IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

US DOMINION, INC., *et al.*, Plaintiffs, v. HERRING NETWORKS, INC., *et al.*, Defendants.	No. 1:21-cv-02130-CJN Judge Carl J. Nichols

AMENDED COUNTERCLAIM/THIRD-PARTY COMPLAINT

Herring Networks, Inc., d/b/a One America News Network ("Herring"), Charles Herring, Robert Herring, and Chanel Rion (collectively, "Counterclaim Plaintiffs"), by and through their undersigned attorneys, bring this amended action against plaintiffs/counterclaim defendants US Dominion, Inc., Dominion Voting Systems, Inc., and Dominion Voting Systems Corporation (collectively, "Counterclaim Defendants"); counterclaim defendant Staple Street Capital LLC ("Staple Street"); and third-party defendants AT&T Services, Inc. ("AT&T Services"), and AT&T, Inc. Board Chairman and Staple Street Operating Executive Board Member William Kennard ("Kennard") (collectively, "Third-Party Defendants"), alleging counts against some or all of them for tortious interference and contractual indemnity. In support of their Counterclaim/Third-Party Complaint, Counterclaim Plaintiffs state as follows:

NATURE OF THE ACTION

1. Counterclaim Defendants appear to have hit upon a business model for the "Dominion" brand that has nothing to do with voting machines, software, or technology. Financed by Staple Street and directed by Kennard, Counterclaim Defendants have retooled themselves as professional litigants.

2. Less than three years after the election, Counterclaim Defendants have already been able to parlay allegations of defamation into a $787.5 million settlement with Fox News Network ("Fox") (approximately 15 times what Staple Street paid for a controlling stake in Counterclaim Defendants in 2018), and politically-like-minded admirers now routinely speak highly of Dominion voting machines, software, and technology without questioning or investigating how (or if) the technology works as it should.

3. Counterclaim Defendants have managed to position themselves as purported crusaders for democracy while generating a financial windfall from Fox through litigation and distracting the public from the well-documented history of very real problems with Dominion voting machines, software, and technology. It's a clever trick — Counterclaim Defendants have turned core political speech earnestly criticizing them into a valuable return on investment for Staple Street.

4. *CBS News* recognized that Staple Street is the "biggest financial winner" in Counterclaim Defendants' settlement with Fox. *See* **Exhibit A**. As *CBS News* reported, "A former Staple Street employee foresaw the possibility of windfall emerging from Dominion's litigation against Fox, according to court filings. In December 2020, the person sent a Staple Street executive a text reading, 'Would be pretty unreal if you guys [make] like 20 [times] your Dominion investment with these lawsuits.'" *Id.*

5. As part of their effort to artificially boost their reputation and fatten their bottom line, Counterclaim Defendants have sought to destroy anyone who stood in their way, including Herring. Herring's claims seek to redress the unchecked influence and power that Counterclaim Defendants, Staple Street, and Third-Party Defendants have wielded in an attempt to unlawfully destroy an independent, family-run business and torch First Amendment freedoms.

6. Family-owned and operated Herring manages two television networks: One America News Network ("OAN") and A Wealth of Entertainment, or "AWE." For several years, Herring and AT&T Inc. ("AT&T") had enjoyed a profitable, mutually beneficial business relationship through which AT&T (through AT&T Services and DIRECTV, LLC ("DIRECTV")) carried OAN and AWE and was paid generous commissions via selling advertising on OAN and AWE.

7. As a result of the contractual carriage and advertising arrangements, AT&T, AT&T Services, and DIRECTV profited handsomely, and Herring thrived by growing OAN into one of the most popular cable channels offered on DIRECTV's platform.

8. But OAN's coverage of the 2020 presidential election upset Counterclaim Defendants, Staple Street, and one of their "founding investors," Kennard.

9. Kennard proceeded to put his unlawful personal, political, and financial interests ahead of the interests of AT&T and orchestrated pressure on AT&T, AT&T Services, and DIRECTV to violate their contractual duties to Herring and terminate carriage of OAN and AWE.

10. The unlawful actions of AT&T, AT&T Services, Kennard, and DIRECTV in removing OAN and AWE from the airwaves are currently being litigated in the Superior Court of San Diego County, California in *Herring Networks, Inc. v. AT&T, Inc., et al.*, Case No. 37-2022-00008623-CU-BC-CTL (the "San Diego Litigation").

11. In contrast to and distinct from the San Diego Litigation — which involves numerous different parties and different claims — the Counterclaim asserted here focuses on the unlawful efforts of Counterclaim Defendants to interfere with Herring's business relationships, contracts, and reasonable business expectancies through Counterclaim Defendants' unlawful influence and the unlawful influence of Staple Street and Kennard.

12. Also in contrast to and distinct from the San Diego Litigation, the Counterclaim seeks to hold Staple Street liable for tortious interference with Herring's business relationships and reasonable business expectancies, and the Third-Party Complaint seeks to hold AT&T Services and Kennard liable for their contractual indemnity obligations to Herring.

13. Counterclaim Defendants, together with Staple Street and Third-Party Defendants, have flouted the First Amendment in acting unlawfully to try to destroy an independent family business based on Counterclaim Defendants' and Third-Party Defendants' viewpoint discrimination, political power, selfish profit motives, backroom handshake shenanigans, and improper manipulation of governmental influence. In fact, Herring is confident discovery will further reveal that one or more Dominion entities or Dominion-affiliated entities (including via Dominion Voting Systems Vice President of Government Affairs Kay Stimson) used governmental entities to unlawfully censor speech. Counterclaim Defendants coordinated out of the public eye with the Mis-, Dis-, and Malinformation ("MDM") team at the U.S. Cybersecurity and Infrastructure Security Agency ("CISA") (among others) to attack speech that one or more Dominion entities found troubling for selfish business reasons. This was part and parcel of Counterclaim Defendants', Staple Street's, and Third-Party Defendants' efforts to unlawfully interfere with, disparage, and destroy viewpoints politically and financially detrimental to them, including those expressed via Herring.

14. Moreover, Kennard's involvement in the filing of this lawsuit against Herring is, in and of itself, a violation of the non-disparagement provision of the relevant Affiliation Agreement.

15. These wrongdoings are inextricably intertwined with a larger, coordinated, well-financed scheme to build up the "Dominion" brand and weaponize it as a profit-making litigation

machine while taking down Herring (among others) and unlawfully destroying its ability to operate in the media business.

THE PARTIES

16. Herring is a California corporation with its principal place of business in San Diego, California. It thus is a California citizen for purposes of diversity of citizenship. *See* 28 U.S.C. § 1332(c)(1).

17. Robert Herring is CEO of Herring and a California citizen for purposes of diversity jurisdiction.

18. Charles Herring is President of Herring and a California citizen for purposes of diversity jurisdiction.

19. Rion is an OAN reporter and Chief White House Correspondent and a Maryland citizen for purposes of diversity jurisdiction.

20. US Dominion, Inc. is a for-profit Delaware with its principal place of business in Denver, Colorado. It thus is a Delaware and Colorado citizen for purposes of diversity of citizenship. *See* 28 U.S.C. § 1332(c)(1). It is majority-owned by private equity firm Staple Street, whose principal place of business is in New York, New York.

21. Dominion Voting Systems, Inc. is a for-profit Delaware corporation with its principal place of business in Denver, Colorado. It thus is a Delaware and Colorado citizen for purposes of diversity of citizenship. *See* 28 U.S.C. § 1332(c)(1). It is a wholly owned subsidiary of US Dominion, Inc.

22. Dominion Voting Systems Corporation is a for-profit Ontario corporation with its principal place of business in Toronto, Ontario. It thus is a citizen of Canada for purposes of

diversity of citizenship. *See* 28 U.S.C. § 1332(a)(3), (c)(1). It is a wholly owned subsidiary of US Dominion, Inc.

23. AT&T Services is a Delaware corporation with its principal place of business in Dallas, Texas. It thus is a Delaware and Texas citizen for purposes of diversity of citizenship. AT&T is the parent company of AT&T Services.

24. Staple Street is a Delaware limited liability company. Counterclaim Plaintiffs have thoroughly investigated Staple Street's membership but have been unable to confirm with certainty the identity of the members of the company. On information and belief, Stephen D. Owens, who is a citizen of New York, and Hootan Yaghoobzadeh, who is a citizen of New York, are the members of Staple Street. Thus, it is likely a citizen of New York for purposes of diversity of citizenship. Staple Street is the majority owner of US Dominion, Inc., which in turn is the sole owner of Dominion Voting Systems, Inc. and Dominion Voting Systems Corporation.[1]

25. Kennard is a resident, domiciliary, and citizen of South Carolina for purposes of diversity of citizenship. Kennard is the Chairman of the Board of Directors of AT&T. Kennard also is a founding investor of Staple Street and serves as an Operating Executive Board member.

JURISDICTION AND VENUE

26. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332 because the parties are of diverse citizenship and the amount in controversy exceeds $75,000 exclusive of interest and costs.

[1] During the meet-and-confer process, Staple Street suggested that the appropriate corporate defendants may be Staple Street Capital II LP and Staple Street Capital II-A LP. But Staple Street did not respond to Counterclaim Plaintiffs' request for sufficient information to plead the identity of those parties. Accordingly, Counterclaim Plaintiffs have pled Staple Street's corporate form based on the information currently available to them and reserve the right to further amend if needed.

27. This Court can exercise specific personal jurisdiction over Counterclaim Defendants because they caused tortious injury in this District by an act or omission outside this District, harming Counterclaim Plaintiffs' reputations and business prospects in this District, where Herring has a news bureau and the Court has held (but Counterclaim Plaintiffs dispute in part and reserve the right to raise on appeal) that Counterclaim Plaintiffs have sufficient contacts for jurisdiction in this case. *See* D.C. Code § 13-432(a)(4). Counterclaim Defendants also have engaged in a persistent course of conduct in this District by filing this and other lawsuits in the District related to the 2020 U.S. election. Thus, Counterclaim Defendants have personally availed themselves of jurisdiction in this Court.

28. This Court can exercise specific personal jurisdiction over AT&T Services because it caused tortious injury in this District by an act or omission outside this District, harming Counterclaim Plaintiffs' reputations and business prospects in this District, where Herring has a news bureau, and the Court has held (but Counterclaim Plaintiffs dispute in part) that Counterclaim Plaintiffs have sufficient contacts for jurisdiction. *See* DC Code § 13-432(a)(4). Moreover, AT&T Services regularly does and solicits business in this District.

29. This Court can exercise specific personal jurisdiction over Staple Street because it caused tortious injury in this District by an act or omission outside this District, harming Counterclaim Plaintiffs' reputations and business prospects in this District, where Herring has a news bureau and the Court has held (but Counterclaim Plaintiffs dispute in part) that Counterclaim Plaintiffs have sufficient contacts for jurisdiction. *See* DC Code § 13-432(a)(4).

30. This Court can exercise specific personal jurisdiction over Kennard because he possesses real property in the District of Columbia. *See* DC Code § 13-432(a)(5); *see also* Decl. of William Kennard in Support of Mot. to Quash, *Herring Networks, Inc. v. AT&T, Inc.*, Case No.

37-2022-00008623-CU-BC-CTL, ¶ 11 (Cal. Super. Ct. Apr. 6, 2022) ("I primarily conduct my duties for AT&T Inc. from one of my two residences — in South Carolina and Washington, D.C."). Moreover, Kennard has caused tortious injury in this District by an act or omission outside this District, harming Counterclaim Plaintiffs' reputations and business prospects in this District, where Herring has a news bureau and the Court has held (but Counterclaim Plaintiffs dispute in part) that Counterclaim Plaintiffs have sufficient contacts for jurisdiction. *See* D.C. Code § 13-432(a)(4).

31. Venue is proper under 28 U.S.C. § 1391(b) because the Court has personal jurisdiction over all parties and a substantial part of the events giving rise to the counterclaims and third-party claims occurred in this District.

FACTUAL BACKGROUND

A. Herring's business

32. Herring is an independent media company headquartered in San Diego, California. CEO Robert Herring, Sr. ("Robert") started the company in 2003 with his sons, Charles Herring ("Charles") and Robert Herring, Jr. ("Bobby"). Charles is the President of Herring, and Bobby is the General Manager.

33. OAN, launched on July 4, 2013, is a news channel that delivers timely national and international news 24 hours a day throughout the United States. It features political analysis programming, political talk shows, and special documentary-style reports. OAN provides more live news than any other network. As of the third quarter of 2021 (the last time this data was made available to Herring), AT&T's own data showed that OAN was a top-performing network, ranked 24th (excluding broadcast networks) out of over 300 channels, putting OAN in the top 10 percent of channels offered via DIRECTV. OAN outperformed CNBC, Fox Business, CNN Headline

News, and Newsmax, as well as popular entertainment channels such as Paramount Network, Comedy Central, and Animal Planet. Additionally, OAN's extensive live programming lineup, which preserves the linear experience for viewers, is an ideal genre moving forward to compete with streaming services that don't offer live programming experiences.

34. AWE is a lifestyle and entertainment channel, which Herring launched in 2004. AWE airs a wide range of programming, including travel-related series, automotive shows, international news, documentaries, and live championship boxing. AWE has demonstrated excellent performance since its inception. It is distributed domestically on dozens of cable systems; it has received regional Emmy awards and nominations for its productions; its live championship boxing programming has received multiple recognitions; and as of Q3 2021 (the last time this data was made available to Herring), AWE performed in the top 35 percent of the channel lineup according to AT&T's own data.

B. AT&T helped launch OAN.

35. AT&T is the largest combined telecommunications and entertainment company in the world. It provides mobile telecommunications, broadband, and Internet subscription services throughout the United States and Latin America. Between 2018 and April 2022, AT&T also ran a significant media business through its WarnerMedia division and owned and operated several networks, including CNN and HBO. Herring and AT&T had been in business together since 2006, when AT&T began distributing AWE on its "U-Verse" network. Through its then-WarnerMedia subsidiary, AT&T managed one of the world's largest TV and film studios and delivered streaming services through the HBO Max platform. WarnerMedia also offered a significant portfolio of advertising solutions through Basic Networks, which sold advertising on WarnerMedia's networks and digital properties and through another wholly owned AT&T subsidiary called Xandr, Inc.

("Xandr") (which provides marketers with advanced advertising solutions). As of the close of the 12-month period ending September 30, 2022, AT&T reported $155.65 billion in revenue.

36. DIRECTV is the country's largest paid satellite TV provider. AT&T acquired DIRECTV in 2015. With a 70 percent ownership interest in DIRECTV, AT&T remains the majority owner of DIRECTV.

37. AT&T Services is another wholly owned subsidiary of AT&T.

38. In 2013, at the urging of AT&T, which wanted to compete with Fox News Network with an alternative conservative-leaning network, Herring launched OAN. AT&T Services and OAN entered into a Network Affiliation Agreement on April 10, 2014. AT&T was planning to take an equity stake in Herring to ensure that OAN gained carriage on DIRECTV (pursuant to a put-right agreement between AT&T and DIRECTV). The plan was terminated as AT&T began targeting DIRECTV for a possible acquisition.

39. AT&T announced its plan to acquire DIRECTV shortly thereafter and enlisted Herring's help to ensure that the Federal Communications Commission ("FCC") approved the acquisition. Herring obliged by, among other things, hiring lobbyists, meeting with FCC officials, and signing filings in support of the acquisition that were ghostwritten by AT&T. In exchange, AT&T promised to air OAN and AWE on U-Verse and DIRECTV.

40. But when the FCC approved AT&T's acquisition of DIRECTV and the acquisition completed in July of 2015, AT&T and DIRECTV did not hold up their end of the bargain, forcing Herring to file suit.

41. AT&T Services, DIRECTV, and Herring subsequently entered into an Affiliation Agreement on March 9, 2017 ("Affiliation Agreement"), which is attached as **Exhibit B**.

42. Upon information and belief, AT&T Services later fully assigned the Affiliation Agreement to DIRECTV, but Herring does not possess any assignment agreement. If the Affiliation Agreement was in fact assigned to DIRECTV, AT&T Services either took the position that DIRECTV is an Affiliated Company as defined by the Affiliation Agreement (in which case, the corporate family at issue remains the same) or AT&T Services assigned the agreement without Herring's consent in violation of Section 12.[2] *See* Exh. B.

C. Affiliation Agreement

43. The Affiliation Agreement expanded the business relationship between AT&T and Herring and further extended the business relationship between DIRECTV and Herring. The Affiliation Agreement demonstrates AT&T's desire for OAN to compete with Fox News Network, providing that OAN's programming was "designed to have broad appeal with special interest to viewers interested in independent and conservative political thought."

44. The term of the Affiliation Agreement is five years.

45. The opening paragraph of the Affiliation Agreement establishes the parties to the agreement:

> AGREEMENT, made as of March 9, 2017 (the "Effective Date"), by and among Herring Networks, Inc., a California corporation ("Programmer"), on the one hand and DIRECTV, LLC, a California limited liability company ("DIRECTV") and AT&T Services, Inc., a Delaware corporation, ***on behalf of itself and its Affiliated Companies*** other than AT&T, Inc., which is not a party to this Agreement, on the other hand ("AT&T" and collectively with DIRECTV, "Affiliate" and together with Programmer, each a "Party" and collectively the "Parties")). "Affiliated Company(ies)" means, with respect to any person or entity, ***any other person*** or entity ***directly or indirectly controlling***, controlled by or under common control

[2] Regardless, "under California law, after assigning a contract, the assignor remains responsible for any obligation imposed by the contract absent consent from the party entitled to its benefit. In other words, without a release, a third party may assume the obligations, i.e. agree to perform, but the assignor continues to be liable to the other party to the contract in the event of a default on the part of the assignee." *Cuscinetti v. Beaver Precision Prod.*, 1996 WL 743801, *6 (N.D. Cal. Dec. 23, 1996).

(i.e., ***the power to direct affairs by reason of ownership of voting stock, by contract or otherwise***) with such person or entity." (Emphasis added).

46. Kennard certainly falls within the definition of a "Party" via the broad definition of an "Affiliate Company" — he is a "person" who "directly controls" AT&T Services, Inc. (i.e., has the "power to direct affairs") by virtue of his role as the board chair for parent company AT&T, which is the 100 percent owner of AT&T Services, and by virtue of actions he has taken to influence the relevant actions of AT&T Services with respect to the Affiliation Agreement.

47. The remainder of the agreement (taken as a whole) is consistent with this interpretation because the Affiliation Agreement repeatedly reflects a desire to extend the provisions of the contract beyond the signatories.

48. Section 8.1 extends indemnity protection to all of "Affiliate's contractors, subcontractors and authorized distributors and agents, and the members, directors, officers, employees and agents of Affiliate, such Affiliated Companies and such contractors, subcontractors and distributors and agents."

49. Section 16 extends the confidentiality and non-disparagement obligations to "Affiliate and its Affiliated Companies and all of their current, then-current and former members of the Board of Directors, officers, representatives, agents, employees, attorneys, parent companies, subsidiaries, insurers, partners, predecessors, contractors, successors and assigns."

50. Section 19 states that "[n]either Party may interfere with, and each Party shall take reasonable steps to prevent its officers and employees from interfering with, the other Party's and such other Party's Affiliated Companies' (and/or the Programmer Related Parties' or the AT&T Related Parties', as applicable) relations with its or their customers, third-party vendors, or government or community relations."

51. Section 25.2 extends the mutual release to "Affiliate, the AT&T Related Parties, and their respective Representatives, or any of them, and all of their respective past, present and future parent entities, direct or indirect subsidiaries, affiliates, divisions, facilities, operators, partners, members, representatives, principals, officers, directors, shareholders, agents, employees, insurers, independent contractors, heirs, trusts, beneficiaries, successors-in-interest, assigns and attorneys."

52. All of these provisions clearly show that the parties did not envision that the rights and responsibilities in the Affiliation Agreement would be narrowly limited to the signatories.

53. Moreover, the facts demonstrate that Kennard, as the board chairman for AT&T, sets the agenda for and directly formulates AT&T's and its subsidiaries' strategic policy, has an outsized role in directing its management's actions in significant matters, and has sufficient power to direct the affairs of AT&T Services to be considered within the definition of a party under the Affiliation Agreement.

54. [redacted]

55. After execution of the Affiliation Agreement, OAN grew substantially, benefiting AT&T, AT&T Services, and DIRECTV. As of 2021, a substantial amount of OAN's revenue came from the Affiliation Agreement.

D. Violations of the Affiliation Agreement by AT&T Services.

56. From April 2020 through mid-2021, AT&T Services' Representatives[3] openly disparaged OAN through CNN and HBO, which AT&T at the time owned via its WarnerMedia division.

57. While DIRECTV was still 100 percent owned by AT&T, AT&T Services began breaching the non-disparagement provisions in the Affiliation Agreement through CNN, which competes with OAN. On January 10, 2021, during CNN's *Reliable Sources* program, CNN chief media correspondent Brian Stelter (now terminated) interviewed CNN media reporter Oliver Darcy, who stated, "You have corporations and people that are profiting off of lies and conspiracy theories, whether that is big tech, whether that's Fox News, whether that's TV providers that beam OAN and Newsmax into homes." Stelter responded, "Right. This is a poisoned informational well. That is the big story here."

58. On January 17, 2021, CNN's Stelter continued promoting disparagement of OAN by inviting former Facebook Chief Security Officer Alex Stamos on his *Reliable Sources* program. During the program, Stamos advocated eliminating the capability of conservative programs such as OAN from reaching large audiences. Stamos stated, "And then we're going to have to figure out the OANN and Newsmax problem, that these companies have freedom of speech, but I'm not sure we need Verizon, AT&T, Comcast, and such to be bringing them into tens of millions of homes. . . . Allowing people to seek out information if they really want to, but not pushing it into their faces, I think, is where we're going to have to do here." CNN's Stelter thanked Stamos for his comments.

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[3] The Affiliation Agreement defines "Representatives" as "any individual or entity over which a Party or an AT&T Related Party . . . exercises influence."

59. On January 22, 2021, Bloomberg News Canada published an article quoting CNN's Darcy and CNN analyst Max Boot. In the article, Darcy implied that conservative channels contributed to the deeply unfortunate events of January 6, 2021 at the U.S. Capitol. In that same article, Boot wrote that "cable providers should 'step in and kick Fox News off.' If Newsmax and rival One America News Network 'continue to incite viewers, they, too, should be booted off,' [CNN analyst Boot] added."

60. Throughout 2021, CNN steadily released a drumbeat of similar reports and commentary that falsely accused OAN of contributing to the events of January 6, 2021 and engaging in "disinformation" campaigns.

61. AT&T Services also breached the non-disparagement provisions in the Affiliation Agreement on April 5, 2020, when HBO's *Last Week Tonight with John Oliver* dedicated an entire segment to OAN. Host John Oliver made the following comments about OAN during the segment:

- "The whole selling point for OAN is that they are Fox News with even less shame and even fewer scruples."
- "And I know that it is easy to dismiss OAN as just a stupid, little watched, borderline self-parody. The problem is if we're learning one thing right now it's that toxic things that start small can get big fast and it's dangerous to ignore them."
- "OAN's weird combination of far right-wing talking points and dirt stupid reporting is incredibly dangerous at a time like this."
- "It is more important than ever to be on the lookout for OAN's bullshit and to make sure no one that you know is falling for it either."

62. Oliver doubled down in his October 10, 2021 episode, referring to OAN as a "ragtag band of fascists" and stating that "with [AT&T's] help, OAN has grown into the toxic

network that is today — one that's happy to give a platform to batshit election fraud theories from America's most out-of-breath pillow fetishist."

63. Around that same time, CNN also doubled down on its disparagement attack on OAN. For example, on October 6, 2021, CNN anchor Don Lemon (now terminated) stated that OAN is "corrosive to our democracy" and CNN media reporter Oliver Darcy referred to OAN as a "far right-wing conspiracy channel" that "promotes all sorts of nonsense." The next day when appearing on CNN's *New Day*, Stelter called OAN "conspiracy laden" and accused OAN of putting "some of the worst of the worst content out there." He went even further to state that "there's a difference between real news and conspiracy crap. . . [OAN] goes on the air and lies to people who for some reason want the lies."

64. Additionally, when speaking with Darcy and Reuters reporter John Shiffman on an October 7, 2021 episode of *The Lead with Jake Tapper*, Tapper referred to OAN as "the ultra-far-right cable network that's a major source of lies masquerading as facts."

65. Most recently, AT&T took aim at OAN in its 2023 Notice of Annual Meeting of Stockholders and Proxy Statement, claiming without provocation that "OAN's news anchors have been tied to white supremacist movements and have actively supported claims that the 2020 presidential election was stolen." *See* **Exhibit D**.

66. These are mere examples of the ways in which AT&T Services has breached the non-disparagement provision in the Affiliation Agreement.

E. <u>Violations of the Affiliation Agreement by Kennard</u>

67. Kennard also has repeatedly violated the Affiliation Agreement.

68. [redacted]

[redacted]

69. [redacted]

70. [redacted]

71. [redacted]

72. [redacted]

73. [redacted]

74. [redacted]

75. [redacted]

[redacted]

76. [redacted]

77. In all of the actions set forth in Paragraphs 67-77, Kennard plainly took an active interest and role in addressing and dealing with AT&T and DIRECTV's relationship with Herring.

F. <u>The links between Counterclaim Defendants and AT&T</u>

78. Kennard serves as a member of the Operating Executive Board of Directors of Staple Street, which is the majority owner of US Dominion, Inc.

79. But Kennard is not just a board member — according to a public biography, he also is a "founding investor" in Staple Street, deeply and personally invested in its financial success.[4]

80. [redacted]

81. Kennard was appointed as Chairman of AT&T's Board on November 6, 2020 — three days after the 2020 U.S. presidential election. Around this same time, Staple Street's Web site underwent a full transformation, and all information about Staple Street's investment in Dominion and Kennard's role as a member of Staple Street's Operating Executive Board of Directors vanished.

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[4] *See* https://law.yale.edu/studying-law-yale/alumni-student-profiles/william-kennard-81 (last visited May 5, 2023)

82. In addition to being Chairman of the Board of AT&T, Kennard also sits on AT&T's Public Policy and Corporate Reputation Committee, which has "the authority to review AT&T's management of its brands to ensure that the value and reputation of the Company's brand names is maintained and enhanced."

83. Kennard, who is a registered Democrat, has deep ties to the Democratic Party, having been appointed in 1997 as Chairman of the FCC by President Bill Clinton and in 2009 as the U.S. Ambassador to the European Union by President Barack Obama.

84. Kennard has personally donated nearly $90,000 to a combination of Barack Obama, the Democratic National Committee, the Democratic Congressional Campaign Committee, and the Democratic Senatorial Campaign Committee and bundled more than half a million dollars in donations to the Obama campaign.

85. When Staple Street acquired US Dominion, Inc. in 2018, it announced that "[w]e are excited to partner with [Dominion CEO John Poulos] and the Dominion Voting team as they embark on their next phase of growth. . . ." Like any private equity company, Staple Street's goal in acquiring US Dominion, Inc. as a portfolio company was presumably to make the company as profitable as possible so Staple Street could in turn sell it for a profit.

86. On October 8, 2020, Staple Street's Form D Notice of Exempt Offering of Securities filed with the Securities and Exchange Commission disclosed that Staple Street had raised $400 million from unknown investors in an unusual "one and done" deal. This additional capital raise suggests that Staple Street continues to invest in US Dominion, Inc.'s success.

87. Dominion similarly is profiting handsomely from Staple Street's investment. In addition to the $787.5 million received from Fox, public filings from that litigation reveal that in

October 2021, Staple Street caused Dominion to distribute $8 million to shareholders and that as of April 2022, Dominion was on pace to exceed $110 million in revenue in 2022.[5]

88. Kennard's role as Chairman of AT&T's Board gives Kennard significant influence over AT&T, its subsidiaries, and the companies it owns majority stakes in. Indeed, according to the publicly filed bylaws of AT&T, "the Chairman of the Board . . . shall have authority to vote and otherwise act on behalf of the corporation . . . at any meeting of stockholders, or with respect to any action of stockholders of any other corporation in which this corporation may hold securities, and otherwise to exercise any and all rights and powers that this corporation may possess by reason of its ownership of securities in any other corporation."

89. Despite these significant connections and the potential for conflicts of interest, AT&T and Kennard have made this information difficult for investors to discover. For example, the recent AT&T proxy statement contains a bio for Kennard that omits any reference to Staple Street. *See* Exh. D, p. 4.

90. Likewise, AT&T's most recent and other prior proxy statements repeatedly highlighted that Kennard is the "independent" Chairman of the Board of Directors of AT&T. Yet, AT&T's proxy statements have not disclosed that (i) Kennard indirectly owns an interest in one or more of Counterclaim Defendants, (ii) Kennard serves on the Operating Executive Board of Staple Street, and (iii) Kennard was personally involved in the decision not to renew OAN, to the financial detriment of AT&T's stockholders.

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[5] *US Dominion, Inc. v. Fox Corporation*, N21C-11-082 (Superior Court of Delaware, Feb. 16, 2023 Fox News Network Br. in support of its Rule 56 Mot. for Summ. J. at 153.)

91. Additionally, AT&T ***declined*** to include in its proxy statement a proposal from the National Center for Public Policy Research that would have highlighted these conflicts. The proposed language stated:

> The Company's fiduciary duty to its shareholders demands that decisions as to which networks and programming to carry should not be the result of activist pressure or any reason other than the pecuniary interest of the Company. Making decisions on the basis of viewpoint discrimination harms the Company's bottom line by reducing diversity of programing and the Company's attraction to a wide array of audiences, while placing the Company at great reputational, financial, and legislative and related risk.

See **Exhibit M**.

G. <u>Counterclaim Defendants sued Herring for defamation, seeking more than $1.6 billion in damages in an attempt to destroy Herring and silence OAN</u>.

92. According to Counterclaim Defendants, OAN's coverage of President Trump's newsworthy allegations that the integrity of the 2020 presidential election was compromised, including allegations that Counterclaim Defendants' voting machines were unreliable and unsecure, harmed their reputations.

93. Counterclaim Defendants began pursuing a public relations strategy to burnish Counterclaim Defendants' public image in early 2021 by unleashing a torrent of defamation lawsuits against multiple Trump campaign surrogates and media outlets including Fox, Newsmax, Rudy Giuliani, Sidney Powell, Patrick Byrne, and Michael Lindell.

94. As an Operating Executive Board member of US Dominion, Inc.'s majority owner, Staple Street, Kennard is invested in helping to make the Dominion entities succeed and become as profitable as possible. This includes ensuring that the Dominion entities silence their opponents such as Herring, which featured critics of the Counterclaim Defendants in the marketplace of ideas.

95. In addition to being an Operating Executive Board member of Staple Street, Kennard also is a direct investor in one or more Counterclaim Defendants.

96. Kennard is an agent of both Staple Street and Counterclaim Defendants.

97. At some point in or before August 2021, Counterclaim Defendants, through Staple Street and Kennard, determined that the destruction of Herring would be beneficial to their political and business interests.

98. Accordingly, on August 10, 2021, Counterclaim Defendants, under the direction of Staple Street and Kennard, filed this lawsuit against Herring, Robert Herring, Charles Herring, Rion, and then-Herring employee Christina Bobb. Counterclaim Defendants allege that Herring and the other defendants defamed Counterclaim Defendants in connection with OAN's coverage of the 2020 presidential election and seek at least **$1.6 billion** in damages against Herring.

99. In public interviews, Poulos claimed that it is "[o]ne hundred percent correct" that Counterclaim Defendants will not accept a settlement in their defamation litigation and that they intend to take all of their cases to trial.[6] Lo and behold, Counterclaim Defendants were willing to settle at least one case (i.e. the one against Fox) before opening statements even occurred — for nearly $1 billion.

100. One way to hasten Herring's destruction was by cutting off Herring's ability to earn revenue to help fund speech, including speech critical of Counterclaim Defendants, and Herring's litigation defense by pressuring carriers to take OAN off the air.

H. Liberal organizations pressured AT&T to "drop" OAN.

101. The prime opportunity for Counterclaim Defendants, through Staple Street and Kennard, to put pressure on AT&T to ensure that DIRECTV ceased carrying OAN arose in the fall of 2021.

[6] *Dominion Voting Systems Sues Ex-Trump Lawyer Over False Claims*, NPR (Jan. 12, 2021, 5:06 AM), https://www.npr.org/2021/01/12/955938741/dominion-voting-systems-sues-ex-trump-lawyer-over-false-claims (last visited May 5, 2023).

102. On October 6, 2021, Reuters published an article titled "How AT&T helped build far-right One America News."

103. In response to that article, AT&T released the following statement, providing confidential information on how the Affiliation Agreement came to be (and implying that AT&T carried OAN only because OAN had forced AT&T's hand by suing AT&T in 2016):

> AT&T has never had a financial interest in OAN's success and does not 'fund' OAN. When AT&T acquired DIRECTV, we refused to carry OAN on that platform, and OAN sued DIRECTV as a result. Four years ago, DIRECTV reached a commercial carriage agreement with OAN, as it has with hundreds of other channels and as OAN has done with the other TV providers that carry its programming. DIRECTV offers a wide variety of programming, including many news channels that offer a variety of viewpoints, but it does not dictate or control programming on the channels. Any suggestion otherwise is wrong. The decision of whether to renew the carriage agreement upon its expiration will be up to DIRECTV, which is now a separate company outside of AT&T.

104. Immediately upon release of the Reuters article, liberal organizations began publicly criticizing AT&T for its relationship with OAN.

105. On October 6, 2021, NAACP President Derrick Johnson issued a public statement condemning AT&T for supporting OAN. In that statement, the NAACP accused AT&T of causing

"irreparable damage to our democracy," stating that it was "sickened by these revelations."[7] The NAACP's statement was picked up and published throughout the media.[8]

106. Media Matters of America ("Media Matters"), a politically left-wing organization founded by a prominent political operative within the Democratic Party, began a public Twitter campaign criticizing OAN and AT&T. On October 6, 2021, Media Matters President Angelo Carusone tweeted, "I want to just put a few things out there about OANN and ATT/DirecTV . . . on how absurd and odious this deal is. ATT has been paying OANN. . . . The amount of revenue they give OANN every month is massive. But it's worse than that."[9] Carusone went on to take AT&T to task for "propping up" OAN.

107. Media Matters then published articles critical of AT&T's relationship with OAN. One such article published October 8, 2021, titled "Fact-checking AT&T's defense of single-handedly funding OAN," criticized AT&T, stating "AT&T is having a bad day after the first part of a bombshell Reuters exposé uncovered the company's extensive involvement in helping to create and fund the far-right conspiracy theory outlet One America News Network."

[7] Press Statement, NAACP, NAACP President and CEO, Derrick Johnson, Released the Following Statement Following the Revelation that AT&T Backs One America News (OAN) (Oct. 6, 2021), https://naacp.org/articles/naacp-president-and-ceo-derrick-johnson-released-following-statement-following-revelation (last visited May 5, 2023).

[8] *See, e.g.*, Dominick Mastrangelo, *NAACP President blasts AT&T after report linking company to One America News*, THE HILL (Oct. 6, 2021, 2:51 PM), https://thehill.com/homenews/media/575604-naacp-president-blasts-att-after-report-linking-company-to-one-america-news/ (last visited May 5, 2023).

[9] Angelo Carusone (@GoAngelo), TWITTER (Oct. 6, 2021, 4:07 PM), https://twitter.com/GoAngelo/status/1445858337673781249, *available at* https://tinyurl.com/MMtweet5 (last visited May 5, 2023).

108. On October 7, 2021, Ultraviolet, a women's advocacy group, joined the fray, calling on AT&T CEO John Stankey to either resign or immediately sever ties with OAN and fire Ed Gillespie, the former Chairman of the Republican National Committee who had joined AT&T as its senior vice president of external and legislative affairs.[10] Ultraviolet also criticized AT&T for donating to Texas Republican lawmakers who facilitated the passage of recent legislation relating to abortions.

109. Other left-leaning publications and organizations followed suit.[11]

110. Kennard — acting as an agent in the financial interests of Staple Street and Counterclaim Defendants — saw this as an opportunity to weaken Herring and decided to offer up OAN as a sacrificial lamb to the NAACP and other groups, while Kennard and/or AT&T's representatives convinced Herring that there was no reason to be concerned.

111. AT&T agreed to meet with the NAACP shortly after the Reuters article was published. On information and belief, AT&T executives first met with the NAACP during the week of October 11, 2021 to address OAN.

112. On October 20, 2021, the NAACP issued a press release stating that NAACP President Derrick Johnson would be meeting with AT&T leadership the next day, on October 21,

[10] Press Release, UltraViolet, UltraViolet Says AT&T CEO John Stankey Should End Company's Relationship With Radical Right-Wing Media Outlet OAN, Stop Donations to Anti-Choice Politicians—or Step Down (Oct. 7, 2021, 2:50 PM), https://www.commondreams.org/newswire/2021/10/07/ultraviolet-says-att-ceo-john-stankey-should-end-companys-relationship-radical (last visited May 5, 2023).

[11] Charlie Cray, *How AT&T Funds Right Wing Extremism and Six More Scary Things You Need to Know About the Company*, GREENPEACE (Oct. 26, 2021), https://www.greenpeace.org/usa/how-att-funds-right-wing-extremism-and-six-more-scary-things-you-need-to-know-about-the-company/; November 8, 2021 letter to AT&T and DIRECTV at 1, *available at* https://tinyurl.com/oannletter (last visited May 5, 2023) (emphasis in original).

in Washington, D.C.[12] The release further stated, "The meeting will focus on the need for AT&T to drop OAN immediately."

113. At least one more meeting with the NAACP related to the carriage of OAN occurred during the week of October 25, 2021.

114. The meetings included Mr. Gillespie and others in AT&T's leadership. During those meetings, the NAACP demanded that AT&T de-platform OAN from DIRECTV and AT&T U-Verse, which are both products directly owned by DIRECTV, not AT&T. In other words, while AT&T publicly claimed on the one hand that it was not affiliated with DIRECTV and did not participate in programming decisions made by DIRECTV, AT&T took meetings with organizations such as the NAACP suggesting that AT&T in fact had the authority and ability to influence DIRECTV's programming decisions (which makes sense because AT&T is a majority owner of and controls the board of DIRECTV). And the chairman of AT&T's board was Kennard, whose personal fortunes are inextricably tied to Staple Street and Counterclaim Defendants.

115. Kennard's dual roles with AT&T and Staple Street created a conflict of interest for him in anything having to do with AT&T's or DIRECTV's relationship with Herring because US Dominion, Inc., owned largely by Staple Street, is suing Herring for $1.6 billion.

116. At least one journalist seemed to understand the conflict of interest facing Kennard — *New York Times* reporter Ken Vogel contacted Counterclaim Defendants on October 18, 2021, asking about Kennard's "affiliations on both sides of this legal dispute."

117. As AT&T and DIRECTV faced this criticism and mounting pressure to remove OAN from the airwaves, Kennard's and/or AT&T's representatives were in direct contact with

[12] *See* Joseph Choi, *NAACP, AT&T to meet to discuss OANN*, THE HILL (Oct. 20, 2021, 5:42 PM), https://thehill.com/homenews/media/577669-naacp-att-to-meet-to-discuss-oann (last visited May 5, 2023).

Charles Herring and Robert Herring, lying to them by claiming that there was no reason to be concerned and continuing with business as usual, leading Herring to believe that carriage would continue on DIRECTV.

118. If Herring had known the true motives of AT&T — driven by Kennard's desire to bolster Staple Street and Counterclaim Defendants and destroy Herring — it would have taken action much sooner to protect its interests and ensure that carriage continued.

I. AT&T publicly announced that DIRECTV would "drop" OAN and AWE.

119. Given AT&T's sole ownership of AT&T Services and AT&T's majority ownership in DIRECTV, it is obvious that AT&T — through Kennard — induced DIRECTV to discontinue its relationship with Herring without legally adequate justification.

120. On Friday, January 14, 2022, OAN President Charles Herring spoke with DIRECTV Senior Vice President of Content Rob Thun ("Thun"). Throughout much of Herring's relationship with AT&T, Thun has been Herring's primary contact with AT&T and DIRECTV. During that call, Thun informed Charles that DIRECTV decided not to renew the Affiliation Agreement. Thun informed Charles that the decision was made ***at the board level*** and was "political," implying that outside forces, such as AT&T and/or Kennard (given his agency role with US Dominion, Inc.'s owner, Staple Street), had influenced the decision. Indeed, Charles later learned that AT&T's CEO, John Stankey, knew at least two days before that OAN would not be renewed. The news stunned Herring.

121. That same day, Bloomberg News released an article titled "DirecTV to Drop One America News in Blow to Conservative Channel."[13] DIRECTV provided confidential information

[13] *See* Gerry Smith, *DirecTV to Drop One America News in Blow to Conservative Channel*, BLOOMBERG (Jan. 14, 2022, 5:44 PM), https://www.bloomberg.com/news/articles/2022-01-14/directv-to-drop-one-america-news-in-blow-to-conservative-channel (last visited May 5, 2023).

regarding the parties' discussions on the non-renewal of the Affiliation Agreement to Bloomberg News, writing via email that it had "informed Herring Networks that, following a routine internal review, we do not plan to enter into a new contract when our current agreement expires." Multiple news outlets such as *The Wall Street Journal, The New York Times* and *The Washington Post* picked up the article, and DIRECTV has since provided similar statements to other media outlets.

122. The pre-announcement by DIRECTV to not renew OAN — more than 75 days in advance — is atypical in the industry. There is no question that AT&T's strategy, overseen by Kennard, was intended to harm OAN. By making the gratuitous announcement that breached the Affiliation Agreement, AT&T signaled to the public that something was wrong, hurting OAN's business and standing in the news media business.

123. The gratuitous announcement by DIRECTV also constituted a breach of the confidentiality provision in the Affiliation Agreement, a breach that DIRECTV has ***admitted*** in its answer in the San Diego Litigation. *See* **Exhibit N.**

124. Concerns about OAN's viability directly sparked by DIRECTV's aggressive, well-in-advance notification approach, have significantly harmed OAN.

125. Counterclaim Defendants' goal of destroying OAN — which is the stated goal of this litigation — was clearly served by the decision not to renew OAN, as was the unusual public notice of that decision.

126. Limited jurisdictional discovery in the San Diego Litigation has already revealed that Kennard ***directly*** disparaged Herring.

127. Herring is confident that discovery will further demonstrate that Kennard, working as an agent for both Staple Street and Counterclaim Defendants, was directly involved in DIRECTV's decision to non-renew OAN and that Kennard has personal, political, and financial

interests in the destruction of OAN that are inconsistent with his fiduciary obligations to AT&T shareholders.

128. The attacks on carriage of OAN and Counterclaim Defendants' stated goal of silencing the network are inextricably intertwined with the allegations Counterclaim Defendants have made in their Complaint. The Complaint by the Dominion entities is not a typical defamation case, seeking reasonable damages to remedy reputational harm. It is a scorched-earth effort by the Dominion entities (under the direction of Staple Street and Kennard) to use defamation law to silence critics and eliminate differing opinions, something that should be of concern to Americans across the political spectrum, while attempting to achieve a personal astronomical return on investment.

