other rights and acting as a fiduciary under ERISA on behalf of all Participants, shall have a fiduciary duty (in order to assure that AT&T receives fair and promised consideration for its continued Plan sponsorship and funding) to seek an injunction restraining the Participant from breaching the covenants in this Article 8. In addition, AT&T shall pay for any Plan expenses that the Plan Administrator incurs hereunder, and shall be entitled to recover from the Participant its reasonable attorneys' fees and costs incurred in obtaining such injunctive remedies. To enforce its repayment rights with respect to a Participant, the Plan shall have a first priority, equitable lien on all Plan benefits provided to or for the Participant and his or her Dependents. In the event the Plan Administrator succeeds in enforcing the terms of this Article through a written settlement with the Participant or a court order granting an injunction hereunder, the Participant shall be entitled to collect Plan benefits prospectively, if the Participant is otherwise entitled to such benefits, net of any fees and costs assessed pursuant hereto (which fees and costs shall be paid to AT&T as a repayment on behalf of the Participant), provided that the Participant complies with said settlement or injunction.

8.5 Uniform Enforcement. In recognition of AT&T's need for nationally uniform standards for the Plan administration, it is an absolute condition in consideration of any Participant's accrual or receipt of benefits under the Plan after January 1, 2010 that each and all of the following conditions apply to all Participants and to any benefits that are paid or are payable under the Plan:

- (1) ERISA shall control all issues and controversies hereunder, and the Committee shall serve for purposes hereof as a "fiduciary" of the Plan, and as its "named fiduciary" within the meaning of ERISA.
- (2) All litigation between the parties relating to this Article shall occur in federal court, which shall have exclusive jurisdiction, any such litigation shall be held in the United States District Court for the Northern District of Texas, and the only remedies available with respect to the Plan shall be those provided under ERISA.
- (3) If the Plan Administrator determines in its sole discretion either (I) that AT&T or its affiliate that employed the Participant terminated the Participant's employment for cause, or (II) that equitable relief enforcing the Participant's covenants under this Article 8 is either not reasonably available, not ordered by a court of competent jurisdiction, or circumvented because the Participant has sued in state court, or has otherwise sought remedies not available under ERISA, then in any and all of such instances the Participant shall not be entitled to collect any Plan benefits, and if any Plan benefits have been paid to the, the Participant shall immediately repay all Plan benefits to the Plan (with such repayments being used within such year for increased benefits for other Participants in any manner determined in the Plan Administrator's discretion) upon written demand from the Plan Administrator. Furthermore, the Participant shall hold AT&T and its affiliates harmless from any loss, expense, or damage that may arise from any of the conduct described in clauses (I) and (II) hereof.

ARTICLE 9 MISCELLANEOUS

9.1 Administration. The Plan Administrator is the named fiduciary of the Plan and has the power and duty to do all things necessary to carry out the terms of the Plan. The Plan Administrator has the sole and absolute discretion to interpret the provisions of the Plan, to make findings of fact, to determine the rights and status of Participants and other under the Plan, to determine which expenses and benefits qualify as Covered Health Services or Covered Benefits, to make all benefit determinations under the Plan, to decide disputes under the Plan and to delegate all or a part of this discretion to third parties and insurers. To the fullest extent permitted by law, such interpretations, findings, determinations and decisions shall be final, binding and conclusive on all persons for all purposes of the Plan. The Plan Administrator may delegate any or all of its authority and responsibility under the Plan to other individuals, committees, third party administrators, claims administrators or insurers for any purpose, including, but not limited to the processing of benefits and claims related thereto. In carrying out these functions, these individuals or entities have been delegated responsibility and discretion for interpreting the provisions of the Plan, making findings of fact, determining the rights and status of Participants and others under the Plan, and deciding disputes under the Plan and such interpretations, findings, determinations and decisions shall be final, binding and conclusive on all persons for all purposes of the Plan.

9.2 Amendments and Termination. This Plan may be modified or terminated at any time in accordance with the provisions of AT&T's Schedule of Authorizations.

9.3 Newborns' and Mothers' Health Protection Act of 1996. To the extent this Plan provides benefits for hospital lengths of stay in connection with childbirth, the Plan will cover the minimum length of stay required for deliveries (i.e., a 48-hour hospital stay after a vaginal delivery or a 96-hour stay following a delivery by Cesarean section.) The mother's or newborn's attending physician, after consulting with the mother, may discharge the mother or her newborn earlier than the minimum length of stay otherwise required by law. Such coverage shall be subject to all other provisions of this Plan.

9.4 Women's Health and Cancer Rights Act of 1998. To the extent this Plan provides benefits for mastectomies, it will provide, for an individual who is receiving benefits in connection with a mastectomy and who elects breast reconstruction in connection with such mastectomy, coverage for reconstruction on the breast on which the mastectomy was performed, surgery and reconstruction on the other breast to give a symmetrical appearance, and prosthesis and coverage for physical complications of all stages of the mastectomy, including lymphedemas. Such coverage shall be subject to all other provisions of this Plan.