129. Counterclaim Defendants' focus on muzzling OAN and similar voices while laughing all the way to the bank is apparent from the Counterclaim Defendants' discovery efforts in *US Dominion, Inc. v. Fox Corporation*, N21C-11-082 (Superior Court of Delaware), where Counterclaim Defendants issued subpoenas to Altice USA Inc., Verizon Communications Inc., and Comcast Corp. seeking carriage information and related agreements, including discussions ***related to OAN*** (which is not a party in that case).

130. Counterclaim Defendants are not satisfied with trying to extract a pound of flesh — they are clearly focused on trying to use their lawsuits and their disparagement of conservative voices to punish dissenting speech and drive it from the marketplace of ideas in an improper and tortious fashion.

131. Indeed, Counterclaim Defendants, through the efforts of Kennard and Staple Street, have already largely achieved that goal with respect to carriage of OAN on DIRECTV and other carriers.

132. Notably, while this is to the benefit of Counterclaim Defendants, Staple Street, and Kennard, it is not in the best interests of AT&T and its shareholders.

133. The harm to shareholders is not hypothetical — on January 13, 2022, the day before DIRECTV announced that it was dropping OAN and AWE, AT&T stock was trading at $22.06 per share. By April 6, 2022, the day after carriage of OAN and AWE ended, the price of AT&T stock had dropped to $17.41 per share (a 21 percent drop representing an overall loss in market value of more than $20 billion).

134. On information and belief, tens of thousands of subscribers left DIRECTV and AT&T after the carriage announcement.

135. AT&T stock experienced a similar loss in value after DIRECTV announced it was dropping Newsmax in January 2023.

136. Notably, prominent figures in Washington, D.C., including former FCC commissioner nominee Gigi Sohn and dozens of Republican lawmakers, have called for investigations into the de-platforming of OAN and Newsmax.

137. The de-platforming efforts have not been limited to satellite carriers — political adversaries are also going after advertising dollars. A series published in the *Washington Examiner* in February 2023 revealed that advertising company Xandr was being provided with a "disinformation blacklist" by a British organization known as the Global Disinformation Index that identified OAN and other conservative outlets as among the "ten riskiest" outlets targeted for blacklisting by advertisers.

138. Xandr's use of this list prevented certain companies, including OAN, from advertising because their sites were unfairly marked as "false/misleading."

139. It is notable that around the time that this series of articles was published, Xandr attempted to prematurely terminate its contract with OAN.

140. Although Xandr is now owned by Microsoft, it was owned by AT&T until mid-2022, and it is easy to see how the same forces working to boost Counterclaim Defendants to the detriment of Herring from within AT&T likely utilized Xandr's "blacklist" to further undermine Herring.

H. AT&T's accusations of defamation, followed by silence, confirm Kennard's involvement.

141. After DIRECTV announced it would not renew the Affiliation Agreement, OAN anchor Dan Ball reported on January 17, 2022, that Kennard pressured DIRECTV to drop OAN and not renew the Affiliation Agreement. Herring CEO Robert Herring also gave a statement on January 20, 2022, in which he concluded that Kennard and the AT&T Board directed DIRECTV to remove OAN from DIRECTV's channel lineup. On January 21, 2022, AT&T's counsel sent a letter to Robert Herring and Ball accusing them of defaming AT&T and Kennard by suggesting that AT&T and Kennard pressured DIRECTV to drop OAN from its channel lineup. In that letter, AT&T's counsel demanded that OAN issue a retraction. *See* **Exhibit O**.

142. That demand for retraction invoked the Texas Defamation Mitigation Act ("DMA"), Tex. Civ. Prac. & Rem. Code §§ 73.051-73.062. The DMA states, in relevant part:

> A person who has been requested to make a correction, clarification, or retraction may ask the person making the request to provide reasonably available information regarding the falsity of the allegedly defamatory statement not later than the 30th day after the date the person receives the request. Any information requested under this section must be provided by the person seeking the correction, clarification, or retraction not later than the 30th day after the date the person receives the request.

DMA § 73.056(a).

143. The DMA further states, in relevant part:

> If a correction, clarification, or retraction is not made, a person who, without good cause, fails to disclose the information requested under Subsection (a) may not recover exemplary damages, unless the publication was made with actual malice.

DMA § 73.056(b).

144. On February 2, 2022, Herring sent AT&T a letter responding to AT&T's accusations, noting that OAN's assertions that AT&T and Kennard were involved in DIRECTV's decision were not defamatory. *See* **Exhibit P**.

145. Among other reasons, Herring's letter stated that the statements were true or substantially true because AT&T owns 70 percent of DIRECTV and it is likely irrefutable that Kennard, Chairman of the Board and a member of AT&T's Public Policy and Reputation Committee, provided input on how to respond to the demands to drop OAN.

146. Herring also demanded, pursuant to the DMA, that AT&T produce information relating to AT&T's retraction demand, including but not limited to (i) communications relating to demands or complaints to AT&T about OAN, including requests that AT&T and/or DIRECTV drop OAN from carriage via DIRECTV; (ii) internal and external communications by Kennard about OAN; (iii) information and communications relating to Kennard's relationship with Staple Street; (iv) internal and external communications about reporting by OAN regarding DIRECTV's non-renewal, AT&T's ownership interest in or control of DIRECTV, Kennard's role in non-renewal of OAN, and the AT&T Board of Directors' role in the non-renewal of OAN; and (v) Kennard's human resources file. Under the DMA, AT&T was required to provide this information to Herring no later than March 2, 2022.

147. Despite the statutory deadline of March 2, 2022, under the DMA — a statute first invoked by AT&T in its letter — AT&T has neither responded to Herring's letter nor produced any of the information requested as of filing this Third-Party Complaint. Given AT&T's obvious

familiarity with the DMA and the implications of failing to respond by the deadline, AT&T's lack of response shows that AT&T actually has no evidence of falsity as to Dan Ball's and Robert Herring's statements.

148. Thus, Ball and Robert Herring were right that AT&T and Kennard, at minimum, were involved in the decision not to renew the Affiliation Agreement.

149. Kennard was motivated to use his role and position of influence at AT&T to induce DIRECTV not to continue its carriage of OAN, to the benefit of Kennard, Staple Street, and Counterclaim Defendants and to the detriment of OAN — as well as the detriment of AT&T, which no longer receives advertising revenue from OAN.

FIRST CAUSE OF ACTION

Tortious Interference With Business Relationship/Contract
Herring Networks, Inc. v. Counterclaim Defendants

150. Herring incorporates Paragraphs 1-55, 78-149 by reference as if fully set forth herein.

151. Until April 2022, Herring had a mutually beneficial and mutually profitable relationship with DIRECTV and AT&T related to the carriage of OAN and AWE, including through the Affiliation Agreement.

152. Counterclaim Defendants were certainly aware of this relationship — in addition to the fact that it is widely known to the public that OAN and AWE were carried on DIRECTV, Counterclaim Defendants had knowledge through their agent Kennard.

153. Moreover, the business relationship and related contract between AT&T and OAN were widely reported in October 2021 and became a source of significant public discussion and controversy.

154. Counterclaim Defendants, through the actions of their agent Kennard (which were violations of his fiduciary obligations to AT&T), sought to further their goal of destroying Herring by pressuring AT&T and DIRECTV to ensure non-renewal of OAN, breaching the disparagement and confidentiality provisions of the Affiliation Agreement in the process.

155. As a result of the pressure imposed by Counterclaim Defendants, through their agent Kennard, AT&T and DIRECTV breached the confidentiality provision of the Affiliation Agreement by leaking the details of the carriage agreement in announcing non-renewal.

156. Similarly, as a result of the pressure imposed by Counterclaim Defendants, through their agent Kennard, AT&T and its agents and affiliates breached the non-disparagement provision in the Affiliation Agreement by repeatedly disparaging OAN.

157. Counterclaim Defendants acted with intent, malice and willful disregard for Herring's rights through a wrongful act (Kennard's fiduciary breach) in attempting to undermine Herring's business relationships and destroy the company.

158. As a result of Kennard's actions on behalf of Counterclaim Defendants, Herring was significantly damaged by the breaches of the Affiliation Agreement, in an amount to be proven at trial.

PRAYER FOR RELIEF

WHEREFORE, counter plaintiff Herring Networks, Inc. respectfully requests that the Court enter judgment in its favor on Count I and award the following relief:

A. Compensatory and other damages, in an amount to be determined at trial;

B. Punitive damages;

C. Pre-judgment and post-judgment interest;

D. Costs of suit; and

E. Such other and further relief as the Court deems just and proper.

SECOND CAUSE OF ACTION

Tortious Interference With Business Expectancy
Herring Networks, Inc. v. Counterclaim Defendants

159. Herring incorporates Paragraphs 1-55, 78-149 by reference as if fully set forth herein.

160. Until April 2022, Herring had a mutually beneficial and mutually profitable relationship with DIRECTV and various other cable television carriers related to the carriage of OAN and AWE.

161. Counterclaim Defendants were certainly aware of these relationships — in addition to the fact that it is widely known to the public that OAN and AWE were carried on DIRECTV and other carriers, Counterclaim Defendants had knowledge of the DIRECTV relationship through their agent Kennard.

162. Counterclaim Defendants, through the actions of their agent Kennard, sought to further their goal of destroying Herring by disparaging OAN and catering to left-leaning organizations seeking the non-renewal of OAN.

163. In dereliction of his fiduciary obligations to AT&T stockholders, Kennard (for the benefit of Counterclaim Defendants) used his influence at AT&T to persuade DIRECTV to change the status quo and non-renew the Affiliation Agreement, resulting in reduced revenue for both AT&T and DIRECTV.

164. Before Kennard's exercise of his influence for the benefit of Counterclaim Defendants, Herring reasonably believed that DIRECTV and other carriers would renew carriage of OAN, and there was a reasonable probability that this could occur because carriage was mutually beneficial, generating revenue for Herring and the carriers.

165. Counterclaim Defendants acted with intent, malice, and willful disregard for Herring's rights through wrongful acts (Kennard's fiduciary breaches) in attempting to undermine Herring's business relationships and destroy the company.

166. As a result of Kennard's actions on behalf of Counterclaim Defendants, Herring has been significantly damaged through the loss of its expected future business relationship with DIRECTV and the loss of carriage on DIRECTV, as well as carriage and future business relationships on other providers that followed DIRECTV's lead, including Verizon Fios and Frontier.

PRAYER FOR RELIEF

WHEREFORE, counter plaintiff Herring Networks, Inc. respectfully requests that the Court enter judgment in its favor on Count II and award the following relief:

A. Compensatory and other damages, in an amount to be determined at trial;

B. Punitive damages;

C. Pre-judgment and post-judgment interest;

D. Costs of suit; and

E. Such other and further relief as the Court deems just and proper.

THIRD CAUSE OF ACTION

Tortious Interference With Business Relationship/Contract
Herring Networks, Inc. v. Staple Street Capital LLC

167. Herring incorporates Paragraphs 1-55, 78-149 by reference as if fully set forth herein.

168. Until April 2022, Herring had a mutually beneficial and mutually profitable relationship with DIRECTV and AT&T related to the carriage of OAN and AWE, including through the Affiliation Agreement.

169. Staple Street was certainly aware of this relationship — in addition to the fact that it is widely known to the public that OAN and AWE were carried on DIRECTV, Staple Street had knowledge through its agent Kennard.

170. Moreover, the business relationship and related contract between AT&T and OAN were widely reported in October 2021 and became a source of significant public discussion and controversy.

171. Staple Street, through the actions of its agent Kennard (which were violations of his fiduciary obligations to AT&T), sought to further its goal of destroying Herring by pressuring AT&T and DIRECTV to ensure non-renewal of OAN, breaching the disparagement and confidentiality provisions of the Affiliation Agreement in the process.

172. As a result of the pressure imposed by Staple Street, through its agent Kennard, AT&T and DIRECTV breached the confidentiality provision of the Affiliation Agreement by leaking the details of the carriage agreement in announcing non-renewal.

173. Similarly, as a result of the pressure imposed by Staple Street, through its agent Kennard, AT&T breached the non-disparagement provision in the Affiliation Agreement by repeatedly disparaging OAN.

174. Staple Street acted with malice, intent, and willful disregard for Herring's rights through wrongful acts (Kennard's fiduciary breaches) in attempting to undermine Herring's business relationships and destroy the company.

175. As a result of Kennard's actions on behalf of Counterclaim Defendants, Herring was significantly damaged by the breaches of the Affiliation Agreement, in an amount to be proven at trial.

PRAYER FOR RELIEF

WHEREFORE, counter plaintiff Herring Networks, Inc. respectfully requests that the Court enter judgment in its favor on Count III and award the following relief:

A. Compensatory and other damages, in an amount to be determined at trial;

B. Punitive damages;

C. Pre-judgment and post-judgment interest;

D. Costs of suit; and

E. Such other and further relief as the Court deems just and proper.

FOURTH CAUSE OF ACTION

Tortious Interference With Business Expectancy
Herring Networks, Inc. v. Staple Street Capital LLC

176. Herring incorporates Paragraphs 1-55, 78-149 by reference as if fully set forth herein.

177. Until April 2022, Herring had a mutually beneficial and mutually profitable relationship with DIRECTV and various other cable television carriers related to the carriage of OAN and AWE.

178. Staple Street was certainly aware of these relationships — in addition to the fact that it is widely known to the public that OAN and AWE were carried on DIRECTV and other carriers, Staple Street had knowledge of the DIRECTV relationship through its agent Kennard.

179. Staple Street, through the actions of its agent Kennard, sought to further its goal of destroying Herring by disparaging OAN and bowing to the pressure of left-leaning organizations seeking the non-renewal of OAN.

180. In dereliction of his fiduciary obligations to AT&T stockholders, Kennard (for the benefit of Staple Street) used his influence at AT&T to convince DIRECTV to change the status

quo and non-renew the Affiliation Agreement, resulting in reduced revenue for both AT&T and DIRECTV.

181. Prior to Kennard's exercise of his influence for the benefit of Staple Street, Herring reasonably believed that DIRECTV and other carriers would renew carriage of OAN, and there was a reasonable probability that this could occur because carriage was mutually beneficial generating revenue for Herring and the carriers.

182. Staple Street acted with malice, intent, and willful disregard for Herring's rights through wrongful acts (Kennard's fiduciary breach) in attempting to undermine Herring's business relationships and destroy the company.

183. As a result of Kennard's actions on behalf of Staple Street, Herring has been significantly damaged through the loss of its expected future business relationship with DIRECTV and the loss of carriage on DIRECTV, as well as carriage and future business relationships on other providers that followed DIRECTV's lead, including Verizon Fios and Frontier.

PRAYER FOR RELIEF

WHEREFORE, counter plaintiff Herring Networks, Inc. respectfully requests that the Court enter judgment in its favor on Count IV and award the following relief:

A. Compensatory and other damages, in an amount to be determined at trial;

B. Punitive damages;

C. Pre-judgment and post-judgment interest;

D. Costs of suit; and

E. Such other and further relief as the Court deems just and proper.

FIFTH CAUSE OF ACTION

Contractual Indemnity
Counterclaim Plaintiffs v. AT&T Services

184. Counterclaim Plaintiffs incorporate Paragraphs 1-66, 78-149 by reference as if fully set forth herein.

185. Section 8.2 of the Affiliation Agreement states:

> Affiliate shall indemnify, defend and hold harmless each of [Herring], its parent company and its Affiliated Companies, contractors, subcontractors, authorized agents, each supplier to [Herring] of any portion of any Service under this Agreement and each participant therein and the directors, officers, employees and agents of [Herring], such Affiliated Companies, contractors, subcontractors, authorized agents, such suppliers and participants therein (collectively, the "**Programmer Indemnitees**") from, against and with respect to any and all claims, demands, actions, or causes of action, damages, liabilities, threatened claims, costs and expenses (including reasonable outside attorneys' and experts' fees) incurred in connection with any third-party claim against the Programmer Indemnitees to the extent arising out of (a) Affiliate's breach or alleged breach of any provision of this Agreement.

186. As addressed *supra* ¶ 45, "Affiliate" is defined to include AT&T Services, Inc.

187. AT&T Services breached the non-disparagement provision in the Affiliation Agreement (Section 16.3) including by, among other things, disparaging the Counterclaim Plaintiffs through its representatives at CNN and HBO repeatedly from April 2020 through mid-2021, laying the groundwork for this lawsuit in August 2021.

188. Because this disparagement by AT&T Services, Kennard's disparagement of Herring, Kennard's control over AT&T Services, Kennard's dual agency between AT&T Services and Staple Street, Kennard's associated conflicts of interest, and AT&T Services' failure to address and remedy those conflicts of interest by ensuring Kennard was removed from any decision-making related to or ability to harm Herring proximately caused Counterclaim Defendants' lawsuit

against the Counterclaim Plaintiffs, AT&T Services is obligated to defend and indemnify the Counterclaim Plaintiffs in this litigation.

189. Pursuant to the Affiliation Agreement, AT&T Services owes a duty to indemnify, defend, and hold harmless Herring and any of its directors, officers, employees and agents for any breach of the Affiliation Agreement.

190. Charles, Robert, and Rion were, at all relevant times, directors, officers, employees and/or agents of Herring.

191. Accordingly, under the Affiliation Agreement, AT&T Services and Kennard are required to indemnify, defend, and hold harmless the Counterclaim Plaintiffs against the claims, costs, and expenses (including attorneys' fees) arising out of the lawsuit brought by Counterclaim Defendants.

PRAYER FOR RELIEF

WHEREFORE, Herring Networks, Inc., Charles Herring, Robert Herring, and Chanel Rion respectfully request that the Court enter judgment in their favor on Count V and award them the following relief:

A. Compensatory and other damages, in an amount to be determined at trial;

B. Attorneys' fees, as provided in the Affiliation Agreement;

C. Costs of suit;

D. Pre-judgment and post-judgment interest; and

E. Such other and further relief as the Court deems just and proper.

SIXTH CAUSE OF ACTION

Contractual Indemnity
Counterclaim Plaintiffs v. William Kennard

192. Counterclaim Plaintiffs incorporate Paragraphs 1-55, 67-149 by reference as if fully set forth herein.

193. Section 8.2 of the Affiliation Agreement states:

> Affiliate shall indemnify, defend and hold harmless each of [Herring], its parent company and its Affiliated Companies, contractors, subcontractors, authorized agents, each supplier to [Herring] of any portion of any Service under this Agreement and each participant therein and the directors, officers, employees and agents of [Herring], such Affiliated Companies, contractors, subcontractors, authorized agents, such suppliers and participants therein (collectively, the "**Programmer Indemnitees**") from, against and with respect to any and all claims, demands, actions, or causes of action, damages, liabilities, threatened claims, costs and expenses (including reasonable outside attorneys' and experts' fees) incurred in connection with any third-party claim against the Programmer Indemnitees to the extent arising out of (a) Affiliate's breach or alleged breach of any provision of this Agreement.

194. As addressed *supra* ¶¶ 45-54, although Kennard is not a signatory to the Affiliation Agreement, he clearly falls within the definition of an "Affiliated Company" and therefore is a party bound by the terms of the agreement, including Section 8.2.

195. Importantly, Kennard is not relieved from his obligations under the Affiliation Agreement by Section 27, which limits (in certain contexts) liability for directors and officers.

196. Any interpretation of Section 27 that would preclude Kennard's liability would be inconsistent with the Affiliation Agreement as a whole and would, if accepted, render numerous provisions of the Affiliation Agreement superfluous. *See, e.g.,* Sections 8.1, 8.2, 16, 19, and 25.

197. [redacted]

198. Kennard breached the non-disparagement provision in the Affiliation Agreement (Section 16.3) including by, among other things, [redacted]

[redacted], laying the groundwork both for the filing of this lawsuit by Counterclaim Defendants (in whom Kennard invests heavily) and the adverse carriage decision by AT&T and DIRECTV (which Kennard controls).

199. In fact, ***this lawsuit itself is a significant violation by Kennard of the non-disparagement provision***, given that the lawsuit was brought at Kennard's direction as a member of Staple Street's Operating Executive Board, and Kennard stands to potentially financially benefit personally from the contract-breaching disparagement that is this lawsuit given his direct investment in one or more Dominion entities and his founding investor status and executive roles as to Staple Street.

200. Kennard's influence in Counterclaim Defendants' decision to bring suit "arises out of" his breaches of the non-disparagement provision in the Affiliation Agreement (including but not limited to the filing of this lawsuit), triggering the indemnification provision.

201. Pursuant to the Affiliation Agreement, Kennard owes a duty to indemnify, defend, and hold harmless Herring and any of its directors, officers, employees and agents for any breach of the Affiliation Agreement.

202. Charles, Robert, and Rion were, at all relevant times, directors, officers, employees and/or agents of Herring.

203. Accordingly, under the Affiliation Agreement, Kennard is required to indemnify, defend, and hold harmless the Counterclaim Plaintiffs against the claims, costs, and expenses (including attorneys' fees) arising out of the lawsuit brought by Counterclaim Defendants.

PRAYER FOR RELIEF

WHEREFORE, Herring Networks, Inc., Charles Herring, Robert Herring, and Chanel Rion respectfully request that the Court enter judgment in their favor on Count VI and award them the following relief:

A. Compensatory and other damages, in an amount to be determined at trial;

B. Attorneys' fees, as provided in the Affiliation Agreement;

C. Costs of suit;

D. Pre-judgment and post-judgment interest; and

E. Such other and further relief as the Court deems just and proper.

PRAYER FOR RELIEF

(All Claims)

WHEREFORE, Herring Networks, Inc., Charles Herring, Robert Herring, and Chanel Rion respectfully request that the Court enter judgment on all causes of action and award the following relief:

A. Compensatory damages, in an amount to be determined at trial;

B. Punitive damages against Counterclaim Defendants and Staple Street for tortious interference;

C. Attorneys' fees against AT&T Services and Kennard pursuant to the Affiliation Agreement;

D. Pre-judgment and post-judgment interest;

E. Costs of suit incurred herein; and

F. Such other and further relief as the Court deems just and proper.

JURY TRIAL DEMANDED

Herring Networks, Inc., Charles Herring, Robert Herring, and Chanel Rion demand a trial by jury on all claims and issues so triable and request that the jury consist of 12 members.

Dated: May 5, 2023

Respectfully submitted,

/s/ Blaine Kimrey
Blaine Kimrey, Bar No. IL0091
bkimrey@vedderprice.com
Jeanah Park, Bar No. IL0094
jpark@vedderprice.com
Bryan Clark, Bar No. IL0090
bclark@vedderprice.com
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Counsel for Counterclaim Plaintiffs

CERTIFICATE OF SERVICE

I hereby certify that on this 5th day of May 2023, I electronically filed the foregoing document with the Clerk of the Court using the CM/ECF system, which I understand to have served counsel for the current parties of record.

/s/ Blaine C. Kimrey
Blaine C. Kimrey

Exhibit A

https://www.cbsnews.com/news/fox-news-dominion-voting-systems-lawsuit-settlement-staple-street-private-equity/

MONEYWATCH

This private equity firm is the biggest winner in the Dominion-Fox News settlement

By Irina Ivanova

UPDATED ON: APRIL 19, 2023 / 2:21 PM / MONEYWATCH

Dominion Voting Systems won big in striking a historic $787 million settlement with Fox News over allegations the broadcaster had defamed the election equipment company. But the biggest financial winner is midsize private equity firm that turned a five-year-old investment in Dominion into a tenfold return.

The firm, Staple Street Capital, bought a controlling stake in Dominion for about $38 million, according to Reuters, Fortune and other media reports. The company's share of the settlement with Fox comes to more than 15 times its initial investment — a stunning 1,500% return in just five years, not counting any deductions for legal expenses.

The settlement is also multiple times Dominion's annual revenue, which was estimated at just under $100 million last year, according to data provider Pitchbook. Dominion's suit against Fox had sought damages of $1.6 billion.

"It's not every day that an investment fund finds itself at the center of this type of dispute," Staple Street co-founder Hootan Yaghoobzadeh told reporters on Tuesday shortly after the settlement was announced. He did not mention the financial settlement, saying that Staple Street's goal in the lawsuit was the pursuit of the truth.

"We are proud to have played whatever part we could in helping Dominion achieve these important goals," he added.

A spokesperson for Dominion declined to answer a question on how much of the settlement would go toward legal fees.

One trial attorney estimated Dominion's legal costs at "well over a million," which would give the company nearly all of the settlement. "Dominion is a large corporation and they hired very skilled lawyers," said Ryan Saba, a founding partner of Rosen Saba LLP.

"On a case like this, they've had up to 10 lawyers working on this, and it's not the only case they were [pursuing], so legal fees should be well over a million," he said.

Even before the settlement, Staple Street had done well with its Dominion investment, according to Reuters. The wire service reported that Dominion was valued at about $226 million in 2020, citing court filings. That's nearly three times the $80 million valuation Dominion had at the time of Staple Street's 2018 purchase, Reuters said.

The private equity firm previously owned Six Flags and currently has stakes in a flower bulb distributor, a payroll company and a self-storage service, according to its website. It has $900 million under management, making it a relatively small buyout firm compared with industry giants such as The Blackstone Group and KKR.

A former Staple Street employee foresaw the possibility of windfall emerging from Dominion's litigation against Fox, according to court filings. In December 2020, the person sent a Staple Street executive a text reading, "Would be pretty unreal if you guys like 20 [times] your Dominion investment with these lawsuits."

The Fox deal could boost Dominion in other litigation the company is pursuing against parties that allegedly made baseless accusations about its role in the 2020 presidential election. The voting machine company is also suing TV networks Newsmax and OAN for $1.6 billion each, and is asking for $1.2 billion in damages from MyPillow and CEO Mike Lindell in a separate lawsuit.

"Money is accountability, and we got that today from Fox," Dominion attorney Stephen Shackelford said Tuesday in wake of the settlement. "But we're not done yet. We've got some other people who have some accountability coming towards them."

Exhibit B

EXECUTION VERSION

AFFILIATION AGREEMENT

“One America News” and “AWE”

DIRECTV, LLC
and
AT&T Services, Inc.

and

Herring Networks, Inc.

EXECUTION VERSION

AFFILIATION AGREEMENT

AGREEMENT, made as of March 9, 2017 (the "**Effective Date**"), by and among Herring Networks, Inc., a California corporation ("**Programmer**"), on the one hand and DIRECTV, LLC, a California limited liability company ("**DIRECTV**") and AT&T Services, Inc., a Delaware corporation, on behalf of itself and its Affiliated Companies other than AT&T, Inc., which is not a party to this Agreement, on the other hand ("**AT&T**" and collectively with DIRECTV, "**Affiliate**" and together with Programmer, each a "**Party**" and collectively the "**Parties**")). "**Affiliated Company(ies)**" means, with respect to any person or entity, any other person or entity directly or indirectly controlling, controlled by or under common control (i.e., the power to direct affairs by reason of ownership of voting stock, by contract or otherwise) with such person or entity. Notwithstanding anything to the contrary in this Agreement, AT&T is entering into this Agreement for all distribution (other than the DIRECTV Distribution System and the OTT Distribution System) and any other distribution platforms owned, operated and/or controlled by Affiliate or an Affiliated Company of Affiliate (including, as applicable, the Future Premium Content Video Product(s)) and DIRECTV is entering into this Agreement for the DIRECTV Distribution System and the OTT Distribution System (and, in each case, the associated authenticated delivery), including, as applicable, the Future Premium Content Video Product(s).

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8. Indemnification; Limitation of Liability.

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8.2 By Affiliate. Affiliate shall indemnify, defend and hold harmless each of Programmer, its parent company and its Affiliated Companies, contractors, subcontractors, authorized agents, each supplier to Programmer of any portion of any Service under this Agreement and each participant therein and the directors, officers, employees and agents of Programmer, such Affiliated Companies, contractors, subcontractors, authorized agents, such suppliers and participants therein (collectively, the "**Programmer Indemnitees**") from, against and with respect to any and all claims, demands, actions, or causes of action, damages, liabilities, threatened claims, costs and expenses (including reasonable outside attorneys' and experts' fees) incurred in connection with any third-party claim against the Programmer Indemnitees to the extent arising out of (a) Affiliate's breach or alleged breach of any provision of this Agreement, (b) the distribution, exhibition and/or transmission by Affiliate of the Services and/or any Service Content via the DIRECTV Distribution System, the U-verse Distribution System and/or the OTT Distribution System from the point of authorized reception by Affiliate, including the insertion by Affiliate of commercial or other announcements pursuant to Section 1.2.6 (except with respect to claims relating to either of the Services and/or any Service Content and related materials for which Programmer is solely responsible pursuant to Section 8.1(b), Section 8.1(c), Section 8.1(d), and Section 8.1(e)), (c) Affiliate's advertising and marketing of the Services (except with respect to such advertising and marketing materials or content supplied or approved by Programmer), and (d) any other materials, including advertising or promotional copy, solely to the extent supplied by Affiliate and not approved by Programmer. In addition, Affiliate shall pay and hold Programmer harmless from any international, federal, state, or local taxes or fees, including any fees payable to local franchising authorities, which are based upon revenues derived by, or the operations of, Affiliate (except with respect to taxes or fees based upon revenues derived by, or the operations of, Programmer for which Programmer is solely responsible pursuant to Section 8.1).

8.3 Notice of Claim. The Party wishing to assert its rights set forth in this Section 8 (the "**Indemnified Party**") shall promptly notify the other Party (the "**Indemnifying Party**") in writing of any claim or legal proceeding as to which such Party is asserting an indemnification right, describing in reasonable detail the facts giving rise to any claim for indemnification under this Agreement, the amount or method of computation of the amount of such claim (if known) and such other information with respect thereto as the Indemnifying Party may reasonably request. The failure to provide such notice, however, shall not release the Indemnifying Party from any of its obligations under this Section 8 except to the extent that the Indemnifying Party is materially prejudiced by such failure to provide such notice. The Indemnifying Party shall by written notice to the Indemnified Party within thirty (30) days of receipt of notice from the Indemnified Party of the commencement of such claim, assume the defense thereof at the expense of the Indemnifying Party with counsel selected by the Indemnifying Party and reasonably satisfactory to the Indemnified Party. The Indemnified Party shall have the right to employ separate counsel and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Indemnified Party. The Indemnified Party shall reasonably cooperate with the Indemnifying Party in such defense and make available, at the Indemnifying Party's expense, to the Indemnifying Party all witnesses, pertinent records, materials and information in the Indemnified Party's possession or under the Indemnified Party's control relating thereto as is reasonably required by the Indemnifying Party.

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12. Binding Agreement; Assignment. This Agreement, including both its obligations and benefits, shall pass to and be binding on the respective transferees, successors and permitted assigns of the Parties. This Agreement may not be assigned, in whole or in part, by either Party without the prior written consent of the other Party, which consent shall not be unreasonably delayed or withheld; provided, however, that, no consent shall be necessary in the event of assignment by a Party of its obligations and benefits under this Agreement to: (i) an Affiliated Company and/or (ii) a successor entity of such Party resulting from merger, acquisition or consolidation.

13. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and to be fully performed therein, without regard to that state's choice-of-law provisions, except to the extent that the Parties' respective rights and obligations are subject to mandatory local, state and federal laws or regulations or to the extent that federal law preempts state or local law.

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16. Confidentiality/Non-Disparagement/Joint Media Statement

[redacted]

16.2 Confidentiality. The Parties agree that all terms and provisions of this Agreement (as well as all data, summaries, reports or information of all kinds, whether oral or written, acquired or devised or developed in any manner from the other Party (and/or the Programmer Related Parties or the AT&T Related Parties, as applicable, and/or their respective Representatives), or any proprietary or subscriber information, provided by one Party (and/or the Programmer Related Parties or the AT&T Related Parties, as applicable, and/or their respective Representatives) to the other Party), its negotiation, and any discussions or agreements related thereto, as well as information, testimony, documents or other data related to or concerning the Litigation, or provided and/or obtained in discovery in the Litigation (together, the "**Confidential Information**") shall be held strictly confidential by the Parties, the Programmer Related Parties, the AT&T Related Parties, and their respective Representatives. Notwithstanding the above, Confidential Information may be disclosed solely in the following circumstances: (i) to the extent necessary to comply with Law or as required by a judicial body, or arbitrator, or federal/state government, in which event, to the extent permitted by applicable law, the disclosing party shall so notify the party that produced the Confidential Information in writing as promptly as practicable (and, in any event, prior to making any disclosure) and shall cooperate with the party that produced the information in the event that such party seeks to limit the scope of such disclosure and/or to make such disclosure subject to a protective order or similar device; provided that in all events the disclosing party shall seek confidential treatment of such information (including by redacting any such information to the greatest extent possible); (ii) to the Party's parent, subsidiary and Affiliated Companies, its auditors and its attorneys as part of its normal reporting or review procedures and such auditors and attorneys agree to be bound by the provisions of this Section 16.2; (iii) at the written direction of the party that produced the Confidential Information (with respect to that party's Confidential Information); (iv) in connection with any bona fide enforcement (e.g., legal proceeding) of any of its rights pursuant to this Agreement; (v) to potential investors, purchasers, insurers or financing entities provided, however, that such person described above agrees to be bound by the provisions of this Section 16.2; or (vi) if at the time of disclosure the Confidential Information is in the public domain through no fault of the party seeking to disclose the information. Upon no less than ten (10) business days prior written notice to Affiliate, Programmer may also disclose Confidential Information to the third party independent auditors of Other Distributors solely to the extent that disclosure of such Confidential Information is required by provisions in Programmer's agreements with such Other Distributors that are the same as or materially similar to Section 4.5 of this Agreement provided that no Confidential Information is shared with the Other Distributor itself and such third party independent auditors of the applicable Other Distributor(s) agree to be bound by the provisions of this Section 16.2.

16.3 Non-Disparagement. The Parties further agree that the Parties, the AT&T Related Parties, the Programmer Related Parties, and their respective Representatives during the Term of this Agreement and for two (2) years thereafter, shall not directly or indirectly (or encourage, suggest or organize any other individual, entity or third party or their Representatives to) (1) disparage (including, without limitation, via the Services, blogging, social media, press interviews and/or any public statement) the other Party, the Programmer Related Parties, the AT&T Related Parties, and/or their respective Representatives; (2) protest, picket and/or engage in similar activity with respect to and/or at or near the commercial or residential locations of the other Party, the Programmer Related Parties, the AT&T Related Parties, and/or their respective Representatives; or (3) engage in any activity that impugns, or otherwise casts the other Party, the Programmer Related Parties, the AT&T Related Parties, and/or their respective Representatives in a negative light (the foregoing subsections (1)-(3), constituting the "**Prohibited Communications and Activity**"). The Parties acknowledge and agree that the Prohibited Communications and Activity could cause the other Party, the AT&T Related Parties, the Programmer Related Parties, and/or their respective Representatives significant harm. For that reason, the Parties agree that notwithstanding anything to the contrary in this Agreement that any violation of this Section 16.3 shall cease immediately upon written notice by one Party to the other Party. The Parties further agree that this Section 16.3 shall not apply (a) to the extent necessary to comply with the Law; (b) to any proceeding before any government, judicial, legislative or administrative body, or any arbitrator; or (c) to any governmental inquiry or request.

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25.2 Mutual Release and Waiver of All Claims. Plaintiff, on behalf of itself, the Programmer Related Parties, and their respective Representatives hereby waives, releases and forever forgives any and all claims, demands, causes of action, complaints or charges, known or unknown, of any kind or character, in tort, in contract, or under any other law or statute whatsoever, which exist or have accrued prior to the Effective Date of this Agreement, which Programmer, Programmer Related Parties, and their respective Representatives, or any of them, has or might have (including, but not limited to, those claims that relate to, consist of, or comprise any of the allegations asserted by any Programmer Related Party against any AT&T Related Party in the Litigation or elsewhere) against Affiliate, the AT&T Related Parties, and their respective Representatives, or any of them, and all of their respective past, present and future parent entities, direct or indirect subsidiaries, affiliates, divisions, facilities, operators, partners, members, representatives, principals, officers, directors, shareholders, agents, employees, insurers, independent contractors, heirs, trusts, beneficiaries, successors-in-interest, assigns and attorneys (including, but not limited to, Gibson Dunn & Crutcher LLP and its past, present and future partners, associates, and employees) *excluding* claims arising under or with respect to this Agreement, provided for the avoidance of doubt that the immediately preceding exclusion shall not entitle Plaintiff or any or all of Programmer Related Parties to bring a court action, suit, appeal, cause of action, arbitration, or other legal proceeding of any type, or assert any claim, against Affiliate or the AT&T Related Parties relating to any asserted duty, liability, obligation or indebtedness, known or unknown, matured or unmatured, that relates to or arose under the provisions of the Existing U-Verse Agreement. Affiliate, on behalf of itself, the Defendants in the Litigation, the AT&T Related Parties, and their respective Representatives hereby waives, releases and forever forgives any and all claims, demands, causes of action, complaints or charges, known or unknown, of any kind or character, in tort, in contract, or under any other law or statute whatsoever, which exist or have accrued prior to the Effective Date of this Agreement, which Affiliate, the AT&T Related Parties, and their respective Representatives, or any of them, has or might have (including, but not limited to, those claims that relate to, consist of, or comprise any of the allegations asserted by any Programmer Related Party against any AT&T Related Party in the Litigation or elsewhere) against Programmer, the Programmer Related Parties, and their respective Representatives, or any of them, and all of their respective past, present and future parent entities, direct or indirect subsidiaries, affiliates, divisions, facilities, operators, partners, members, representatives, principals, officers, directors, shareholders, agents, employees, insurers, independent contractors, heirs, trusts, beneficiaries, successors-in-interest, assigns and attorneys (including, but not limited to, Miller Barondess LLP and its past, present and future partners, associates, and employees) *excluding* claims arising under or with respect to this Agreement, provided for the avoidance of doubt that the immediately preceding exclusion shall not entitle Affiliate or the AT&T Related Parties to bring a court action, suit, appeal, cause of action, arbitration, or other legal proceeding of any type, or assert any claim, against Plaintiff or the Programmer Related Parties relating to any asserted duty, liability, obligation or indebtedness, known or unknown, matured or unmatured, that relates to or arose under the provisions (including the most favored nations clause) of the Existing U-Verse Agreement. By way of example, as part of an MFN audit under Section 4.5, if Affiliate discovers it was entitled to a more favorable provision under the Existing U-verse Agreement, Affiliate shall have no claims for Programmer's failure to provide such more favorable provision at any time prior to the Effective Date. The Parties intend that this mutual release and waiver will be construed and applied as broadly as possible.

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27. Separate Entities. No officer, employee, agent, representative, or independent contractor of either Party hereto or their respective Affiliated Companies shall at any time be deemed to be an employee, representative, or agent of the other Party for any purpose whatsoever, and the Parties shall use commercially reasonable efforts to prevent any such misrepresentation. Nothing in this Agreement shall be deemed to create any joint venture, partnership or principal-agent relationship between Programmer and Affiliate, and neither Party shall hold itself out in its advertising or in any other manner which would indicate any such relationship. Notwithstanding anything to the contrary in this Agreement, it is expressly understood and agreed by the Parties that each and every representation, undertaking and agreement made in this Agreement on the part of any of the Parties to this Agreement was not made nor intended to be made as a personal representation, undertaking or agreement on the part of any individual, incorporator, stockholder, director, officer or partner, past, present or future, or any of them, all of which recourse, whether in common law, in equity, by statute or otherwise, is hereby forever waived and released.

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IN WITNESS WHEREOF, the undersigned parties have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

DIRECTV, LLC

By:

Name: Robert D. Thun
Title: SVP, Content & Programming
Date: March 9, 2017

AT&T SERVICES, INC.

By:

Name: Robert D. Thun
Title: SVP, Content & Progarmming
Date: March 9, 2017

PROGRAMMER

By:

Name: Robert Herring
Title: CEO
Date:
march 9, 2-17
8: p.m.

EXHIBIT A
(See Section 1.3)

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EXHIBIT A-1

(See Section 1.3.1)

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EXHIBIT B

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MILLER BARONDESS, LLP
ATTORNEYS AT LAW
1999 AVENUE OF THE STARS, SUITE 1000 LOS ANGELES, CALIFORNIA 90067
TEL: (310) 552-4400 FAX: (310) 552-8400

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MILLER BARONDESS, LLP
ATTORNEYS AT LAW
1999 AVENUE OF THE STARS, SUITE 1000 LOS ANGELES, CALIFORNIA 90067
TEL: (310) 552-4400 FAX: (310) 552-8400

EXHIBIT C

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EXHIBIT D

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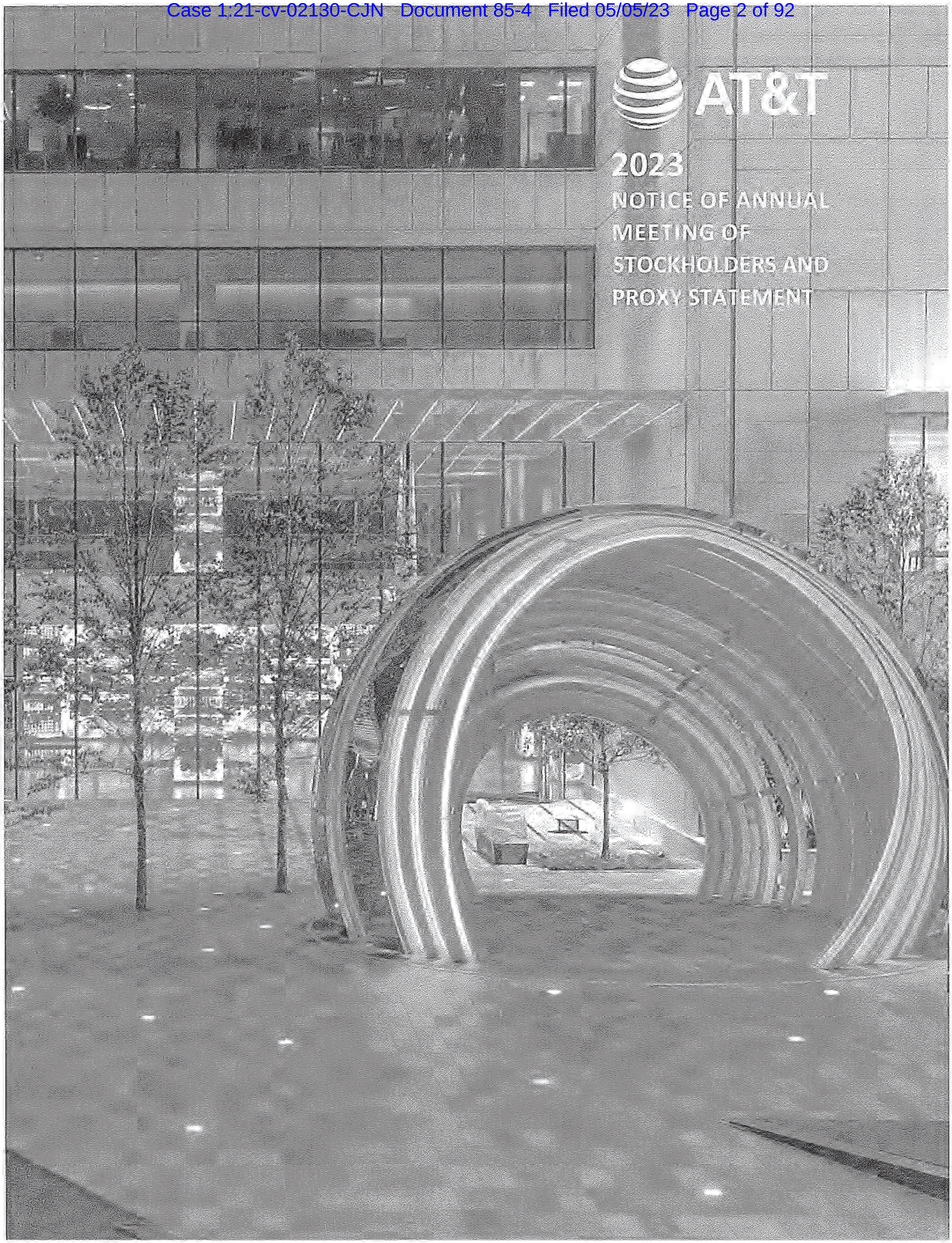
Exhibit C

FILED UNDER SEAL

Exhibit D

AT&T

2023 NOTICE OF ANNUAL MEETING OF STOCKHOLDERS AND PROXY STATEMENT



IT'S A PLEASURE TO INVITE YOU TO OUR 2023 ANNUAL MEETING OF STOCKHOLDERS. I HOPE YOU CAN JOIN US VIRTUALLY ON THURSDAY, MAY 18, 2023, AT 3:30 P.M. CENTRAL TIME.

Dear Stockholders:

It's an honor to serve as chairman of AT&T's Board of Directors and uphold our Company's tradition of strong, efficient governance.

The Board is committed to representing your interests and ensuring AT&T invests in long-term growth initiatives that deliver the returns you expect. And the diversity of our experience and expertise enables us to achieve that as we help steer AT&T's strategy and operations to create value for you.

Keeping you informed of our progress is incredibly important to us, and I hope you'll join us for AT&T's virtual Annual Meeting of Stockholders on Thursday, May 18. Thank you for continued confidence in AT&T.

Sincerely,
Bill Kennard

William E. Kennard
INDEPENDENT CHAIRMAN OF THE BOARD

Dear Stockholders:

I look forward to discussing AT&T's business momentum and outlook at our virtual 2023 Annual Meeting of Stockholders. Please join us at meetnow.global/ATT2023 on Thursday, May 18, starting at 3:30 p.m. Central time.

At the meeting, we'll update you on our plans to continue **connecting people to greater possibility** through 5G and Fiber as we build on the strong results we delivered in 2022 against our business priorities.

We are laser-focused on delivering sustainable growth in 2023 and beyond to generate long-term value for our stockholders. On behalf of the Board and management team, thank you for your trust and support.

Sincerely,
John Stankey

April 3, 2023

John T. Stankey
CHIEF EXECUTIVE OFFICER AND PRESIDENT

AT&T Inc.
One AT&T Plaza
Whitacre Tower
208 S. Akard Street
Dallas, TX 75202

NOTICE OF 2023 ANNUAL MEETING OF STOCKHOLDERS

To the Holders of Common Stock of AT&T Inc.:

The 2023 Annual Meeting of Stockholders of AT&T Inc. will be conducted virtually on the Internet. There will be no in-person meeting.

When: 3:30 p.m. Central time
Thursday, May 18, 2023

Web Address: meetnow.global/ATT2023

The purpose of the annual meeting is to consider and act on the following:

1. Election of Directors
2. Ratification of Ernst & Young LLP as independent auditors
3. Advisory approval of executive compensation
4. Advisory approval of frequency of vote on executive compensation
5. Any other business that may properly come before the meeting, including stockholder proposals

Holders of AT&T Inc. common stock of record at the close of business on March 20, 2023, are entitled to vote at the meeting and at any adjournment of the meeting.

Stacey Maris

By Order of the Board of Directors.

Stacey Maris
Senior Vice President - Deputy General Counsel and Secretary
April 3, 2023

YOUR VOTE IS IMPORTANT

Please promptly sign, date and return your proxy card or voting instruction form, or submit your proxy and/or voting instructions by telephone or through the Internet so that a quorum may be represented at the meeting. Any person giving a proxy has the power to revoke it at any time, and stockholders who virtually attend the meeting may withdraw their proxies and vote electronically at the meeting.

ATTENDING THE MEETING

A Stockholder of Record or a Beneficial Stockholder may access the meeting at meetnow.global/ATT2023 by following the prompts, which will ask for the Stockholder's control number, which is shown in a box on the Proxy Card or Notice of Internet Availability of Proxy Materials.

More information about accessing the meeting is provided on the next page.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 18, 2023:

The Proxy Statement and Annual Report to Stockholders are available at www.edocumentview.com/att

Attending the Meeting

The Record Date for AT&T's 2023 Annual Meeting of Stockholders is March 20, 2023.

Stockholders of Record (shares are registered in your name)
If you were a Stockholder of Record of AT&T common stock at the close of business on the Record Date, you are eligible to attend the meeting, vote, change a prior vote, and submit questions. To access the meeting, visit meetnow.global/ATT2023 and follow the prompts, which will ask you to enter your control number. The control number is on your Proxy Card or, if applicable, shown in the Notice of Internet Availability of Proxy Materials.

Beneficial Stockholders (shares are held in the name of a bank, broker, or other institution)
If you were a beneficial stockholder of AT&T common stock as of the Record Date (i.e., you hold your shares through a broker or other intermediary), you may submit your voting instructions through your broker or other intermediary. To access the meeting, visit meetnow.global/ATT2023 and use your control number. You may vote your shares at the meeting or change a prior vote and submit questions. If you are a beneficial stockholder but do not have a control number, you may gain access to the meeting by contacting your broker or by following the instructions included with your proxy materials.

401(k) Plan Participants
If you are a participant in the AT&T Retirement Savings Plan, the AT&T Savings and Security Plan, the AT&T Puerto Rico Retirement Savings Plan, or the BellSouth Savings and Security Plan, and if you participated in the AT&T shares fund on the record date, you are eligible to listen to the meeting via the webcast and submit questions at the meeting. You may access the meeting and submit questions in the same manner as Stockholders of Record. Because plan participants may submit voting instructions only through the plan trustee or administrator, voting instructions must be submitted on or before May 15, 2023.

Guests
The meeting will also be available to the general public at the following link: meetnow.global/ATT2023. Please note that guests will not have the ability to ask questions or vote.

Asking Questions
If you are a Stockholder of Record, a Beneficial Stockholder, or 401(k) Plan Participant, you may submit questions in writing during the meeting through the meeting portal at meetnow.global/ATT2023 using your control number. In addition, you may submit questions beginning three days before the day of the meeting by going to meetnow.global/ATT2023. We will attempt to answer as many questions as we can during the meeting. Similar questions on the same topic will be answered as a group. Questions related to individual stockholders will be answered separately by our stockholder relations team. Our replies to questions of general interest, including those we are unable to address during the meeting, will be published on our Investor Relations website after the meeting.

Stockholder Proponents
Only stockholders who have submitted proposals pursuant to AT&T's Bylaws may have a proposal submitted at the meeting. Unless otherwise determined by the Chairman of the meeting, each proponent will be permitted to pre-record the introduction of their proposal. The introduction must be relevant to the proposal and, of course, may not otherwise be inappropriate.

Control Number
Your control number appears on your Proxy Card, in our Notice of Internet Availability of Proxy Materials, or in the instructions that accompanied your proxy materials. If you do not have a control number, you may gain access to the meeting by contacting your broker or by following the instructions included with your proxy materials.

Technical Support
If you encounter any difficulties accessing the virtual meeting during the check-in or meeting time, please call the phone number displayed on the virtual meeting website on the meeting date.

Voting Results
The voting results of the Annual Meeting will be published no later than four business days after the Annual Meeting on a Form 8-K filed with the Securities and Exchange Commission, which will be available in the investor relations area of our website at investors.att.com.

Table of Contents

Proxy Statement Summary

AT&T

This summary highlights information contained elsewhere in this Proxy Statement. Please read the entire Proxy Statement carefully before voting.

2023 ANNUAL MEETING INFORMATION

Time
3:30 p.m. Central time

Date
Thursday
May 18, 2023

Place
meetnow.global/ATT2023

ATTENDING THE MEETING

You may access the meeting by going to meetnow.global/ATT2023 and following the prompts, which will ask you for your control number, on your Proxy Card or your Notice of Internet Availability. If you do not have a control number, contact your broker for access or follow the instructions sent with your proxy materials.

AGENDA AND VOTING RECOMMENDATIONS

Management Proposals:	Board Recommendation	Page
1 - Election of Directors	**FOR** each nominee	3
2 - Ratification of Ernst & Young LLP as auditors for 2023	**FOR**	9
3 - Advisory Approval of Executive Compensation	**FOR**	9
4 - Advisory Approval of Frequency of Vote on Executive Compensation	**FOR** Every 1 Year	10
Stockholder Proposals:		
5 - Independent Board Chairman	**AGAINST**	11
6 - Racial Equity Audit	**AGAINST**	13

CORPORATE GOVERNANCE HIGHLIGHTS

We are committed to strong corporate governance policies that promote the long-term interests of stockholders, strengthen Board and management accountability, and build on our environmental, social and governance leadership. The Corporate Governance section beginning on page 16 describes our governance framework, which includes the following highlights:

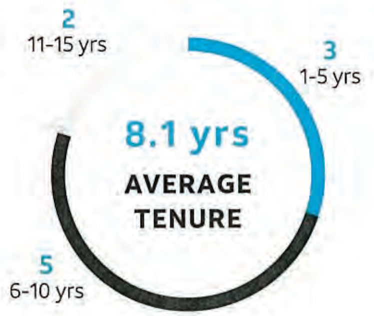
- Independent Chairman
- Nine Independent Director Nominees
- Demonstrated Board refreshment and diversity
- Independent Audit, Human Resources, and Governance and Policy Committees
- Regular sessions of non-management Directors
- Annual election of Directors by majority vote
- Long-standing commitment to sustainability
- Stockholder right to call special meetings
- Clawback policy
- Proxy Access

DIRECTOR TENURE AND DIVERSITY

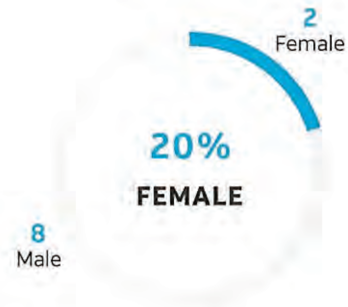
We are committed to strong corporate governance that directly aligns with our long-term strategy. Since 2012, the Board has undergone a meaningful, deliberate shift, adding eleven new independent directors with significant experience in key areas that align to the evolution of the strategy. The ongoing refreshment of the Board promotes the long-term interests of stockholders, strengthens Board and management accountability, and builds on our environmental, social and governance leadership.

DIRECTORS AND NOMINEES*

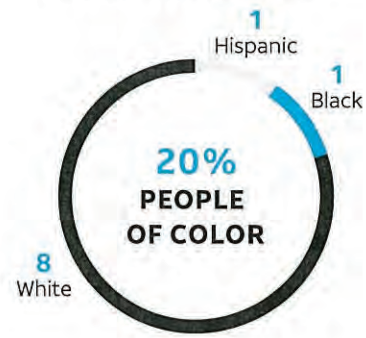
TENURE



GENDER



RACE / ETHNICITY



Name	Gender	Race/ Ethnicity	Director Since
SCOTT T. FORD	M	W	2012
GLENN H. HUTCHINS	M	W	2014
WILLIAM E. KENNARD	M	B	2014
STEPHEN J. LUCZO	M	W	2019
MICHAEL B. MCCALLISTER	M	W	2013

Name	Gender	Race/ Ethnicity	Director Since
BETH E. MOONEY	F	W	2013
MATTHEW K. ROSE	M	W	2010
JOHN T. STANKEY	M	W	2020
CYNTHIA B. TAYLOR	F	W	2013
LUIS A. UBIÑAS	M	H	2021

**All Directors are nominated for re-election. All Director nominees are independent, except for Mr. Stankey.*
Key: F – Female; M – Male; B – Black or African American; H – Hispanic; W – White

STOCKHOLDER ENGAGEMENT

AT&T has a long history of engaging with our stockholders, reaching out to our investors each spring and fall to discuss an array of topics. We believe it is important for our governance process to have meaningful engagement with our stockholders and understand their perspectives on corporate governance, executive compensation, and other issues that are important to them. These engagements help to inform our Board's approach to governance, compensation, and oversight of ESG initiatives. The Company also provides online reports designed to increase transparency on issues of importance to our investors, including sustainability, diversity, political contributions and privacy, as well as the Proxy Statement and Annual Report.

In both the spring and fall of 2022, AT&T reached out to stockholders representing more than 30% of shares outstanding, or more than 55% of shares held by institutional investors, and stockholders representing more than 40% of institutional investors accepted our request for a meeting in each instance. In addition, we engaged with various investor groups, the proxy advisory firms and other stakeholders. Human Resources Committee Chair Beth Mooney and Board Chairman William Kennard led dialogue with several large stockholders over the course of the year. In these engagements, stockholders expressed continued support for our compensation program and the changes implemented for 2022, which were responsive to stockholder feedback. We also discussed that no further changes are anticipated for our 2023 executive compensation programs.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) HIGHLIGHTS

ESG issues represent risks, opportunities and important external impacts we consider in our strategy and operations. Our approach to ESG is integrated into our business through Board of Directors oversight, officer-level leadership of ESG initiatives across relevant departments, and collaboration among dedicated teams of corporate responsibility professionals and subject-matter experts throughout the Company. Pages 27-33 detail how our integrated ESG approach delivers long-term value for AT&T and positive social and environmental impact for our stakeholders.

A sample of independent assessment organizations recognizing our ESG approach and performance is provided on the inside back cover.

SELECT ESG HIGHLIGHTS:

GOVERNANCE

Enhanced board oversight (page 27)	• AT&T established the Governance and Policy Committee (GPC), strengthening oversight of ESG by bringing together key elements of ESG from two committees within the remit of a single committee, with supplemental oversight as needed from the Audit and Human Resources Committees. The number of committee meetings was increased from three to four per year for this new combined committee.
Political engagement transparency (page 28)	• In 2022, our leadership in political engagement transparency was again recognized via independent third-party analysis. Additionally, enhancements were made to our public reporting that detail how political priorities are determined and the process by which they are managed.

ENVIRONMENTAL

Net zero emissions by 2035 (page 30)	• Through 2022, our progress has us on track toward our science-based target to reduce Scope 1 and 2 emissions 63% by the end of 2030, and our goal for net zero Scope 1 and 2 emissions by year-end 2035.
Supplier and customer emissions reductions (page 31)	• Through 2022, we continued toward our Gigaton Goal to equip business customers with connectivity solutions that cumulatively save a gigaton of GHG emissions by the end of 2035. • More than 50% of suppliers (by spend) have set their own science-based targets – achieving our supplier climate engagement target.
Community resilience (page 30)	• In 2022, we launched the Climate Risk and Resilience Portal to provide emergency managers and community leaders across the nation with access to localized data about future climate risks.

SOCIAL IMPACT

$2B commitment to address the digital divide (page 31)	• In 2022, we expanded our Access from AT&T program to enable more low-income households to access low-cost broadband service offerings. • We are on track with our $2B commitment to help close the digital divide, as well as our commitment toward our 2025 goal to reach 1 million people through AT&T Connected Learning℠. Through the end of 2022 we launched 20 AT&T Connected Learning Centers℠ in neighborhoods facing barriers to connectivity. We anticipate launching more than 50 AT&T Connected Learning Centers by the end of 2024.
A diverse, equitable and inclusive workforce (page 32)	• In 2022, more than 75% of open positions and 69% of internal promotions were filled by women and/or people of color.[1] • AT&T's Diversity, Equity & Inclusion team provides diverse talent with tools, opportunities and resources focused on exposure to senior leaders. To create an ecosystem in which this talent can thrive, enrichment-focused development is also provided to all supervisors, building inclusive leadership practices that lead to a greater sense of belonging for all employees.

1 Represents AT&T's U.S.-based workforce

GENERAL

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of AT&T Inc. (*AT&T*, the *Company*, or *we*) for use at the 2023 Annual Meeting of Stockholders of AT&T. The meeting will be conducted virtually over the Internet at 3:30 p.m. Central time on Thursday, May 18, 2023.

The purpose of the meeting is set forth in the Notice of Annual Meeting of Stockholders. This Proxy Statement and form of proxy are being sent or made available beginning April 3, 2023, to stockholders who were record holders of AT&T's common stock, $1.00 par value per share, at the close of business on March 20, 2023. These materials are also available at www.envisionreports.com/att. Each share entitles the registered holder to one vote. As of March 20, 2023, there were 7,153,516,430 shares of AT&T common stock entitled to vote at the meeting.

To constitute a quorum to conduct business at the meeting, stockholders representing at least 40% of the shares of common stock entitled to vote at the meeting must be present or represented by proxy.

Each share of AT&T common stock represented at the Annual Meeting is entitled to one vote on each matter properly brought before the meeting. All matters, except as provided below, are determined by a majority of the votes cast, unless a greater number is required by law or our Certificate of Incorporation for the action proposed. A majority of votes cast means the number of votes cast "for" a matter exceeds the number of votes cast "against" such matter.

If the proxy is submitted and no voting instructions are provided, the person or persons designated on the card will vote the shares for the election of the Board of Directors' nominees and in accordance with the recommendations of the Board of Directors on the other subjects listed on the proxy card and at their discretion on any other matter that may properly come before the meeting.

The Board of Directors is not aware of any matters that will be presented at the meeting for action on the part of stockholders other than those described in this Proxy Statement.

Election of Directors
In the election of Directors, each Director is elected by the vote of the majority of the votes cast with respect to that Director's election. Under our Bylaws, if a nominee for Director is not elected and the nominee is an existing Director standing for re-election (or *incumbent* Director), the Director must promptly tender his or her resignation to the Board, subject to the Board's acceptance. The Governance and Policy Committee will make a recommendation to the Board as to whether to accept or reject the tendered resignation or whether other action should be taken. The Board will act on the tendered resignation, taking into account the Governance and Policy Committee's recommendation, and publicly disclose (by a press release, a filing with the SEC, or other broadly disseminated means of communication) its decision regarding the tendered resignation and the rationale behind the decision within 90 days from the date of the certification of the election results. The Governance and Policy Committee in making its recommendation and the Board of Directors in making its decision may each consider any factors or other information that they consider appropriate and relevant. Any Director who tenders his or her resignation as described above will not participate in the recommendation of the Governance and Policy Committee or the decision of the Board of Directors with respect to his or her resignation.

If the number of persons nominated for election as Directors as of ten days before the record date for determining stockholders entitled to notice of or to vote at such meeting shall exceed the number of Directors to be elected, then the Directors shall be elected by a plurality of the votes cast. Because no persons other than the incumbent Directors have been nominated for election at the 2023 Annual Meeting, the majority vote provisions will apply.

Advisory Votes on Executive Compensation and Frequency of the Vote on Executive Compensation
The advisory votes on executive compensation and frequency of the vote on executive compensation are non-binding, and in each case the preference of the stockholders will be determined by the choice receiving the greatest number of votes.

All Other Matters to be Voted Upon
All other matters at the 2023 Annual Meeting will be determined by a majority of the votes cast.

Abstentions
Except as noted above, shares represented by proxies marked "abstain" with respect to the proposals described on the proxy card and by proxies marked to deny discretionary authority on other matters will not be counted in determining the vote obtained on such matters.

Broker Non-Votes
Under the rules of the New York Stock Exchange ("NYSE"), on certain routine matters, brokers may, at their discretion, vote shares they hold in "street name" on behalf of beneficial owners who have not returned voting instructions to the brokers. On all other matters, brokers are prohibited from voting uninstructed shares. In instances where brokers are prohibited from exercising discretionary authority (so-called *broker non-votes*), the shares they hold are not included in the vote totals.

At the 2023 Annual Meeting, brokers will be prohibited from exercising discretionary authority with respect to each of the matters submitted other than the ratification of the auditors. As a result, for each of the matters upon which the brokers are prohibited from voting, the broker non-votes will have no effect on the results.

VOTING

Stockholders of Record
Stockholders whose shares are registered in their name on the Company records (also known as "stockholders of record") will receive either a proxy card by which they may indicate their voting instructions or a notice on how they may obtain a proxy. Instead of submitting a signed proxy card, stockholders may submit their proxies by telephone or through the Internet. Telephone and Internet proxies must be used in conjunction with, and will be subject to, the information and terms contained on the form of proxy. Similar procedures may also be available to stockholders who hold their shares through a broker, nominee, fiduciary or other custodian.

All shares represented by proxies will be voted by one or more of the persons designated on the form of proxy in accordance with the stockholders' directions. If the proxy card is signed and returned or the proxy is submitted by telephone or through the Internet without specific directions with respect to the matters to be acted upon, it will be treated as an instruction to vote such shares in accordance with the recommendations of the Board of Directors. Any stockholder giving a proxy may revoke it at any time before the proxy is voted at the meeting by giving written notice of revocation to the Secretary of AT&T, by submitting a later-dated proxy, or by virtually attending the meeting and voting electronically. The Chairman of the Board will announce the closing of the polls during the Annual Meeting. Proxies must be received before the closing of the polls in order to be counted.

Shares Held Through a Broker, Nominee, Fiduciary, or Other Custodian
Where the stockholder is not the record holder ("Beneficial Stockholder"), such as where the shares are held through a broker, nominee, fiduciary or other custodian, the stockholder must provide voting instructions to the record holder of the shares in accordance with the record holder's requirements in order to ensure the shares are properly voted. Beneficial Stockholders that attend the virtual meeting will be able to vote, change a prior vote, or ask questions.

Shares Held on Your Behalf under Company Benefit Plans or under The DirectSERVICE Investment Program
The proxy card, or a proxy submitted by telephone or through the Internet, will also serve as voting instructions to the plan administrator or trustee for any shares held on behalf of a participant under any of the following employee benefit plans: the AT&T Retirement Savings Plan; the AT&T Savings and Security Plan; the AT&T Puerto Rico Retirement Savings Plan; and the BellSouth Savings and Security Plan. Subject to the trustee's fiduciary obligations, shares in each of the above employee benefit plans for which instructions are not received will not be voted. To allow sufficient time for voting by the trustees and/or administrators of the plans, your voting instructions must be received by May 15, 2023.

In addition, the proxy card or a proxy submitted by telephone or through the Internet will constitute voting instructions to the plan administrator under The DirectSERVICE Investment Program sponsored and administered by Computershare Trust Company, N.A. (AT&T's transfer agent) for shares held on behalf of plan participants.

If a stockholder participates in the plans listed above and/or maintains stockholder accounts under more than one name (including minor differences in registration, such as with or without a middle initial), the stockholder may receive more than one set of proxy materials. To ensure that all shares are voted, please submit proxies for all of the shares you own.

ITEM NO. 1 - ELECTION OF DIRECTORS

Under our Bylaws, the Board of Directors has the authority to determine the size of the Board and to fill vacancies. Currently, the Board is comprised of ten Directors, one of whom is an Executive Officer of AT&T. There are no vacancies on the Board. Under AT&T's Corporate Governance Guidelines, a Director will not be nominated by the Board for re-election if the Director would be 75 or older at the time of the election.

The Board of Directors has nominated the ten persons listed below for election as Directors to one-year terms of office that would expire at the 2024 Annual Meeting. Each of the nominees is an incumbent Director of AT&T recommended for re-election by the Governance and Policy Committee. In making these nominations, the Board reviewed the background of the nominees (each nominee's biography can be found beginning on the next page) and determined to nominate each of the current Directors for re-election.

The Board believes that each nominee has valuable individual skills, attributes, and experiences that, taken together, provide us with the variety and depth of knowledge, judgment and vision necessary to provide effective oversight of a large and varied enterprise like AT&T. As indicated in the table below and in the following biographies, the nominees have exhibited significant leadership skills and extensive experience in a variety of fields, each of which the Board believes provides valuable knowledge about important elements of AT&T's business.

If one or more of the nominees should at the time of the meeting be unavailable or unable to serve as a Director, the shares represented by the proxies will be voted to elect the remaining nominees and any substitute nominee or nominees designated by the Board. The Board knows of no reason why any of the nominees would be unavailable or unable to serve.

The Board recommends you vote FOR each of the following candidates

Name	Age	Director Since	Senior Leadership	Global Perspective	Government/Regulatory	Strategic Planning/M&A	Consumer Focus	Human Capital Management	Investment/Finance	Technology/Innovation	Telecom
SCOTT T. FORD CEO of Westrock Coffee Company	60	2012	●	●	●	●	●	●	●		●
GLENN H. HUTCHINS Chairman of North Island and North Island Ventures and Co-Founder of Silver Lake	67	2014	●		●	●		●	●	●	
WILLIAM E. KENNARD Former United States Ambassador to the European Union and former Chairman of the Federal Communications Commission	66	2014	●	●	●				●		●
STEPHEN J. LUCZO Managing Partner of Crosspoint Capital Partners, L.P.	66	2019	●	●		●		●	●	●	
MICHAEL B. MCCALLISTER Retired Chairman of the Board and CEO of Humana Inc.	70	2013	●		●	●	●	●			
BETH E. MOONEY Retired Chairman and CEO of KeyCorp	68	2013	●		●	●	●	●	●		
MATTHEW K. ROSE Retired Chairman and CEO of Burlington Northern Santa Fe, LLC	64	2010	●	●	●	●		●			
JOHN T. STANKEY CEO and President of AT&T Inc.	60	2020	●	●	●	●	●	●	●	●	●
CYNTHIA B. TAYLOR President and CEO of Oil States International, Inc.	61	2013	●	●		●		●	●		
LUIS A. UBIÑAS Chairman of the Statute of Liberty – Ellis Island Foundation	60	2021	●	●	●					●	●

All Director nominees are independent, except for Mr. Stankey.

WILLIAM E. KENNARD

Age: 66
Director since 2014
Independent Chairman of the Board
Former United States Ambassador to the European Union and former Chairman of the Federal Communications Commission

Mr. Kennard is Chairman of the Board of Directors of AT&T Inc. and has served in this capacity since January 2021. Mr. Kennard served as the United States Ambassador to the European Union from 2009 to 2013. From 2001 to 2009, Mr. Kennard was Managing Director of The Carlyle Group (a global asset management firm) where he led investments in the telecommunications and media sectors. Mr. Kennard served as Chairman of the U.S. Federal Communications Commission from 1997 to 2001. Before his appointment as FCC Chairman, he served as the FCC's General Counsel from 1993 until 1997. Mr. Kennard joined the FCC from the law firm of Verner, Liipfert, Bernhard, McPherson and Hand (now DLA Piper) where he was a partner and member of the firm's board of directors. Mr. Kennard is a co-founder of Astra Capital Management (a private equity firm) and has served on the board of trustees of Yale University since 2014. Mr. Kennard received his B.A. in communications from Stanford University and earned his law degree from Yale Law School.

Skills and Qualifications
Mr. Kennard brings expertise in the global telecommunications industry including knowledge of the complex regulatory and policy landscape for communications, consumer perspective, and an understanding of the technological and strategic shifts in the industries. He also has experience in international trade and global investment.

Senior Leadership
Investment/ Finance
Global Perspective
Government/ Regulatory
Telecom

Other Public Company Directorships
- Ford Motor Company
- MetLife, Inc.

Past Public Company Directorships
- Duke Energy Corporation (2014-2021)

Committees
- Executive (Chair)
- Governance and Policy

SCOTT T. FORD

Age: 60
Director since 2012
Chief Executive Officer of Westrock Coffee Company

Mr. Ford currently serves as a director and Chief Executive Officer of Westrock Coffee Company (a fully integrated manufacturer of coffee, tea and coffee-related products), which he co-founded in 2009 and where he has served as Chief Executive Officer since 2009. Mr. Ford also founded Westrock Group, LLC (a private investment firm in Little Rock, Arkansas) in 2013, where he has served as Member and Chief Executive Officer since its inception. Westrock Group operates Westrock Asset Management, LLC (a global alternative investment firm), which Mr. Ford founded in 2014 and where he has served as Chief Executive Officer and Chief Investment Officer since 2014. Mr. Ford previously served as President and Chief Executive Officer of Alltel Corporation (a provider of wireless voice and data communications services) from 2002 to 2009 and served as an executive member of Alltel Corporation's board of directors from 1996 to 2009. He also served as Alltel Corporation's President and Chief Operating Officer from 1998 to 2002. Mr. Ford led Alltel through several major business transformations, culminating with the sale of the company to Verizon Wireless in 2009. Mr. Ford received his B.S. in finance from the University of Arkansas, Fayetteville.

Skills and Qualifications
Mr. Ford brings extensive experience in the telecommunications industry through his leadership of a large, publicly traded wireless and wireline communications company. He has experience managing complex business operations in various regulatory environments internationally and has led several major business transformations, including the spin-off of Windstream and Alltel.

Senior Leadership
Investment/ Finance
Global Perspective
Government/ Regulatory
Strategic Planning/M&A
Human Capital Management
Consumer Focus
Telecom

Other Public Company Directorships
- Westrock Coffee Company

Past Public Company Directorships
- Bear State Financial, Inc. (2011-2018)

Committees
- Corporate Development and Finance (Chair)
- Executive
- Human Resources

GLENN H. HUTCHINS

Age: 67
Director since 2014
Chairman of North Island and North Island Ventures and Co-Founder of Silver Lake

Mr. Hutchins is Chairman of North Island Management, LLC (a family investment office, aka Tide Mill, LLC, based in New York, New York) and has served in this capacity since 2013. Since 2020, Mr. Hutchins has also been Chairman of North Island Ventures (an investment firm in New York, New York). He has been co-owner of Ordinal Ventures, LLC and Ordinal Holdings ManageCo, LP (investment advisory firms in New York, New York) since 2017. Mr. Hutchins is a member of the Investment Board and the International Advisory Board of GIC Private Limited, the sovereign wealth fund of Singapore, which he joined in 2020. He is a co-founder of Silver Lake (a technology investment firm based in New York, New York and Menlo Park, California), which was founded in 1999 and where Mr. Hutchins served as co-CEO until 2011 and as Managing Director from 1999 until 2011. Prior to that, Mr. Hutchins was Senior Managing Director at The Blackstone Group (a global investment firm) from 1994 to 1999. Mr. Hutchins served as Chairman of the Board of SunGard Data Systems Inc. (a software and technology services company) from 2005 until 2015, and a director of Nasdaq, Inc. and Virtu Financial (2017-2021). Previously, Mr. Hutchins served as a Special Advisor in the White House on economic and health-care policy from 1993 to 1994 and as Senior Advisor on the transition of the Administration from 1992 to 1993. He is co-Chairman of the Brookings Institution. Mr. Hutchins served as a director of the Federal Reserve Bank of New York from 2011 until 2020. He holds an A.B. from Harvard College, an M.B.A. from Harvard Business School, and a J.D. from Harvard Law School.

Skills and Qualifications

Mr. Hutchins brings extensive experience in areas that intersect technology, innovation and investment, along with financial, public policy and strategic planning experience. As the co-founder and co-CEO of a global investment firm, he brings significant leadership, business planning and human capital management expertise.

Senior Leadership | Investment/Finance | Government/Regulatory | Strategic Planning/M&A | Human Capital Management | Technology/Innovation

Other Public Company Directorships
- Banco Santander

Past Public Company Directorships
- Virtu Financial, Inc. (2017-2021)

Committees
- Corporate Development and Finance
- Executive
- Governance and Policy (Chair)

STEPHEN J. LUCZO

Age: 66
Director since 2019
Managing Partner of Crosspoint Capital Partners, L.P.

Mr. Luczo is a Managing Partner of Crosspoint Capital Partners, L.P. (a private equity investment firm focused on the cybersecurity and privacy sectors located in Menlo Park, California) and has served in this capacity since February 2020. Mr. Luczo served as Chairman of the Board of Seagate Technology plc (a global provider of data storage technology and solutions in Fremont, California) from 2002 until July 2020 and as a member of Seagate's board of directors until October 2021. Mr. Luczo joined Seagate's predecessor company in 1993 as Senior Vice President of Corporate Development, joined its board of directors in 1998, and served as its Chief Executive Officer from 1998 to 2004 and from 2009 to 2017. Prior to joining Seagate, Mr. Luczo held various roles in investment banking. He holds an A.B. in economics from Stanford University and earned an M.B.A. from Stanford Graduate School of Business.

Skills and Qualifications

Mr. Luczo brings deep experience in technology, business development, strategic planning, and operations through his leadership at Seagate. He has significant experience in financial matters and executing strategic cost initiatives and transactions.

Senior Leadership | Investment/Finance | Global Perspective | Strategic Planning/M&A | Human Capital Management | Technology/Innovation

Other Public Company Directorships
- Morgan Stanley

Past Public Company Directorships
- Seagate Technology plc (2002-2021)

Committees
- Audit
- Corporate Development and Finance

MICHAEL B. McCALLISTER

Age: 70
Director since 2013
Retired Chairman of the Board and Chief Executive Officer of Humana Inc.

Mr. McCallister served as Chairman of Humana Inc. (a health care company in Louisville, Kentucky) from 2010 to 2013 and as a member of Humana's board of directors beginning in 2000. He also served as Humana's Chief Executive Officer from 2000 until his retirement in 2012. During Mr. McCallister's tenure, he led Humana through significant expansion and growth, nearly quadrupling its annual revenues between 2000 and 2012, and led the company to become a FORTUNE 100 company. Mr. McCallister received his B.S. in accounting from Louisiana Tech University and earned his M.B.A. from Pepperdine University.

Skills and Qualifications

Mr. McCallister has extensive leadership experience in the oversight of a large, publicly traded company with a focus on strategic planning and organic growth in the evolving health care sector. He also has deep experience in the development of customer-focused solutions.

Senior Leadership | Government/Regulatory | Strategic Planning/M&A | Human Capital Management | Consumer Focus

Other Public Company Directorships

- Fifth Third Bancorp
- Zoetis Inc.

Committees

- Audit
- Human Resources

BETH E. MOONEY

Age: 68
Director since 2013
Retired Chairman and Chief Executive Officer of KeyCorp

Ms. Mooney served as Chairman and Chief Executive Officer of KeyCorp (a bank holding company in Cleveland, Ohio) from 2011 until her retirement in May 2020. She previously served as KeyCorp's President and Chief Operating Officer from 2010 to 2011. Ms. Mooney joined KeyCorp in 2006 as a Vice Chair and head of Key Community Bank. Prior to joining KeyCorp, beginning in 2000 she served as Senior Executive Vice President at AmSouth Bancorporation (now Regions Financial Corporation), where she also became Chief Financial Officer in 2004. Ms. Mooney served as a director of the Federal Reserve Bank of Cleveland in 2016 and served three one-year terms representing the Fourth Federal Reserve District on the Federal Advisory Council from 2017 to 2019. She received her B.A. in history from the University of Texas at Austin and earned her M.B.A. from Southern Methodist University.

Skills and Qualifications

Ms. Mooney brings executive leadership skills through the management of a large, publicly traded and highly-regulated company, knowledge of business strategy, and more than 30 years of experience in the customer-focused financial services industry.

Senior Leadership | Investment/Finance | Government/Regulatory | Strategic Planning/M&A | Human Capital Management | Consumer Focus

Other Public Company Directorships

- Accenture plc
- Ford Motor Company

Past Public Company Directorships

- KeyCorp (2011-2020)

Committees

- Executive
- Governance and Policy
- Human Resources (Chair)

MATTHEW K. ROSE

Age: 64
Director since 2010
Retired Chairman and Chief Executive Officer of Burlington Northern Santa Fe, LLC

Mr. Rose served as Chairman of the Board and Chief Executive Officer of Burlington Northern Santa Fe, LLC (a freight rail system based in Fort Worth, Texas and a subsidiary of Berkshire Hathaway Inc., formerly known as Burlington Northern Santa Fe Corporation) from 2002 until his retirement in April 2019, having also served as BNSF's President until 2010. Mr. Rose began his 26-year career with BNSF (then Burlington Northern Railroad Company) in 1993. During his tenure as CEO, Mr. Rose helped guide the acquisition of BNSF by Berkshire Hathaway in 2009. Before serving as Chairman, Mr. Rose held several leadership positions there and at its predecessors, including President and Chief Executive Officer from 2000 to 2002, President and Chief Operating Officer from 1999 to 2000, and Senior Vice President and Chief Operations Officer from 1997 to 1999. Mr. Rose also served as Executive Chairman of BNSF Railway Company (a subsidiary of Burlington Northern Santa Fe, LLC) until his retirement in 2019, having served as Chairman and Chief Executive Officer from 2002 to 2013. He earned his B.S. in marketing from the University of Missouri.

Skills and Qualifications
Mr. Rose has extensive experience in the executive oversight of a large, complex and highly-regulated organization with considerable knowledge of operations management and logistics. He brings experience overseeing long-term strategic planning and a unionized workforce.

- Senior Leadership
- Government/ Regulatory
- Global Perspective
- Strategic Planning/M&A
- Human Capital Management

Other Public Company Directorships
- Fluor Corporation

Past Public Company Directorships
- BNSF Railway Company (2002-2019)
- Burlington Northern Santa Fe, LLC (2000-2019)

Committees
- Corporate Development and Finance
- Human Resources

JOHN T. STANKEY

Age: 60
Director since 2020
Chief Executive Officer and President of AT&T Inc.

Mr. Stankey is Chief Executive Officer and President of AT&T Inc. and has served in this capacity since July 2020. Prior to that, he served as President and Chief Operating Officer from October 2019 through June 2020. From June 2018 through April 2020, Mr. Stankey also served as CEO of Warner Media, LLC. During his tenure with the Company, Mr. Stankey has held a variety of other leadership positions, including serving as CEO-AT&T Entertainment Group (2015-2017); Chief Strategy Officer (2012-2015); President and CEO of AT&T Business Solutions (2010-2011); President and CEO of AT&T Operations, Inc. (2008-2010); Group President-Telecom Operations (2007-2008); Chief Technology Officer (2004-2006); and Chief Information Officer (2003-2004). Mr. Stankey began his career with the Company in 1985. He holds a bachelor's degree in finance from Loyola Marymount University and an M.B.A. from the University of California, Los Angeles.

Skills and Qualifications
Mr. Stankey has more than 35 years of experience spanning nearly every area of AT&T's business, which has provided him with intimate knowledge of our Company, values and culture. He has served in a variety of roles including CEO of WarnerMedia; CEO of AT&T Entertainment Group; Chief Strategy Officer; Chief Technology Officer; CEO of AT&T Operations; and CEO of AT&T Business Solutions.

- Senior Leadership
- Investment/ Finance
- Global Perspective
- Government/ Regulatory
- Technology/ Innovation
- Strategic Planning/M&A
- Human Capital Management
- Consumer Focus
- Telecom

Past Public Company Directorships
- United Parcel Service, Inc. (2014-2020)

CYNTHIA B. TAYLOR

Age: 61
Director since 2013
President and Chief Executive Officer of Oil States International, Inc.

Ms. Taylor is President, Chief Executive Officer and a director of Oil States International, Inc. (a globally diversified manufacturing and energy services provider based in Houston, Texas) and has served in this capacity since 2007. She previously served as Oil States International, Inc.'s President and Chief Operating Officer from 2006 to 2007 and as its Senior Vice President-Chief Financial Officer from 2000 to 2006. Ms. Taylor was Chief Financial Officer of L.E. Simmons & Associates, Inc. from 1999 to 2000 and Vice President-Controller of Cliffs Drilling Company from 1992 to 1999, and prior to that, held various management positions with Ernst & Young LLP, a public accounting firm. She has been a director of the Federal Reserve Bank of Dallas since January 2020 and previously served as a director of the Federal Reserve Bank's Houston Branch from 2018 to 2019. She received her B.B.A. in accounting from Texas A&M University and is a Certified Public Accountant.

Skills and Qualifications

Ms. Taylor brings executive leadership skills in the oversight of a large, publicly traded company, vast experience in finance and public accounting, and her experience in international business and affairs.

Senior Leadership
Investment/ Finance
Global Perspective
Strategic Planning/M&A
Human Capital Management

Other Public Company Directorships

- Oil States International, Inc.

Committees

- Audit (Chair)
- Executive

LUIS A. UBIÑAS

Age: 60
Director since 2021
Chairman of the Statute of Liberty - Ellis Island Foundation

Mr. Ubiñas is Chairman of the Statue of Liberty - Ellis Island Foundation (a nonprofit organization that works to preserve the Statue of Liberty and Ellis Island) and has served in this capacity since January 2021; he previously served as Vice Chair from 2018 until 2021 and has served as a member of its board of directors since 2014. Mr. Ubiñas served as President of the Ford Foundation (an independent, global nonprofit grant-making organization based in New York, New York) from 2008 to 2013. From 2000 to 2007, he was Senior Partner with McKinsey & Company (a global management consulting firm based in New York, New York), where he led the firm's west coast media practice working with companies in the technology, telecommunications, and media sectors. Mr. Ubiñas joined McKinsey & Company in 1989, holding various leadership positions prior to being named Senior Partner. From 2013 to 2017, he served on the Advisory Committee on U.S. Competitiveness of the Export-Import Bank, and from 2010 to 2014, he served on the Advisory Committee for Trade Policy and Negotiations. He holds an A.B. in government from Harvard College and an M.B.A. from Harvard Business School.

Skills and Qualifications

Mr. Ubiñas has extensive leadership experience and expertise across the broadband and wireless industries, government, and the nonprofit sector, all of which align with AT&T's priorities to serve customers, investors, and our communities.

Senior Leadership
Government/ Regulatory
Global Perspective
Telecom
Technology/ Innovation

Other Public Company Directorships

- Electronic Arts Inc.
- Tanger Factory Outlet Centers, Inc.

Past Public Company Directorships

- Boston Private Financial Holdings, Inc. (2017-2021)
- CommerceHub, Inc. (2016-2018)
- FirstMark Horizon Acquisition Corp. (2020-2022)

Committees

- Audit
- Governance and Policy

ITEM NO. 2 - RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS INDEPENDENT AUDITORS

This proposal would ratify the Audit Committee's appointment of Ernst & Young LLP (EY) to serve as independent auditors of AT&T for the fiscal year ending December 31, 2023. The Audit Committee's decision to re-appoint our independent auditor was based on the following considerations:

- quality and performance of the lead audit partner and the overall engagement team,
- knowledge of the telecommunications industry and company operations,
- global capabilities and technical expertise,
- auditor independence and objectivity, and
- the potential impact of rotating to another independent audit firm.

The Audit Committee's oversight of EY includes regular private sessions with EY, discussions about audit scope and business imperatives, and - as described above - a comprehensive annual evaluation to determine whether to re-engage EY. Considerations concerning auditor independence include:

- **Limits on non-audit services:** The Audit Committee preapproves audit and permissible non-audit services provided by EY in accordance with AT&T's pre-approval policy.
- **Audit partner rotation:** EY rotates the lead audit partner and other partners on the engagement consistent with independence requirements. The Audit Committee oversees the selection of each new lead audit partner.
- **EY's internal independence process:** EY conducts periodic internal reviews of its audit and other work and assesses the adequacy of partners and other personnel working on the Company's account.
- **Strong regulatory framework:** EY, as an independent registered public accounting firm, is subject to PCAOB inspections, "Big 4" peer reviews and PCAOB and SEC oversight.

Based on these considerations, the Audit Committee believes that the selection of Ernst & Young LLP is in the best interest of the Company and its stockholders. Therefore, the Audit Committee recommends that stockholders ratify the appointment of Ernst & Young LLP. If stockholders do not ratify the appointment, the Committee will reconsider its decision. One or more members of Ernst & Young LLP are expected to be present at the Annual Meeting, will be able to make a statement if they so desire, and will be available to respond to appropriate questions.