9.5 Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008. To the extent this Plan provides mental health benefits or substance use disorder benefits it will not place annual or lifetime maximums for such benefits that are lower than the annual and lifetime maximums for physical health benefits. In addition, the financial requirements (e.g., deductibles and co-payments) and treatment limitations (e.g., number of visits or days of coverage) that apply to mental health benefits or substance use disorder benefits will not be more restrictive than the predominant financial requirements or treatment limitations that apply to substantially all medical/surgical benefits; mental health benefits and substance use disorder benefits will not be subject to any separate cost sharing requirements or treatment limitations that only apply to such benefits; if the Plan provides for out of network medical/surgical or substance use disorder benefits, it will provide for out of network mental health and substance use disorder benefits and standards for medical necessity determinations and reasons for any denial of benefits relating to mental health benefits and substance use disorder benefits will be made

17

available upon request to plan participants. Such coverage shall be subject to all other provisions of this Plan.

18

9.6 Continuation of Coverage During Family or Medical Leave. During any period which an Active Employee Participant is on a family or medical leave as defined in the Family or Medical Leave Act, any benefit elections in force for such Participant shall remain in effect. While the Participant is on paid leave, contributions shall continue. If the Participant is on an unpaid leave, the Participant may elect to prepay required contributions on a pre-tax basis before the commencement of such unpaid leave. Alternatively, the Participant may elect to make such payments on an after-tax basis monthly in accordance with an arrangement that the Plan Administrator shall provide. If coverage is not continued during the entire period of the family or medical leave because the Participant declines to pay the premium, the coverage must be reinstated upon reemployment with no exclusions or waiting periods, notwithstanding any other provision of this Plan to the contrary. If the Participant does not return to work upon completion of the leave, the Participant must pay the full cost of any health care coverage that was continued on his/her behalf during the leave. These rules apply to the COBRA eligible programs.

9.7 Rights While on Military Leave. Pursuant to the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994, an Active Employee Participant on military leave will be considered to be on a Leave of Absence and will be entitled during the leave to the health and welfare benefits that would be made available to other similarly situated employees if they were on a Leave of Absence. This entitlement will end if the individual provides written notice of intent not to return to work following the completion of the military leave. The individual shall have the right to continue his/her coverage, including any Dependent coverage, for the lesser of the length of the leave or 18 months. If the military leave is for a period of 31 days or more, the individual may be required to pay 102 percent of the total premium (determined in the same manner as a COBRA continuation coverage premium). If coverage is not continued during the entire period of the military leave because the individual declines to pay the premium or the leave extends beyond 18 months, the coverage must be reinstated upon reemployment with no pre-existing condition exclusions (other than for service-related illnesses or injuries) or waiting periods (other than those applicable to all Eligible Employees).

9.8 Qualified Medical Child Support Orders. The Plan will comply with any Qualified Medical Child Support Order issued by a court of competent jurisdiction or administrative body that requires the Plan to provide medical coverage to a Dependent child of an Active Employee or Retired Employee Participant. The Plan Administrator will establish reasonable procedures for determining whether a court order or administrative decree requiring medical coverage for a Dependent child meets the requirements for a Qualified Medical Child Support Order. The cost of coverage or any additional cost of such coverage, if any, shall be borne by the Participant.

9.9 Right of Recovery. If the Plan has made an erroneous or excess payment to any Participant, the Plan Administrator shall be entitled to recover such excess from the individual or entity to whom such payments were made. The recovery of such overpayment may be made by offsetting the amount of any other benefit or amount payable by the amount of the overpayment under the Plan.

ARTICLE 10 COBRA

10.1 Continuation of Coverage Under COBRA. Participants shall have all COBRA continuation rights required by federal law and all conversion rights. COBRA continuation coverage shall be continued as provided in this Article 10.

10.2 COBRA Continuation Coverage for Terminated Participants. A covered Active Employee Participant may elect COBRA continuation coverage, at his/her own expense, if his participation under

19

this Plan would terminate as a result of one of the following Qualifying Events: an Employee's termination of employment or reduction of hours with an Employer.

20

10.3 COBRA Continuation Coverage for Dependents. A Qualified Dependent may elect COBRA continuation coverage, at his/her own expense, if his/her participation under this Plan would terminate as a result of a Qualifying Event.

10.4 Period of Continuation Coverage for Covered Participants. A covered Active Employee Participant who qualifies for COBRA continuation coverage as a result of a Participant's termination of employment or reduction in hours of employment described in Subsection 10.2 may elect COBRA continuation coverage for up to 18 months measured from the date of the Qualifying Event.