The Board recommends you vote FOR this proposal

ITEM NO. 3 - ADVISORY APPROVAL OF EXECUTIVE COMPENSATION

This proposal would approve the compensation of Executive Officers as disclosed in the Compensation Discussion and Analysis, the compensation tables, and the accompanying narrative disclosures (see pages 36 through 72). These sections describe our executive compensation program.

The Human Resources Committee is responsible for executive compensation and works to structure a balanced program that addresses the dynamic, global marketplace in which AT&T competes for talent. The compensation structure includes pay-for-performance and equity-based incentive programs and seeks to reward executives for attaining performance goals.

AT&T submits this proposal to stockholders on an annual basis. While this is a non-binding, advisory vote, the Committee intends to take into account the outcome of the vote when considering future executive compensation arrangements. AT&T is providing this vote as required pursuant to Section 14A of the Securities Exchange Act.

GUIDING PAY PRINCIPLES

Alignment with Stockholders
Utilize compensation elements and set performance targets that closely align executives' interests with

those of stockholders. For example, approximately 67% of annual target pay for active NEOs is tied to stock price performance. In addition, we have executive stock ownership guidelines and stock holding requirements, as described on page 58. Each NEO is in compliance with AT&T's common stock ownership guidelines.

Competitive and Market Based
Evaluate all components of our compensation and benefits program compared to appropriate peer company practices to ensure we are able to attract and retain world-class talent with the leadership abilities and experience necessary to develop and execute business strategies, obtain superior results, and build long-term stockholder value in an organization as large and complex as AT&T.

Pay for Performance
Tie a significant portion of compensation to stock price and/or the achievement of predetermined goals and recognize individual accomplishments that contribute to our success. For example, in 2022, 89% of the CEO's target compensation (and an average, 90% for other active NEOs) was at risk and tied to short- and long-term performance incentives, including stock price performance.

Balanced Short- and Long-Term Focus
Ensure that the compensation program to provide an appropriate balance between the achievement of short- and long-term performance objectives, with a clear emphasis on managing the sustainability of the business and mitigating risk.

Principled Program
Structure our program so that it aligns with both corporate governance best practices and our strategic objectives, while remaining easy to explain and communicate.

The Board recommends you vote FOR this proposal

ITEM NO. 4 - ADVISORY APPROVAL OF FREQUENCY OF VOTE ON EXECUTIVE COMPENSATION

This proposal will allow stockholders to indicate their preference for whether the vote on executive compensation (see Item 3, above) should be held every three years, every two years, or every year, or to abstain from the vote.

The Board recommends a vote once every year. Because the Company is required by SEC rules to report on compensation annually, it is appropriate that stockholders be given the opportunity to share their views with the same frequency.

The option that receives the highest number of votes cast by stockholders will be considered the preferred frequency. While this is a non-binding, advisory vote, the Committee will take into account the outcome of this vote when considering how often it will recommend submitting the advisory vote on executive compensation to stockholders. AT&T is providing this vote as required pursuant to section 14A of the Securities Exchange Act.

The Board recommends you vote for EVERY 1 YEAR on this proposal

STOCKHOLDER PROPOSALS

Certain stockholders, as noted below, have advised the Company that they intend to introduce at the 2023 Annual Meeting the proposals set forth below. The addresses of, and the number of shares owned by, each such stockholder will be provided upon request to the Secretary of AT&T at 208 S. Akard Street, Suite 2951, Dallas, Texas 75202.

ITEM NO. 5 - Stockholder Proposal - Independent Board Chairman

Kenneth Steiner proposes the following:

Proposal 5 – Independent Board Chairman

FOR Shareholder Rights

Shareholders request that the Board of Directors adopt an enduring policy, and amend the governing documents as necessary in order that 2 separate people hold the office of the Chairman and the office of the CEO.

Whenever possible, the Chairman of the Board shall be an Independent Director.

The Board has the discretion to select a Temporary Chairman of the Board who is not an Independent Director to serve while the Board is seeking an Independent Chairman of the Board.

Although it is a best practice to adopt this policy soon this policy could be phased in when there is a contract renewal for our current CEO or for the next CEO transition.

The roles of Chairman and CEO are fundamentally different and should be held by 2 directors, a CEO and a Chairman who is completely independent of the CEO and our company.

This proposal topic won 40% support at the 2020 AT&T annual meeting. The 40% support likely means a majority vote from the shares that have access to independent proxy voting advice to make a more informed voting decision. The Board of Directors should respect this majority vote.

A Lead Director is no substitute for an independent Board Chairman. According to the 2022 AT&T annual meeting proxy the AT&T Lead Director has 4 primary duties some of which are shared with others:

- Presides over executive sessions of non-management Directors.
- Only approves the agenda of Board meetings, but does not initiate the agenda and does not collaborate on the agenda.
- Presides at Board meetings at which the Chair is absent. (Absence may be unlikely especially with the use of Zoom meetings.)
- Acts as the principal liaison between management and non-management Directors but is not the only liaison.

When the Lead Director shares roles with others it means that the Lead Director may need to do little or nothing in those roles in a given year.

Plus management fails to give shareholders enough information on this topic to make an informed decision. There is no comparison of the *exclusive powers* of the Office of the Chairman and the *exclusive powers* of the Lead Director.

The ascending complexities of a company with $120 Billion in market capitalization, like AT&T, increasingly demand that 2 persons fill the 2 most important jobs at AT&T on an enduring basis - Chairman and CEO. It is time for a change since AT&T stock is down significantly from its $29 price in 2007.

Please vote yes:

Independent Board Chairman—Proposal 5

BOARD RESPONSE:

The Board recommends that stockholders vote AGAINST this proposal for the following reasons:

- **The Board is committed to independent Board leadership and has elected Bill Kennard as Independent Chair.**
- **On this important issue, the Board does not believe in an inflexible, one-size-fits-all policy. Implementation of this policy could restrict the Board from acting in the best interests of the Company and its stockholders, in alignment with its fiduciary duty, in the event it determines the appointment of a Chair who is not independent is warranted.**
- **In situations where the Chair of the Board is not independent, AT&T Company policies already require the appointment of an independent Lead Director with clearly defined responsibilities to ensure strong independent governance functions and effective oversight of management.**

The AT&T Board currently has an Independent Chairman and has since 2021 when the Board appointed Bill Kennard to this role. While the Board's current practice is to elect an Independent Chair, its directors have a fiduciary duty to regularly evaluate and determine the most appropriate Board leadership structure for AT&T and our stockholders, considering the Company's needs, circumstances, and opportunities. Moreover, in situations where the Chairman of the Board is not independent, our Company policies require the appointment of an independent Lead Director, with robust and clearly defined responsibilities as detailed below.

The Board believes continued flexibility to appoint the necessary Board leadership is in the best interests of the Company and opposes a policy that would unnecessarily restrict the ability of directors in structuring AT&T's Board leadership when faced with new or different circumstances. This proposal, if implemented, would never permit the CEO (or other management position) and Chairman roles to be held by the same person—regardless of the person's qualifications or if such a structure would be in the best interests of the Company and its stockholders. Thus, the rigid standard imposed by this proposal does not allow the Board flexibility to select the leadership structure best suited to meet the needs of the Company and prioritize the interests of its stockholders based on the particular environment, circumstances, and challenges confronting the Board and the Company at any given time.

Should the best interests of the Company and its stockholders warrant the appointment of a Chair who is not independent, in compliance with existing policies, the Board would simultaneously appoint an independent Lead Director whose responsibilities would include – among others – presiding at Board meetings at which the Chair is not present, acting as the principal liaison between management and non-management Directors, and acting as a contact for major stockholders and other interested persons. The full list of Lead Director responsibilities is detailed on page four of the AT&T Corporate Governance Guidelines at investors.att.com.

We regularly discuss our leadership structure with stockholders as part of our annual engagement program; stockholders continue to express support for our approach to Board leadership. The Board believes that its current structure with an Independent Chair, and its system of appointing an independent Lead Director in the event the Chair is not independent, provides effective oversight of management. The Board maintains strong, independent oversight on behalf of stockholders by consistently ensuring that each Board committee is led by and composed entirely of independent Directors, and AT&T utilizes robust corporate governance practices, as described in more detail beginning on page 17 of this proxy.

The Board recommends you vote **AGAINST** this proposal.

ITEM NO. 6 - Stockholder Proposal - Racial Equity Audit

The Nathan Cummings Foundation proposes the following:

RESOLVED: Shareholders urge the Board of Directors to commission a third-party, independent racial equity audit analyzing AT&T Inc.'s impacts on Black, Indigenous and People of Color (BIPOC) communities. Input from racial justice and civil rights organizations and employees, temporary vendors, and contractors should be considered in determining specific matters to be analyzed. A report on the audit, prepared at reasonable cost and omitting confidential and proprietary information, should be published on AT&T's website.

WHEREAS: The harmful and often deadly impacts of systemic racism on BIPOC communities are a major focus of policymakers, media, and the public. AT&T has made investments in and statements of solidarity with communities of color. However, some of AT&T's business practices suggest a racial equity audit could help mitigate reputational, regulatory, legal, and human capital risk.

AT&T's commitment to racial justice has been called into question because of some of its practices. For instance, *Salon* noted that, "Corporations like AT&T, Target and Starbucks have embraced racial-justice rhetoric, while funneling money to police." *Salon* cited AT&T's support for police foundations and the National Sheriff's Association as examples of this disconnect given growing evidence that many police departments demonstrate not only implicit bias but outright racism.[1]

AT&T also faced scrutiny over its support for candidates promoting voter suppression efforts, which disproportionately impact BIPOC populations.[2] In addition, the Company also experienced negative coverage of its connections to One America News (OAN), a network that AT&T played a pivotal role in creating according to Reuters.[3] OAN's news anchors have been tied to white supremacist movements[4] and have actively supported claims that the 2020 presidential election was stolen.[5]

Concerns have been raised about the delivery of AT&T's internet services to communities of color. Research by The Markup found that AT&T frequently provides a significantly lower quality of service in predominantly BIPOC communities for the same cost as the much better service provided in predominantly white communities.[6] Lack of access to reliable internet services can impact mobility related to education, employment, and banking. As the ACLU has observed, "Adults living without broadband face significant barriers in accessing employment, education, and other necessities."[7]

AT&T has faced other controversies because of practices that disproportionately impact BIPOC communities, including a pending race discrimination lawsuit over retransmission practices,[8] and a work stoppage related to its treatment of Black workers.[9] Furthermore, AT&T has allegedly retaliated against employees who flagged issues of discrimination.[10]

Executives at peer companies have affirmed the usefulness of racial equity audits, as have civil rights organizations. A number of leading companies are committed to conducting civil rights and racial equity audits, including JPMorgan Chase, Wells Fargo, and Apple. We urge AT&T to join them

1 https://www.salon.com/2021/04/27/as-big-corporations-strike-a-pose-for-racial-justice-they-keep-on-funding-the-police/
2 https://www.brennancenter.org/our-work/research-reports/impact-voter-suppression-communities-color
3 https://www.reuters.com/business/media-telecom/att-one-america-news-keep-ad-deal-even-after-directv-drops-network-2022-03-14/
4 https://www.splcenter.org/splc-investigation-far-right-oann-anchor-jack-posobiecs-rise-tied-white-supremacist-movement
5 https://www.reuters.com/investigates/special-report/usa-oneamerica-att/
6 https://themarkup.org/still-loading/2022/10/19/dollars-to-megabits-you-may-be-paying-400-times-as-much-as-your-neighbor-for-intemet-service
7 https://www.aclu.org/news/privacy-technology/how-broadband-access-hinders-systemic-equality-and-deepens-the-digital-divide
8 https://www.wishtv.com/news/local-news/circle-city-broadcasting-files-racial-discrimination-suit-against-att/
9 https://cwa-union.org/news/releases/cwa-members-spotlight-atts-pattem-of-discriminatory-behavior-in-memphis-protest
10 https://www.commercialappeal.com/story/news/local/2019/12/17/at-t-noose-black-manager-discrimination-lawsuit/2667388001/

BOARD RESPONSE:

The Board recommends that stockholders vote AGAINST this proposal for the following reasons:

- **AT&T has a demonstrated track record of fostering a diverse workplace, an inclusive company culture, and a community to underrepresented communities. AT&T's Purpose, culture and Code of Conduct guide our actions and goals with respect to equity, which include leveraging our network for positive social impact and empowering our people while fostering a diverse, equitable and inclusive workforce. While we share the proponent's pursuit of a more equitable world, we do not believe the open-ended process the proposal suggests would be in the best interest of shareholders; the proposal's broad and undefined focus would require significant resources and incur unreasonable expense to implement.**
- **A report on this topic would be duplicative of various efforts and disclosures already in place. AT&T already has commissioned a third-party audit to determine the impact of our community programs aimed at helping to close the digital divide for underserved and underrepresented communities, an initiative that represents the number one priority of our community work and the vast majority of our philanthropy. The commissioned audit is being designed to specifically determine the efficacy and impact of our work on these communities. AT&T already partners with and gathers input from relevant external and internal stakeholder groups to ensure the company has a positive impact on its communities, in particular underrepresented communities, which is why we are working to achieve our goals through ongoing initiatives and investments to close the digital divide and foster economic empowerment.**
- **Additionally, with the Board's oversight, we routinely review our initiatives and progress toward racial equity, including with annual executive level reviews with leaders in underrepresented communities. We value transparency and regularly report data to various external entities and were among the early group of companies to disclose our EEO-1 data. We regularly disclose our progress through multiple channels including topic-specific Issue Briefs, our ESG Summaries, and our DE&I Annual Report, which is publicly available on our Social Responsibility webpage at (https://about.att.com/csr/home.html).**

AT&T is committed to investing our company's resources and knowledge to advance equitable access to education and training, improve lives, and strengthen communities in which we live and work. We also know that seeking talented people who represent a mix of backgrounds, identities, abilities, and experiences is critical to ensure that the services we offer reflect the diversity and interests of society and of the world around us.

Our efforts to identify and address the impacts of our services on underrepresented communities, as well as to foster a diverse workforce and inclusive culture, are already the result of broad stakeholder engagement and third-party assessors. In addition, we regularly track and report on progress against our stated commitments, and have multiple checks and balances with third party organizations – both in the investment community, as well as the DEI community, such as Diversity Inc., with whom we provide data and receive guidance. We have a team dedicated to third party engagement, and our head of Government Relations and our Chief Executive Officer meet regularly with the national leaders of key segments of society to gain feedback on our progress and gain insight into areas of opportunity in our joint quest to support a more equitable world. Every two to three years, AT&T, through a third party, systematically engages a broad sampling of internal and external stakeholders – including employees, customers, suppliers, and NGOs – to identify and prioritize the most significant ESG impacts, risks and opportunities our company should address to help ensure long-term business success. The most recent assessment was completed in the fourth quarter of 2021, the results of which help guide our corporate responsibility strategy, improve our business operations and policies, ensure transparent reporting, and prioritize programmatic investments and collaboration across the business. The digital divide, as well as employee diversity, equality & inclusion, ranked as top priorities to both our business and our stakeholders in this most recent materiality assessment. Through these regular materiality assessments, we have identified opportunities for further progress on these issues and are already working to address them through various initiatives.

As a connectivity provider, we understand that while new technologies can create growth and opportunity, they also have the potential to heighten economic inequalities and sharpen social divisions. AT&T is committed to do its part in closing the digital divide by expanding access to our networks, providing low-cost solutions to make our services available, and providing platforms and training to help people and communities develop digital literacy skills to thrive in our modern world. In 2021, we announced a 3-year expanded commitment to invest $2 billion to help bridge the digital divide for unconnected Americans, including residents of underserved communities. This effort includes our low-cost broadband offerings and ongoing charitable community investments to help the nation's most vulnerable communities. Through 2022, we engaged more than 267,000 individuals through community-based digital inclusion initiatives to provide refurbished devices to low-income students and families, resources to support digital learning and literacy, and investments in programs that boost employment opportunities for people in low-income neighborhoods. A third-party audit to measure the effectiveness, impact and the social return on investment of these initiatives has been commissioned and will provide data later this year. AT&T also maintains and reports KPIs to guide and measure progress on our community engagement initiatives, including education programs, disaster relief and resilience, and employee volunteerism. We regularly report on our actions and progress to bridge the digital divide and invest in communities through our Issue Briefs on these topics, and in our ESG summaries, which are available on our Social Responsibility webpage at (https://about.att.com/csr/home.html).

In addition to our community initiatives aimed at narrowing the digital divide, we also have a range of initiatives designed to create a workplace where diversity is respected, valued and celebrated. Overall, women make up 31% of our global workforce and people of color represent 49% of our U.S. workforce, both of which are above the average compared to other companies in our industry. To build a diverse and inclusive workforce, we prioritize recruiting and hiring talented people who reflect the world in which we live and work with heightened focus on growing our senior leadership pipeline of diverse talent. In 2022, more than 75% of open positions and 69% of internal promotions at AT&T were filled by women and/or people of color, thereby increasing our diverse workforce. We also are working to increase self-identification of LGBTQ+, Veterans and People with Disabilities and to strengthen our culture of inclusive leadership. Additionally, we have enhanced the transparency of our workforce diversity data by publicly releasing EEO-1 data, and this is supplemented by disclosure of our five-year progress in increasing diversity in leadership positions and across our workforce in an Issue Brief on the topic found at (https://about.att.com/csr/home/reporting/issue-brief/workforce.html).

Our commitment to diversity extends to our supply chain. We are proud to be one of the first U.S. corporations to have a Supplier Diversity program, started in 1968, and over the years our goal has remained simple: connect diverse businesses with opportunities to provide products and services to AT&T globally, and we regularly disclose our efforts, progress and impact to build a more diverse supply chain in our Responsible Supply Chain Issue Brief. In 2022, we met our annual goal to exceed 21.5% of supplier spend and $10 billion in total procurement expenditures with diverse suppliers, reaching $16 billion. As we adopt new and emerging technologies critical to our business initiatives, we're focused on ensuring diverse businesses are part of our transformation. Beyond the companies we do business with, AT&T's Supplier Diversity program seeks to make meaningful and measurable contributions to the economic growth of diverse companies and communities. In 2021, our supplier program contributed directly to supporting over 400,000 diverse jobs with our suppliers and their subcontractors – 190,000 jobs for people of color and 220,000 jobs for women. With $230 billion spent with diverse suppliers over the past 54 years, we remain committed to creating a diverse, equitable and inclusive supply chain because we know it makes us a stronger company.

We believe the proposal's broad and unfocused nature would not have a constructive result, not provide substantially new information to stockholders, nor enhance our commitment to being a truly diverse, equitable, and inclusive company guided by our Company Purpose to connect people to greater possibility. The Company already has processes in place with stakeholders to identify and assess the impact of initiatives with underrepresented and underserved communities, our investments to close the digital divide, increase representation at AT&T and beyond, and to foster economic empowerment. Therefore, the Board believes that the additional and unreasonable costs and resources associated with conducting such a broad, unfocused and open-ended audit would not be in the best interest of stockholders and would not serve to achieve our social impact goals.

The Board recommends you vote AGAINST this proposal.

CORPORATE GOVERNANCE

AT&T is committed to strong corporate governance principles. Effective governance protects the long-term interests of our stockholders, promotes public trust in AT&T, and strengthens management accountability. AT&T regularly reviews and updates its corporate governance practices to reflect evolving corporate governance principles and concerns identified by stockholders and other stakeholders.

The Role of the Board

The Board of Directors is responsible for oversight of management and strategic direction and for establishing broad corporate policies. In addition, the Board of Directors and various committees of the Board regularly meet to review and discuss operational and financial reports presented by the Chief Executive Officer and other members of management as well as reports by experts and other advisors. Corporate review sessions are also offered to Directors to give them more detailed views of our businesses, such as corporate opportunities, technology, and operations.

The Board oversees succession planning and talent development for senior executive positions. The Human Resources Committee has primary responsibility for developing succession plans for the CEO position.

Members of the Board are expected to attend Board meetings in person unless the meeting is held by means of remote communication. The Board held six meetings in 2022. Directors are also expected to attend the Annual Meeting of Stockholders. All Directors attended the 2022 Annual Meeting. In 2022, all Directors attended at least 75% of the total number of meetings of the Board and of the Committees on which each served.

Board's Role in Risk Oversight

The Board is responsible for overseeing our policies and procedures for assessing and managing risk over the short-, medium - and long-term. Management is responsible for assessing and managing our exposures to risk on a day-to-day basis, including the creation of appropriate risk management policies and procedures. Management also is responsible for informing the Board of our most significant risks and our plans for managing those risks, as well as for disclosing our material risks in our periodic reports. Annually, the Board reviews the Company's strategic business plans, which includes evaluating the competitive, technological, economic, environmental and other risks associated with these plans.

In addition, under its charter, the Audit Committee reviews and discusses with management the Company's significant financial, compliance, ethics, and operational risk exposures and the steps management has taken to detect, monitor and control such exposures, including the Company's risk assessment and risk management policies. This includes, among other matters, evaluating risk in the context of financial policies, counterparty and credit risk, and the appropriate mitigation of risk, including through the use of insurance where appropriate. The Audit Committee also oversees our compliance program and our compliance with legal and regulatory requirements. The internal audit organization provides the Committee with an assessment of the Company's risks and conducts assurance reviews of the Company's internal controls. The finance, compliance and internal audit organizations each provide regular updates to the Audit Committee.

The Company's senior internal auditing executive and Chief Compliance Officer each meet annually in executive session with the Audit Committee. The senior internal auditing executive and Chief Compliance Officer review with the Audit Committee each year's annual internal audit and compliance risk assessment, which is focused on significant financial, operating, regulatory and legal matters. The Audit Committee also receives regular reports on completed internal audits of these significant risk areas. In accordance with its charter, the Audit Committee provides the senior internal auditing executive with access to communicate personally and directly with the members of the Committee at any time on any auditing or internal control matter, and it provides the Chief Compliance Officer with such access on any matter of compliance and ethics. The Chief Compliance Officer reports to the Chief Executive Officer.

The Audit Committee also reviews and discusses with management the Company's privacy and data security, including cybersecurity, risk exposures, policies, and practices, including the steps management has taken to detect, monitor and control such risks and the potential impact of those exposures on the Company's business, financial results, operations and reputation. In addition, the Audit Committee, as well as the Board of Directors, receive reports from officers with responsibilities for cybersecurity. The AT&T Chief Security Office establishes policy and requirements for the security of AT&T's computing and networking environments.

Ethics and Compliance Program

The Board has adopted a written Code of Ethics applicable to Directors, officers, and employees that outlines our corporate values and standards of integrity and behavior and is designed to foster a culture of integrity, drive compliance with legal and regulatory requirements and protect and promote the reputation of our Company. The full text of the Code of Ethics is posted on our website at investors.att.com.

Our Chief Compliance Officer has responsibility to implement and maintain an effective ethics and compliance program. He also has responsibility to provide updates on our ethics and compliance programs to the Audit Committee.

Board Leadership Structure

William E. Kennard, an independent Director, has served as Chairman of the Board, since 2021 and has served as a Director of AT&T since 2014. In addition, Mr. Kennard presides over meetings of the independent members of the Board, who meet in executive session (without management Directors or management personnel present) at least four times per year.

While the Board's current practice is to elect an independent Chairman, our Directors have a fiduciary duty to regularly evaluate and determine the most appropriate Board leadership structure for AT&T and our stockholders, considering the Company's needs, circumstances, and opportunities. The Board believes continued flexibility is in the best interest of the Company. In situations where the Chairman of the Board is not independent, our Company policies require the appointment of an independent Lead Director, with robust and clearly defined responsibilities. We regularly discuss our leadership structure with stockholders as part of our annual engagement program, and stockholders continue to express support for our approach to Board leadership.

Each of the Audit, Human Resources, Governance and Policy, Corporate Development and Finance, and Executive Committees is composed entirely of independent Directors

Duties and Responsibilities

Chairman of the Board

- Presides over meetings of the Board
- Presides over meetings of stockholders
- Approves the agenda for each Board meeting
- Approves the agenda for each stockholder meeting
- Represents the Board in communications with stockholders and other stakeholders

Chief Executive Officer

- In charge of the affairs of the Company, subject to the overall direction and supervision of the Board and its committees
- Consults and advises the Board and its committees on the business and affairs of the Company
- Performs such other duties as may be assigned by the Board

Director Nomination Process

The Board of Directors believes that the Company benefits from having experienced Directors who bring a wide range of skills and backgrounds to the Boardroom. The Governance and Policy Committee is responsible for identifying eligible candidates based on our Corporate Governance Guidelines, which includes the consideration of a candidate's:

- general understanding of elements relevant to the success of a large publicly traded company in the current business environment;
- understanding of our business;
- educational and professional background;
- judgment, competence, anticipated participation in Board activities; and
- experience, geographic location, and special talents or personal attributes

In addition, the Committee believes that diversity is an important factor in determining the composition of the Board, and the Committee considers it in making nominee recommendations.

Stockholders who wish to suggest qualified candidates should write to the Secretary, AT&T Inc., 208 S. Akard Street, Suite 2951, Dallas, Texas 75202, stating in detail the qualifications of the persons proposed for consideration by the Committee.

Director Independence

Our Corporate Governance Guidelines require that a substantial majority of our Board of Directors consist of independent Directors. In addition, the NYSE Listing Standards require a majority of the Board and every member of the Audit Committee, Human Resources Committee, and Governance and Policy Committee to be independent. For a Director to be "independent" under the NYSE standards, the Board must affirmatively determine that the Director has no material relationship with AT&T, either directly or as a partner, stockholder or officer of an organization that has a relationship with AT&T, other than in his or her capacity as a Director of AT&T. In addition, the Director must meet certain independence standards specified by the NYSE as well as the additional standards referenced in our Corporate Governance Guidelines (found at investors.att.com).

Using these standards for determining the independence of its members, the Board has determined that the following Directors are independent:

Scott T. Ford	Beth E. Mooney
Glenn H. Hutchins	Matthew K. Rose
William E. Kennard	Cynthia B. Taylor
Stephen J. Luczo	Luis A. Ubiñas
Michael B. McCallister	

In addition, each member of the Audit Committee, the Governance and Policy Committee, and the Human Resources Committee is independent.

In determining the independence of the Directors, the Board considered the following commercial relationships between AT&T and companies at which our Directors serve as Executive Officers or employees or in which they have direct or indirect ownership interests. Each of the entities where Mr. Ford and Ms. Taylor serve as executive officers and an entity in which Mr. Hutchins holds an indirect ownership interest purchased communications services from subsidiaries of AT&T. In each case for the year 2022:

- The relevant products and services were provided by AT&T on terms determined on an arm's length basis that were comparable to the terms provided to similarly situated customers;
- The transactions were made in the ordinary course of business of each company; and
- The total payments to AT&T by the other company (for communications services) were each less than 1% of the consolidated gross revenues of each of AT&T and the other company. This level is significantly below the maximum amount permitted under the NYSE Listing Standards for director independence (i.e., 2% of consolidated gross revenues).

In addition, Mr. Kennard, through a private equity investment management company in which he has a less than 5% equity interest, invests in certain companies that engage in commercial transactions with AT&T. Noting Mr. Kennard's limited ownership interest in this management company and that he is not an employee or Executive Officer of this management company or of any of these investee companies, together with the fact that AT&T's revenues from and spending with each of these investee companies are not material to AT&T, the Board determined that Mr. Kennard is independent.

In addition, Mr. Rose, through a limited liability company of which he is the majority equity owner as well as the manager, is developing a residential real estate community in Texas, which purchased communications products and services from AT&T in 2022. Noting that this transaction was made in the ordinary course of business for AT&T and on terms determined on an arm's length basis that were comparable to the terms provided to similarly situated customers, together with the fact that AT&T's revenues from this transaction are not material to AT&T, the Board determined that Mr. Rose is independent.

BOARD COMMITTEES

From time to time the Board establishes standing committees and temporary special committees to assist the Board in carrying out its responsibilities. The Board has established five standing committees of Directors, the principal responsibilities of which are described below. The charters for each of these committees may be found on our website at investors.att.com.

AUDIT COMMITTEE

Meetings in 2022: 12
Cynthia B. Taylor, Chair ■
Stephen J. Luczo
Michael B. McCallister
Luis A. Ubiñas

■ – Financial Expert

Consists of four independent Directors.

- Oversees:
  - the integrity of our financial statements
  - the independent auditor's qualifications and independence
  - the performance of the internal audit function and independent auditors
  - our compliance with legal and regulatory matters
  - enterprise risk management, including privacy and data security
- Responsible for the appointment, compensation, retention and oversight of the work of the independent auditor.
- The independent auditor audits the financial statements of AT&T and its subsidiaries.

GOVERNANCE AND POLICY COMMITTEE

Meetings in 2022: 3
Glenn H. Hutchins, Chair
William E. Kennard
Beth E. Mooney
Luis A. Ubiñas

Consists of four independent Directors.

The Public Policy and Corporate Reputation Committee (PPCR) was combined with the Corporate Governance and Nominating Committee (CGNC) in April 2022. The name of this Committee also changed at that time to the Governance and Policy Committee. The PPCR met one time and the CGNC met two times prior to this transition.

- Responsible for recommending candidates to be nominated by the Board for election by the stockholders, or to be appointed by the Board of Directors to fill vacancies, consistent with the criteria approved by the Board, and recommending committee assignments.
- Periodically assesses AT&T's Corporate Governance Guidelines and makes recommendations to the Board for amendments and also recommends to the Board the compensation of Directors.
- Takes a leadership role in shaping corporate governance and oversees an annual evaluation of the Board.
- Assists the Board in its oversight of policies related to corporate social responsibility, including public policy issues affecting AT&T, its stockholders, employees, customers, and the communities in which it operates.
- Oversees the Company's management of its brands and reputation.
- Recommends to the Board the aggregate amount of contributions or expenditures for political purposes, and the aggregate amount of charitable contributions to be made to the AT&T Foundation.
- Consults with the AT&T Foundation regarding significant grants proposed to be made by the Foundation.

HUMAN RESOURCES COMMITTEE

Meetings in 2022: 6
Beth E. Mooney, Chair
Scott T. Ford
Michael B. McCallister
Matthew K. Rose

Consists of four independent Directors.

- Oversees the compensation practices of AT&T, including the design and administration of employee benefit plans.
- Responsible for:
  - establishing the compensation of the Chief Executive Officer and the other Executive Officers
  - establishing common stock ownership guidelines for officers and developing a management succession plan

CORPORATE DEVELOPMENT AND FINANCE COMMITTEE

Meetings in 2022: 5
Scott T. Ford, Chair
Glenn H. Hutchins
Stephen J. Luczo
Matthew K. Rose

Consists of four independent Directors.

- Assists the Board in its oversight of our finances, including recommending the payment of dividends and reviewing the management of our debt and investment of our cash reserves.
- Reviews mergers, acquisitions, dispositions and similar transactions; reviews corporate strategy and recommends or approves transactions and investments.
- Reviews and makes recommendations about the capital structure of the Company, and the evaluation, development and implementation of key technology decisions.

EXECUTIVE COMMITTEE

William E. Kennard, Chair
Scott T. Ford
Glenn H. Hutchins
Beth E. Mooney
Cynthia B. Taylor

Consists of the Chairman of the Board and the Chairpersons of our four other standing committees, each of whom is an independent Director.

- Established to assist the Board by acting upon urgent matters when the Board is not available to meet. No meetings were held in 2022.
- Has full power and authority of the Board to the extent permitted by law, including the power and authority to declare a dividend or to authorize the issuance of common stock.

Communicating with Your Board

Interested persons may contact the Board of Directors, the non-management directors, the chairman or a specific individual director by sending written comments through the Office of the Secretary of AT&T Inc., 208 S. Akard Street, Suite 2951, Dallas, Texas 75202. The Office will either forward the original materials as addressed or provide Directors with summaries of the submissions, with the originals available for review at the Directors' request. The Office does not forward or summarize advertisements, solicitations or other inappropriate materials.

Annual Multi-Step Board Evaluations

Each year, the Governance and Policy Committee and the Chairman of the Board lead the Board through three evaluations: a Board self-evaluation, Committee self-evaluations, and peer evaluations. Through this process, Directors provide feedback, assess performance, and identify areas where improvement can be made. We believe this approach supports the Board's effectiveness and continuous improvement.

ONE-ON-ONE DIRECTOR PEER EVALUATIONS

Members discuss the performance of other members of the Board including their:

- Understanding of the business
- Meeting attendance
- Preparation and participation in Board activities
- Applicable skill set to current needs of the business

Responses are discussed with the individual Director if applicable.

ONGOING FEEDBACK

- Directors provide ongoing, real-time feedback outside of the evaluation process
- Lines of communication between our Directors and management are always open
- The Chairman and Committee Chair both have individual conversations with each member of the Board – providing further opportunity for dialogue and improvement
- Follow up – Results or feedback requiring additional consideration are addressed, where appropriate

COMMITTEE SELF-EVALUATIONS

Candid open discussion to review the following:

- Committee process and substance
- Committee effectiveness, structure, composition, and culture
- Overall Committee dynamics
- Committee Charter

BOARD SELF-EVALUATION SURVEY

The self-evaluation survey (reviewed annually by the Governance and Policy Committee) addresses key topics such as those below, among other things:

- Process and substance
- Effectiveness, structure, composition, culture, and overall Board dynamics
- Performance in key areas
- Specific issues which should be discussed in the future

Responses are discussed and changes and improvements are implemented, if applicable.

Related Person Transactions

Under the rules of the SEC, public issuers, such as AT&T, must disclose certain "Related Person Transactions." These are transactions in which the Company is a participant, the amount involved exceeds $120,000, and a Director, Executive Officer, or holder of more than 5% of our common stock has a direct or indirect material interest.

AT&T has adopted a written policy requiring that each Director or Executive Officer involved in such a transaction notify the Governance and Policy Committee and that each such transaction be approved by the Committee.

In determining whether to approve a Related Person Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Person Transaction:

- whether the terms of the Related Person Transaction are fair to the Company and on the same basis as would apply if the transaction did not involve a related person,
- whether there are business reasons for the Company to enter into the Related Person Transaction,
- whether the Related Person Transaction would impair the independence of an outside director, and
- whether the Related Person Transaction would present an improper conflict of interest for any of our Directors or Executive Officers, taking into account the size of the transaction, the overall financial position of the Director, Executive Officer or other related person, the direct or indirect nature of the Director's, Executive Officer's or other related person's interest in the transaction and the ongoing nature of any proposed relationship, and any other factors the Committee deems relevant.

The Committee will prohibit a Related Party Transaction if it determines such transaction to be inconsistent with the interests of the Company and its stockholders.

The employment of the following persons was approved by the Governance and Policy Committee under the Company's Related Party Transactions Policy. The rates of pay for these employees are similar to those paid for comparable positions at the Company.

During 2022, the daughter and the sister-in-law of John Stankey, Chief Executive Officer and President, were employed by AT&T subsidiaries with approximate rates of pay, including commissions, of $142,702 and $150,912, respectively.

Director Compensation

The compensation of Directors is determined by the Board with the advice of the Governance and Policy Committee. The Governance and Policy Committee is composed entirely of independent Directors. None of our employees serve on this Committee. The Committee's current members are Glenn H. Hutchins (Chair), William E. Kennard, Beth E. Mooney and Luis A. Ubiñas. Under its charter, the Committee annually reviews the compensation and benefits provided to Directors for their service and makes recommendations to the Board for changes. This includes not only Director retainers, but also Director compensation and benefit plans.

The Committee's charter authorizes the Committee to employ independent compensation and other consultants to assist in fulfilling its duties. From time to time, the Committee engages a compensation consultant to advise the Committee and to provide information regarding director compensation paid by other public companies, which may be used by the Committee to make compensation recommendations to the Board. In addition, the Chief Executive Officer may make recommendations to the Committee or the Board about types and amounts of appropriate compensation and benefits for Directors. Directors who are employed by us or one of our subsidiaries receive no separate compensation for serving as directors or as members of Board committees.

The Company offers Directors both cash and equity compensation as set out in the table below. Directors have the ability to defer their annual retainers and earn interest or may defer their cash compensation through deferred stock units (See Director Plans).

2022 Compensation	**Amount ($)**
Annual Retainer	140,000
Chairman of the Board	300,000
Committee Chair Retainer	
Audit Committee	30,000
Human Resources Committee	25,000
Corporate Development and Finance Committee	20,000
Governance and Policy Committee*	20,000
Public Policy and Corporate Reputation Committee	15,000
Annual Award of Deferred Stock Units	220,000
Communications Equipment and Services	up to 25,000

* The Public Policy and Corporate Reputation Committee (PPCR) was combined with the Corporate Governance and Nominating Committee (CGNC) in April 2022. The name of the CGNC also changed at that time to the Governance and Policy Committee.

Director Plans

Under the Non-Employee Director Stock and Deferral Plan (the *Director Plan*) each non-employee Director annually receives a grant of $220,000 in deferred stock units. The number of units granted is determined by dividing $220,000 by the closing price of AT&T common stock on the last trading day of the month in which the grant is made. A non-employee Director who is first elected to the Board on a day other than the day of the Annual Meeting receives a prorated grant based on the number of days served prior to the next Annual Meeting (using an assumed next Annual Meeting date one year following the last Annual Meeting). Each deferred stock unit is equivalent to a share of AT&T common stock and earns dividend equivalents in the form of additional deferred stock units. The annual grants are fully earned and vested at issuance and are distributed beginning in the calendar year after the Director leaves the Board. At distribution, the deferred stock units are converted to cash based on the then price of AT&T common stock and are paid either in a lump sum or in up to three annual installments, as elected by the Director.

Additionally, Directors may annually elect to defer the receipt of their retainers into either additional deferred stock units or into a cash deferral account under the Director Plan. Directors purchase the deferred stock units at the fair market value of AT&T common stock. Deferrals into the cash deferral account under the plan earn interest during the calendar year at a rate equal to the Moody's Long-Term Corporate Bond Yield Average for September of the preceding year (*Moody's Rate*). Directors may annually choose to convert their cash deferral accounts into deferred stock units at the fair market value of our stock at the time of the conversion. Directors may also use all or part of their retainers to purchase AT&T common stock at fair market value under the Non-Employee Director Stock Purchase Plan.

To the extent earnings on cash deferrals under the Director Plan exceed the interest rate specified by the SEC for disclosure purposes, they are included in the "Director Compensation" table on page 24 under the heading "Nonqualified Deferred Compensation Earnings."

Non-employee Directors may receive communications equipment and services pursuant to the AT&T Board of Directors Communications Concession Program. Under the program, equipment and services that may be provided to a Director, other than equipment at his or her primary residence, may not exceed $25,000 per year. All concession services must be provided by AT&T affiliates, except that the Director may use another provider for the Director's primary residence if it is not served by an AT&T affiliate.

Effective January 1, 2023, the Board amended the AT&T Board of Directors Communications Concession Program as follows: Each Director is entitled to receive installation of equipment for the provision of Internet service at the Director's primary residence, provided the residence is served by an AT&T affiliate. Monthly billing for such service is to be paid by the Director. Each Director within AT&T's service area receives an annual stipend of $4,000, and each Director outside of AT&T's service area receives an annual stipend of $6,000. In addition, each Director is entitled to receive one phone and one tablet every two years. Monthly billing for service for such devices is to be paid by the Director.

2022 DIRECTOR COMPENSATION TABLE

The following table contains information regarding compensation provided to each person who served as a Director during 2022 (excluding Mr. Stankey, whose compensation is included in the Summary Compensation Table and related tables and disclosure).

Name	Fees Earned or Paid in Cash ($)[(a)]	Stock Awards ($)[(b)]	Nonqualified Deferred Compensation Earnings ($)[(c)]	All Other Compensation ($)[(d)]	Total ($)
SAMUEL A. DI PIAZZA, JR.*	$ 56,667	$ 0	$0	$279,630	$336,297
SCOTT T. FORD	$160,000	$220,000	$0	$ 10,583	$390,583
GLENN H. HUTCHINS	$158,750	$220,000	$0	$ 18,135	$396,885
WILLIAM E. KENNARD	$440,000	$220,000	$0	$ 28,161	$688,161
DEBRA L. LEE*	$ 46,667	$ 0	$0	$293,884	$340,551
STEPHEN J. LUCZO	$140,000	$220,000	$0	$ 0	$360,000
MICHAEL B. MCCALLISTER	$140,000	$220,000	$0	$ 18,486	$378,486
BETH E. MOONEY	$165,000	$220,000	$0	$ 30,000	$415,000
MATTHEW K. ROSE	$146,667	$220,000	$0	$ 35,142	$401,809
CYNTHIA B. TAYLOR	$162,500	$220,000	$0	$ 33,444	$415,944
LUIS A. UBIÑAS	$140,000	$220,000	$0	$ 15,000	$375,000
GEOFFREY Y. YANG*	$ 46,667	$ 0	$0	$264,964	$311,631

* Mr. Di Piazza, Ms. Lee and Mr. Yang resigned in April 2022 in connection with being designated by AT&T to serve on the Warner Bros. Discovery board of directors.

NOTE (a). Fees Earned or Paid in Cash The table below shows the number of deferred stock units or shares of common stock purchased in 2022 by each Director with their retainers. The deferred stock units were purchased under the Non-Employee Director Stock and Deferral Plan, and the shares of common stock were purchased under the Non-Employee Director Stock Purchase Plan.

Director	Deferred Stock Units Purchased in 2022
SAMUEL A. DI PIAZZA, JR.	1,667
SCOTT T. FORD	8,014
GLENN H. HUTCHINS	7,965
STEPHEN J. LUCZO	7,012
MATTHEW K. ROSE	7,296
CYNTHIA B. TAYLOR	8,220

Director	Shares of Common Stock Purchased in 2022
MICHAEL B. MCCALLISTER	3,503
GEOFFREY Y. YANG	1,990

NOTE (b). Stock Awards Amounts in this column represent the annual grant of deferred stock units that are immediately vested but are not distributed until after the retirement of the Director. The deferred stock units will be paid out in cash in the calendar year after the Director ceases his or her service with the Board, at the times elected by the Director. The aggregate number of stock awards outstanding at December 31, 2022, for each Director can be found in the "Common Stock Ownership" section beginning on page 26.

NOTE (c). Nonqualified Deferred Compensation Earnings Amounts shown represent the excess earnings, if any, based on the actual rates used to determine earnings on deferred compensation over the market interest rates determined pursuant to SEC rules.

NOTE (d). All Other Compensation Amounts in this column include personal benefits for Directors that in the aggregate equal or exceed $10,000, which for 2022 consisted of communications equipment and services provided under the AT&T Board of Directors Communications Concession Program (described on page 23) and miscellaneous items, as follows: Mr. Di Piazza ($12,235 and $2,395, respectively), Mr. Ford

($10,173 and $410, respectively), Mr. Hutchins ($17,680 and $455, respectively), Mr. Kennard ($12,706 and $455, respectively), Ms. Lee ($7,454 and $6,430, respectively), Mr. McCallister ($18,031 and $455, respectively), Mr. Rose ($19,687 and $455, respectively), Ms. Taylor ($33,087 and $357, respectively) and Mr. Yang ($11,832 and $3,132, respectively).