Coverage under this Subsection 10.4 may not continue beyond the:

- (1) date on which the Active Employee Participant's Employer ceases to maintain this Plan;
- (2) last day of the month for which premium payments have been made with respect to this Plan, if the individual fails to make premium payments on time, in accordance with Subsection 10.6;
- (3) date the covered Active Employee Participant becomes entitled to Medicare; or
- (4) date the covered Participant is no longer subject to a pre-existing condition exclusion under the Participant's other coverage or new employer plan for the type of coverage available under the COBRA eligible program for which the COBRA election was made.

10.5 Period of COBRA Continuation Coverage for Dependents. If a Qualified Dependent elects COBRA continuation coverage under a COBRA eligible program as a result of the an Active Employee Participant's termination of employment as described in Subsection 10.2, continuation coverage may be continued for up to 18 months measured from the date of the Qualifying Event. COBRA continuation coverage for all other Qualifying Events may continue for up to 36 months.

Continuation coverage under this Subsection 10.5 with respect to a COBRA eligible program may not continue beyond the date:

- (1) on which premium payments have not been made, in accordance with Subsection 10.6 below;
- (2) the Qualified Dependent becomes entitled to Medicare;
- (3) on which the Employer ceases to maintain this Plan; or
- (4) the Qualified Dependent is no longer subject to a pre-existing condition exclusion under the Participant's other coverage or new employer plan for the type of coverage available under this Plan.

10.6 Contribution Requirements for COBRA Continuation Coverage. Covered Participants and Qualified Dependents who elect COBRA continuation coverage as a result of a Qualifying Event will be required to pay continuation coverage payments. Continuation coverage payments are the payments required for COBRA continuation coverage that is an amount equal to a reasonable estimate of the cost to this Plan of providing coverage for all covered Participants at the time of the Qualifying Event plus a 2% administrative expense. In the case of a

disabled individual who receives an additional 11-month extended coverage under COBRA, the Employer may assess up to 150% of the cost for this extended

21

coverage period. Such cost shall be determined on an actuarial basis and take into account such factors as the Secretary of the Treasury may prescribe in regulations.

22

Covered Participants and Qualified Dependents must make the continuation coverage payment prior to the first day of the month in which such coverage will take effect. However, a covered Participant or Qualified Dependent has 45 days from the date of an affirmative election to pay the continuation coverage payment for the first month's payment and the cost for the period between the date medical coverage would otherwise have terminated due to the Qualifying Event and the date the covered Participant and/or Qualified Dependent actually elects COBRA continuation coverage.

The covered Participant and/or Qualified Dependent shall have a 30-day grace period to make the continuation coverage payments due thereafter. Continuation coverage payments must be postmarked on or before the completion of the 30-day grace period. If continuation coverage payments are not made on a timely basis, COBRA continuation coverage will terminate as of the last day of the month for which timely premiums were made. The 30-day grace period shall not apply to the 45-day period for the first month's payment of COBRA premiums as set out in the section above.

If payment is received that is significantly less than the required continuation coverage payment, then continuation coverage will terminate as of the last day of the month for which premiums were paid. A payment is considered significantly less than the amount due if it is greater than the lesser of \$50 or 10% of the required continuation coverage payment. Upon receipt of a continuation coverage payment that is insignificantly less than the required amount, the Plan Administrator must notify the covered Participant or Qualified Dependent of the amount of the shortfall and provide them with an additional 30-day grace period from the date of the notice for this payment only.

10.7 Limitation on Participant's Rights to COBRA Continuation Coverage.

- (1) If a Qualified Dependent loses, or will lose medical coverage under this Plan as a result of divorce, legal separation, entitlement to Medicare, or ceasing to be a Dependent, such Qualified Dependent is responsible for notifying the Plan Administrator in writing within 60 days of the Qualifying Event. Failure to make timely notification will terminate the Qualified Dependent's rights to COBRA continuation coverage under this Article.
- (2) A Participant must complete and return the required enrollment materials within 60 days from the later of (a) the date of loss of coverage, or (b) the date the Plan Administrator sends notice of eligibility for COBRA continuation coverage. Failure to enroll for COBRA continuation coverage during this 60-day period will terminate all rights to COBRA continuation coverage under this Article. An affirmative election of COBRA continuation coverage by a Participant or his/her spouse shall be deemed to be an election for that Participant's Dependent(s) who would otherwise lose coverage under the Plan.

10.8 Subsequent Qualifying Event. If a second Qualifying Event occurs during an 18-month extension explained above, coverage may be continued for a maximum of 36 months from the date of the first Qualifying Event. In the event the Dependent loses coverage due to a Qualifying Event and after such date the Participant becomes entitled to Medicare, the Dependent shall have available up to 36 months of coverage measured from the date of the Qualifying Event that causes the loss of coverage. If the Participant was entitled to Medicare prior to the Qualifying Event, the Dependent shall have up to 36 months of coverage measured from the date of entitlement to Medicare.