NOTE (d). All Other Compensation (Cont.) All Other Compensation also includes charitable matching contributions of up to $15,000 per year made by the AT&T Foundation on behalf of Directors under the AT&T Higher Education/Cultural Matching Gift Program. In 2022, charitable contributions were made on the Directors' behalf under this program as follows:

Name	Matching Gifts
SAMUEL A. DI PIAZZA, JR.	$ 15,000
WILLIAM E. KENNARD	$ 15,000
DEBRA L. LEE	$30,000*
BETH E. MOONEY	$30,000*
MATTHEW K. ROSE	$ 15,000
LUIS A. UBIÑAS	$ 15,000

* These amounts relate to contributions made in 2021 and 2022.

In addition, a charitable contribution of $250,000 was made on behalf of each of Mr. Di Piazza, Ms. Lee, and Mr. Yang to the charity of their choice in connection with their departure from the Board in April 2022.

COMMON STOCK OWNERSHIP

Certain Beneficial Owners

The following table lists the beneficial ownership of each person holding more than 5% of AT&T's outstanding common stock as of December 31, 2022 (based on a review of filings made with the Securities and Exchange Commission on Schedules 13D and 13G).

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
BLACKROCK, INC. 55 East 52nd St., New York, NY 10055	521,131,890(1)	7.3%
THE VANGUARD GROUP 100 Vanguard Blvd., Malvern, PA 19355	606,925,483(2)	8.52%

1. Based on a Schedule 13G/A filed by BlackRock, Inc. with the SEC on February 7, 2023, which reported the following: sole voting power of 465,770,702 shares; shared voting power of 0 shares; sole dispositive power of 521,131,890 shares, and shared dispositive power of 0 shares.

2. Based on a Schedule 13G/A filed by The Vanguard Group with the SEC on February 9, 2023, which reported the following: sole voting power of 0 shares; shared voting power of 10,162,002 shares; sole dispositive power of 576,431,930 shares, and shared dispositive power of 30,493,553 shares.

Directors and Officers

The following table lists the beneficial ownership of AT&T common stock and non-voting stock units as of December 31, 2022, held by each Director, nominee, and officer named in the Summary Compensation Table on page 60. As of that date, each Director and officer listed below, and all Directors and Executive Officers as a group, owned less than 1% of our outstanding common stock. Except as noted below, the persons listed in the table have sole voting and investment power with respect to the securities indicated.

Beneficial Owner	Total AT&T Beneficial Ownership (1)	Restricted Stock Units (2)	Number of Shared Voting and Investment Power Shares	Non-Voting Vested Stock Units (3)
SCOTT T. FORD	81,319			105,562
GLENN H. HUTCHINS (4)	167,651		167,651	90,446
WILLIAM E. KENNARD	0			53,944
STEPHEN J. LUCZO	500,000			25,475
MICHAEL B. MCCALLISTER	59,594		50,364	67,052
BETH E. MOONEY	28,700			85,598
MATTHEW K. ROSE	208,050		208,050	158,913
CYNTHIA B. TAYLOR	5,718		196	70,499
LUIS A. UBIÑAS	0			8,157
JOHN T. STANKEY	676,451	116,195	441,867	548,021
PASCAL DESROCHES	337,220	96,780		16,920
LORI LEE	260,273	70,058		180,820
DAVID R. MCATEE II	427,034	98,515	322,476	67,690
JEFFERY S. MCELFRESH	298,582	101,786		0
All Executive Officers and Directors as a group (consisting of 20 persons, including those named above)	3,992,331	802,311	1,305,248	2,505,566

NOTE (1). Includes restricted stock units distributable within 60 days of the date of this table. See Note (2).

NOTE (2). Restricted stock units distributable within 60 days of the date of this table.

NOTE (3). Represents number of vested stock units held by the Director or Executive Officer, where each stock unit is equal in value to one share of AT&T common stock. The stock units are paid in common stock or cash depending upon the plan and the election of the participant at times specified by the relevant plan. None of the stock units listed may be converted into common stock within 60 days of the date of this table. As noted under "Compensation of Directors," AT&T's plans permit non-employee Directors to acquire stock units (also referred to as deferred stock units) by deferring the receipt of retainers into stock units and through a yearly grant of stock units. Officers may acquire stock units by participating in stock-based compensation deferral plans or through vested stock awards. Stock units carry no voting rights.

NOTE (4). Mr. Hutchins disclaims beneficial ownership of 3,322 shares held in trust for his siblings.

ESG INTEGRATION ACROSS AT&T OPERATIONS

AT&T's commitment to managing ESG issues includes Board of Directors oversight, executive leadership across multiple Officers and business units, and dedicated teams of subject-matter experts throughout the company.

Board of Directors Oversight

The AT&T Board of Directors' Governance and Policy Committee has direct oversight of ESG strategy, related policies, programs and ESG reporting. It also oversees our policies for political and philanthropic giving, which include political contributions, corporate contributions approved by the AT&T Contributions Council and grants approved by the AT&T Foundation.

In April 2022, the Board enhanced its oversight of ESG by combining the Public Policy and Corporate Reputation (PPCR) Committee with the Corporate Governance and Nominating Committee to form the Governance and Policy Committee (GPC) (page 19). The new committee strengthens oversight by bringing together key ESG elements within the remit of a single committee. The number of regular committee meetings also was increased from three (which was the practice for the PPCR) to four per year.

Our Senior Vice President (SVP) – Corporate Social Responsibility (CSR) and ESG, who is also Chief Sustainability Officer (CSO), presents at the GPC meetings, and holds discussions with individual Committee members as needed throughout the year. From its formation in April 2022 through the end of the year, the Governance and Policy Committee held three regularly scheduled meetings, which included ESG topics such as: diversity, equity and inclusion (DE&I); digital divide; social innovation; responsible supply chain; business-affecting climate transition; ESG reporting; and political and charitable contributions.

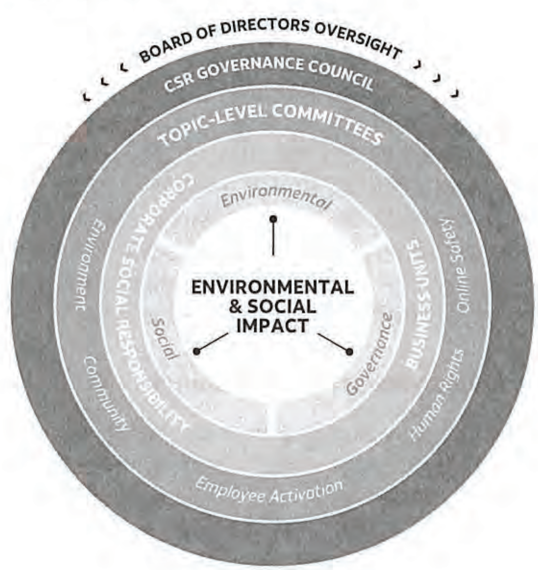
The Audit Committee oversees AT&T's compliance with legal and regulatory requirements, as well as internal enterprise risk assessment activities which include privacy and data security. The Audit Committee also oversees audit functions which incorporate ESG risks and disclosures. The Chief Compliance Officer and the SVP – Audit Services each meet with the Audit Committee four times per year.

The Human Resources Committee oversees remuneration, succession planning, and other aspects of human capital management at AT&T, including ESG factors such as employee benefit plans, employee safety, professional development and related executive compensation.

Executive Oversight

Our CSO oversees internal management of AT&T's ESG strategy, risks and opportunities. Our SVP – Audit Services oversees internal enterprise risk assessment activities and audit functions, including analysis of ESG risks and disclosures, and associated processes, controls and assurance.

Our CSR Governance Council is led by our CSO and is comprised of more than a dozen Officers who lead the business operations aligned to our most important ESG focus areas. The CSR Governance Council held three meetings in 2022 and covered ESG topics such as digital divide, business-affecting climate transition, political contributions, ESG reporting, DE&I, long-range goal setting and social issue engagement.



In addition to the CSR Governance Council, we convene core issue committees focused on community; employee activation; environment; human rights and online safety. These committees are led by senior CSR leaders who work closely with subject matter experts throughout our business to implement and enhance programs and policies that address ESG issues across AT&T.

Compliance, Anti-Bribery and Anti-Corruption

The Chief Compliance Office (CCO) is responsible for compliance oversight of legal and regulatory requirements of the countries and jurisdictions where AT&T operates. The CCO is also responsible for promoting an ethical culture, developing policies to safeguard the privacy of customer and employee information, ensuring adherence to internal compliance requirements, investigating violations of the code of conduct, protecting AT&T's assets, and fulfilling legal demands for records. The Chief Compliance Officer reports directly to the CEO and also interacts with the Audit Committee to discuss compliance and ethics-related trends, risks and action plans. The Chief Compliance Officer and Chief Privacy Officer also engage with and inform the Governance and Policy Committee.

AT&T strictly prohibits giving, offering, authorizing, or taking bribes or engaging in corruption in any circumstance. This includes bribery of, or giving improper payments or rewards to, private individuals, as well as government officials (Local, State, Federal, Foreign). Our business is global in reach with operations all over the world. We seek to excel in the global marketplace honestly and fairly, relying on our outstanding performance and ethical business practices. We have a comprehensive set of anti-bribery/anti-corruption policies and procedures – including our Code of Conduct, Anti-Bribery and Anti-Corruption (ABAC) Policy, Principles of Conduct for Suppliers and Code of Ethics – which aim to prevent, detect and mitigate risks related to public and commercial bribery. The internal audit organization, led by our SVP – Audit Services, performs periodic ABAC control audits across our business.

Political Engagement Transparency

We participate in public policy dialogues around the world related to our industry and business priorities, our approximately 163,000 employees, our stockholders, and the communities we serve. As one of the world's largest telecommunications companies, federal, state and local laws have a significant impact on our employees, communities, customers and shareholders. We participate in the political process in a bipartisan manner to support policies that foster an economic environment in which we can sustain and grow our business. AT&T has a core set of critical business issues that drive corporate political contributions and inform employee PAC contributions. Those issues affect our ability to hire, pay good wages, provide world-class benefits, serve our customers, make capital investments, innovate to foster economic growth and create or return shareholder value.

In the U.S., the Company and our affiliated Employee Political Action Committees are committed to compliance with applicable laws and other requirements regarding contributions to political organizations, candidates for federal, state and local public office, ballot measure campaigns, political action committees, and trade associations. We engage with organizations and individuals to make our views clear and uphold our commitment to help support the communities in which we operate.

Because elected officials have varying interests and positions, it's impossible to agree with every position taken by any one elected official. Thus, contributions we may make to advance our core business issues do not signal our agreement with every position that recipients may take on every topic. Our biannual Political Engagement Report describes AT&T's political engagement priorities, how we participate in the political process and discloses our U.S. political contributions. With oversight from the Governance and Policy Committee and visibility of the full Board, every action we take is guided by our public Political Engagement Priorities and our Political Engagement Policy, along with other policies and procedures, helping us govern the positions we support across the political spectrum in a way that reflects our corporate brand and the interests of our business and employees.

Since 2019, AT&T has received the leading "Trendsetter" designation from the CPA-Zicklin Index of Corporate Political Disclosure and Accountability, for transparent reporting of our engagements. In 2022, AT&T was among only 6 companies to receive a 100% score. Additional information about our public policy engagement efforts, including our Political Contributions Policy and a report of U.S. political contributions from our Company and from AT&T's Employee Political Action Committees, can be viewed on our website at investors.att.com.

Network and Data Security and Privacy

Network and data security and privacy are crucial to our mission of delivering connectivity services that businesses and consumers can trust.

The Audit Committee oversees the company's risk management strategy, which includes cybersecurity and the defense of our network. The Chief Security Office, led by our Chief Security Officer, establishes global policy and programmatic requirements designed to help protect the integrity, confidentiality and availability of our network. The Audit Committee and full Board receive regular updates from our Chief Security Officer on network and data security, and associated risks.

Our Chief Privacy Officer (CPO), who is a member of the CSR Governance Council, is responsible for developing, implementing and supporting compliance with our privacy principles, policies and commitments – in accordance with international, federal and state legislation. Our CCO and CPO provide updates about privacy-related risks and mitigation to executive leadership and the Governance and Policy Committee, and our CCO provides periodic privacy-related updates to the Audit Committee.

Like all companies, we're required by law to provide information to government and law enforcement entities, as well as parties to civil lawsuits, by complying with court orders, subpoenas, lawful discovery requests and other legal requirements. Our Transparency Report lists the number and types of legal demands that have compelled AT&T to provide information about the communications of our customers as well as information permitted by law to be disclosed about Foreign Intelligence Surveillance Act requests.

Supply Chain Management

A diverse, ethical and sustainable supply chain is crucial for mitigating risk, realizing new opportunities, delivering excellence and creating long-lasting value for AT&T and our stakeholders.

We expect supplier business operations to be conducted in compliance with sustainability and diversity clauses in our contracts, which require conformance with the AT&T Principles of Conduct for Suppliers and the AT&T Human Rights Policy. Suppliers are required to verify adherence to our Principles of Conduct for Suppliers through a self-attestation process every 18-24 months. Our Governance and Policy Committee, and Executive Vice President – Global Supply Chain, who is a member of the CSR Governance Council, provide oversight.

Annually, we engage suppliers representing at least 80% of our spend[1] with the CDP Climate Change Questionnaire. These assessments, which cover a range of ESG factors such as total emissions and emissions reduction strategies, renewable energy, governance, biodiversity and a supplier's management of its own supply chain, support our ability to integrate sustainability metrics into sourcing decisions.

In addition, through our participation alongside peer telecom companies in the Joint Audit Cooperation, we engage suppliers at risk of noncompliance with social standards – such as child or forced labor, health and safety, freedom of association, working hours or compensation – in on-site audits and corrective action plans.

ESG Reporting

AT&T's ESG reporting practice is led by a dedicated team reporting to our CSO, with additional oversight by the Governance and Policy Committee and Audit Committee. Each year, we engage hundreds of subject matter experts and business unit approvers across the company to prepare, review, and continuously enhance our reporting and disclosures. Prior to publication, our annual Sustainability Summary data and content are reviewed by our CEO, the CSR Governance Council and senior executives across the business. ESG disclosures are further validated by our internal legal organization, and select environmental calculations – such as energy use and greenhouse gas (GHG) emissions – are externally assured by an independent third party.

ESG disclosures are underpinned by a regular stakeholder assessment that helps identify and prioritize the highest priority ESG issues impacting AT&T, as well as those where AT&T significantly impacts external stakeholders. Our most recent assessment was conducted in Q4 2021, and as part of our ongoing governance, we continuously monitor pressing and emerging ESG issues and current events to help prioritize programmatic efforts on those topics as appropriate.

We seek to deliver a comprehensive reporting suite featuring consistent and comparable metrics. We've aligned to the Global Reporting Initiative standards since 2007, to communicate our managerial approach to impacts on broad topics such as the economy, environment, society and human rights. In recognition of investor interest in our management of ESG impacts on enterprise value, we align to relevant

[1] The supplier sustainability management approach reflects the activities of the AT&T Global Supply Chain organization within AT&T Communications.

industry-specific Sustainability Accounting Standards Board standards, the Task Force on Climate-related Financial Disclosures recommendations and the CDP Climate Change assessment. Our reporting also aligns with the United Nations Global Compact and Sustainable Development Goals, reflecting stakeholder interest in AT&T's contributions to global sustainable development objectives.

ENVIRONMENTAL IMPACT

AT&T is amplifying our positive environmental impact and optimizing the resilience of our business through enhancements in resource efficiency and efforts to protect our network and stakeholders from environmental risk.

The Governance and Policy Committee oversees the entirety of AT&T's environmental and climate-related strategy, including emissions reduction objectives, consumption of electricity and water, investments in renewable energy, waste management and policies governing our supply chain. Our CSO oversees internal management of AT&T's environmental and climate-related strategy, risks and opportunities. Our President – Network Engineering and Operations has responsibility for the resilience of our network, including energy and water use, and the management of climate-related impacts to our operations. This includes our commitments to renewable energy, network disaster response and business continuity planning. Our SVP – Audit Services oversees the integration of ESG issues, including environmental and climate-related impacts, into corporate enterprise risk assessment activities. This risk analysis has further oversight by the Audit Committee.

Our CSR Governance Council, led by our CSO and comprised of Officers representing business operations aligned to our most important ESG focus areas, regularly discusses environmental topics such as climate change, emissions and our use of resources. In addition to the Council, we convene an Environmental Committee that works with business unit experts across our company to implement and enhance policies and programs that address climate-related risks and opportunities. The Environmental Committee is led by our Assistant Vice President (AVP) – Global Environmental Sustainability, who is a direct report to our CSO.

Mitigating Climate Change

AT&T is committed to helping the world transition to a low carbon economy. We've established a public goal to become carbon neutral, targeting net zero Scope 1 and 2 GHG emissions[2] by the end of 2035. To help measure our progress, we launched a science-based target to reduce emissions for these same categories 63% by year-end 2030 (2015 baseline) – aligning with a 1.5°C pathway. Between 2015-2022, we reduced reported Scope 1 and 2 GHG emissions 41.2%, reaching 65% of our 2030 target.[3]

A key component of our emissions reduction strategy is enhancing operational efficiency. Between 2015-2022, we implemented nearly 161K energy efficiency projects – such as the ongoing integration of our centrally-managed Energy Building Management Solution across our footprint and decommissioning obsolete portions of our network operations – resulting in annualized energy cost savings of approximately $663 million.

We also continue to grow our procurement of renewable energy, where feasible. In 2022, we announced two new solar energy deals, adding to our renewable energy portfolio. AT&T is currently #6 on the EPA Green Power Partnership list, an improvement of two spots from 2021.

Climate-related Impacts

Extreme weather presents operational risks to AT&T's network and safety risks to our employees, customers and communities. We're taking steps to protect our network from threats and costly repairs associated with such events, while helping communities identify and address their own vulnerabilities. By modeling the potential for extreme weather within our geographic information system, our industry-leading Climate Change Analysis Tool (CCAT) helps network engineers analyze how inland and coastal flooding, drought, wind or wildfires may impact existing infrastructure or future network builds – up to 30 years into the future.

In collaboration with the Federal Emergency Management Agency and the U.S. Department of Energy's Argonne National Laboratory, we launched the Climate Risk and Resilience Portal

[2] Scope 1 emissions include direct emissions from sources owned or controlled by the company (such as the fleet). Scope 2 emissions include indirect emissions that result from the generation of purchased energy.
[3] AT&T follows the GHG Protocol for Scope 1, Scope 2 and Scope 3 reporting. 2022 GHG emissions data contains Q4 estimations.

(ClimRR). ClimRR provides free and equitable access to leading climate datasets to support analysis and data-driven planning for future climate risks. The portal empowers non-technical individuals, organizations, planners and decision-makers at state, local, tribal, and territorial governments to gain awareness of future climate conditions to support community resilience.

AT&T also assesses how climate-related regulations, developments in technology, and market or reputational factors could affect our company. For example, a cost applied to GHG emissions, such as through an imposed fuel or carbon tax or other pricing mechanism, may drive up the cost of fossil fuel-based energy used to power our network, operations and fleet.

Landfill Diversion

AT&T has a goal to reduce the amount of U.S. waste we send to landfill 30% by 2030 (2019 base year). By the end of 2022, we had decreased our landfill footprint 27.9% from 2019.[4]

Environmental Performance of our Supply Chain

AT&T's supply chain contributes to our emissions footprint and presents unique climate-related risks and opportunities. To address this, we engage suppliers to reduce the environmental impact of their operations. In 2022 we met our Scope 3 science-based target ahead of schedule by ensuring that suppliers representing 53% of our spend (against our goal of 50%) have set science-based Scope 1 and 2 targets. This goal covers AT&T spend including purchased goods and services, capital goods and downstream leased assets.

We operationalize progress toward this goal by providing incentives to participate in our Preferred Supplier Program, which includes companies that have demonstrated a commitment to focus areas such as diversity and environmental sustainability, and by engaging approximately 300 suppliers annually in the CDP Climate Change Questionnaire.

Supporting Customer Environmental Objectives

Beyond our carbon neutrality commitment focused on our own operations, AT&T's Gigaton goal demonstrates our intention to help business customers leverage our connectivity to help collectively reduce one billion metric tons of GHG emissions by 2035.

We're helping these customers reduce their environmental footprint through adoption of AT&T Smart Climate Solutions – broadband-enabled technologies such as online collaboration tools and IoT solutions for fleet, asset and building energy management.

As of year-end 2022, we've achieved 15% of our Gigaton goal and have enabled customers to reduce more than 149 million metric tons of CO_2e.

We measure our impact using a methodology developed in collaboration with Carbon Trust and BSR.

SOCIAL IMPACT

At AT&T, we're committed to connecting people to greater possibility. Our efforts to help bridge the digital divide, foster DE&I, support the development of our employees and protect human rights are examples of how we help our employees, customers, suppliers, and communities thrive. Further, these social factors influence the near- and long-term success of our company.

Digital Divide

Access to affordable and reliable internet service is critical for work, health, learning and commerce – and for staying digitally connected to family, friends, news and information. Leveraging our resources to address the digital divide is strategically important to AT&T, as it helps drive social change while expanding our network reach and deepening valuable collaboration with communities, authorities and NGOs.

With the full Board's oversight, our strategy for addressing the digital divide involves collaboration across the entirety of our company – engaging business units such as CSR, Public Policy, External and Legislative Affairs, Network Technology and Operations, Finance, Sales and Marketing.

AT&T has committed to invest $2 billion between 2021 and the end of 2023 to help address the digital divide. This effort includes AT&T's low-cost broadband service offerings and ongoing community investment.

Our Access from AT&T program helps bridge the digital divide by making high-speed, low-cost internet service available for qualifying low-income households. AT&T also participates in the FCC's Affordable Connectivity Program (ACP) to help make wired and wireless services more affordable for millions of American households. In 2022, we expanded eligibility for Access from AT&T to all households that quality for ACP and that apply the Federal benefit to AT&T internet service.

[4] AT&T aligns with GRI standards for waste reporting. 2022 waste data contains Q4 estimations.

Our $2 billion digital divide commitment also includes AT&T Connected Learning, a multi-year initiative led by our CSR organization to help remove internet adoption barriers and empower today's learners. Through AT&T Connected Learning, by year-end 2025, we seek to provide 1M people in need with digital resources, technology and/or skills needed to succeed. Through the end of 2022, we launched 20 AT&T Connected Learning Centers in traditionally underserved neighborhoods facing barriers to connectivity, and we intend to increase this figure to more than 50 by the end of 2024. AT&T Connected Learning Centers provide access to high-speed internet and computing devices, as well as opportunities for tutoring and mentorship through our employee-driven AT&T Believes volunteerism initiative. Together with national partners, we're offering a collection of digital learning and digital literacy courses to help parents and families build skills and confidence to help their child navigate distance learning and participate effectively and safely in today's digital world.

Diversity, Equity and Inclusion

From our Board of Directors to front-line workers across the globe, we seek talented people who represent a mix of backgrounds, identities, abilities and experiences. This is critical to ensure the products, services and content we create reflect the diversity and interests of all segments of society and of the world around us.

Our Board Diversity Statement notes "AT&T recognizes the value of diversity, and takes into account many factors, including but not limited to gender, race and ethnicity, as important in determining composition and in making nominations to the Board."

Our strategy for employee diversity, equity and inclusion is led by AT&T's Chief Diversity Officer, who is also a member of the CSR Governance Council. To promote employee engagement and cross-functional diversity and inclusion initiatives across our business, we regularly convene four diversity councils, including an Executive Diversity Council made up of key officers and executives in the business. Diversity, equity and inclusion data is regularly provided to Board members and discussed in depth at least once a year with the Governance and Policy Committee and the full board.

All employees can join any of AT&T's 27 Employee Groups, which are the vanguard of our efforts to advance diversity, equity and inclusion across AT&T. AT&T also embeds diversity, equity and inclusion into its hiring, career advancement and professional development strategies. In 2022, more than 75% of open positions and 69% of internal promotions were filled by women and/or people of color candidates, thereby increasing our diverse workforce.[5]

AT&T has been recognized by top diversity, equity and inclusion organizations and initiatives, such as DiversityInc Top 50 Companies for Diversity, Human Rights Campaign Best Places to Work for LGBTQ+ Equality, Disability Equality Index Best Place to Work for Disability Inclusion and Bloomberg Gender Equality Index.

Recognizing the importance of diversity, equity and inclusion to our stakeholders, we report our progress toward cultivating workplace diversity across AT&T. This focus on building a more diverse and inclusive workforce is underpinned by the unwavering commitment to ensure that employees from any and every segment of society are treated with fairness and provided equal opportunities to advance in the company.

Supply Chain Diversity

Diverse suppliers bring value to our company through their unique experiences, skills and innovative ideas. Our supplier diversity program connects specialized diversity managers with internal sourcing teams to assist minority-, woman-, veteran-, LGBTQ+- and disability-owned enterprises around the U.S. with opportunities to provide products and services to AT&T. Our supplier diversity goal is to achieve 21.5% of supplier spend and exceed $10 billion in total procurement expenditures with diverse suppliers. In 2022, more than $16B was awarded to businesses externally certified as diverse by third-party agencies.

Employee Talent Development

As the global economy evolves, it's crucial to train – and retain – a skilled and diverse workforce, and to help ensure our colleagues have the tools needed for continued success. Led by our Senior Vice President of Learning and Development, our internal training organization – AT&T University – works across our business to deliver strategic leadership training, inspire continuous development for current and future roles, and energize our workforce to drive innovation. AT&T University builds and enhances skills and capabilities in an evolving technological world, developing leaders who enhance the skills of others and role model critical competencies for the rest of the organization.

[5] Represents AT&T's U.S.-based workforce.

In 2022, AT&T invested approximately $135 million to engage employees in 8 million hours of education and training, plus $10.5 million in higher education tuition assistance.[6]

Human Rights

Business success and ethical behavior go hand-in-hand, and protecting human rights is fundamental to our operations, supply chain and engagement with key stakeholders.

AT&T's Human Rights Policy details our commitment to upholding internationally recognized principles supporting rights to privacy, freedom of expression, fair labor practices, ethical use of artificial intelligence and protection from harmful online content – particularly for children. Our CSO is responsible for overseeing the AT&T Human Rights Policy with guidance from the Governance and Policy Committee. The CSR Governance Council and Human Rights Committee, comprised of senior executives and subject matter experts from across the business, are responsible for due diligence and implementing safeguards to address and mitigate potential human rights risks and issues.

[6] Includes AT&T Communications, AT&T Corporate, and AT&T International.

AUDIT COMMITTEE

AT&T has a separately designated standing Audit Committee. The Board has adopted a written charter for the Audit Committee, which may be viewed on the Company's web site at investors.att.com. The Audit Committee performs a review and reassessment of its charter annually. The Audit Committee oversees the integrity of AT&T's financial statements, the independent auditors' qualifications and independence, the performance of the internal audit function and independent auditors, AT&T's compliance with legal and regulatory matters, and enterprise risk management, including privacy and data security.

The Audit Committee is composed entirely of independent Directors in accordance with the applicable independence standards of the New York Stock Exchange and AT&T. The members of the Audit Committee are Ms. Taylor (Chair), Mr. Luczo, Mr. McCallister, and Mr. Ubiñas each of whom was appointed by the Board of Directors. The Board has determined that each member of the Audit Committee is financially literate under NYSE listing standards.

In addition, the Board of Directors has determined that Ms. Taylor is an "audit committee financial expert." Although the Board of Directors has determined that she has the requisite attributes to be considered an "audit committee financial expert" as defined under SEC rules, her responsibilities are the same as those of the other Audit Committee members. She is not AT&T's auditor or accountant, does not perform "field work" and is not a full-time employee. The SEC has determined that an audit committee member who is designated as an audit committee financial expert will not be deemed to be an "expert" for any purpose as a result of being identified as an audit committee financial expert.

PRIMARY RESPONSIBILITIES

The Audit Committee is responsible for oversight of management in the preparation of AT&T's financial statements and financial disclosures. The Audit Committee relies on the information provided by management and the independent auditors. The Audit Committee does not have the duty to plan or conduct audits or to determine that AT&T's financial statements and disclosures are complete and accurate. AT&T's Audit Committee charter provides that these are the responsibility of management and the independent auditors.

Independent Auditor Oversight

The Audit Committee has oversight of the Company's relationship with the independent auditor and is directly responsible for the annual appointment, compensation and retention of the independent auditor. The independent auditor reports directly to the Audit Committee.

Financial Reporting Review

The Audit Committee reviews and discusses with management and the independent auditor:

- the annual audited financial statements and quarterly financial statements;
- any major issues regarding accounting principles and financial statement presentations; and
- earnings press releases and other financial disclosures.

Internal Audit Oversight

The Audit Committee oversees the activities of the Company's senior internal auditing executive, including internal audit's assessment of operational and financial risks and associated internal controls. Significant internal audit reports and corrective action status are regularly discussed with the Audit Committee.

Risk Review

The Audit Committee reviews and discusses with management the Company's significant financial, compliance, ethics, and operational risk exposures and the steps management has taken to detect, monitor and control such exposures, including the Company's risk assessment and risk management policies. This includes, among other matters, evaluating risk in the context of financial policies, counterparty and credit risk, and the appropriate mitigation of risk, including through the use of insurance where appropriate. The Audit Committee also reviews and discusses with management the Company's privacy and data security, including cybersecurity, risk exposures, policies, and practices, including the steps management has taken to detect, monitor and control such risks and the potential impact of those exposures on the Company's business, financial results, operations and reputation.

Compliance Oversight

The Audit Committee meets with the Company's Chief Compliance Officer (CCO) regarding the CCO's assessment of the Company's compliance and ethics risks, the effectiveness of the Company's Corporate Compliance Program, and any other compliance related matters that either the Committee or the CCO deems appropriate. The Audit Committee oversees the administration and enforcement of the Company's Code of Business Conduct, Code of Ethics, and Corporate Compliance Program.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

Ernst & Young LLP acts as AT&T's principal auditor and provides certain audit-related, tax and other services. The Audit Committee has established a pre-approval policy for services to be performed by Ernst & Young. Under this policy, the Audit Committee approves specific engagements when the engagements have been presented in reasonable detail to the Audit Committee before services are undertaken.

This policy also allows for the approval of certain services in advance of the Audit Committee being presented details concerning the specific service to be undertaken. These services must meet service definitions and fee limitations previously established by the Audit Committee. Additionally, engagements exceeding $500,000 must receive advance concurrence from the Audit Committee Chairman. After an auditor is engaged under this authority, the services must be described in reasonable detail to the Audit Committee at the next meeting.

All pre-approved services must commence, if at all, within 14 months of the approval.

The fees for services provided by Ernst & Young (all of which were pre-approved by the Audit Committee) to AT&T in 2022 and 2021 are shown in the following table:

PRINCIPAL ACCOUNTANT FEES

(dollars in millions)

Item	2022	2021
Audit Fees (a)	$35.1	$44.7
Audit Related Fees (b)	5.5	17.4
Tax Fees (c)	6.7	14.2
All Other Fees (d)	0.0	0.0

Note (a). Audit Fees. Included in this category are fees for the annual audits of the financial statements and internal controls, quarterly financial statement reviews, audits of certain subsidiaries, audits required by Federal and state regulatory bodies, statutory audits, and comfort letters.

Note (b). Audit Related Fees. These fees, which are for assurance and related services other than those included in Audit Fees, include charges for employee benefit plan audits, subsidiary audits associated with acquisition and disposition activity, control reviews of AT&T service organizations, and consultations concerning financial accounting and reporting matters.

Note (c). Tax Fees. These fees include charges for various Federal, state, local and international tax compliance, planning, and research projects, as well as tax services for AT&T employees working in foreign countries.

Note (d). All Other Fees. No fees were incurred in 2022 or 2021 for services other than audit, audit related and tax.

AUDIT COMMITTEE REPORT

The Audit Committee: (1) reviewed and discussed with management AT&T's audited financial statements for the year ended December 31, 2022; (2) discussed with the independent auditors the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board and the Securities and Exchange Commission; (3) received the written disclosures and the letter from the independent auditors required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditors' communications with the Audit Committee concerning independence; and (4) discussed with the auditors the auditors' independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements for the year ended December 31, 2022, be included in AT&T's Annual Report on Form 10-K for filing with the Securities and Exchange Commission.

February 7, 2023

The Audit Committee

Cynthia B. Taylor, Chair
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Compensation Discussion and Analysis

AT&T

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ACRONYMS USED

CAM	Career Average Minimum
CD&A	Compensation Discussion & Analysis
CDP	Cash Deferral Plan
CEO	Chief Executive Officer
CFO	Chief Financial Officer
ESG	Environmental Social Governance
EPS	Earnings Per Share
FCF	Free Cash Flow
HRC	Human Resources Committee
LTI	Long-Term Incentive
MCB	Management Cash Balance
NEO	Named Executive Officer
OI	Adjusted Operating Income
PSA	Performance Share Award
ROIC	Return on Invested Capital
RSU	Restricted Stock Unit
SCT	Summary Compensation Table
SEC	Securities and Exchange Commission
SERP	Supplemental Employee Retirement Plan
SRIP	Supplemental Retirement Income Plan
STIP	Short-Term Incentive Plan
SPDP	Stock Purchase and Deferral Plan
TSR	Total Stockholder Return
WBD	Warner Bros. Discovery
WM	WarnerMedia

OUR NAMED EXECUTIVE OFFICERS

John Stankey
Chief Executive Officer

David McAtee
Senior Executive Vice President and General Counsel

Pascal Desroches
Senior Executive Vice President and Chief Financial Officer

Jeff McElfresh
Chief Operating Officer

Lori Lee
Global Marketing Officer and Senior Executive Vice President International

Executive Summary

Our Human Resources Committee (Committee) takes great care to develop and refine an executive compensation program that recognizes its stewardship responsibility to our stockholders while ensuring the ability to attract and retain talent to support a culture of growth, innovation, and performance in a large and complex organization.

In this section, we summarize the elements of our compensation program and how our program supports pay for performance.

Topic	Overview	Details
THE FOUNDATION OF OUR PROGRAM	Our Committee believes that our programs should: • be aligned with stockholder interests, • be competitive and market-based, • pay for performance, • balance both short- and long-term focus, and • be aligned with generally accepted practices. To that end, we incorporate many best practices in our compensation program and avoid ones that are not aligned with our guiding pay principles.	42
STOCKHOLDER ENGAGEMENT	Stockholder engagement is a key part of the Committee's decision-making process, and AT&T has a long history of incorporating stockholder perspectives into our executive compensation program. Each year, we engage with stockholders in both the spring and fall to understand their views on executive compensation and other topics. In addition to the support shared through direct engagement, our stockholders supported our program with 90.3% of votes cast for approval of the "say on pay" proposal at the 2022 Annual Meeting of Stockholders. We provide details of discussions with stockholders over the past year in the Proxy Statement Summary.	SUM 2
OUR COMPENSATION PROGRAM ELEMENTS & PERCENT OF PAY TIED TO PERFORMANCE AND COMMON STOCK PRICE	Our program includes a variety of pay elements, from fixed compensation (base salaries) to performance-based variable compensation (short- and long-term incentives), to key benefits, which minimize distractions and allow our executives to focus on our success. Each element is designed for a specific purpose, with an overarching goal of encouraging a high level of sustainable individual and Company performance well into the future. For active NEOs, the average combination of short- and long-term incentives is 89% of target pay. Payouts are formula-driven for: • Short-term incentives; and • Performance Shares (which represent 75% of the long-term incentive for all NEOs). All long-term grants are tied to our common stock price performance. Our Committee retains the authority to increase or decrease final award payouts, after adjustment for financial performance, to ensure pay is aligned with performance.	43, 45

Executive Summary

Topic	Overview	Details
INDEPENDENT COMPENSATION CONSULTANT	The Committee determined that because it had engaged Frederic W. Cook & Co., Inc. (FW Cook) as independent consultant for several years, it was appropriate to initiate a Request for Proposal (RFP) process for independent compensation consultant services. The purpose of the RFP was to ensure that the Committee continues to receive comprehensive, expert consulting services, and recommendations for setting executive pay to retain and attract talent to execute the Company's strategic objectives. Our current consultant, FW Cook, was invited to respond to the RFP, as were several other companies that provide independent compensation consultant services. After a thorough review process with evaluation of the candidates, the Committee renewed its engagement with FW Cook for independent compensation consultant services.	58
HOW WE MAKE COMPENSATION DECISIONS	The starting point for determining Executive Officer compensation is determining target pay, with an evaluation of market data. The independent consultant compiles compensation information for our Peer Group companies and then presents this information to our Committee for it to consider when making compensation decisions. Our Peer Group companies were chosen based on their similarity to AT&T on a number of factors, including alignment with our business, scale, and/or complexity. At the start of 2022, the Committee established a peer group consistent with AT&T's business pre-WM spin-off. Effective with the April 8, 2022, close of the WM spin-off, the Peer Group was reset to align with AT&T's simplified operating structure with fewer business lines, enhanced focus on telecom operations, reduced scale, and renewed focus on investment in technology and tech enabled services. The Committee sets target compensation with three elements of pay (described above) and an allocation of those pay elements to total target compensation. The Committee also annually reviews performance metrics used in short- and long-term incentives, given our NEOs' compensation is heavily weighted toward at-risk pay. The Committee aligns metrics and payouts to the overall business plan to appropriately incentivize senior management's performance. At the end of the year, the Committee evaluates the company's financial results along with any other pertinent circumstances to approve incentive payouts.	44-45
WARNERMEDIA SPIN-OFF AND AT&T ADJUSTMENT RATIO	Upon completion of the WarnerMedia spin-off, AT&T stockholders received .24 shares of stock in Warner Bros. Discovery, Inc. (WBD) for every share of AT&T common stock they owned. However, employee equity-based awards (performance shares, restricted stock units, and restricted stock awards) and stock based deferred compensation balances were not entitled to receive WBD shares. Therefore, to generally maintain the overall value of AT&T equity compensation awards and deferred compensation balances, the Committee authorized an adjustment to the number of shares underlying the impacted equity awards and deferred compensation balances, as required by the applicable plans in the event of a change in corporate structure such as the WarnerMedia spin-off. The Committee approved an increase in the number of shares underlying the impacted equity awards and deferred compensation using the AT&T Adjustment Ratio of approximately 1.2202. The ratio is the result of the volume weighted average price for AT&T stock for the 10 trading days prior to, and the 10 trading days following, the close of the transaction. Share distributions under *Long-Term Incentive Awards with Performance or Restriction Periods Ending in 2022 or early 2023* reflect this share adjustment. In the Executive Compensation Tables, please see the Grants of Plan Based Awards, Outstanding Equity Awards, Option Exercises Stock Vested, and Nonqualified Deferred Compensation tables.	52, 62-64, 70-71

OUR PURPOSE

WE CONNECT PEOPLE TO GREATER POSSIBILITY – WITH EXPERTISE, SIMPLICITY AND INSPIRATION.

In 2022 we repositioned our company to be simpler and more focused as we set our sights on becoming the best connectivity provider through 5G and fiber. And we exited the year defined by a new purpose: **Connecting people to greater possibility**.

Our purpose is supported by three pillars:

- **Expertise.** We listen to our customers' needs, share our best thinking and set the industry standard.
- **Simplicity.** We make things as easy as possible and show up as one AT&T.
- **Inspiration.** We help customers discover new things and create experiences that spark excitement and delight.

Simplifying our operations in 2022 gave us increased financial flexibility to invest at historic levels. In fact, in 2022 AT&T invested more in the digital backbone of America's connectivity – 5G and fiber – than any other company. As a result of our industry leading investment, at the end of the year, we operated America's most reliable 5G network[1] and led the industry in bringing fiber to homes.[2]

As we go all-in as a connectivity company, we're also committed to creating stockholder value. We're getting more efficient and effective in everything we do. And we remain one of the highest dividend-yielding stocks in the Fortune 500. Taken all together, the work we've done in 2022 puts us in a position to navigate the coming years from a position of strength and opportunity.

[1] Based on nationwide GWS drive test data. GWS conducts paid drive tests for AT&T and uses the data in its analysis. AT&T 5G requires compatible plan and device. 5G not available everywhere.

[2] Based on fiber to the home households using the latest publicly available data.

2022 CORPORATE / CONSOLIDATED ACCOMPLISHMENTS[3]

- Delivered cash from operations of $35.8 billion with free cash flow of $14.1 billion[4]
- Invested $19.6 billion in capital expenditures with highest-ever capital investment of $24.3 billion[4]
- Achieved more than $5 billion of $6 billion-plus run-rate cost savings target
- Reduced total debt by nearly $40 billion and net debt by about $24 billion[4]

PROGRESS WITH PRIORITIES[3]

AT&T delivered strong results against our three business priorities in 2022:

- **Grow Subscriber Relationships.** With record levels of demand for high-quality connectivity services as a backdrop, we added nearly 2.9 million postpaid phone subscribers, our second-best annual results in more than a decade, behind only 2021, and more than 1.2 million AT&T Fiber subscribers, the fifth consecutive year with 1 million or more net additions. Driven by subscriber growth and higher ARPUs, we grew domestic wireless service revenues by 5.1% – the best in more than a decade – and consumer wireline broadband revenues by 6.4%.
- **Be Effective and Efficient in Everything We Do.** As we continued to advance toward our $6 billion-plus run-rate cost savings target, we increasingly saw these savings support our bottom line. We also realized efficiencies in our network build. We ended 2022 with mid-band 5G spectrum covering 150 million people, more than double our original year-end projection. And we're on track to reach our target of 30 million-plus consumer and business fiber locations passed by the end of 2025. We also announced an agreement to form a joint venture with BlackRock Alternatives — Gigapower — an innovative new business model we are testing to dramatically increase the pace of fiber installation outside our traditional wireline markets.

Executive Summary

- **Take a Deliberate Approach to Capital Allocation**. Even as we invested at record levels, we delivered $14.1 billion in free cash flow for 2022. This level of free cash flow supports our approximately $8 billion annualized dividend on our common shares. Also in 2022, we took steps to significantly strengthen our balance sheet. We received more than $39 billion from the separation of WarnerMedia, a substantial portion of which we used to significantly reduce debt.[5] As a result, we ended the year with total debt of $135.9 billion and net debt of $132.2 billion, down $24 billion versus the end of 2021.

[3] All discussion of 2022 results reflects results from continuing operations.

[4] See Annex A for reconciliation of non-GAAP financial results and Cautionary Language Concerning Forward Looking Statements.

[5] More than $39 billion received from WarnerMedia separation includes $38.8 billion in cash, $1.6 billion in debt retained by WarnerMedia and $1.2 billion post-closing adjustment payment to Warner Bros. Discovery.

SUMMARY OF INCENTIVE COMPENSATION

Changes to 2022 Short-term Award Design

As previewed last year, the HRC replaced EPS with OI in the STIP to continue focus on the operational effectiveness of the organization. Free Cash Flow was retained as a metric in the STIP to continue focus on investment, paying down debt, and providing strong returns to our stockholders. The HRC added EPS to Long-term Award Performance Share Metrics for the 2022 to 2024 performance period.

Stockholders indicated, and the HRC agreed, that they would like to see greater alignment between compensation and ESG topics such as diversity, equity, and inclusion. As a result, the Committee maintained the strategic metric for Executive Officers to include the following considerations:

- Consistently putting stockholder value above specific operating entity performance
- Achieving results in a way that is consistent with our company's culture and values, including:
  - how we operate in the communities we support
  - advancing our ESG priorities, especially worker health and safety, global emissions reduction, and
  - helping to narrow the digital divide.
- Working collaboratively across the organization to build a highly engaged workforce, including progress on diversity, equity, and inclusion.
- Demonstrating leadership in driving transformation across the organization with the company's multi-year transformation initiative that builds on our existing strong customer service.