23

10.9 Extension of COBRA Continuation Period for Disabled Individuals. The period of continuation shall be extended to 29 months in total (measured from the date of the Qualifying Event) in the event the individual is disabled as determined by the Social Security laws within 60 days of the Qualifying Event. The individual must provide evidence to the Plan Administrator of such Social Security determination prior to the earlier of 60 days after the date of the Social Security determination, or the expiration of the initial 18 months of COBRA continuation coverage. In such event, the Employer may charge the individual up to 150% of the COBRA cost of the coverage.

ARTICLE 11 PRIVACY OF MEDICAL INFORMATION

11.1 Definitions. For purposes of this Article 11, the following defined terms shall have the meaning assigned to such terms in this subsection:

- (1) "Business Associate" shall have the meaning assigned to such phrase at 45 C.F.R. § 160.103;
- (2) "Health Care Operations" shall have the meaning assigned to such phrase at 45 C.F.R. § 164.501;
- (3) "HIPAA" shall mean Parts 160 ("General Administrative Requirements") and 164 ("Security and Privacy") of Title 45 of the Code of Federal Regulations as such parts are amended from time to time;
- (4) "Payment" shall have the meaning assigned to such phrase at 45 C.F.R. § 160.103;
- (5) "Protected Health Information" or "PHI" shall have the meaning assigned to such phrase at 45 C.F.R. § 160.103; and
- (6) "Treatment" shall have the meaning assigned to such phrase at 45 C.F.R. § 164.501.

11.2 Privacy Provisions Relating to Protected Health Information ("PHI"). The Plan and its Business Associates shall use and disclose PHI to the extent permitted by, and in accordance with, HIPAA, for purposes of providing benefits under the Plan and for purposes of administering the plan, including, by way of illustration and not by way of limitation, for purposes of Treatment, Payment, and Health Care Operations.

11.3 Disclosure of De-Identified or Summary Health Information. The HIPAA Plan, or, with respect to the HIPAA Plan, a health insurance issuer, may disclose summary health information (as that phrase is defined at 45 C.F.R. § 160.5049a)) to the Plan Sponsor of the HIPAA Plan (and its affiliates) if such entity requests such information for the purpose of:

- (1) Obtaining premium bids from health plans for providing health insurance coverage under the HIPAA Plan;
- (2) Modifying, amending or terminating the group health benefits under the HIPAA Plan.

In addition, the HIPAA Plan or a health insurance insurer with respect to the HIPAA Plan may disclose to the Plan Sponsor of the HIPAA Plan (or its affiliates) information on whether an individual is participating in the group health benefits provided by the HIPAA Plan or is enrolled in, or has ceased enrollment with health insurance offered by the HIPAA Plan.

11.4 The HIPAA Plan Will Use and Disclose PHI as Required by Law or as Permitted by the Authorization of the Participant or Beneficiary.

Upon submission of an authorization signed by a Participant, beneficiary, subscriber or personal representative that meets HIPAA requirements, the HIPAA Plan will disclose PHI.

In addition, PHI will be disclosed to the extent permitted or required by law, without the submission of an authorization form.

11.5 Disclosure of PHI to the Plan Sponsor. The HIPAA Plan will disclose information to the Plan Sponsor only upon certification from the Plan Sponsor that the HIPAA Plan documents have been amended to incorporate the assurances provided below.

The Plan Sponsor agrees to:

- (1) not use or further disclose PHI other than as permitted or required by the HIPAA Plan document or as required by law;
- (2) ensure that any affiliates or agents, including a subcontractor, to whom the Plan Sponsor provides PHI received from the HIPAA Plan, agrees to the same restrictions and conditions that apply to the Plan Sponsor with respect to such PHI;
- (3) not use or disclose PHI for employment-related actions and decisions unless authorized by the individual to whom the PHI relates;
- (4) not use or disclose PHI in connection with any other benefits or employee benefit plan of the Plan Sponsor or its affiliates unless permitted by the Plan or authorized by an individual to whom the PHI relates;
- (5) report to the Plan any PHI use or disclosure that is inconsistent with the uses or disclosures provided for of which it becomes aware;
- (6) make PHI available to an individual in accordance with HIPAA's access rules;
- (7) make PHI available for amendment and incorporate any amendments to PHI in accordance with HIPAA;
- (8) make available the information required to provide an accounting of disclosures;
- (9) make internal practices, books and records relating to the use and disclosure of PHI received from the HIPAA Plan available to the Secretary of the United States Department of Health and Human Resources for purposes of determining the Plan's compliance with HIPAA; and
- (10) if feasible, return or destroy all PHI received from the HIPAA Plan that the Plan Sponsor still maintains in any form, and retain no copies of such PHI when no longer needed for the purpose for which disclosure was made (or if return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction infeasible).

26

27

11.6 Separation Between the Plan Sponsor and the HIPAA Plan. In accordance with HIPAA, only the following employees and Business Associate personnel shall be given access to PHI:

- (1) employees of the AT&T Benefits and/or AT&T Executive Compensation organizations responsible for administering group health plan benefits under the HIPAA Plan, including those employees whose functions in the regular course of business include Payment, Health Care Operations or other matters pertaining to the health care programs under a HIPAA Plan;

- (2) employees who supervise the work of the employees described in (1), above;
- (3) support personnel, including other employees outside of the AT&T Benefits or AT&T Executive Compensation organizations whose duties require them to rule on health plan-related appeals or perform functions concerning the HIPAA Plan;
- (4) investigatory personnel to the limited extent that such PHI is necessary to conduct investigations of possible fraud;
- (5) outside and in-house legal counsel providing counsel to the HIPAA Plan;
- (6) consultants providing advice concerning the administration of the HIPAA Plan; and
- (7) the employees of Business Associates charged with providing services to the HIPAA Plan.

The persons identified above shall have access to and use PHI to the extent that such access and use is necessary for the administration of group health benefits under a HIPAA Plan. If these persons do not comply with this Plan document, the Plan Sponsor shall provide a mechanism for resolving issues of noncompliance, including disciplinary sanctions.

11.7 Enforcement.

Enforcement of this Article 11 shall be as provided for by HIPAA. In particular, participants and beneficiaries are not authorized to sue with regard to purported breaches of this Article 11 except as explicitly permitted by HIPAA.

ARTICLE 12 CLAIM AND APPEAL PROCESS

12.1 Claims for Benefits under the Plan. – See Appendix B.

12.2 Claims Related to Basic Eligibility for Coverage under the Plan and Claims Related to the Article 8 Loyalty Conditions.

(a) Claims. A person who believes that he or she is being denied a benefit to which he or she is entitled under this Plan (hereinafter referred to as a "Claimant") based on a claim for basic eligibility for coverage under the Plan or a claim related to the Article 8 Loyalty Conditions may file a written request for such benefit with the Executive Compensation Administration Department, setting forth his or her claim. The request must be addressed to the AT&T Executive Compensation Administration Department at its then principal place of business.

28

29

(b) Claim Decision. Upon receipt of a claim, the AT&T Executive Compensation Administration Department shall review the claim and provide the Claimant with a written notice of its decision within a reasonable period of time, not to exceed ninety (90) days, after the claim is received. If the AT&T Executive Compensation Administration Department determines that special circumstances require an extension of time beyond the initial ninety (90)- day claim review period, the AT&T Executive Compensation Administration Department shall notify the Claimant in writing within the initial ninety (90)-day period and explain the special circumstances that require the extension and state the date by which the AT&T Executive Compensation Administration Department expects to render its decision on the claim. If this notice is provided, the AT&T Executive Compensation Administration Department may take up to an additional ninety (90) days (for a total of one hundred eighty (180) days after receipt of the claim) to render its decision on the claim.

If the claim is denied by the AT&T Executive Compensation Administration Department, in whole or in part, the AT&T Executive Compensation Administration Department shall provide a written decision using language calculated to be understood by the Claimant and setting forth: (i) the specific reason or reasons for such denial; (ii) specific references to pertinent provisions of this Plan on which such denial is based; (iii) a description of any additional material or information necessary for the Claimant to perfect his or her claim and an explanation of why such material or

such information is necessary; (iv) a description of the Plan's procedures for review of denied claims and the steps to be taken if the Claimant wishes to submit the claim for review; (v) the time limits for requesting a review of a denied claim under this section and for conducting the review under this section ; and (vi) a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA if the claim is denied following review under this section.

(c) **Request for Review.** Within sixty (60) days after the receipt by the Claimant of the written decision on the claim provided for in this section, the Claimant may request in writing that the Plan Administrator review the determination of the AT&T Executive Compensation Administration Department. Such request must be addressed to the Plan Administrator at the address provided in the written decision regarding the claim. To assist the Claimant in deciding whether to request a review of a denied claim or in preparing a request for review of a denied claim, a Claimant shall be provided, upon written request to the Plan Administrator and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim. The Claimant or his or her duly authorized representative may, but need not, submit a statement of the issues and comments in writing, as well as other documents, records or other information relating to the claim for consideration by the Committee. If the Claimant does not request a review by the Plan Administrator of the AT&T Executive Compensation Administration Department's decision within such sixty (60)-day period, the Claimant shall be barred and estopped from challenging the determination of the AT&T Executive Compensation Administration Department.