Executive Summary

Additionally, the HRC believed that to support the Company's business transformation in 2022, all Executive Officers should be tied to the same STIP metrics, which are summarized in the table below.

2022 Short-term Award Results

Metric	Metric Weight	Attainment	Payout %
Adjusted Operating Income	60%	100%	96%
Free Cash Flow	20%	96%	70%
Strategic Component	20%	N/A	115%
Weighted Average Payout			**95%**

See additional details in the section *How NEOs Were Paid for Performance in 2022.*

Long-term Award – Performance Share Component Results for 2020-2022 Performance Period

Metric	Metric Weight	Achievement	Payout %
3-Year ROIC	100%	7.9%	105%
3-Year Relative TSR Payout Modifier	+10%, 0%, or -10%	Quartile 3	0%
Final Long-Term Payout			105%

See additional details in sections *ROIC Payout Table and Actual Performance Attainment – 2020 – 2022 Performance Period* and *Long-Term Incentive Awards with Performance or Restriction Periods Ending in 2022 or early 2023.*

Long-term Award – Performance Share Component Goals for 2022-2024 Performance Period

As previewed last year, the table below summarizes changes to the PSA metrics from 2021 to 2022. The Committee believes that the changes to the metrics and payout table (i) align the executive's experience with stockholders, (ii) will motivate a high level of performance, (iii) are consistent with external guidance, and (iv) have goals with adequate sensitivity to potential business outcomes.

Long-term Award – Performance Share Metrics	2021	2022
3-year ROIC	100%	50%
3-year EPS Growth	0%	50%
3-year Relative TSR Payout Modifier	+10%, 0%, or -10%	+20% (only if TSR is positive), 0%, or -20%
Maximum payout	150%	200%, inclusive of modifier

DECISION MAKING FRAMEWORK

ROLE OF THE HUMAN RESOURCES COMMITTEE

The Committee oversees the compensation and benefits program for our senior executives on behalf of the Board of Directors. The Committee is composed entirely of independent Directors. Its current members are Ms. Mooney (Chair), Mr. Ford, Mr. McCallister, and Mr. Rose. The Committee's charter is available on our website at https://investors.att.com. The Committee is responsible for:

Compensation-Related Tasks

- Determining compensation for our Executive Officers;
- Reviewing, approving, and administering our executive compensation plans and approving employee benefit plans;
- Establishing performance objectives under our incentive compensation plans;
- Determining the attainment of performance objectives and the resulting awards to be made to our Executive Officers; and
- Evaluating Executive Officer compensation practices to ensure that they remain equitable and competitive.

Organizational Tasks

- Evaluating the performance of the CEO;
- Reviewing the performance and capabilities of other Executive Officers, based on input from the CEO; and
- Succession planning for Executive Officer positions including the CEO position.

GUIDING PAY PRINCIPLES

The Committee established the following guiding pay principles as the pillars of our compensation and benefits program. It evaluates changes with respect to these goals and the Company's strategic objectives.

ALIGNMENT WITH STOCKHOLDERS	Utilize compensation elements and set performance targets that closely align executives' interests with those of stockholders.
COMPETITIVE & MARKET BASED	Evaluate our compensation and benefits compared to appropriate peer companies to ensure we attract and retain world-class talent with leadership abilities and experience necessary to develop and execute business strategies, obtain superior results, and build long-term stockholder value.
PAY FOR PERFORMANCE	Tie a significant portion of compensation to stock price and/or the achievement of predetermined goals that contribute to our success. For example, see our NEO's at risk-target compensation under *2022 Total Target Compensation and Pay Mix*.
BALANCED SHORT- & LONG-TERM FOCUS	Ensure that the compensation program provides an appropriate balance between the achievement of short- and long-term performance objectives, with a clear emphasis on managing the sustainability of the business and mitigating risk.
PRINCIPLED PROGRAM	Structure our program so that it aligns with both corporate governance best practices and our strategic objectives while remaining easy to explain and communicate.

PAY GOVERNANCE

Our Committee designs our compensation and benefits program around the following market-leading practices:

✓ OUR PRACTICES

- ✓ Pay for performance.
- ✓ Multiple performance metrics and multi-year time horizons.
- ✓ Stock ownership and holding period requirements.
- ✓ Regular engagement with stockholders.
- ✓ Dividend equivalents.
- ✓ Clawback policy.
- ✓ Severance policy limits payments to 2.99 times salary and target bonus.

✗ WHAT WE DON'T DO

- ✗ No "single trigger" change in control provisions.
- ✗ No tax gross-ups, except in extenuating circumstances.
- ✗ No repricing or buy-out of underwater stock options, and no guaranteed bonuses.
- ✗ No hedging or short sales of AT&T stock or stock-based awards.
- ✗ No supplemental executive retirement benefits for officers promoted/hired after 2008.
- ✗ No excessive dilution, as of June 1, 2022, our total dilution was 1.3% of outstanding stock.

COMPENSATION ELEMENTS AND PAY DETERMINATION

ELEMENTS OF 2022 COMPENSATION

Stockholders' interests are best represented by a compensation program that is properly structured to attract, retain, and motivate our executives to lead the Company effectively, thus creating stockholder value. Our program contains various elements, each designed for a different purpose, with the overarching goal of encouraging a high level of sustainable individual and Company performance well into the future:

FOCUS ON CURRENT YEAR PERFORMANCE		FOCUS ON MULTI-YEAR PERFORMANCE		FOCUS ON ATTRACTION & RETENTION
SALARY AND SHORT-TERM INCENTIVES	+	LONG-TERM INCENTIVES: 75% PERFORMANCE SHARES 25% RESTRICTED STOCK UNITS	+	RETIREMENT, DEFERRAL/ SAVINGS PLANS, BENEFITS, AND PERSONAL BENEFITS

The chart below more fully describes the elements of total direct compensation and their link to our business and talent strategies.

	Reward Element	Form	Link to Business and Talent Strategies
FIXED PAY	Base Salary	**Cash** A portion may be contributed to the Company's deferral plans.	• Provides current compensation for the day-to-day responsibilities of the position. • Current pay level recognizes experience, skill, and performance, with the goal of being market competitive. • Future adjustments may be based on individual performance, pay relative to other executives, and/or pay relative to market.
AT-RISK PAY	Short-Term Incentives	**Cash** A portion may be contributed to the Company's deferral plans.	• Aligns pay with the achievement of short-term Company or business unit objectives. • Payouts are based on achievement of predetermined goals, with potential for adjustment (up or down) by the Committee to align pay with performance.
	Long-Term Incentives	**Common Stock** Performance Shares Restricted Stock Units	• Motivates and rewards the achievement of long-term Company objectives. • Aligns executive and stockholder interests.

DETERMINING 2022 TARGET COMPENSATION

The Committee uses market data as the starting point for determining Executive Officer compensation. The independent consultant compiles data from peer companies using both proxy data and third-party compensation surveys, then presents its findings to the Committee for their review and decision-making process.

How the peer group was chosen

The year 2022 was transformational for AT&T. At the start of the year the Committee, based on input from its consultant, established a peer group that was representative of companies consistent with AT&T. The peer companies operated in telecom, technology, and media industries, and included large cap companies with similar scale and business complexity to AT&T. In April, following the spin-off of WM, the HRC reset the composition of the peer group to reflect the following:

- Simplified operating structure with fewer business lines and an enhanced focus on telecom operations.
- Reduction in scale (revenue, market capitalization, and enterprise value).
- Increased investments in technology and tech enabled services such as 5G, Fiber, artificial intelligence, and cloud software.

Based on the responsibilities of each executive's role, the Committee evaluated compensation against the same or similar positions in the peer group companies. If a peer company did not have a role corresponding to a particular AT&T executive, it was omitted from the peer group for the executive. The table below shows the initial and reset peer groups.

AT&T Peer Group

Post-Close Additions	General Motors	Salesforce	UPS		
Peer Group*	Alphabet	Charter	Intel	Oracle	Walt Disney
	Amazon	Cisco	IBM	T-Mobile US	
	Apple	Comcast	Microsoft	Verizon	
	Boeing	General Electric	Netflix	Wal-Mart	
Post-Close Deletions	Chevron	Exxon Mobil	Fox Corp	Paramount	

* These companies continued in the post-close Peer Group.

The Committee's Process for Establishing 2022 Target Compensation

The Committee's consultant reviewed market data from the peer groups with members of management and the CEO (for Executive Officers other than himself) to confirm job matches and scoping of market data based on the relative value of each position and differences in responsibilities between jobs at AT&T and those in the Peer Group. After completing this review, the consultant presented the market data to the Committee.

The Committee used the market data with the CEO's evaluation of performance and compensation recommendations for the other Executive Officers and then applied its judgment and experience to set Executive Officer target compensation. While the Committee does consider peer group compensation information when setting executive compensation, it does not believe it appropriate to establish compensation amounts based solely on this data. The Committee believes that compensation decisions are multi-dimensional and require consideration of additional factors, including market competition for the position and the executive's:

- experience, performance, and contributions;
- long-term potential; and
- leadership.

In addition, to determine CEO pay, the Board continued to use its formal annual performance evaluation process. Such performance evaluation consists of the Board reviewing key strategic and leadership behaviors and providing feedback directly to Mr. Stankey regarding his performance and the performance of the company.

2022 Total Target Compensation and Pay Mix

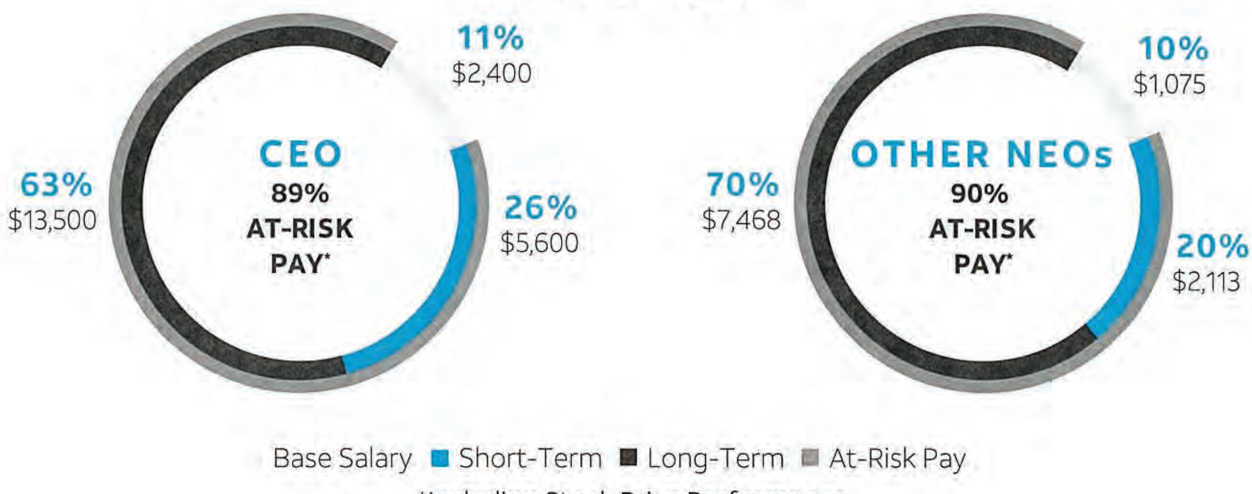
Based on the above, in January the Committee reviewed target pay for the NEOs and determined total target compensation for 2022. Mr. Stankey's annual target compensation has remained unchanged since his promotion to CEO in July 2020. Other NEOs only received increases to LTI compensation to align to market. The 2022 target compensation for the NEO's is as follows:

NEO	Base Salary	Target STIP	Target LTI	Total
J. Stankey	$2,400,000	$5,600,000	$13,500,000	$21,500,000
P. Desroches	$1,250,000	$2,750,000	$ 7,500,000	$11,500,000
L. Lee	$ 750,000	$1,350,000	$ 5,525,000	$ 7,625,000
D. McAtee	$1,300,000	$2,350,000	$ 6,850,000	$10,500,000
J. McElfresh	$1,000,000	$2,000,000	$10,000,000	$13,000,000

The target LTI values shown above are comprised of 75% Performance Shares and 25% Restricted Stock Units. The breakout is shown in the *2022 Target Long-Term Values* section.

As described above, the Committee designs the executive compensation program to include at-risk pay. The 2022 Target Compensation table above shows the use of incentive awards and stock-based compensation to tie the interests of our executives to those of our stockholders. The following charts depict the mix of target compensation for Mr. Stankey and the average for the other NEOs.

2022 Target Pay Mix



*Including Stock Price Performance

HOW NEOs WERE PAID FOR PERFORMANCE IN 2022

2022 Short-Term Incentive Awards – Performance Targets

After reviewing our business plan and determining the business metrics on which our Executive Officers should focus, the Committee established the following performance metrics applicable to payment of 2022 short-term incentive awards. These metrics were chosen for their link to our business strategy; a change in the financial metrics is explained below. NEOs maintained the strategic metric with a 20% weighting to further drive performance during AT&T's business transformation within the framework of its cultural pillars. The Committee established that all executive officers will be tied to a single unifying metric set that focuses leaders to achieve AT&T's financial, operational, and strategic goals.

80% Financial Metric

In order to continue focus on the operational effectiveness of the organization, the HRC replaced EPS, which is now a long-term measure, with OI as a STIP performance metric. FCF was retained as a metric in the STIP to continue focus on investment, paying down debt, and providing strong returns to our stockholders. The Committee maintained the 20% weighting on FCF.

2022 SHORT-TERM INCENTIVE PLAN FINANCIAL METRICS AND WEIGHTINGS

Metric	Weighting	Relevance
OI	60%	Indicator of the company's ability to generate earnings from operations
FCF	20%	Important to continue to invest, pay down debt, and provide strong returns to our stockholders

SHORT-TERM INCENTIVE PAYOUT TABLE STRUCTURE
Financial Metrics

	Payout Level	Attainment	Payout
Each financial performance metric has an associated payout table, and all payout tables use the same structure. Interpolation is used to determine payout percentages for results that fall between attainment levels shown.	**MAXIMUM**	110%	150%
	TARGET	100%	100%
		94%	50%
	THRESHOLD	82%	30%

20% Strategic Metric

The Committee established the strategic measures criteria early in 2022 as shown in the table below.

Strategic Measure – Goals
Consistently putting stockholder value above specific operating entity performance.
Achieving results in a way that is consistent with our company's culture and values, including: • how we operate in the communities we support, • advancing our ESG priorities, especially worker health and safety, global emissions reduction, and • helping to narrow the digital divide.
Working collaboratively across the organization to build a highly engaged workforce, including progress on diversity, equity, and inclusion.
Demonstrating leadership in driving transformation across the organization with the company's multi-year transformation initiative that builds on our existing strong customer service.

2022 Short-Term Incentive Awards – Performance Attainment and Associated Payout Percentages

Final Award Determination:

The table below shows the performance adjusted award payout for each NEO based on the achievement of the goals set by the Committee. The HRC made no award for individual performance.

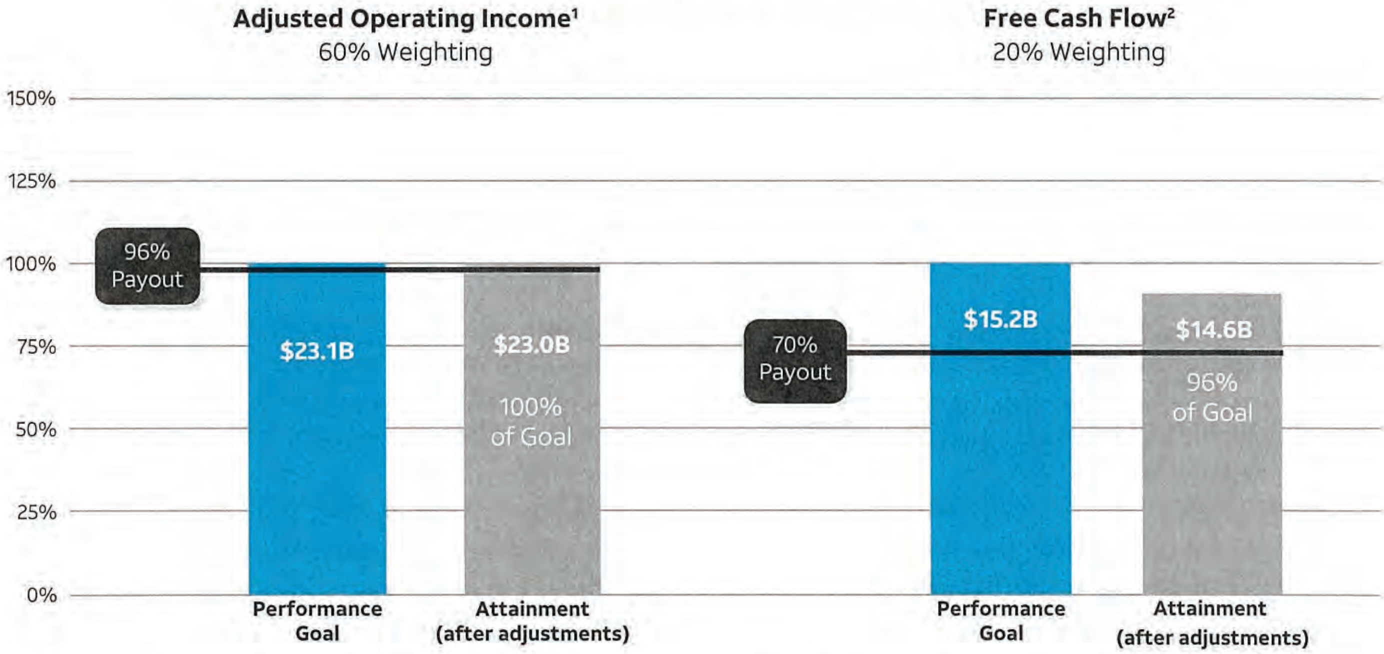
NEO	Target STIP	STIP Attainment %	Final Award Paid
J. Stankey	$5,600,000	95%	$5,320,000
P. Desroches	$ 2,750,000	95%	$ 2,612,500
L. Lee	$ 1,350,000	95%	$ 1,282,500
D. McAtee	$ 2,350,000	95%	$ 2,232,500
J. McElfresh	$2,000,000	95%	$1,900,000

The Committee maintains the discretion to make adjustments to the formula-driven payout as it deems appropriate in order to align Executive Officer pay with performance, but did not make any such discretionary adjustments to the formulaic component of short-term awards for 2022.

Financial Metric Results—80% Weighting

The charts below depict the performance goal attainment, final payout percentage, and reconciliation of adjustments based on pre-determined exclusions. The strategic metric results are discussed after the financial results.

Corporate
2022 Short-Term Incentive Performance Goals and Attainment



1. Operating Income results were adjusted as follows:

Reported OI	($4,587)
Adjustments per Grant Terms:	
Merger & Acquisition Activity	$95
Severance	$260
Non-cash Accounting writedowns	$27,215
Operating Income for Compensation	$22,983

2. Free Cash Flow results were adjusted as follows:

Reported FCF	$14,138
Adjustments per Grant Terms:	
Excess Benefit Plan Contribution	$500
Free Cash Flow for Compensation	$14,638

The Committee approved 115% payout of the strategic metric (20% weighting) for all the NEOs, based on the accomplishments listed below.

Strategic Measure – Rationale for 115% Payout

Shareholder Value: Core business delivered where it counts most – with our customers – and positioned the business to continue providing shareholder returns. We're getting more efficient and effective in everything we do.

- With record levels of demand for high-quality connectivity services as a backdrop, we added nearly 2.9 million postpaid phone subscribers, our second-best annual results in more than a decade, behind only 2021, and 1.2 million AT&T Fiber subscribers, the fifth consecutive year with 1 million or more net additions.
- Delivered cash from operations of $35.8 billion with free cash flow of $14.1 billion.
- Executed a complex corporate restructuring that closed strategic transactions totaling more than $41 billion and restructured our operations to provide additional balance sheet flexibility, reducing total debt by nearly $40 billion and net debt by about $24 billion.
- Delivered second strongest equity returns amongst industry peers[1] and the company's most profitable wireless year on record.

Culture and Community: From digital divide initiatives to disaster response, AT&T strives to make our communities safer and more connected. We're leading the way in formulating the next generation of universal access policies to connect every American to the internet. It's how we connect, with more than 384,000 hours of direct employee community involvement in our operating footprint.

- AT&T Connected Learning, an initiative that includes low-cost broadband offers, free laptops, online digital literacy/learning resources, and 20 AT&T Connected Learning Centers in underserved communities across the country.
- Climate Risk & Resiliency Portal, created in collaboration with FEMA and Argonne National Labs to provide free access to climate datasets to support planning for future climate risks.
- Over 6,000 energy efficiency projects and increased usage of renewable energy production by 16% from 2.5 million megawatt-hours to 2.9 million megawatt-hours – and consistent with our over-arching ESG objectives, reduced emissions.

Engaged and Diverse Workforce: Our employees are our greatest competitive advantage. We support and champion their total wellbeing and value everyone as a whole person. We demonstrate this through:

- Improved employee engagement results and workforce diversity at the management ranks of the company, with 90% of management employees continuing to attest pride in their organization, over 44% of managers are people of color.
- 7 ratified labor agreements representing 22,800 employees without a single labor disruption.
- Vaccination compliance, hired the first well-being executive, presented well-being resources to more than 40,000 employees, and instituted new family friendly programs.
- Hall of Fame status with DiversityInc, including high rankings on four specialty lists based on workforce diversity, leadership accountability, employee resource groups, and supplier results.

Business Transformation: As we narrow our strategic focus, we have a unique opportunity to reposition AT&T. Remaining competitive requires differentiation and an increased ability to drive performance and growth. We're seizing a unique market opportunity by transforming how we operate, including:

- Achieved more than $5 billion of $6 billion-plus run-rate cost savings target, much of which was reinvested to support customer growth.
- Restructured AT&T and lowered corporate overheads, compressed management spans/layers, and focused daily operations on both legacy transformation and growth.
- Announced an agreement to form a joint venture with BlackRock Alternatives—Gigapower—an innovative new business model we are testing to dramatically increase the pace of fiber installation outside our traditional wireline markets.

[1] Source: Bloomberg. Total returns based on share price change plus reinvested dividends. Industry peers are Charter, Comcast, T-Mobile US and Verizon.

Following is a description of the long-term awards our NEOs (other than Mr. Desroches) earned:

Form of Award	Performance/Restriction Period and Metrics	Description
Performance Shares Granted in 2020 *75% of 2020 Long-Term Award*	3-year performance period (2020-2022) Performance metrics: – 100% ROIC – Relative TSR payout modifier Payout value based on combination of performance attainment and common stock price performance.	– Each Performance Share is equal in value to a share of common stock, which causes the value of the award to fluctuate directly with changes in our stock price over the performance period. – Performance Shares are paid 66% in cash and 34% in common stock. The amount of cash to be paid is based on our stock price on the date the award payout is approved. When combined with the RSU distribution NEOs receive 50% of their long-term incentive compensation distributions in stock. – Awards are based on a 3-year performance period and maximize both short- and long-term performance. The impact of a single year's performance is felt in each of the three Performance Share grants outstanding at any given time, so that strong performance must be sustained every year in order to provide favorable payouts. – Dividend equivalents are paid at the end of the performance period, based on the number of Performance Shares earned.
RSUs Granted in 2019 (cliff vesting) *25% of 2019 Long-Term Award*	4-year restriction period Payout value based on common stock price performance.	RSUs pay in common stock at the end of the restriction period, regardless of whether they vest earlier. RSUs vest 100% after four years or upon retirement eligibility, whichever occurs earlier. Dividend equivalents are paid quarterly in cash on the number of shares outstanding.
RSUs Granted in 2021 (ratable vesting) *25% of 2021 Long-Term Award*	3-year restriction period Payout value based on common stock price performance.	RSUs vest and pay in common stock 33-1/3% per year over three years unless they vest earlier due to retirement eligibility. They distribute on the normal schedule regardless of when they vest. Dividend equivalents are paid quarterly in cash on the number of shares outstanding.

ROIC Payout Table and Actual Performance Attainment – 2020-2022 Performance Period

Determination of Performance Goal

We established a ROIC performance target range of 6.00% to 7.00% at the beginning of the 3-year performance period. This target range does not reward or penalize Executive Officers for performance achievement within close proximity to the midpoint of the range. The lower end of the performance target range was set so that it exceeded our internally calculated weighted average cost of capital (determined, in part, based on input from banks) by 75 basis points, ensuring a reasonable return is delivered to stockholders before Executive Officers are eligible for full payout of their target award. We calculate ROIC by taking our annual reported net income minus minority interest and adding after-tax interest expense and dividing that result by the total of the average debt and average stockholder equity for the relevant year, subject to adjustments. The ROIC for each year is then averaged over the 3-year performance period to determine the final performance.

Performance Below Target Range

Achievement below the target range results in decreasing levels of award payout. No payout is earned if less than 63% of the performance target range is achieved.

Performance Within Target Range

100% payout if performance falls within the target range.

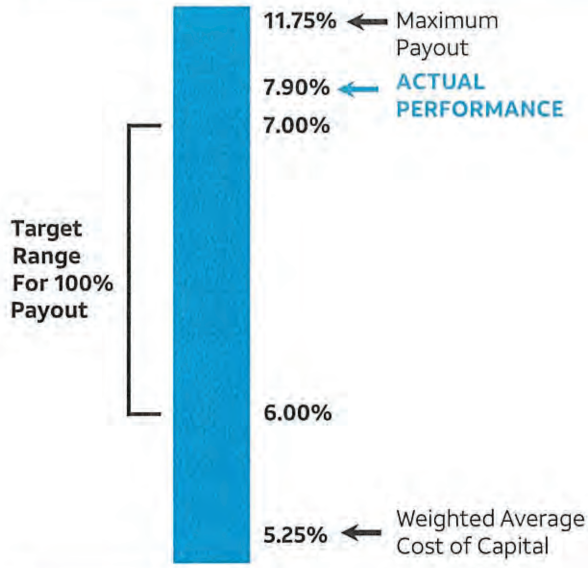
Performance Above Target Range

Maximum payout of 150% is earned if 168% or more of the performance target range is achieved. Achievement above the target range provides for higher levels of award payout, up to the maximum payout.

Actual Performance

After conclusion of the performance period, the Committee determined (using the 2020 ROIC payout table summarized on the next page) that we achieved ROIC of 7.9%, which was above the target range, and 265 basis points above the weighted average cost of capital we established based on input from banks. As a result, the Committee directed that 105% of the related Performance Shares be distributed in accordance with the payout table as follows (before applying the TSR modifier, as discussed on the next page).

ROIC Performance Metric
(2020 - 2022 Performance Period)



Cumulative adjustments for the 3-year performance period:	($B)
Reported Net Income Minus Minority Interest	**$10.8**
After-Tax Interest Expense	16.9
	27.7
Adjustments per Pre-established Award Terms:	
Merger & Acquisition Activity	13.3
Asset Abandonments and Impairments	46.5
Benefit/Pension Remeasurement (Gain)/Loss	(1.5)
Sale of Assets (Gain)/Loss	(2.1)
Adjusted Net Income Plus Interest Expense	**$83.9**
3-Year Average ROIC Achievement	**7.9%**

Relative TSR Payout Modifier - Payout Table and Actual Performance

The following chart shows the payout table and actual performance for the relative TSR modifier applicable to the 2020 Performance Share grant:

Relative TSR Payout Modifier
(2020 - 2022 Performance Period)

	AT&T Return vs. Peer Group	Payout Modifier
	Top Quartile	Add 10 percentage points to final ROIC payout percentage
Our 3-year TSR of -23.5% ranks us in the 30th percentile of the peer group →	Quartile 2 Quartile 3	No adjustment to ROIC payout percentage
	Bottom Quartile	Subtract 10 percentage points from final ROIC payout percentage

TSR was measured relative to the peer group shown below. This peer group was established at the time of grant; Sprint was removed due to acquisition by T-Mobile and ViacomCBS was renamed Paramount.

TSR Peer Group for 2020 Performance Share Grant

Alphabet	Charter	Exxon	Intel	T-Mobile US
Amazon	Chevron	Fox Corp	Microsoft	Verizon
Apple	Cisco	General Electric	Oracle	Wal-Mart
Boeing	Comcast	IBM	Paramount	Walt Disney

Long-Term Incentive Awards with Performance or Restriction Periods Ending in 2022 or early 2023

Final Award Determination: Performance Shares Granted in 2020, 75% of the Long-Term Award (other than Mr. Desroches)

		Shares and Performance Attainment Shares granted X (ROIC Attainment +/-TSR Modifier) = Shares Distributed				Final Award Shares distributed X $20.00 = Final Award Paid	
NEO	**Target Value**	**Shares Granted**	**ROIC Attainment**	**TSR Modifier**	**Shares Distributed**	**Ending Stock Price**	**Final Award Paid**
J. Stankey	$10,125,000	353,391	105%	0	371,061	$20.00	$ 7,421,211
L. Lee	$ 2,681,250	87,415	105%	0	91,786	$20.00	$ 1,835,715
D. McAtee	$ 4,012,500	130,816	105%	0	137,357	$20.00	$ 2,747,136
J. McElfresh	$ 4,350,000	141,820	105%	0	148,911	$20.00	$2,978,220

On January 30, 2020, the Committee awarded the Performance Share grant values shown in the above table. The number of shares is based on the AT&T closing stock price of $28.25. The shares granted and closing stock price were adjusted for the WM spin-off (see *WarnerMedia Spin-off and AT&T Adjustment Ratio* in the Executive Summary).

In June 2020, the Committee awarded a $3,000,000 (121,101 PSA shares) supplemental grant to Mr. Stankey in connection with his promotion to CEO. The grant is subject to the same terms and conditions as Mr. Stankey's January 2020 grant, valued at $7,125,000 (232,290 PSA shares). Combined, the grants represent Mr. Stankey's total target value of $10,125,000 (353,391 PSA shares) for 2020 performance shares.

The Company's common stock price change over the 3-year performance period reduced the value of the shares earned. Therefore, NEOs realized 68% of the annual grant.

Final Award Determination: Restricted Stock Units Granted in 2019 and 2021, 25% of the Long-Term Award

Two RSU grants paid out in 2022 due to a shift in AT&T's approach to vesting. The following chart describes the cliff vested awards (refer to left side of table) and ratable vesting awards (refer to right side of table):

	RSUs Granted in 2019 (cliff vesting) Shares granted X $19.55 = Final Award Paid			RSUs Granted in 2021 (ratable vesting) 33-1/3% of shares granted X $27.18 = Final Award Paid		
NEO	**Target Value**	**Shares Granted**	**Final Award Paid**	**Target Value**	**Shares Granted**	**First Tranche of Award Paid**
J. Stankey	$2,375,000	92,228	$1,803,057	$1,118,362	39,062	$1,061,705
P. Desroches	n/a	n/a	n/a	$ 500,000	17,361	$ 471,872
L. Lee	$ 868,750	35,268	$ 689,489	$ 335,417	11,646	$ 316,538
D. McAtee	$1,250,000	50,744	$ 992,045	$ 445,833	15,480	$ 420,746
J. McElfresh	$ 915,000	33,556	$ 656,020	$ 708,333	24,595	$ 668,492

On January 31, 2019, the Committee awarded the *cliff* vesting RSU grant values shown in the above table. The number of RSUs is based on the AT&T closing stock price of $30.06. Shares granted and closing stock price were adjusted for the WM spin-off (see *WarnerMedia Spin-off and AT&T Adjustment Ratio* in the Executive Summary). The Company's common stock price change during the 4-year restriction period reduced the value of the units granted, which resulted in NEOs realizing 65% of the annual award granted. In addition to the cliff vesting RSU grants, the Committee awarded two supplemental grants in connection with promotions:

- In December 2019, the Committee awarded John Stankey a supplemental grant of $500,000 (16,112 RSUs) in connection with his promotion to President and Chief Operating Officer, which is subject to the same terms and conditions as Mr. Stankey's annual 2019 grant, valued at $1,875,000 (76,116 RSUs). Combined, the grants represent Mr. Stankey's total target value of $2,375,000 (92,228 RSUs) for 2019 RSUs.

- In October 2019, the Committee awarded Jeff McElfresh a supplemental grant of $535,000 (18,130 RSUs) in connection with his promotion to CEO of AT&T Communications, which is subject to the same terms and conditions as Mr. McElfresh's annual 2019 grant, valued at $380,000 (15,426 RSUs). Combined, the grants represent Mr. McElfresh's total target value of $915,000 (33,556 RSUs) for 2019 RSUs.

On January 28, 2021, the Committee awarded the *ratable* vesting RSU grant values shown in the above table. The number of RSUs is based on the AT&T closing stock price of $28.63 for Mr. Stankey and $28.80 for other NEOs. The first tranche of the 2021 RSU vested on January 14, 2022, at the $27.18 AT&T closing stock price. The Company's common stock price change during the restriction period reduced the value of the units granted. Therefore, each NEO realized 94% of the annual shares granted. This distribution of RSUs preceded the application of the AT&T Adjustment Ratio.

In addition to the above, Pascal Desroches received a long-term distribution in February 2022 in the amount of $1,539,786 from his time-based vested tranches of WM RSUs issued for 2018-2020. This distribution preceded the application of the AT&T Adjustment Ratio. Beginning with the 2021 grant, Mr. Desroches received long-term awards in the same form as other NEOs.

2022 LONG-TERM GRANTS

In 2022, our NEOs received long-term awards in the form of:

Type of Award	Weight	Performance Metrics	Vesting Period
Performance Shares	75%	50% EPS Growth and 50% ROIC with Relative TSR Payout Modifier of 20% (only if positive), 0%, or -20%	3-year performance period
RSUs	25%	Payout value based on common stock price performance only	3-year restriction period with annual ratable vesting

The associated grant values for these awards were:

2022 TARGET LONG-TERM VALUES

Name	Performance Shares ($)	RSUs ($)
John Stankey	10,125,000	3,375,000
Pascal Desroches	5,625,000	1,875,000
Lori Lee	4,143,750	1,381,250
David McAtee	5,137,500	1,712,500
Jeff McElfresh	7,500,000	2,500,000

The above table summarizes annual awards of Performance Shares and RSUs approved in 2022. The total long-term target for 2022 is shown in the *2022 Total Target Compensation and Pay Mix* section.

2022 PERFORMANCE SHARE GRANTS

The Performance Shares granted in 2022 are for the 2022-2024 performance period. The Committee determined that the Performance Shares would be tied to EPS Growth and ROIC performance metrics with a payout modifier based on a comparison of AT&T's TSR to our Corporate Peer Group.

EPS Goal—Payout Table Calculation and Description

We established a 3-year compound annual growth rate EPS performance target. Payouts may occur above or below the target depending on performance achievement. We calculate EPS by taking our annual adjusted net income minus minority and preferred interest and divide by our weighted average shares outstanding for the relevant year, subject to adjustments. A 3-year compound annual growth rate is then computed by comparing the EPS for the final year of the performance period to the base year of the performance (year-end 2021) to determine the final performance. Potential payouts range from 0% to 200% of the number of Performance Shares granted.

ROIC Goal—Payout Table Calculation and Description

We established a ROIC performance target range at the beginning of the 3-year performance period. Payouts may occur above or below the target depending on performance achievement. We calculate ROIC for the 2022-2024 performance period by taking our annual reported net income minus minority interest and adding after-tax interest expense and dividing that result by the total of the average debt and average stockholder equity for the relevant year, subject to adjustments. The ROIC for each year is then averaged over the 3-year performance period to determine the final performance. Potential payouts range from 0% to 200% of the number of Performance Shares granted.

Performance Exclusions

The performance exclusions described below apply to the 2022 Performance Share grants. For mergers and acquisitions and disposition activity for significant equity investments over $2.0 billion, we exclude the dilutive and cash flow impacts of intangible amortization, asset write-offs and impairments, accelerated depreciation, and transaction and restructuring costs so that the impact of certain significant transactions, including those which may not have been contemplated in the determination of a performance metric, will not have an impact on the performance results. We also exclude the dilutive or accretive and cash flow impacts of certain matters to the extent the collective net impact of such matters in one of the following specific categories exceeds $500 million in a calendar year: changes in federal or state tax laws, changes in accounting principles, accounting gains/losses from asset dispositions and mark-to-market activity, expenses caused by natural disasters and accounting write-downs of goodwill, other intangible assets and fixed assets. Also excluded are the dilutive or accretive impacts and cash flow impacts of severance charges that exceed $200M in a calendar year to the extent not recovered through actual or projected reduced costs associated with headcount costs. Further exclusions are dilutive or accretive impact to EPS from repurchases of common shares that varies from budgeted levels of repurchases, and dilutive impacts related to issuances of common shares for purposes of merger and acquisition activity. Additionally, we disregard the actuarial gains and losses related to the assets and liabilities of pension and other post-retirement benefit plans and benefit plan funding that varies from budget.

TSR Performance Modifier

We believe that TSR is an important measure because it helps ensure that our executives' interests are aligned with those of stockholders. This modifier provides that 2022 Performance Share Award payouts may be adjusted based on our positive TSR (stock appreciation plus reinvestment of dividends) performance relative to our Corporate Peer Group. TSR performance will be measured over the entire performance period. For 2022, we have doubled the impact of the modifier from +/- 10% to +/- 20% and have added the component that no payout of the modifier will occur if TSR is negative.

TSR PERFORMANCE MODIFIER

2022-2024 Performance Period

AT&T Return vs. TSR Peer Group	Payout Modifier
Top Quartile	Add 20 Percentage Points to Final ROIC/EPS Growth Payout Percentage; however, no TSR modifier will apply if AT&T's relative TSR is negative
Quartile 2 Quartile 3	No Adjustment to ROIC/EPS Growth Payout Percentage
Quartile 4	Subtract 20 Percentage Points from Final ROIC/EPS Growth Payout Percentage

At the end of the performance period, the number of Performance Shares to be paid out, if any, will be determined by comparing the actual performance of the Company against the predetermined performance objective for EPS Growth and ROIC, and modifying the award for relative TSR achievement, if applicable. In addition, the Committee may make discretionary adjustments. Combined Performance Shares and RSU distribution is 50% cash and 50% stock.

2022 RESTRICTED STOCK UNIT GRANTS

The Committee awarded 2022 RSU grants that will vest and distribute 33-1/3% each year over three years. Other grant terms include: (i) receive quarterly dividend equivalents, paid in cash at the time regular dividends are paid on our common stock, (ii) pay 100% in stock to further tie executives' interests to those of stockholders, (iii) fully vest at grant for retirement eligible officers; however, the award does not distribute until the scheduled distribution date, and (iv) continue to comprise 25% of NEOs' total long-term incentives with 75% of total long-term incentives granted in the form of PSAs.

BENEFITS

Benefits and Personal Benefits

Benefits are an important tool to maintain the market competitiveness of our overall compensation package. We provide personal benefits to our Executive Officers for three main reasons:

- To effectively compete for talent: These benefits allow us to have a competitive program to help us in our attraction and retention efforts.
- To support Executive Officers in meeting the needs of the business: We require our Executive Officers to be available around-the-clock. Therefore, we provide them benefits that allow us to have greater access to them. These benefits should not be measured solely in terms of any incremental financial cost, but rather based on the value they bring the Company through maximized productivity and availability.
- To provide for the safety, security, and personal health of executives: We provide Executive Officers certain personal benefits to provide for their safety and personal health.

Benefits for our Executive Officers are outlined below. The Committee continuously evaluates these benefits based on needs of the business and prevailing market practices and trends.

Deferral Opportunities

Tax-qualified 401(k) Plans

Our 401(k) plans are offered to substantially all our employees, including each of the NEOs, and provide the opportunity to defer income and receive Company matching contributions. Substantially all of our plans provide our employees the ability to invest in AT&T or other investments. We match 80% of manager contributions, limited to the first 6% of eligible 401(k) contributions (only base salary is matched for officers). Managers hired externally on or after January 1, 2015 do not earn pension benefits, and to account for the lack of a pension benefit, we provide an enhanced 401(k) match of 133-1/3% match on the first 3% of eligible 401(k) contributions and 100% match on the next 3% of eligible 401(k) contributions (only base salary is matched for officers).

Nonqualified Plans

We provide mid-level and above managers the opportunity for tax-advantaged savings through two AT&T nonqualified plans. All active NEOs were eligible to elect nonqualified deferrals from 2022 cash compensation through these plans.

Stock Purchase and Deferral Plan

This is our principal nonqualified deferral program for AT&T employees, which we use to encourage our managers to invest in and hold AT&T common stock on a tax-deferred basis. Under this plan, mid-level managers and above may annually elect to defer, through payroll deductions, up to 30% of their salary and annual bonus (officers, including the NEOs, may defer up to 95% of their short-term award, which is similar to, and paid in lieu of, the annual bonus paid to other management employees) to purchase AT&T deferred share units at fair market value on a tax-deferred basis. Participants receive a 20% match on their deferrals in the form of additional AT&T deferred share units. Participants also receive makeup matching deferred AT&T share units to replace the match that is not available in the 401(k) because of their participation in our nonqualified deferral plans or because they exceeded the IRS compensation limits for 401(k) plans. Officers do not receive the makeup match on the contribution of their short-term awards.

Cash Deferral Plan

Through this plan, eligible AT&T managers may also defer pre-tax cash compensation in the form of salaries and bonuses. The plan pays interest at the Moody's Long-Term Corporate Bond Yield Average, reset annually, which is a common index used by companies for deferral plans. The SEC requires disclosure in the Summary Compensation Table of any earnings on deferred compensation that exceed an amount set by the SEC.

WarnerMedia Employee Supplemental Savings Plan

Mr. Desroches is the only NEO with an account balance in this nonqualified restoration savings plan, that historically was made available to U.S. salaried WarnerMedia employees who earned eligible cash compensation in excess of the IRS compensation limit for tax-qualified plans. Participants could make additional pre-tax deferrals to notional investment options that mirror most of the 401(k) funds, and Mr. Desroches made contributions in years prior to 2022 with company-matching contributions as follows: 133-1/3% on the first 3% of amounts deferred and 100% on the next 3% of deferrals, equating to a maximum 7% match up to $500,000 of compensation.

These plans are described more fully in the *Executive Compensation Tables* section.

Pension Benefits

During 2022, we offered a tax-qualified group pension benefit to approximately three-fourths of our AT&T managers (post-WM spin-off). Managers hired externally on or after January 1, 2015 are not eligible to participate in the pension plan, and instead receive an enhanced match in the 401(k) plan. Former WarnerMedia managers who remained with AT&T are not eligible to earn pension benefits, though some of these employees have frozen pre-merger Time Warner pension benefits.

We also provide supplemental retirement benefits under nonqualified pension plans, or SERPs, to employees who became officers before 2009.

In 2019, Mr. Stankey elected to freeze his SERP benefits as if he had retired at the end of 2019. He gave up credits under the plan for all future compensation and service. In exchange, the frozen benefit earns a fixed rate of interest equal to the discount rate used to determine lump sum benefits for participants who retired in 2019. The interest credits continue until the SERP benefits are distributed to participants.