(d) **Review of Decision.** Within sixty (60) days after the Plan Administrator's receipt of a request for review, the Plan Administrator will review the decision of the AT&T Executive Compensation Administration Department. If the Plan Administrator determines that special circumstances require an extension of time beyond the initial sixty (60)-day review period, the Plan Administrator shall notify the Claimant in writing within the initial sixty (60)-day period and explain the special circumstances that require the extension and state the date by which the Plan Administrator expects to render its decision on the review of the claim. If this notice is provided, the Plan Administrator may take up to an additional sixty (60) days (for a total of one hundred twenty (120) days after receipt of the request for review) to render its decision on the review of the claim.

During its review of the claim, the Plan Administrator shall:

30

(1) Take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial review of the claim conducted pursuant to this section;

(2) Follow reasonable procedures to verify that its benefit determination is made in accordance with the applicable Plan documents; and

(3) Follow reasonable procedures to ensure that the applicable Plan provisions are applied to the Participant to whom the claim relates in a manner consistent with how such provisions have been applied to other similarly-situated Participants.

After considering all materials presented by the Claimant, the Plan Administrator will render a decision, written in a manner designed to be understood by the Claimant. If the Plan Administrator denies the claim on review, the written decision will include (i) the specific reasons for the decision; (ii) specific references to the pertinent provisions of this Plan on which the decision is based; (iii) a statement that the Claimant is entitled to receive, upon request to the Plan Administrator and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim; and (iv) a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA.

In any case, a Participant or Beneficiary may have further rights under ERISA. The Plan provisions require that Participants or Beneficiary pursue all claim and appeal rights described in this section before they seek any other legal recourse regarding claims for benefits.

31

Appendix A

AT&T Health Plan

2025 Monthly Contributions, Annual Deductible, Coinsurance Percentages and

Annual Out-of-Pocket Maximum

Active Participants

Monthly Contributions	Individual - \$311 Individual + Spouse - \$509 Individual + 1 or More Children - \$335 Individual + Spouse + 1 or More Children - \$793
Annual Deductible	Individual - \$1,750 All other tiers - \$3,500
Coinsurance Percentage	10% after the Annual Deductible is met. Coinsurance applies until the Annual Out-of-Pocket Maximum is reached.
Annual Out-of-Pocket Maximum	Individual - \$7,050 All other tiers- \$14,100 (individual amount of \$7,050)

Retired Participants – Monthly Contributions

Retired Prior to August 31, 1992 and Surviving Spouses	Individual - \$330 Individual + Spouse - \$330 Individual + 2 or More - \$330
Retired on or after September 1, 1992 and Surviving Spouses <i>Note: The Plan Administrator shall maintain records governing whether a Retired Participant is in Class A, B, C or D.</i>	Class A Individual - \$1,001 Individual + Spouse - \$1,603 Individual + 1 or More Children - \$1,001 Individual + Spouse + 1 or More Children - \$1,781
	Class B Individual - \$1,192 Individual + Spouse - \$1,790 Individual + 1 or More Children - \$1,192 Individual + Spouse + 1 or More Children - \$2,171
	Class C Individual - \$1,481 Individual + Spouse - \$2,074 Individual + 1 or More Children - \$1,481 Individual + Spouse + 1 or More Children - \$2,636
	Class D Individual - \$2,066 Individual + Spouse - \$3,100 Individual + 1 or More Children - \$2,066 Individual + Spouse + 1 or More Children - \$3,595

COBRA Continuation Coverage – Monthly Contributions

24

Active COBRA	Individual - \$4,382 Individual + Spouse - \$8,980 Individual + 1 or More Children - \$7,121 Individual + Spouse + 1 or More Children - \$12,845
Retired Prior to August 31, 1992 and Surviving Spouses COBRA	Individual - \$2,659 Individual + 1 - \$5,194 Individual + 2 or More - \$7,457
Retired on or after September 1, 1992 and Surviving Spouses COBRA	Individual - \$2,566 Individual + Spouse - \$5,258 Individual + 1 or More Children - \$4,170 Individual + Spouse + 1 or More Children - \$7,521

APPENDIX B

CLAIMS PROCEDURE APPLICABLE TO CLAIMS FOR BENEFITS UNDER THE PLAN

Claim for Benefits Procedures

You, your covered dependents or a duly authorized person has the right under ERISA and the Plan to file a written claim for benefits under the Plan. The following describes the procedures used by the Plan to process claims for benefits, along with your rights and responsibilities. These procedures were designed to comply with the rules of the Department of Labor (DOL) concerning claims for Benefits. It is important that you follow these procedures to make sure that you receive full benefits under the Plan.

The Plan is an ERISA plan, and you may file suit in federal court if you are denied benefits you believe are due you under the Plan. However, you must complete the full claims and appeal process offered under the Plan before filing a lawsuit.

Filing a Claim for Benefits

When filing a claim for benefits, you should file the claim with the Claims Administrator. The Claims Administrator is the third party to whom claims and appeal responsibility has been delegated as permitted under Section 9.1 of the Plan.

The following are not considered claims for benefits under the Plan:

- A claim related to basic eligibility for coverage under the Plan (See Section 12.2 of the Plan).
- A claim related to the Loyalty Conditions contained in Article 8 of the Plan (See Section 12.2 of the Plan).

Claim Filing Limits

A request for payment of benefits must be submitted within one year after the date of service or the date the prescription was provided.

Required Information

When you request payment of benefits from the Plan, you must provide certain information as requested by the Claims Administrator.

Benefit Determinations

25

Post-Service Claims

Post-service claims are those claims that are filed for payment of benefits after medical care has been received. If your post-service claim is denied, you will receive a written notice from the Claims Administrator within 30 days of receipt of the claim, as long as all needed information identified above and any other information that the Claims Administrator may request in connection with services rendered to you was provided with the claim. The Claims Administrator will notify you within this 30-day period if additional information is needed to process the Claim and may request a one-time extension not longer than 15 days and pend your Claim until all information is received.

Once notified of the extension, you then have 45 days to provide this information. If all of the needed information is received within the 45-day time frame and the claim is denied, the claims Administrator will notify you of the denial within 15 days after the information is received. If you don't provide the needed information within the 45-day period, your claim will be denied.

26

A denial notice will explain the reason for denial, refer to the part of the Plan on which the denial is based, and provide the claim appeal procedures.

Pre-Service Claims

Pre-service claims are those claims that require notification or approval prior to receiving medical care or require notification within a specified time period after service begins as required under the Plan provisions. If your claim is a pre-service claim and is submitted properly with all needed

information, you will receive written notice of the claim decision from the Claims Administrator within 15 days of receipt of the claim. If you file a pre-service claim improperly, the Claims Administrator will notify you of the improper filing and how to correct it within five days after the pre-service claim is received. If additional information is needed to process the pre-service claim, the Claims Administrator will notify you of the information needed within 15 days after the claim was received and may request a one-time extension not longer than 15 days and pend your claim until all information is received. Once notified of the extension, you then have 45 days to provide this information. If all of the needed information is received within the 45-day time frame, the Claims Administrator will notify you of the determination within 15 days after the information is received. If you don't provide the needed information within the 45-day period, your claim will be denied. A denial notice will explain the reason for denial, refer to the part of the Plan on which the denial is based, and provide the claim appeal procedures.

Urgent Care Claims That Require Immediate Action

Urgent care claims are those claims that require notification or approval prior to receiving medical care in which a delay in treatment could seriously jeopardize your life or health or the ability to regain maximum function or, in the opinion of a physician with knowledge of your medical condition, could cause severe pain. In these situations:

- You will receive notice of the benefit determination in writing or electronically within 72 hours after the Claims Administrator receives all necessary information, taking into account the seriousness of your condition.
- Notice of denial may be oral with a written or electronic confirmation to follow within three days.

If you filed an urgent claim improperly, the Claims Administrator will notify you of the improper filing and how to correct it within 24 hours after the urgent claim was received. If additional information is needed to process the claim, the Claims Administrator will notify you of the information needed within 24 hours after the claim was received. You then have 48 hours to provide the requested information.

You will be notified of a determination no later than 48 hours after either:

- The Claims Administrator's receipt of the requested information.
- The end of the 48-hour period within which you were to provide the additional information, if the information is not received within that time.

A denial notice will explain the reason for denial, refer to the part of the Plan on which the denial is based, and provide the claim appeal procedures.

Concurrent Care Claims

If an ongoing course of treatment was previously approved for a specific period of time or number of treatments, and your request to extend the treatment is an urgent care claim as defined above, your request will be decided within 24 hours, provided your request is made at least 24 hours prior to the end of the approved treatment. The Claims Administrator will make a determination on your request for the extended treatment within 24 hours from receipt of your request.

If your request for extended treatment is not made at least 24 hours prior to the end of the approved treatment, the request will be treated as an urgent care claim and decided according to the time frames described above. If an ongoing course of treatment was previously approved for a specific period of time or number of treatments, and you request to extend treatment in a non-urgent circumstance, your request will be considered a new claim and decided according to post-service or pre-service timeframes, whichever applies.

How to Appeal a Claim Decision

If you disagree with a pre-service or post-service claim determination after following the above steps, you can contact the applicable Claims Administrator in writing to formally request an appeal. Your first appeal request must be submitted to the Claims Administrator within 180 days after you receive the Claim denial.