At the end of 2022, the company froze the SERP benefits, with similar terms as described above, for individuals that were officers of the Company prior to 2009 (since officers appointed after 2008 are not eligible for SERP benefits). This is a limited officer group, including Ms. Lee.

Messrs. Desroches, McAtee and McElfresh are not eligible for any SERP benefits.

Additional information on pension benefits, including these plans, may be found in the *Executive Compensation Tables* section, following the "Pension Benefits" table.

Personal Benefits

We provide our Executive Officers with other limited and market-based personal benefits. The benefits are described below and the value of those benefits to Executive Officers receiving them can be found in the Personal Benefits Table following the Summary Compensation Table.

Benefit/ Personal Benefit	Description	Rationale
FINANCIAL COUNSELING	Includes tax preparation, estate planning, and financial counseling.	Allows our executives to focus more on business responsibilities by providing financial counselors to help with their personal financial affairs and tax filings.
HEALTH COVERAGE	A consumer-driven health plan for certain executives, who must pay a portion of the premiums.	Maintains executives' health and welfare, helping to ensure business continuity.
EXECUTIVE PHYSICAL	Annual physical for executives who do not receive the health coverage shown above.	Maintains executives' health and welfare, helping to ensure business continuity.
COMMUNICATIONS	AT&T products and services provided at little or no incremental cost to the Company.	Provides 24/7 connectivity and a focus on services customers purchase.
AUTOMOBILE	Includes allowance, fuel, and maintenance.	Recruiting and retention tool.
EXECUTIVE DISABILITY	Provides compensation during a leave of absence due to illness or injury.	Provides security to executives' family members.
HOME SECURITY	Residential security system and monitoring.	
EXECUTIVE LIFE INSURANCE	See pages 68-69.	
COMPANY-OWNED CLUB MEMBERSHIPS	In some cases, we allow personal use of company-owned social club and country club memberships, but do not pay country club fees or dues for Executive Officers.	Affords executives the opportunity to conduct business in a more informal environment.
PERSONAL USE OF COMPANY AIRCRAFT	Executive officers are required to reimburse the Company for the incremental cost of personal usage. However, the CEO may waive the reimbursement requirement for other Executive Officers. Reimbursements will not be made where prohibited by law.	Provides for safety, security, and reduced travel time so executives may focus on their responsibilities.

Certain of these benefits are also offered as post-retirement benefits to officers who meet age and service requirements. Additional information may be found in the *Other Post-Retirement Benefits* section of *Executive Compensation Tables.*

POLICIES AND RISK MITIGATION

2022 STOCK OWNERSHIP GUIDELINES

The Committee has established common stock ownership guidelines for 2022 as shown below. We include shares held in our benefit plans in determining attainment of these guidelines.

Level	Ownership Guidelines
CEO	6 x Base Salary
Executive Officers	Lesser of 3 x Base Salary, or 50,000 Shares

All Executive Officers are given 5 years from assuming their position to meet the minimum requirements.

Each NEO was in compliance with AT&T's guidelines as of December 31, 2022.

EQUITY RETENTION

Executive Officers are required to hold shares equivalent, in the aggregate, to 25% of the AT&T shares they receive (after taxes and exercise costs) from an incentive, equity, or option award granted to them after January 1, 2012, until they terminate employment with AT&T. This requirement further ties executives' compensation interests to interests of stockholders.

HEDGING POLICY

Executive officers are prohibited from hedging their AT&T stock or stock-based awards, including through trading in publicly-traded options, puts, calls, or other derivative instruments related to AT&T stock.

CLAWBACK POLICY

In addition to the risk moderation actions, we intend, in appropriate circumstances, to seek restitution of any bonus, commission, or other compensation received by an employee as a result of such employee's intentional or knowing fraudulent or illegal conduct, including the making of a material misrepresentation in our financial statements.

RISK MITIGATION

By ensuring that a significant portion of compensation is based on our long-term performance, we reduce the risk that executives will place too much focus on short-term achievements to the detriment of our long-term sustainability. Our short-term incentive compensation is structured so that the accomplishment of short-term goals supports the achievement of long-term goals.

We conduct an annual compensation-related risk review to confirm that our programs do not encourage excessive risk taking and are not reasonably likely to have a material adverse effect on the Company.

These elements work together for the benefit of AT&T and our stockholders and to reduce risk in our incentive plans.

INDEPENDENT COMPENSATION CONSULTANT

The Committee is authorized by its charter to employ an independent compensation consultant and other advisors. The Committee has selected Frederic W. Cook & Co., Inc. (FW Cook) to serve as its independent consultant. The consultant reports directly to the Committee. Other than advising the Corporate Governance and Nominating Committee on director compensation, FW Cook provides no other services to AT&T.

The consultant:

- Attends all Committee meetings;
- Regularly updates the Committee on market trends, changing practices, and legislation pertaining to executive compensation and benefits;
- Reviews the Company's executive compensation strategy and program to ensure appropriateness and market competitiveness;
- Makes recommendations on the design of the compensation program and the balance of pay-for-performance elements;
- Provides market data for jobs held by senior leaders;
- Analyzes compensation from other companies' proxy and financial statements for the Committee's review when making compensation decisions;
- Assists the Committee in making pay determinations for the Chief Executive Officer; and
- Advises the Committee on the appropriate comparator groups for compensation and benefits as well as the appropriate peer group against which to measure long-term performance.

The Committee reviewed the following six independence factors, as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act, when evaluating the consultant's independence:

- Other services provided to AT&T
- Percentage of the consultant's revenues paid by AT&T
- Consultant's policies to prevent conflicts of interest
- Other relationships with compensation committee members
- AT&T stock owned by the consultant
- Other relationships with Executive Officers

Based on its evaluation of the consultant and the six factors listed above, the Committee has determined that the consultant met the criteria for independence.

COMPENSATION COMMITTEE REPORT

The Human Resources Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on such review and discussions, the Human Resources Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in our Annual Report on Form 10-K and Proxy Statement for filing with the SEC.

February 21, 2023

The Human Resources Committee

Beth E. Mooney, Chair
Scott T. Ford
Michael B. McCallister
Matthew K. Rose

SUMMARY COMPENSATION TABLE

The table below discloses compensation provided to AT&T's Named Executive Officers (NEOs), including the Chief Executive Officer, the Chief Financial Officer, and the other three most highly compensated Executive Officers. Compensation information is provided for the years each person in the table was a Named Executive Officer since 2020.

Name and Principal Position	Year	Salary ($)(1)	Bonus ($)	Stock Awards ($)(2)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)(1)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(3)	All Other Compensation ($)(4)	Total ($)
J. STANKEY CEO	2022	2,400,000	0	13,499,988	0	5,320,000	1,264,319	431,219	22,915,526
	2021	2,400,000	0	13,420,341	0	6,888,000	1,468,869	643,669	24,820,879
	2020	2,050,000	0	13,499,999	0	3,250,000	1,411,950	808,968	21,020,917
P. DESROCHES Sr. Exec. Vice Pres. & CFO	2022	1,250,000	0	7,499,993	0	2,612,500	0	390,014	11,752,507
	2021	1,250,000	0	5,999,990	0	3,382,500	0	1,112,643	11,745,133
L. LEE GMO & Sr. Exec. Vice Pres. International	2022	750,000	0	5,525,000	0	1,282,500	1,989,542	199,363	9,746,405
	2021	750,000	0	4,025,002	0	1,822,500	689,009	222,746	7,509,257
D. MCATEE Sr. Exec. Vice Pres. & General Counsel	2022	1,300,000	0	6,850,008	0	2,232,500	0	912,807	11,295,315
	2021	1,300,000	0	5,350,003	0	2,890,500	201,040	801,379	10,542,922
	2020	1,295,833	0	14,349,990	0	1,762,500	484,566	715,725	18,608,614
J. MCELFRESH Chief Operating Officer	2022	1,000,000	0	9,999,983	0	1,900,000	129,818	282,845	13,312,646
	2021	1,000,000	0	8,500,003	0	2,420,000	134,002	275,524	12,329,529
	2020	850,000	200,000	5,800,003	0	1,387,500	124,617	210,000	8,572,120

NOTE 1. Four of the NEOs deferred portions of their 2022 salary and/or non-equity incentive awards into the Stock Purchase and Deferral Plan to make monthly purchases of Company stock in the form of stock units based on the market price of AT&T stock as follows: Mr. Desroches—$2,856,875; Ms. Lee—$45,000; Mr. McAtee—$2,510,875; and Mr. McElfresh—$200,000. Each unit that the employee purchases is paid out in the form of a share of AT&T stock at the time elected by the employee, along with applicable matching shares. The value of the matching contributions made during the relevant year is included under "All Other Compensation." A description of the Stock Purchase and Deferral Plan may be found on page 55.

NOTE 2. Amounts in the Stock Awards column for 2022 represent the grant date values of Performance Shares and Restricted Stock Units. The grant date values of Performance Shares included in the table for 2022 were: Mr. Stankey—$10,124,997; Mr. Desroches—$5,625,001; Ms. Lee—$4,143,744; Mr. McAtee—$5,137,512; and Mr. McElfresh—$7,499,993. The number of Performance Shares distributed at the end of the performance period is dependent upon the achievement of performance goals. Depending upon such achievement, the potential payouts range from 0% of the target number of Performance Shares to a maximum payout of 200% of the target number of Performance Shares. The value of the awards (Performance Shares and Restricted Stock Units) will be further affected by the price of AT&T stock at the time of distribution. The grant date values were determined pursuant to FASB ASC Topic 718. Assumptions used for determining the value of the stock awards reported in these columns are set forth in the relevant AT&T Annual Report to Stockholders in Note 16 to Consolidated Financial Statements, "Share-Based Payments."

NOTE 3. Under this column, we report earnings on deferrals of salary and incentive awards to the extent the earnings exceed a market rate specified by SEC rules. For the NEOs, these amounts are as follows for 2022: Mr. Stankey—$2,269, Mr. Desroches— $0, Ms. Lee—$0, Mr. McAtee—$0, and Mr. McElfresh—$4,175. Other amounts reported under this heading represent an increase, if any, in actuarial value of the accumulated pension benefits during the reporting period.

NOTE 4. This column includes personal benefits, Company-paid life insurance premiums and Company matching contributions to deferral plans. AT&T does not provide tax reimbursements to Executive Officers except under the Company's relocation plan. In valuing personal benefits, AT&T uses the incremental cost of the benefits to the Company. To determine the incremental cost of aircraft usage, we multiply the number of hours of personal flight usage (including "deadhead" flights) by the hourly cost of fuel (Company average) and the hourly cost of maintenance (where such cost is based on hours of use), and we add per flight fees such as landing, ramp and hangar fees, catering, and crew travel costs. Mr. Stankey reimbursed the Company for the incremental cost of his personal use of Company aircraft. Other Executive Officers may be required by the CEO to reimburse the incremental cost of their personal usage on a case-by-case basis. Reimbursements will not be made where prohibited by law. Mr. McAtee's amount shown for use of Company aircraft represents flights taken for medical treatments.

	Stankey	Desroches	Lee	McAtee	McElfresh
PERSONAL BENEFITS					
Financial counseling (includes tax preparation and estate planning)	14,000	24,000	14,000	25,780	13,781
Auto benefits	26,797	15,775	13,918	21,138	16,609
Personal use of Company aircraft	0	0	7,026	83,431	0
Health coverage	67,240	10,036	64,636	64,636	14,572
Club membership	3,053	0	0	3,053	0
Communications	2,918	1,255	7,268	2,930	1,372
Home security	1,251	5,894	1,166	18,240	0
Total Personal Benefits	115,259	56,960	108,014	219,208	46,334
Company matching contributions to deferral plans	14,640	162,500	45,000	610,400	184,800
Life insurance premiums applicable to the employees' death benefit	301,320	170,554	46,349	83,199	51,711
Total	431,219	390,014	199,363	912,807	282,845

EXECUTIVE COMPENSATION TABLES

GRANTS OF PLAN-BASED AWARDS

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards[1]			All Other Stock Awards: Number of Shares of Stock or Units (#)[2]	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards ($)
		Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)				
STANKEY	1/27/22	1,680,000	5,600,000	8,400,000	153,675	512,251	1,024,501	170,750			13,499,988
DESROCHES	1/27/22	825,000	2,750,000	4,125,000	85,375	284,584	569,167	94,861			7,499,993
LEE	1/27/22	405,000	1,350,000	2,025,000	62,893	209,643	419,286	69,882			5,525,000
MCATEE	1/27/22	705,000	2,350,000	3,525,000	77,976	259,921	519,843	86,640			6,850,008
MCELFRESH	1/27/22	600,000	2,000,000	3,000,000	113,833	379,445	758,889	126,482			9,999,983

NOTE 1. Represents Performance Share awards, discussed beginning on page 53. The target number of Performance Shares shown represents the number of Performance Shares outstanding after the application of the AT&T Adjustment Ratio (see page 38). The number of Performance Shares on the grant date and outstanding before the application of the AT&T Adjustment Ratio for each NEO were: Mr. Stankey—419,776; Mr. Desroches—233,209; Ms. Lee—171,797; Mr. McAtee—212,998; and Mr. McElfresh—310,945.

NOTE 2. Unless otherwise noted, represents Restricted Stock Unit grants, discussed on page 53. The units granted in 2022 are scheduled to vest 33-1/3% and distribute each year in January 2023, 2024, and 2025. Units will also vest upon an employee becoming retirement eligible; however, they are not distributed until the scheduled distribution date. All of the NEOs except for Mr. McAtee were retirement eligible as of the grant date. The number of Restricted Stock Units shown represents the number of RSUs outstanding after the application of the AT&T Adjustment Ratio (see page 38). The number of RSUs on the grant date and outstanding before the application of the AT&T Adjustment Ratio for each NEO were: Mr. Stankey—139,925; Mr. Desroches—77,736; Ms. Lee—57,266; Mr.McAtee—70,999; and Mr. McElfresh—103,648.

Narrative to Summary Compensation Table and Grants of Plan-Based Awards Table

Mr. Stankey

The 2018 Incentive Plan provides that in the event an employee retires while retirement eligible under the plan, an award of Performance Shares will be prorated based on the number of months worked during the performance period. AT&T has provided that Performance Shares granted after September 28, 2017 to Mr. Stankey will not be prorated if he remains employed through December 30, 2020, or in the event of certain changes in his reporting. As a result of this provision, Mr. Stankey's current and future Performance Share grants will not be prorated.

Upon closing of the acquisition of WarnerMedia, Mr. Stankey was appointed CEO of Warner Media, LLC. As part of this position, he engaged in extensive business travel, which required him to file state and local income tax returns in a number of jurisdictions. AT&T has agreed to reimburse Mr. Stankey for any legal fees he incurs in the defense of his state and local income tax returns relating to periods when he was CEO of Warner Media.

OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2022

	Option Awards				Stock Awards[1]			
Name	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexer-cisable (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested [2] (#)	Market Value of Shares or Units of Stock That Have Not Vested [2] ($)	Equity Incentive Plans Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested [3] (#)	Equity Incentive Plans Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested [3] ($)
STANKEY								
2022-2024 Perf. Shares					0	0	870,827	16,031,925
2021-2023 Perf. Shares					0	0	643,517	11,847,148
DESROCHES								
2022-2024 Perf. Shares					0	0	483,793	8,906,629
2021-2023 Perf. Shares					0	0	286,008	5,265,407
LEE								
2022-2024 Perf. Shares					0	0	356,393	6,561,195
2021-2023 Perf. Shares					0	0	191,864	3,532,216
MCATEE								
2022-2024 Perf. Shares					0	0	441,866	8,134,753
2021-2023 Perf. Shares					0	0	225,024	4,694,992
2019 Restricted Stock Units					50,744	934,197	0	0
2020 Restricted Stock Units					43,605	802,768	0	0
2020 Restricted Stock Units – Retention Grant					372,294	6,853,933	0	0
2021 Restricted Stock Units					37,781	695,548	0	0
2022 Restricted Stock Units					86,640	1,595,042	0	0
MCELFRESH								
2022-2024 Perf. Shares					0	0	645,057	11,875,499
2021-2023 Perf. Shares					0	0	405,177	7,459,309
2019 Restricted Stock Award – Retention Grant					64,447	1,186,469	0	0

NOTE 1. The equity award shares shown in the above table reflect the application of the AT&T Adjustment Ratio (see page 38).

NOTE 2. Mr. McElfresh's 2019 Restricted Stock Award grant vests in December 2024. Mr. McAtee's 2020 grant of Restricted Stock Units vests in April 2030.

NOTE 3. Performance Shares are distributed after the end of the performance period shown for each award. The actual number of shares distributed is dependent upon the achievement of the related performance objectives and approval of the Committee. In this column, we report the number of outstanding Performance Shares and their theoretical value based on the price of AT&T stock on December 31, 2022. In calculating the number of Performance Shares and their value, we are required by SEC rules to compare the Company's performance through 2022 for each outstanding Performance Share grant against the threshold, target, and maximum performance levels for the grant and report in this column the applicable potential payout amount. If the performance is between levels, we are required to report the potential payout at the next highest level. For example, if the previous fiscal year's performance exceeded target, even if it is by a small amount and even if it is highly unlikely that we will pay the maximum amount, we are required by SEC rules to report the awards using the maximum potential payouts. The performance measure for the 2021 grant is ROIC with a payout adjustment for relative TSR achievement. As of the end of 2022, the ROIC achievement for the 2021 grant was above target while the TSR performance was in the third quartile of the peer group. As a result, the 2021 grant was reported at the maximum payout for ROIC with a 0% payout adjustment for the TSR performance. The performance measures for the 2022 grant are 50% ROIC and 50% EPS Growth with a payout adjustment for the relative TSR modifier. For the 2022 grant the ROIC achievement was above target, the EPS Growth achievement was at target and the TSR modifier was in the first quartile. As a result the 2022 grant was reported based on the weighted achievement result for ROIC at the maximum payout and EPS Growth at target with a +20% payout adjustment for the relative TSR modifier.

OPTION EXERCISES AND STOCK VESTED DURING 2022

	Option Awards		Stock Awards [1]	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)[2]	Value Realized on Vesting ($)
STANKEY	0	0	510,986	10,796,207
DESROCHES	0	0	77,736	1,874,995
LEE	0	0	149,052	3,216,983
MCATEE	0	0	185,969	3,967,026
MCELFRESH	0	0	252,560	5,478,210

NOTE 1. Included in the above amounts are Restricted Stock Units that vested in 2022 but were not distributed. Restricted Stock Units vest at the earlier of the scheduled vesting date or upon the employee becoming retirement eligible. If the units vest because of retirement eligibility, they are not distributed until the scheduled vesting date. Restricted Stock Units granted in 2022 to the following NEOs vested at grant because of their retirement eligibility but will be distributed in prorated payments of 33-1/3% each year in 2023, 2024 and 2025: Mr. Stankey—139,925, Mr. Desroches—77,736, Ms. Lee—57,266, and Mr. McElfresh—103,648.

NOTE 2. The table above shows the Performance Shares and Restricted Stock Units that vested in 2022. The Performance Shares reported in the table reflect the application of the AT&T Adjustment Ratio because they vested on December 31, 2022, after the AT&T Adjustment Ratio was applied to outstanding equity awards. The Restricted Stock Units included in the above table (for retirement eligible NEOs) vested on January 27, 2022, prior to the application of the AT&T Adjustment Ratio. Because the RSUs are not distributable until the scheduled vesting date, the AT&T Adjustment Ratio was applied to the vested RSUs reported in the above table, which resulted in the receipt of additional RSUs as follows: Mr. Stankey–30,825; Mr. Desroches—17,125; Ms. Lee—12,616; and Mr. McElfresh—22,833.

PENSION BENEFITS (ESTIMATED FOR DECEMBER 31, 2022)

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefits [1] ($)	Payments During Last Fiscal Year ($)
STANKEY	Pension Benefit Plan—Nonbargained Program	37	2,175,775	0
	SRIP	19	517,138	0
	SERP	34	33,133,191	0
DESROCHES	Pension Benefit Plan—WarnerMedia Component Part	9	273,291	0
	WarnerMedia Excess Pension Benefit Plan	9	173,131	0
LEE	Pension Benefit Plan—Nonbargained Program	25	1,709,375	0
	Pension Benefit Make Up Plan	9	64,747	0
	SERP	25	13,898,439	0
MCATEE	Pension Benefit Plan—MCB Program	10	148,923	0
	Pension Benefit Make Up Plan	10	1,206,141	0
MCELFRESH	Pension Benefit Plan—Mobility and Southeast Management Programs	27	377,666	0
	Pension Benefit Make Up Plan	27	466,520	0

NOTE 1. Pension benefits reflected in the above table were determined using the methodology and material assumptions set forth in the 2021 AT&T Annual Report to Stockholders in Note 15 to Consolidated Financial Statements, "Pension and Postretirement Benefits," except that, as required by SEC regulations, the assumed retirement age is the specified normal retirement age in the plan unless the plan provides a younger age at which benefits may be received without a discount based on age, in which case the younger age is used. For the Nonbargained Program under the AT&T Pension Benefit Plan and the Pension Benefit Make Up Plan, the assumed retirement age is the date a participant is at least age 55 and meets the "modified rule of 75," which requires certain combinations of age and service that total at least 75. For the Mobility Program, Southeast Management Program and the Management Cash Balance Program under the AT&T Pension Benefit Plan, the assumed retirement age for the cash balance formula is age 65. For the WarnerMedia Component Part and WarnerMedia, LLC Excess Benefit Pension Plan, the assumed retirement age is the date a participant attains age 62. For the AT&T SRIP and its successor, the 2005 SERP, the assumed retirement age for active employees as of 12/31/2021 is the earlier of the date the participant (i) reaches age 60, (ii) attains 30 years of service (when an employee may retire without discounts for age), or (iii) has pension accruals frozen, though not earlier than the 12/31/2022 measurement date.

The SRIP/SERP benefits have been reduced for benefits available under the qualified plans and by a specified amount that approximates benefits available under other nonqualified plans included in the table.

QUALIFIED PENSION PLAN

The AT&T Pension Benefit Plan (the "Plan"), a "qualified pension plan" under the Internal Revenue Code, provides ongoing pension accruals to most of our employees hired before 2015, including each NEO, except Mr. Desroches. Mr. Desroches has a frozen vested pension benefit under the Plan due to his pre-2010 employment at Time Warner, but he no longer earns additional pension benefits. The applicable benefit accrual formula depends on the subsidiaries that have employed the participant. Effective January 1, 2015, no new AT&T management employees are eligible for a pension (2016 for DirecTV). However, employees who are not entitled to participate in the pension plan, or whose pension benefits were frozen, receive an enhanced 401(k) benefit.

Nonbargained Program

Mr. Stankey and Ms. Lee are covered by the Nonbargained Program of the Plan, which is offered to most of our pre-2007 management employees. Participants in the Nonbargained Program receive the greater of the benefit determined under the CAM formula or the cash balance formula, each of which is described below.

CAM Formula
For each of the participating NEOs, the greater benefit comes from the CAM formula, which is reported in the Pension Benefits table. The CAM formula provides an annual benefit equal to 1.6% of the participant's average pension-eligible compensation (generally, base pay, commissions, and annual bonuses, but not officer bonuses paid to individuals promoted to officer level before January 1, 2009) for the five years ended December 31, 1999, multiplied by the number of years of service through the end of the December 31, 1999, averaging period, plus 1.6% of the participant's pension-eligible compensation for each year from January 1, 2000 through December 31, 2021, and 1% of participant's pension-eligible compensation for each year thereafter. Employees who meet the "modified rule of 75" and are at least age 55 are eligible to retire without age or service discounts. The "modified rule of 75" establishes retirement eligibility when certain combinations of age and service total at least 75.

Cash Balance Formula
The cash balance formula was frozen, except for interest credits, on January 14, 2005. The cash balance formula provided an accrual equal to 5% of pension-eligible compensation plus monthly interest credits on the participant's cash balance account. The interest rate is reset quarterly and is equal to the published average annual yield for the 30-year Treasury Bond as of the middle month of the preceding quarter.

The Nonbargained Program permits participants to take the benefit in various actuarially equivalent forms, including various forms of life annuities. For participants terminating on or after May 25, 2018, and receiving their benefit on or after June 1, 2018, this program permits participants to elect to take the benefit in a full lump sum calculated as the present value of the annuity.

Management Cash Balance Program

Mr. McAtee is covered by the MCB Program of the Plan, which is offered to our management employees hired on or after January 1, 2007 (January 1, 2006 for AT&T Mobility) and before January 1, 2015. After completing one year of service, participants in the MCB Program are entitled to receive a cash balance benefit equal to the monthly credit of an age graded basic credit formula ranging from 1.75% to 4% of the participant's pension-eligible compensation and a 2% supplemental credit for eligible compensation in excess of Social Security Wage Base plus monthly interest credit at an effective annual rate of 4.5% to the participant's cash balance account. This program permits participants to take the benefit in various actuarially equivalent forms, including an annuity or a lump sum.

Mobility and Southeast Management Program

Mr. McElfresh is covered by the Mobility Program, which is also part of the tax-qualified Plan. This program covers employees of AT&T Mobility that were hired prior to 2006. The Mobility Program is the qualified pension plan previously offered by AT&T Mobility that was merged into the AT&T Pension Benefit Plan. Participants in the Mobility Program are generally entitled to receive a cash balance benefit equal to the monthly basic benefit credits of 5% of the participant's pension-eligible compensation (generally, base pay, commissions, and group incentive awards, but not individual awards) plus monthly interest credits on the participant's cash balance account. The interest rate for cash balance credits is reset quarterly and is equal to the published average annual yield for the 30-year Treasury Bond as of the middle month of the preceding quarter. The plan permits participants to take the benefit in various actuarially equivalent forms, including an annuity or a lump sum calculated as the greater of the cash balance account balance, or the present value of the grandfathered pension benefit annuity.

In addition, Mr. McElfresh has a pension benefit under the Southeast Management Program, also part of the Plan. This benefit accrued during his prior employment period at BellSouth. Going forward, this cash balance account earns only interest credits. The interest crediting rate is reset each calendar-year and is equal to the published average annual yield for the 30-year Treasury Bond as of November of preceding year, but not less than the floor of 3.79%.

WarnerMedia Component Part

Mr. Desroches has a pension benefit under the WanerMedia Component of the Plan, which accrued during his employment at Time Warner. Benefit accruals under this Program were frozen December 31, 2013. After such date, the participant's age and service continue to count only for purposes of determining early retirement factors and retirement eligibility.

NONQUALIFIED PENSION PLANS

To the extent the Internal Revenue Code places limits on the amounts that may be earned under a qualified pension plan, managers who are currently accruing pension benefits instead receive these amounts under the nonqualified Pension Benefit Make Up Plan but only for periods prior to the person becoming a participant in the SRIP/SERP, described below. The Pension Benefit Make Up Plan benefit is paid in the form of a 10-year annuity or in a lump sum if the present value of the annuity is less than $50,000.

Mr. Desroches has a frozen benefit under the nonqualified WarnerMedia Excess Pension Benefit Plan (which is provided by Warner Bros. Discovery). His benefit will be paid in the form of monthly payments over a ten-year period.

In addition, we offer our Executive Officers and other officers (who became officers prior to 2005) supplemental retirement benefits under the SRIP and, for those serving as officers between 2005-2008, its successor, the 2005 SERP, as additional retention tools. As a result of changes in the tax laws, beginning December 31, 2004, participants ceased accruing benefits under the SRIP, the original supplemental plan. After December 31, 2004, benefits are earned under the SERP. Participants make separate distribution elections (annuity or lump sum) for benefits earned and vested before 2005 (under the SRIP) and for benefits accrued during and after 2005 (under the SERP). Elections for the portion of the pension that accrued in and after 2005, however, must have been made when the officer first participated in the SERP, subject to certain exceptions not applicable to any Executive Officers. Vesting in the SERP requires five years of service (including four years of participation in the SERP). Each of the eligible NEOs is vested in the SERP. Regardless of the payment form, no benefits under the SERP are payable until six months after termination of employment. An officer's benefits under these nonqualified pension plans are reduced by: (1) benefits due under qualified AT&T pension plans and (2) a specific amount that approximates the value of the officer's benefit under other nonqualified pension plans, determined generally as of December 31, 2008. *These supplemental benefits are neither funded by nor are a part of the qualified pension plan.*

Mr. Stankey and Ms. Lee are eligible to receive SRIP/ SERP benefits. *Since January 1, 2009, no new officer has been permitted to participate in the SERP.*

Calculation of Benefit

Under the SRIP/SERP, the target annual retirement benefit is stated as a percentage of a participant's annual salary and annual incentive bonus averaged over a specified period described below. The percentage is increased by 0.715% for each year of actual service in excess of, or decreased by 1.43% (0.715% for mid-career hires) for each year of actual service below, 30 years of service. In the event the participant retires before reaching age 60, a discount of 0.5% for each month remaining until the participant attains age 60 is applied to reduce the amount payable under this plan, except for officers who have 30 years or more of service at the time of retirement. Of the current NEO SERP participants, only Ms. Lee has an age or service discount under this plan at this time, and her discount will not change due to age or service after December 31, 2022 because of the benefit freeze described below. These benefits are also reduced by any amounts participants receive under AT&T qualified pension plans and by a frozen, specific amount that approximates the amount they receive under our other nonqualified pension plans, calculated as if the benefits under these plans were paid in the form of an immediate annuity for life.

The salary and bonus used to determine the SRIP/SERP benefit amount is the average of the participant's salary and actual annual incentive bonuses earned during the 36-consecutive-month period that results in the highest average earnings that occurs during the 120 months preceding retirement. In some cases, the Committee may require the use of the target bonus, or a portion of the actual or target bonus, if it believes the actual bonus is not appropriate. Effective June 16, 2018 for Mr. Stankey, the annual earnings used in the SERP's "highest average earnings" is fixed at $3.0 million.

The target annual retirement percentage for Mr. Stankey is 60% and 50% for Ms. Lee. Beginning in 2006, the target percentage was limited to 50% for all new participants (see note above on limiting new participants after 2008). If a benefit payment under the plan is delayed by the Company to comply with Federal law, the delayed amounts will earn interest at the rate the Company uses to accrue the present value of the liability, and the interest will be included in the appropriate column(s) in the "Pension Benefits" table.

Mr. Stankey's Benefits
Mr. Stankey's SERP benefits were modified in 2019. For purposes of calculating his SERP benefits, the Company froze his compensation and stopped accruing age and service credits as of December 31, 2019, at which time his benefit was determined as a lump sum amount, which thereafter earns interest. The discount rate for calculating the lump sum as well as the interest crediting rate is 3.7%.

Ms. Lee's Benefit
Ms. Lee's SERP benefit was similarly frozen December 31, 2022, when future compensation, age and service credits ceased. Her benefit was determined as a lump sum amount, which thereafter earns interest. The discount rate for calculating the lump sum as well as the interest crediting rate is 2.3%.

Forms of Payment

Annuity
Participants may receive benefits as an annuity payable for the greater of the life of the participant or ten years. If the participant dies within ten years after leaving the Company, then payments for the balance of the ten years will be paid to the participant's beneficiary. Alternatively, the participant may elect to have the annuity payable for life with 100% or 50% payable upon his or her death to his or her beneficiary for the beneficiary's life. The amounts paid under each alternative (and the lump sum alternative described below) are actuarially equivalent. As noted above, separate distribution elections are made for pre-2005 benefits and 2005 and later benefits.

Lump Sum
Participants may elect that upon retirement at age 55 or later to receive the actuarially determined net present value of the benefit as a lump sum, rather than in the form of an annuity. To determine the net present value, we use the discount rate used for determining the projected benefit obligation at December 31 of the second calendar year prior to the year of retirement. Participants may also elect to take all or part of the net present value over a fixed period of years elected by the participant, not to exceed 20 years, earning interest at the same discount rate. A participant is not permitted to receive more than 30% of the net present value of the benefit before the third anniversary of the termination of employment, unless he or she is at least 60 years old at termination, in which case the participant may receive 100% of the net present value of the benefit as early as six months after the termination of employment. Eligible participants electing to receive more than 30% of the net present value of the benefit within 36 months of their termination must enter into a written noncompetition agreement with us and agree to forfeit and repay the lump sum if they breach that agreement.

OTHER POST-RETIREMENT BENEFITS

The NEOs who retire after age 55 with at least five years of service (10 years of service for NEOs hired on or after October 1, 2015) or who are retirement eligible under the "modified rule of 75" continue to receive the benefits shown in the following table after retirement. Benefits that are available generally to managers are omitted from the table. All the NEOs except for Mr. McAtee are currently retirement eligible.

Financial counseling benefits will be made available to the Executive Officers for 36 months following retirement or, in the event of the Executive Officer's death, to the surviving spouse for one year after death, whichever occurs first. We do not reimburse taxes on personal benefits for Executive Officers, other than certain non-deductible relocation costs, which along with the tax reimbursement, we make available to nearly all management employees. In addition, we also provide communications, broadband, video and related services and products; however, to the extent the service is provided by AT&T, it is typically provided at little or no incremental cost. These benefits are subject to amendment.

OTHER POST-RETIREMENT BENEFITS

Personal Benefit	Estimated Amount (valued at our incremental cost)
Financial counseling	Maximum of $14,000 per year for 36 months
Financial counseling provided in connection with retirement	Maximum of $20,000 total
Estate planning	Maximum of $10,000 per year for 36 months
Communication benefits	Average of $5,000 for annual programming

In the event of the officer's death, the officer's unvested Restricted Stock Units and Restricted Stock, if any, will vest, and outstanding Performance Shares will pay out at 100% of target. As a result, if an active NEO had died at the end of 2022, the amounts of Restricted Stock Units and/or Restricted Stock, as applicable, that would have been vested and distributed include: Mr. McAtee—$10,881,488 and Mr. McElfresh—$1,186,469. If an active NEO had died at the end of 2022, the amounts of Performance Shares that would have distributed are as follows: Mr. Stankey—$17,328,634; Mr. Desroches —$8,749,463; Ms. Lee—$6,214,333; Mr. McAtee—$7,915,141; and Mr. McElfresh—$11,958,454.

In addition, in the event of termination of employment due to disability, unvested Restricted Stock Units and Restricted Stock, if any, will also vest; however, Restricted Stock Units will not pay out until their scheduled vesting distribution times. End-of-year amounts for Messrs. McAtee and McElfresh and are shown above. Conversely, Performance Shares will not be accelerated in the event of a termination due to disability but will be paid without proration, based solely on the achievement of the pre-determined performance goals.

We pay recoverable premiums on split-dollar life insurance that provides a specified death benefit to beneficiaries of each NEO. The benefit is equal to one times salary during the officer's employment, except for the CEO who receives two times salary. After retirement, for officers who first participated beginning in 1998, the death benefit remains one times salary until he or she reaches age 66; the benefit is then reduced by 10% each year until age 70, when the benefit becomes one-half of his or her final salary.

In addition to the foregoing, each of the active NEOs purchased optional additional split-dollar life insurance coverage equal to two times salary, which is subsidized by the Company. If the policies are not fully funded upon the retirement of the officer, we continue to pay our portion of the premiums until they are fully funded. The officer's premium obligation ends at age 65.

NONQUALIFIED DEFERRED COMPENSATION

Name	Plan (1)	Executive Contributions in Last FY (2) ($)	Registrant Contributions in Last FY (2) ($)	Aggregate Earnings in Last FY (2)(3)(4) ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last FYE (2)(4) ($)
STANKEY	Stock Purchase and Deferral Plan	0	0	(31,465)	0	1,185,702
	Cash Deferral Plan	0	0	7,621	0	266,662
DESROCHES	Stock Purchase and Deferral Plan	375,000	141,150	(1,619)	0	514,531
	WarnerMedia Employee Supplemental Savings	0	0	(293,997)	0	4,804,517
LEE	Stock Purchase and Deferral Plan	45,000	30,360	(5,464)	68,274	196,908
MCATEE	Stock Purchase and Deferral Plan	3,135,975	595,760	(112,297)	2,266,741	3,702,115
MCELFRESH	Stock Purchase and Deferral Plan	684,000	170,160	(51,503)	126,448	2,400,589
	Cash Deferral Plan	0	0	14,018	0	490,509

NOTE 1. Amounts attributed to the Stock Purchase and Deferral Plan, Cash Deferral Plan or WM Supplemental Savings Plan also include amounts from their predecessor plans. No further contributions are permitted under the predecessor plans.

NOTE 2. Of the amounts reported in the contributions and earnings columns and also included in the aggregate balance column in the table above, the following amounts are reported as compensation for 2022 in the "Summary Compensation Table": Mr. Stankey—$2,269, Mr. Desroches—$516,150, Ms. Lee—$75,360, Mr. McAtee—$985,760, and Mr. McElfresh—$374,335. Of the amounts reported in the aggregate balance column, the following aggregate amounts were previously reported in the "Summary Compensation Table" for 2021 and 2020, combined: Mr. Stankey—$6,058, Mr. Desroches—$14,700, Mr. McAtee—$2,745,975, and Mr. McElfresh—$1,422,225.

NOTE 3. Aggregate Earnings include interest, dividend equivalents, and stock price appreciation/depreciation. The "Change in Pension Value and Nonqualified Deferred Compensation Earnings" column of the "Summary Compensation Table" includes only the interest that exceeds the SEC market rate, as shown in Note 3 to the "Summary Compensation Table".

NOTE 4. Amounts reported in the aggregate earnings and aggregate balance columns reflect the application of the AT&T Adjustment Ratio. Please see the AT&T Adjustment Ratio section in the Executive Summary on page 38.

STOCK PURCHASE AND DEFERRAL PLAN (SPDP)

Under the SPDP and its predecessor plan, mid-level managers and above may annually elect to defer up to 30% of their salary and annual bonus. Officers, including the eligible NEOs, may defer up to 95% of their short-term award, which is similar to, and paid in lieu of, the annual bonus paid to other management employees. In addition, the Committee may approve other contributions to the plan. Contributions are made through payroll deductions and are used to purchase AT&T deferred share units (each representing the right to receive a share of AT&T stock) at fair market value on a tax-deferred basis. Participants receive a 20% match in the form of additional deferred share units; however, with respect to short-term awards, officer level participants receive the 20% match only on the purchase of deferred share units that represent no more than their target awards. In addition, the Company provides "makeup" matching contributions in the form of additional deferred share units in order to generally offset the loss of match in the 401(k) plan caused by participation in the SPDP and the CDP, and to provide match on compensation that exceeds Federal compensation limits for 401(k) plans. The makeup match is an 80% match on contributions from the first 6% of salary and bonus (the same rate as used in the Company's principal 401(k) plan), reduced by the amount of matching contributions the employee is eligible to receive (regardless of actual participation) in the Company's 401(k) plan. (For certain managers hired after January 1, 2015, the 401(k) match and SPDP/CDP makeup match is 133-1/3% on contributions from the first 3% of salary and bonus and 100% for the next 3%.) Officer level employees do not receive a makeup match on the contribution of their short-term awards. Deferrals are distributed in AT&T stock at times elected by the participant.

CASH DEFERRAL PLAN (CDP)

Managers who defer at least 6% of salary in the SPDP may also defer up to 50% (25% in the case of mid-level managers) of salary into the CDP. Similarly, managers that defer 6% of bonuses in the SPDP may also defer bonuses in the CDP, subject to the same deferral limits as for salary; however, officer level managers may defer up to 95% of their short-term award into the CDP without a corresponding SPDP deferral. In addition, the Committee may approve other contributions to the plan. We pay interest at the Moody's Long-Term Corporate Bond Yield Average for the preceding September (the *Moody's rate*), a common index used by companies. Pursuant to the rules of the SEC, we include in the "Summary Compensation Table" under "Change in Pension Value and Nonqualified Deferred Compensation Earnings" any earnings on deferred compensation that exceed a rate determined in accordance with SEC rules. Deferrals are distributed at times elected by the participant. Similarly, under its predecessor plan, managers could defer salary and incentive compensation to be paid at times selected by the participant. No deferrals were permitted under the prior plan after 2004. Account balances in the prior plan are credited with interest at a rate determined annually by the Company, which will be no less than the prior September Moody's rate.

WARNERMEDIA EMPLOYEE SUPPLEMENTAL SAVINGS PLAN (SSP)

Mr. Desroches is the only NEO with a balance in the SSP. This nonqualified restoration savings plan allowed U.S. salaried WarnerMedia employees who earned eligible cash compensation in excess of the IRS compensation limit for tax-qualified plans to make additional pre-tax deferrals to notional investment options that mirror most of the 401(k) funds: up to 50% contributions for compensation up to $500,000 and up to 90% for compensation above $500,000. The Company matched contributions up to the first 6% of deferred compensation between the compensation limit and $500,000, with no match for deferred compensation above $500,000. The matching rate was 133-1/3% on the first 3% of amounts deferred and 100% on the next 3% of deferrals, equating to a maximum 7% match up to $500,000 of compensation.

AT&T SEVERANCE POLICY

Under the AT&T Severance Policy, the Company will not provide severance benefits to an Executive Officer that exceed 2.99 times the officer's annual base salary, plus target bonus, unless the excess payment receives prior stockholder approval or is ratified by stockholders at a regularly scheduled annual meeting within the following 15 months.

POTENTIAL PAYMENTS UPON CHANGE IN CONTROL

Change in Control
An acquisition in our industry can take a year or more to complete, and during that time it is critical that the Company have continuity of its leadership. If we are in the process of being acquired, our officers may have concerns about their employment with the new company. Our Change in Control Severance Plan offers benefits so that our officers may focus on the Company's business without the distraction of searching for new employment. The Change in Control Severance Plan covers our officers, including the NEOs.

Description of Change in Control Severance Plan
The Change in Control Severance Plan provides an officer who is terminated or otherwise leaves our Company for "good reason" after a change in control a payment equal to 2.99 times the sum of the executive's most recent salary and target annual bonus for the fiscal year in which the Change in Control occurs. The Company is not responsible for the payment of excise taxes (or taxes on such payments). In 2014, the Company eliminated health, life insurance and financial counseling benefits from the plan.

"Good reason" means, in general, assignment of duties inconsistent with the executive's title or status; a substantial adverse change in the nature or status of the executive's responsibilities; a reduction in pay; or failure to pay compensation or continue benefits. For the CEO, we eliminated a provision that defined "good reason" to include a good faith determination by the executive within 90 days of the change in control that he or she is not able to discharge his or her duties effectively.

Under the plan, a change in control occurs: (a) if anyone (other than one of our employee benefit plans) acquires more than 20% of AT&T's common stock, (b) if within a two-year period, the Directors at the beginning of the period (together with any new Directors elected or nominated for election by a two-thirds majority of Directors then in office who were Directors at the beginning of the period or whose election or nomination for election was previously so approved) cease to constitute a majority of the Board, (c) upon consummation of a merger where AT&T Inc. is one of the merging entities and where persons other than the AT&T stockholders immediately before the merger hold more than 50% of the voting power of the surviving entity, or (d) upon our stockholders' approval of a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all the Company's assets.

If a change in control and a subsequent termination of employment of the NEOs had occurred at the end of 2022 in accordance with the Change in Control Severance Plan, the following estimated severance payments would have been paid in a lump sum.

POTENTIAL CHANGE IN CONTROL SEVERANCE PAYMENTS AS OF DECEMBER 31, 2022

Name	Severance ($)
STANKEY	23,920,000
DESROCHES	11,960,000
LEE	6,279,000
MCATEE	10,913,500
MCELFRESH	8,970,000

None of the NEOs hold stock awards that would be subject to automatic vesting in connection with a change in control.