Appeal Process

A qualified individual who was not involved in the decision being appealed will be appointed to decide the appeal. The Claims Administrator may consult with, or seek the participation of, medical experts as part of the appeal resolution process. You must consent to this referral and the sharing of pertinent medical claim information. Upon written request and free of charge you have the right to reasonable access to and copies of all documents, records and other information relevant to your claim for benefits.

Appeals Determinations

Pre-Service and Post-Service Claim Appeals

You will be provided written or electronic notification of the decision on your appeal as follows:

- For appeals of pre-service claims, the first-level appeal will be conducted and you will be notified by the Claims Administrator of the decision within 15 days from receipt of a request for appeal of a denied claim. The second-level appeal will be conducted and you will be notified by the Claims Administrator of the decision within 15 days from receipt of a request for review of the first-level appeal decision.
- For appeals of post-service claims, the first-level appeal will be conducted and you will be notified by the Claims Administrator of the decision within 30 days from receipt of a request for appeal of a denied claim. The second-level appeal will be conducted and you will be notified by the Claims Administrator of the decision within 30 days from receipt of a request for review of the first-level appeal decision.
- For procedures associated with urgent Claims, refer to the following "Urgent Claim Appeals That Require Immediate Action" section.
- If you are not satisfied with the first-level appeal decision of the Claims Administrator, you have the right to request a second-level appeal from the Claims Administrator. Your second level appeal

28

request must be submitted to the Claims Administrator in writing within 60 days from receipt of the first-level appeal decision.

29

- For pre-service and post-service claim appeals, the Plan Administrator has delegated to the Claims Administrator the exclusive right to interpret and administer the provisions of the Plan. The Claims Administrator's decisions are conclusive and binding.

Please note that the Claims Administrator's decision is based only on whether or not benefits are available under the Plan for the proposed treatment or procedure. The determination as to whether the pending health service is necessary or appropriate is between you and your physician.

Urgent Claim Appeals That Require Immediate Action

Your appeal may require immediate action if a delay in treatment could significantly increase the risk to your health or the ability to regain maximum function or cause severe pain.

In these urgent situations, the appeal does not need to be submitted in writing. You or your physician should call the Claims Administrator as soon as possible. The Claims Administrator will provide you with a written or electronic determination within 72 hours following receipt by the Claims Administrator of your request for review of the determination taking into account the seriousness of your condition.

For urgent claim appeals, the Plan Administrator has delegated to the applicable Claims Administrator the exclusive right to interpret and administer the provisions of the Plan. The Claims Administrator's decisions are conclusive and binding.

In any case, a Participant or Beneficiary may have further rights under ERISA. The Plan provisions require that Participants or Beneficiary pursue and exhaust all claim and appeal rights described in this section before they seek any other legal recourse regarding claims for benefits.

30

APPENDIX C

DISCLOSURE OF GRANDFATHERED STATUS

MODEL NOTICE

AT&T, as plan sponsor, believes this Plan is a “grandfathered health plan” under the Patient Protection and Affordable Care Act (the “Affordable Care Act”). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that the plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections of the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the plan administrator at P.O. Box 30558, Salt Lake City, Utah 84130-0558. You may also contact the Employee Benefits Security Administration, U.S. Department of labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

31

APPENDIX D

Notwithstanding the provisions and limitations of Section 2.15 of the Plan, the following Officers shall be included in the term “Eligible Employee” and shall be eligible to participate in the Plan (along with any Dependents) subject to all applicable provisions of the Plan:

Name	Title	Effective Date of Participation
David McAtee	Senior Executive Vice President & General Counsel	February 1, 2018

32

Exhibit 31.1

CERTIFICATION

I, John T. Stankey, certify that:

1. I have reviewed this report on Form 10-Q of AT&T Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this

report is being prepared;

- b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2024 July 25, 2024

/s/ John T. Stankey

John T. Stankey

Chief Executive Officer and

President

Exhibit 31.2

CERTIFICATION

I, Pascal Desroches, certify that:

1. I have reviewed this report on Form 10-Q of AT&T Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2024 July 25, 2024

/s/ Pascal Desroches

Pascal Desroches

Senior Executive Vice President
and Chief Financial Officer

Exhibit 32

Certification of Periodic Financial Reports

Pursuant to 18 U.S.C. Section 1350, each of the undersigned officers of AT&T Inc. (the "Company") hereby certifies that the Company's Quarterly Report on Form 10-Q for the three months ended March 31, 2024 June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 1, July 25, 2024

By: /s/ John T. Stankey
John T. Stankey
Chief Executive Officer
and President

May 1, July 25, 2024

By: /s/ Pascal Desroches
Pascal Desroches
Senior Executive Vice President
and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document. This certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 ("Exchange Act") or otherwise subject to liability under that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act except to the extent this Exhibit 32 is expressly and specifically incorporated by reference in any such filing. A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to AT&T Inc. and will be retained by AT&T Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

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