AVAILABILITY OF CORPORATE GOVERNANCE DOCUMENTS

A copy of AT&T's Annual Report to the SEC on Form 10-K for the year 2022 may be obtained without charge upon written request to AT&T Stockholder Services, 208 S. Akard, Room 1830, Dallas, Texas 75202. AT&T's Corporate Governance Guidelines, Code of Ethics, and Committee Charters for the following committees may be viewed online at investors.att.com and are also available in print to anyone who requests them (contact AT&T Stockholder Services at the above address): Audit Committee, Human Resources Committee, Governance and Policy Committee, Corporate Development and Finance Committee and Executive Committee.

STOCKHOLDER PROPOSALS AND DIRECTOR NOMINEES

If a stockholder wishes to present a proposal (other than pursuant to Exchange Act Rule 14a-8) or nominate a person for election as a Director at the 2024 Annual Meeting of Stockholders (other than pursuant to the proxy access provisions of the Company's Bylaws), such proposal or nomination must be received by the Senior Vice President – Deputy General Counsel and Secretary of AT&T at 208 S. Akard, Suite 2951, Dallas, Texas 75202 not less than 90 days nor more than 120 days before the anniversary of the prior Annual Meeting of Stockholders. Since the Annual Meeting of Stockholders will be held on May 18, 2023, written notice of any such proposal or nomination must be received by the Company no earlier than January 19, 2024, and no later than February 18, 2024. In addition, such proposal or nomination must meet certain other requirements and provide such additional information as provided in the advance notice provisions of the Company's Bylaws. A copy of the Company's Bylaws may be obtained without charge from the Senior Vice President – Deputy General Counsel and Secretary of AT&T. Special notice provisions apply under the Bylaws if the date of the Annual Meeting is more than 30 days before or 70 days after the anniversary date. In addition to satisfying the deadlines in the advance notice provisions of the Company's Bylaws, a stockholder who intends to solicit proxies in support of nominees submitted under these advance notice provisions must provide the notice required under Exchange Act Rule 14a-19 to the Senior Vice President – Deputy General Counsel and Secretary of AT&T no later than March 19, 2024.

Stockholder proposals intended to be included in the proxy materials for the 2024 Annual Meeting pursuant to Exchange Act Rule 14a-8 must be received by December 5, 2023. Such proposals should be sent in writing by courier or certified mail to the Senior Vice President – Deputy General Counsel and Secretary of AT&T at 208 S. Akard Street, Suite 2951, Dallas, Texas 75202. *Stockholder proposals that are sent to any other person or location or by any other means may not be received in a timely manner.*

Nominations for a Director intended for inclusion in the Company's proxy materials for the 2024 Annual Meeting must be made in accordance with the proxy access provisions of the Company's Bylaws and such nomination must be received by the Senior Vice President – Deputy General Counsel and Secretary of AT&T at 208 S. Akard, Suite 2951, Dallas, Texas 75202 not less than 120 days nor more than 150 days before the anniversary of the date that the Company mailed its Proxy Statement for the prior year's Annual Meeting of Stockholders. For the 2024 Annual Meeting, written notice of any such nomination must be received by the Company no earlier than November 5, 2023 and no later than December 5, 2023.

HOUSEHOLDING INFORMATION

No more than one annual report and Proxy Statement will be sent to multiple stockholders sharing an address unless AT&T has received contrary instructions from one or more of the stockholders at that address. Stockholders may request a separate copy of the most recent annual report and/or the Proxy Statement by writing the transfer agent at: Computershare Trust Company, N.A., P.O. Box 43078, Providence, RI 02940-3078, or by calling (800) 351-7221. Stockholders calling from outside the United States may call (781) 575-4729. Requests will be responded to promptly. Stockholders sharing an address who desire to receive multiple copies, or who wish to receive only a single copy, of the annual report and/or the Proxy Statement may write or call the transfer agent at the above address or phone numbers to request a change.

DELINQUENT SECTION 16(a) REPORTS

AT&T's Executive Officers and Directors are required under the Securities Exchange Act of 1934 to file reports of transactions and holdings in AT&T common stock with the SEC. Because of the complex nature of the forms, AT&T files the reports on behalf of the Executive Officers and Directors. Based solely on a review of the filed reports made during or with respect to the preceding year, AT&T believes that all Executive Officers and Directors were in compliance with the filing requirements applicable to such Executive Officers and Directors except as follows. Due to an administrative error, a report of a transfer of shares to a donor advised fund by Mr. McAtee was filed late.

COST OF PROXY SOLICITATION

The cost of soliciting proxies will be borne by AT&T. Officers, agents and employees of AT&T and its subsidiaries and other solicitors retained by AT&T may, by letter, by telephone or in person, make additional requests for the return of proxies and may receive proxies on behalf of AT&T. Brokers, nominees, fiduciaries and other custodians will be requested to forward soliciting material to the beneficial owners of shares and will be reimbursed for their expenses. AT&T has retained D. F. King & Co., Inc. to aid in the solicitation of proxies at a fee of $24,500, plus expenses.

CEO PAY RATIO

We determined the pay ratio by dividing the total 2022 compensation of the CEO as disclosed in the Summary Compensation Table by the total 2022 compensation of the median employee, using the same components of compensation and valuation methodology as used in the Summary Compensation Table for the CEO.

The total compensation of our median employee is $104,509. The final pay ratio calculation is 219:1.

Determination of CEO Pay Ratio

Step 1	Total compensation of the CEO[1]	$22,915,526
Step 2	Total compensation of the median employee[2]	$ 104,509
Step 3	Divide compensation of the CEO by the median employee	219.0
Result	CEO pay ratio	219:1

1 Includes the value of Mr. Stankey's health benefits.
2 Includes the cost of group health and welfare benefits.

Our median employee for 2022 was determined using the compensation of employees who were actively employed on October 1, 2022. The measurement date was changed back to October 1, 2022, consistent with our historical reporting. Last year, the measurement date was changed to November 15, 2021 to exclude the Vrio employees who left the business on November 14, 2021. We used cash compensation for the first 3 quarters of the year to determine the median employee.

Determination of Number of Employees for Selection of Median Employee Using the Measurement Date of October 1, 2022

Step 1	Identify all active employees globally excluding the CEO	166,474
Step 2	Exclude all non-US based employees except those in the 2 foreign counties with our largest employee populations	(6,366)
Result	Employees used to determine the median employee	160,108

DETERMINATION OF NUMBER OF GLOBAL EMPLOYEES USING THE MEASUREMENT DATE OF OCTOBER 1, 2022

Step 1	**Identify all active US-based employees**							**139,422**
Step 2	**Identify all active non-US based employees in foreign countries with our largest employee populations:**							**20,686**
	Mexico	18,239	Slovakia	2,447				
Step 3	**Identify all active non-US based employees in the other 53 foreign countries:**							**6,366**
	Argentina	121	Australia	93	Austria	6		
	Belgium	67	Brazil	184	Bulgaria	1		
	Canada	160	Chile	17	China	41		
	Colombia	9	Costa Rica	17	Czech Republic	1,050		
	Denmark	18	El Salvador	1	Finland	2		
	France	89	Germany	128	Greece	2		
	Guatemala	2	Hong Kong	123	India	2,325		
	Indonesia	2	Iraq	1	Ireland	38		
	Israel	427	Italy	32	Japan	82		
	Malaysia	167	Netherlands	103	New Zealand	8		
	Norway	2	Pakistan	1	Panama	3		
	Peru	1	Philippines	13	Poland	202		
	Portugal	2	Romania	1	Russian Fed.	2		
	Singapore	145	Slovenia	1	South Africa	4		
	South Korea	19	Spain	57	Sweden	12		
	Switzerland	10	Taiwan	17	Thailand	5		
	Turkey	3	United Kingdom	541	Uruguay	3		
	Utd. Arab Emir.	4	Venezuela	2				
Result	**Total number of active global employees excluding the CEO**							**166,474**

PAY VERSUS PERFORMANCE

In this section, we are including the required disclosure for pay versus performance as defined by the Securities and Exchange Commission for our principal executive officer(s) (PEO(s)) and Non-PEO NEOs and Company performance for the fiscal years listed below.

Pay Versus Performance

Year[1]	Summary Compensation Table Total for John Stankey CEO	Summary Compensation Table Total for Randall Stephenson CEO	Comp Actually Paid to John Stankey CEO[2]	Comp Actually Paid to Randall Stephenson CEO[2]	Average Summary Compensation Table Total for Non-CEO NEOs	Average Comp Actually Paid to Non-CEO NEOs[2]	Value of Initial Fixed $100 Investment Based On:[3] AT&T TSR	Value of Initial Fixed $100 Investment Based On:[3] S&P 500 CSI	Net Income (Loss) $M	Standalone AT&T Adjusted Operating Income $M[4]
2022	$ 22,915,526	0	$ 22,639,051	0	$ 11,526,718	$ 11,778,472	$76	$ 90	($ 7,055)	$22,983
2021	$24,820,879	0	$20,049,462	0	$10,436,274	$ 8,389,994	$72	$150	$21,479	$22,235
2020	$ 21,020,917	$29,154,628	$ 18,284,324	$10,301,382	$23,872,620	$20,383,326	$79	$124	($ 3,821)	$22,463

Note 1. John Stankey succeeded Randall Stephenson as CEO on July 1, 2020. The remaining NEOs for each year are presented as follows:

- 2022: Pascal Desroches, Lori Lee, David McAtee, and Jeff McElfresh
- 2021: Pascal Desroches, Lori Lee, David McAtee, Jeff McElfresh, John Stephens, and Randall Stephenson
- 2020: John Stephens, Jason Kilar, David McAtee, and Jeff McElfresh

Note 2. Compensation Actually Paid (CAP) is the Summary Compensation Table (SCT) total value for the period shown with adjustments for equity awards and pension. CAP reflects equity awards based on the mark-to-market valuation under Accounting Standards Codification Topic 718: *Compensation – Stock Compensation* for each period in the above table. Pension values for CAP reflect the pension service cost as used in the financial statements for each period shown in the above table.

Note 3. The company must calculate TSR with a base investment of $100 in a manner consistent with the SEC stock performance graph disclosure requirements over the cumulative period covered in the disclosure (i.e., for 2020 the table represents the TSR over 2020, the TSR for 2021 represents the cumulative TSR over 2020 and 2021, etc.). The peer group used for comparison is the S&P 500 Communication Services Index (CSI).

Note 4. Standalone AT&T results reflect the historical operating results of the company presented as continuing operations, and exclude U.S. Video and other dispositions included in Corporate and Other that did not meet the criteria for discontinued operations. Standalone AT&T results are presented to provide 2020 and 2021 full-year results that are comparable to 2022 continuing operations financial data. Standalone AT&T Adjusted Operating Income differs from Adjusted Operating Income presented in our quarterly earnings material, and is calculated by adjusting AT&T's Operating Income (Loss) from Continuing Operations for the following items: (1) transaction, impairment and depreciation and amortization costs associated with merger, acquisition and disposition activity for transactions when enterprise value exceeds $2.0 billion; (2) costs related to changes in accounting principles, changes in tax laws, natural disasters, impairments and abandonments of goodwill, other intangibles and fixed assets and, for 2022 and 2021, gains and losses related to asset dispositions and mark-to-market activity, in each case, in-excess of $500 million; and (3) in 2022, severance charges in excess of $200 million. Standalone AT&T Adjusted Operating Income also removes the results from U.S. Video operations and other dispositions that did not meet the criteria for discontinued operations, which impacts 2021 and 2020.

Compensation Actually Paid (CAP) calculations are as follows:

CEO SCT Total to CAP Reconciliation

Year	CEO	Summary Compensation Table Total	Deductions from SCT Total for Equity Awards	Deductions from SCT Total for Pension Benefits	Additions to SCT Total for Equity Awards[1]	Additions to SCT Total for Pension Service Costs[1,2]	CAP
2022	John Stankey	$ 22,915,526	($ 13,499,988)	($ 1,262,050)	$14,483,348	$ 2,215	$ 22,639,051
2021	John Stankey	$24,820,879	($ 13,420,341)	($1,464,778)	$ 10,175,332	($ 61,630)	$20,049,462
2020	John Stankey	$ 21,020,917	($ 13,499,999)	($1,409,983)	$ 6,458,391	$5,714,998	$ 18,284,324
2020	Randall Stephenson	$ 29,154,628	($20,999,989)	($ 3,712,667)	$ 5,850,720	$ 8,690	$ 10,301,382

Note 1. The following table shows each of the amounts added or deducted to arrive at the Additions to SCT Total for both Equity Awards and Pension Costs:

		Equity					Pension		
Year	CEO	Year End Fair Value of Equity Awards Granted in the Year	Year over Year Change in Fair Value of Outstanding Unvested Equity Awards Granted in Prior Years	Year over Year Change in Fair Value of Equity Awards Granted in Prior Years that Vested in the Year	Value of Dividends or other Earnings Paid on Equity Awards not Otherwise Reflected in Fair Value or Total Compensation	Total Equity Award Adjustments	Service Cost	Prior Service Cost	Total Service Cost
2022	John Stankey	$ 14,460,141	($ 1,970,986)	($ 94,496)	$2,088,689	$14,483,348	$ 2,215	$ 0	$ 2,215
2021	John Stankey	$10,666,429	($ 2,891,334)	$ 46,866	$ 2,353,371	$ 10,175,332	($ 61,630)	$ 0	($ 61,630)
2020	John Stankey	$ 10,272,112	($ 5,491,861)	($133,820)	$ 1,811,960	$ 6,458,391	$153,016	$5,561,982	$5,714,998
2020	Randall Stephenson	$ 14,925,534	($12,374,055)	($333,055)	$ 3,632,296	$ 5,850,720	$ 9,186	($ 496)	$ 8,690

Note 2. The Supplemental Employee Retirement Plan (SERP) was amended in 2020 to freeze Mr. Stankey's benefit accruals effective 12/31/2019 and convert it to a cash balance account earning annual interest at 3.7% (as disclosed in prior years' CD&As). This amendment resulted in a one-time Prior Service Cost to account for the change in pension liability. For 2020, the total Pension Cost shown above includes the annual Service Cost (for annual benefit accrual) and this additional Prior Service Cost.

Mr. Stankey's 2021 and 2022 Pension Costs do not include any Prior Service Cost since there were no applicable plan amendments. In 2021, his qualified management pension increased more than the SERP benefit; it is used as an offset to the gross SERP formula, resulting in a net negative Service Cost for all pension benefits. In 2022, the management pension increased by approximately the same amount that the SERP benefit decreased, resulting in a small positive net Service Cost.

Mr. Stephenson's 2020 Pension Cost does not include any Prior Service Cost since his SERP benefit was frozen effective 12/31/2012 and the amendment was accounted for in 2013. His management pension increased somewhat more than the amount the SERP benefit decreased during 2020, resulting in a modest positive net Service Cost.

Average Non-CEO NEO's SCT Total to CAP Reconciliation

Year	Summary Compensation Table Total	Deductions from SCT Total for Equity Awards	Deductions from SCT Total for Pension Benefits	Additions to SCT Total for Equity Award[1]	Additions to SCT Total for Pension Costs[1]	CAP
2022	$ 11,526,718	($ 7,468,746)	($528,796)	$ 8,061,729	$187,567	$ 11,778,472
2021	$10,436,274	($ 3,979,166)	($785,922)	$ 2,425,303	$293,505	$ 8,389,994
2020	$23,872,620	($20,033,746)	($ 416,313)	$16,309,731	$651,034	$20,383,326

Note 1. The following table shows each of the Non-CEO NEOs' average amounts added or deducted to arrive at the Additions to SCT Total for both Equity Awards and Pension Costs:

	Equity					Pension		
Year	Year End Fair Value of Equity Awards Granted in the Year	Year over Year Change in Fair Value of Outstanding Unvested Equity Awards Granted in Prior Years	Year over Year Change in Fair Value of Equity Awards Granted in Prior Years that Vested in the Year	Value of Dividends or other Earnings Paid on Equity Awards not Otherwise Reflected in Fair Value or Total Compensation	Total Equity Award Adjustments	Service Cost	Prior Service Cost	Total Service Cost
2022	$7,999,956	($ 915,829)	($36,855)	$ 1,014,457	$ 8,061,729	$187,567	$ 0	$187,567
2021	$ 3,143,956	($ 2,211,131)	$ 35,672	$1,456,806	$ 2,425,303	$126,293	$ 167,212	$293,505
2020	$17,924,311	($2,976,400)	($54,002)	$ 1,415,822	$16,309,731	$175,405	$475,629	$651,034

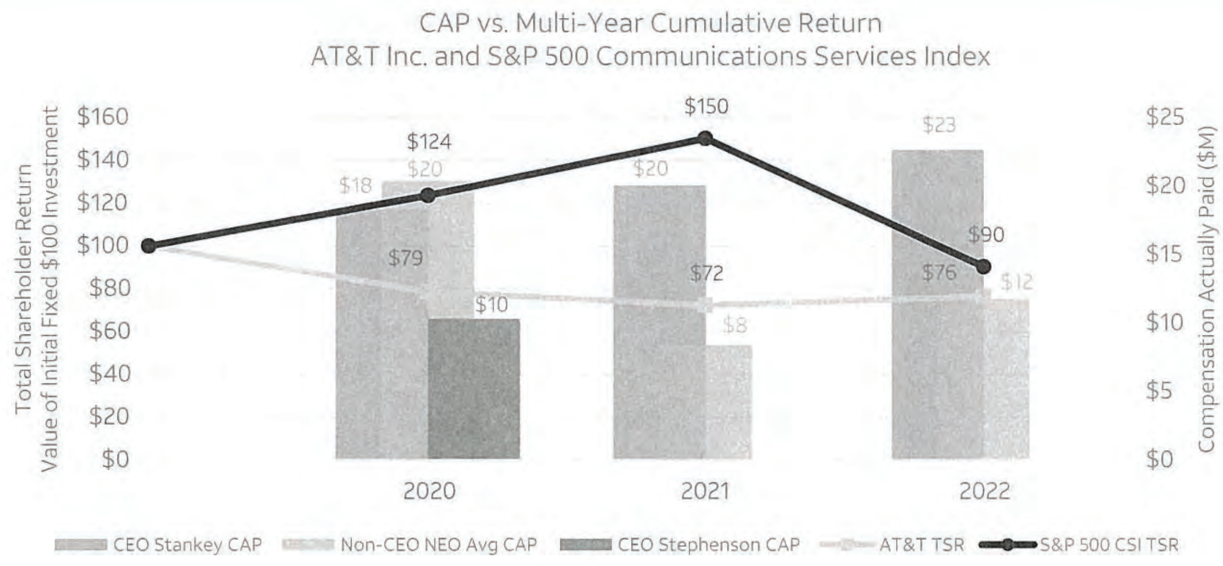
In addition to the tabular disclosure, the following is an unranked list of the most important performance measures that link CAP to Company performance.

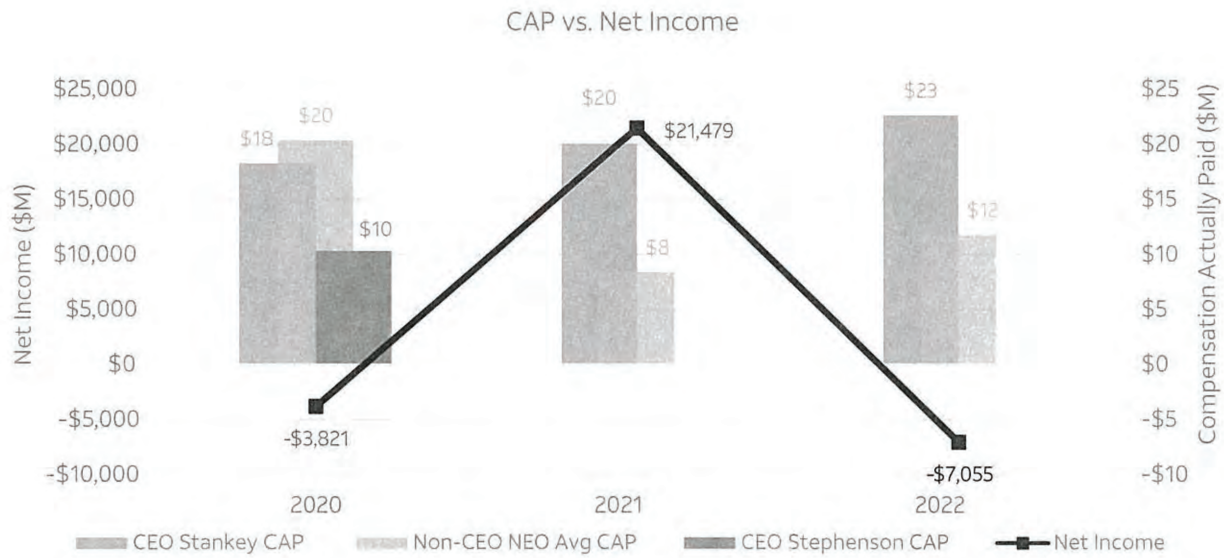
Most Important Performance Measures

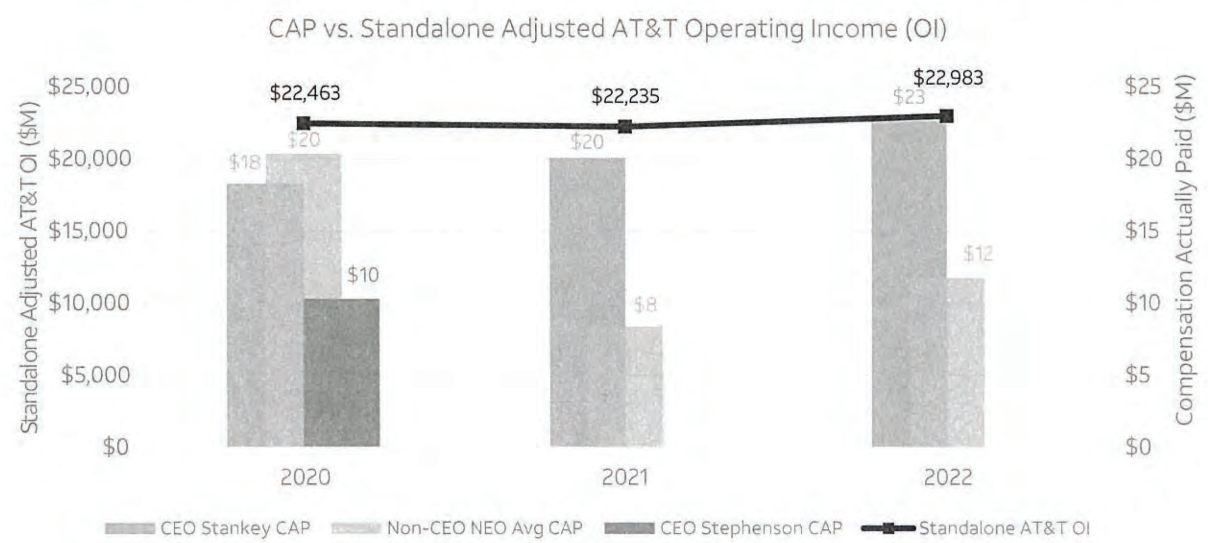
Long-Term Measures (pages 53-54)	Earnings Per Share Return on Invested Capital Total Shareholder Return
Short-Term Measures (pages 45-46)	Free Cash Flow Adjusted Operating Income

Pay versus Performance CAP Comparisons

Each of the following graphs shows the relationship between CAP and the required performance measures in the tabular disclosure: (i) AT&T TSR and Peer Group TSR (Value of Initial Fixed $100 Investment), (ii) Net Income, and (iii) Standalone AT&T Adjusted Operating Income (Company Selected Measure). AT&T's compensation program is designed to drive long-term sustained performance aligned with stockholder interests and does so through the use of short-term and long-term incentive awards (as described in our CD&A). In 2022, 89% of the CEO and other NEOs' target compensation opportunity was delivered via at-risk pay.


CAP vs. Multi-Year Cumulative Return
AT&T Inc. and S&P 500 Communications Services Index
Total Shareholder Return
Value of Initial Fixed $100 Investment
Compensation Actually Paid ($M)
$0 $20 $40 $60 $80 $100 $120 $140 $160
$0 $5 $10 $15 $20 $25
$124
$150
$90
$79
$72
$76
$18
$20
$10
$20
$8
$23
$12
2020
2021
2022
CEO Stankey CAP
Non-CEO NEO Avg CAP
CEO Stephenson CAP
AT&T TSR
S&P 500 CSI TSR


CAP vs. Net Income
Net Income ($M)
Compensation Actually Paid ($M)
$25,000 $20,000 $15,000 $10,000 $5,000 $0 -$5,000 -$10,000
$25 $20 $15 $10 $5 $0 -$5 -$10
$18
$20
$10
-$3,821
$20
$21,479
$8
$23
$12
-$7,055
2020
2021
2022
CEO Stankey CAP
Non-CEO NEO Avg CAP
CEO Stephenson CAP
Net Income


CAP vs. Standalone Adjusted AT&T Operating Income (OI)
Standalone Adjusted AT&T OI ($M)
Compensation Actually Paid ($M)
$25,000 $20,000 $15,000 $10,000 $5,000 $0
$25 $20 $15 $10 $5 $0
$22,463
$22,235
$22,983
$18
$20
$10
$20
$8
$23
$12
2020
2021
2022
CEO Stankey CAP
Non-CEO NEO Avg CAP
CEO Stephenson CAP
Standalone AT&T OI

Discussion and Reconciliation of Non-GAAP Measures

We believe the following measures are relevant and useful information to investors as they are part of AT&T's internal management reporting and planning processes and are important metrics that management uses to evaluate the operating performance of AT&T and its segments. Management also uses these measures as a method of comparing performance with that of many of our competitors. These measures should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with U.S. generally accepted accounting principles (GAAP).

Free Cash Flow

Free cash flow is defined as cash from operations and cash distributions from DIRECTV (classified as investing activities) minus capital expenditures and cash paid for vendor financing (classified as financing activities). We believe this metric provides useful information to our investors because management views free cash flow as an important indicator of how much cash is generated by routine business operations, including capital expenditures and vendor financing, and from our continued economic interest in the U.S. video operations as part of our DIRECTV equity method investment, and makes decisions based on it. Management also views free cash flow as a measure of cash available to pay debt and return cash to shareowners.

Free Cash Flow

Dollars in millions	Year Ended 2022
Net cash provided by operating activities from continuing operations	$ 35,812
Distributions from DIRECTV classified as investing activities	2,649
Less: Capital expenditures	(19,626)
Less: Cash paid for vendor financing	(4,697)
Free Cash Flow	**14,138**

Cash Paid for Capital Investment

In connection with capital improvements, we negotiate with some of our vendors to obtain favorable payment terms of 120 days or more, referred to as vendor financing, which are excluded from capital expenditures and reported in accordance with GAAP as financing activities. We present an additional view of cash paid for capital investment to provide investors with a comprehensive view of cash used to invest in our networks, product developments and support systems.

Cash Paid for Capital Investment

Dollars in millions	Year Ended 2022
Capital expenditures	$(19,626)
Cash paid for vendor financing	(4,697)
Capital Investment	**$(24,323)**

Net Debt

Net debt is a non-GAAP measure frequently used by investors and credit rating agencies and is calculated as total debt less cash and cash equivalents.

Net Debt

Dollars in millions	
Total debt at December 31, 2021	**$ 175,631**
Cash and cash equivalents	**(19,223)**
Net debt at December 31, 2021	**156,408**
Total debt at December 31, 2022	**135,890**
Cash and cash equivalents	**(3,701)**
Net debt at December 31, 2022	**132,189**
Decrease in Net Debt in 2022	**$ 24,219**

Cautionary Language Concerning Forward-Looking Statements

Information set forth in this proxy statement contains financial estimates and other forward-looking statements that are subject to risks and uncertainties, and actual results might differ materially. A discussion of factors that may affect future results is contained in AT&T's filings with the Securities and Exchange Commission. The forward-looking statements included in this proxy statement are made only as of the date of this proxy statement. AT&T disclaims any obligation to update and revise the forward-looking statements contained in this proxy statement based on new information or otherwise.

RECOGNITION:

- **3BL Media** 100 Best Corporate Citizens; 2011-2022
- **Bloomberg** Gender Equality Index; 2018-2023
- **CDP** Climate Change A List; 2022; Leadership Level (A-); 2016-2021
- **CPA-Zicklin** Index of Corporate Political Disclosure and Accountability Trendsetter; 2019-2022
- **Disability:IN** 100% Disability Equality Index; 2021, 2022
- **DiversityInc** Top 50 Companies for Diversity; 2001, 2007-2019, 2021; Top Companies for ESG; 2020, 2021; Hall of Fame; 2020-2022
- **Dow Jones Sustainability Index North America** 2010-2013, 2017-2022
- **Ethisphere** World's Most Ethical Companies; 2020-2022
- **Hispanic Association on Corporate Responsibility** Corporate Inclusion Index; 2009-2022
- **Human Rights Campaign** Corporate Equality Index; 2004-2022
- **JUST Capital** America's Most JUST Companies (JUST 100); 2018-2023
- **Military Friendly** 2022 Military Friendly Employer, 2022 Military Spouse Friendly Employers, 2022 Military Supplier Diversity Friendly, 2022 Military Friendly Brand
- **Military.com;** Top 5 employers with the Best Veteran Recruiting & Training programs; 2022
- **Newsweek** America's Most Responsible Companies; 2020-2023

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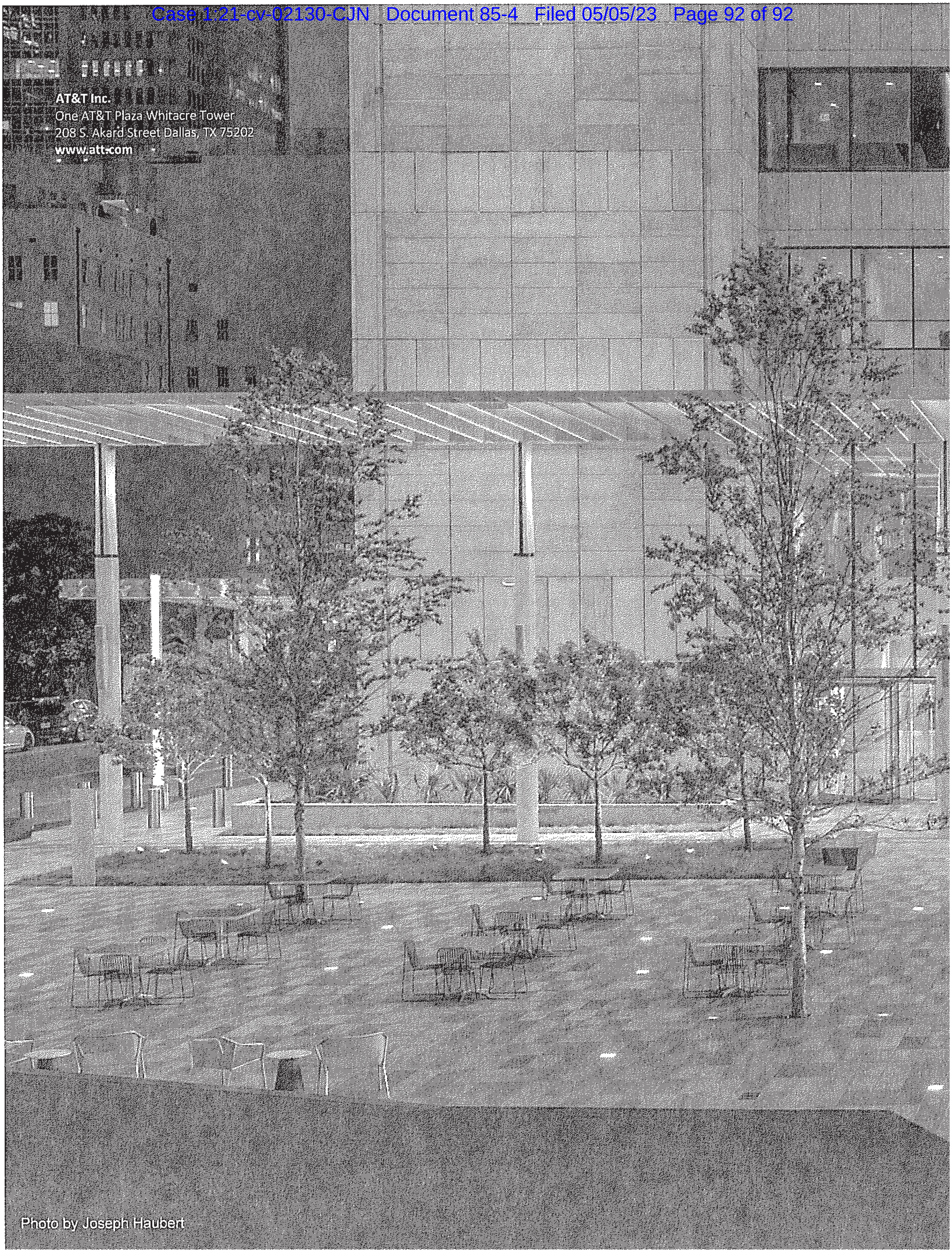

Photo by Joseph Haubert

Exhibit E

FILED UNDER SEAL

Exhibit F

FILED UNDER SEAL

Exhibit G

FILED UNDER SEAL

Exhibit H

FILED UNDER SEAL

Exhibit I

FILED UNDER SEAL

Exhibit J

FILED UNDER SEAL

Exhibit K

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Exhibit L

FILED UNDER SEAL

Exhibit M

NATIONAL CENTER
FOR PUBLIC POLICY RESEARCH

November 18, 2022

Senior Vice President, Deputy General Counsel and Secretary of AT&T
208 S. Akard Street
Suite 2954
Dallas, Texas 75202

Dear Ms. Maris,

I hereby submit the enclosed shareholder proposal ("Proposal") for inclusion in the AT&T (the "Company") proxy statement to be circulated to Company shareholders in conjunction with the next annual meeting of shareholders. The Proposal is submitted under Rule 14(a)-8 (Proposals of Security Holders) of the United States Securities and Exchange Commission's proxy regulations.

I submit the Proposal as the Coordinator of the Free Enterprise Project of the National Center for Public Policy Research, which has continuously owned Company stock with a value exceeding $2,000 for at least 3 years prior to and including the date of this Proposal and which intends to hold these shares through the date of the Company's 2023 annual meeting of shareholders. A Proof of Ownership Letter is enclosed.

Pursuant to interpretations of Rule 14(a)-8 by the Securities & Exchange Commission staff, I initially propose as a time for a telephone conference to discuss this proposal December 14, 2022 or December 15, 2022 from 1-4 p.m. eastern. If that proves inconvenient, I hope you will suggest some other times to talk. Please feel free to contact me at srehberg@nationalcenter.org so that we can determine the mode and method of that discussion.

Copies of correspondence or a request for a "no-action" letter should be sent to me at the National Center for Public Policy Research, 2005 Massachusetts Ave. NW, Washington, DC 20036 and emailed to srehberg@nationalcenter.org.

Sincerely,

Sarah Rehberg

cc:	Scott Shepard, FEP Director
Enclosures:	Shareholder Proposal
	Proof of Ownership Letter

Report on Non-Pecuniary Factors in Network Relationships

Resolved: Shareholders ask that the Board commission and disclose a report on the potential risks and consequences to the Company associated with the prioritization of non-pecuniary factors when it comes to establishing, rejecting, or failing to continue network relationships on its DirecTV platform.

Supporting Statement: In early 2022, it was announced that AT&T's DirecTV would not be renewing its contract with One America News (OAN).[1] The announcement came only a few short months following a concerted campaign by liberal activists demanding AT&T shutdown the conservative news network.[2]

These demands came from leftwing groups such as Greenpeace, GLADD, Media Matters, and the NAACP.[3] AT&T execs even met with NAACP leadership at its Washington, DC office to discuss AT&T's relationship with OAN.[4] The pressure campaign was prompted by a *Reuters* report alleging AT&T played an outsized role in the inception and rise of OAN and was responsible for funding it.[5]

But OAN was not a struggling news network. To the contrary, it was gaining prominence amongst conservative viewers. In fact, just months prior to AT&T's refusal to renew the network's contract, a Rasmussen Reports survey found that nearly 10 percent of conservatives viewed OAN most often, and that conservatives were increasingly looking for alternatives, such as OAN, to already established right-of-center news outlets.[6]

We therefore ask that the Board commission and disclose a report on the potential risks and consequences to the Company associated with the prioritization of considering factors other than pecuniary advantage when it comes to establishing, rejecting, or failing to continue relationships with networks and in determining which content and programming to promote.

The Company's fiduciary duty to its shareholders demands that decisions as to which networks and programming to carry should not be the result of activist pressure or any reason other than the pecuniary interest of the Company. Making decisions on the basis of viewpoint discrimination harms the Company's bottom line by reducing diversity of programing and the Company's attraction to a wide array of audiences, while placing the Company at great reputational, financial, and legislative and related risk.

---

[1] https://www.nationalreview.com/news/directv-says-it-will-not-renew-contract-with-oann/; https://www.npr.org/2022/01/15/1073407803/directv-to-drop-one-america-news-network

[2] https://dailycaller.com/2022/01/17/att-cnn-one-america-news-network/; https://www.freepress.net/sites/default/files/2021-11/coalition_letter_to_att_directv_about_oann_support.pdf

[3] https://www.freepress.net/sites/default/files/2021-11/coalition_letter_to_att_directv_about_oann_support.pdf

[4] https://thehill.com/homenews/media/577669-naacp-att-to-meet-to-discuss-oann/

[5] https://www.reuters.com/investigates/special-report/usa-oneamerica-att/; https://www.cnn.com/2021/10/06/media/att-oan

[6] https://www.rasmussenreports.com/public_content/politics/current_events/media/fox_news_still_tops_with_conservatives_but_newsmax_oan_make_gains; https://thenewamerican.com/fox-viewership-continues-to-plummet-viewers-moving-to-oann-newsmax/

Exhibit N

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Attorneys for Defendant
DIRECTV, LLC

ELECTRONICALLY FILED
Superior Court of California,
County of San Diego
01/23/2023 at 04:26:00 PM
Clerk of the Superior Court
By Gabriel Lopez,Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

HERRING NETWORKS, INC., a California corporation, Plaintiff, vs. AT&T, INC., a Delaware corporation, AT&T SERVICES, INC., a Delaware corporation, DIRECTV, LLC, a California limited liability company, and WILLIAM KENNARD, an individual, Defendants.	Case No. 37-2022-00008623-CU-BC-CTL Assigned to: Hon. John S. Meyer **DEFENDANT DIRECTV, LLC'S ANSWER AND DEFENSES TO PLAINTIFF'S COMPLAINT** IMAGED FILE Complaint Filed: March 7, 2022

Defendant DIRECTV, LLC ("DIRECTV") hereby answers the unverified Complaint filed by Plaintiff Herring Networks, Inc. ("Herring") as follows:[1]

Pursuant to California Code of Civil Procedure section 431.30(f), which provides that the "denials of the allegations controverted may be stated . . . ***by express admission of certain allegations of the complaint with a general denial of all of the allegations not so admitted***[,]" Cal. Civ. Proc. Code § 431.30(f) (emphasis added), DIRECTV expressly admits solely the specific allegations set forth below, and generally denies the remaining allegations in Herring's unverified Complaint (including without limitation each allegation in the paragraphs identified below that is not specifically admitted).

Express Admissions Pursuant to § 431.30(f):

Paragraph 68: DIRECTV admits that, in January 2022, it revealed to "Bloomberg that the Affiliation Agreement expires in April."

Paragraph 69: DIRECTV admits that "[t]he Affiliation Agreement contains a confidentiality provision" which contains the language, albeit without the emphasis added by Herring, quoted in this paragraph.

Paragraph 70: DIRECTV admits that the January 2022 disclosure of the month of expiration of the Affiliation Agreement "breached the confidentiality provision in that agreement."

Paragraph 101: DIRECTV admits that it "breached the Affiliation Agreement" insofar as it disclosed the month of expiration of the agreement in January 2022.

FIRST DEFENSE

(No Recoverable Loss or Damages)

1. Herring's claim for loss or damages is barred, in whole or in part, by the express terms of the Affiliation Agreement.

[1] Following the Court's rulings on DIRECTV's anti-SLAPP motion and demurrer, which disposed of every cause of action against DIRECTV except for Herring's claim for breach of contract, and which disposed of Herring's breach of contract claim except as "premised on DIRECTV informing Bloomberg News that the current Affiliation was set to expire in April 2022," the allegations of Herring's Complaint pertaining to those dismissed claims and allegations are no longer at issue, and DIRECTV need not address them in this Answer. *See* Minute Order dated January 13, 2023 [ROA 361].

SECOND DEFENSE

(No Actual Injury)

2. Herring's claims are barred, in whole or in part, insofar as it has not suffered any actual injury as a result of DIRECTV's alleged conduct.

THIRD DEFENSE

(Speculative Damages)

3. Herring's claims for damages are barred, in whole or in part, insofar as they are entirely speculative in nature.

FOURTH DEFENSE

(Attorneys' Fees Not Available)

4. Herring's claims for attorneys' fees are barred, in whole or in part, by the express terms of the Affiliation Agreement and/or are not available as a matter of law.

FIFTH DEFENSE

(Additional Defenses)

5. DIRECTV presently has insufficient knowledge or information upon which to form a belief as to whether it may have additional, unstated defenses. On that basis, DIRECTV reserves the right to supplement and/or amend this Answer to assert additional defenses as they become known.

WHEREFORE, Defendant, DIRECTV, LLC, requests judgment as follows:

1. That Herring take nothing by reason of its Complaint;
2. That the Complaint be dismissed with prejudice;
3. That DIRECTV recover its costs associated with this action;
4. That this Court grant such other and further relief as may be deemed just and proper.

Dated: January 23, 2023

SIDLEY AUSTIN LLP

By: ______________________
Rollin A. Ransom
Attorneys for Defendant
DIRECTV, LLC

PROOF OF SERVICE

STATE OF CALIFORNIA)
) SS
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of 18 years and not a party to the within action. My business address is 555 W. Fifth Street, Suite 4000, Los Angeles, California 90013.

On January 23, 2023, I served the following documents described as **DEFENDANT DIRECTV, LLC'S ANSWER AND DEFENSES TO PLAINTIFF'S COMPLAINT** on all interested parties in this action as follows:

Eric Early, Esq. Peter Scott, Esq. Jeremy Gray, Esq. EARLY SULLIVAN WRIGHT GIZER & McRAE LLP 6420 Wilshire Boulevard, 17th Floor Los Angeles, CA 90048 Telephone: (323) 301-4660 Facsimile: (323) 301-4676 eearly@earlysullivan.com pscott@earlysullivan.com jgray@earlysullivan.com	Attorneys for Plaintiff HERRING NETWORKS, INC.
Charles S. LiMandri, Esq. Paul M. Jonna, Esq. Jeffrey M. Trissell, Esq. LiMANDRI & JONNA LLP P.O. Box 9120 Rancho Santa Fe, CA 92067 Telephone: (858) 759-9930 Facsimile: (858) 759-9938 cslimandri@limandri.com pjonna@limandri.com jtrissell@limandri.com	
Marcellus McRae, Esq. James L. Zelenay, Jr., Esq. GIBSON, DUNN & CRUTCHER LLP 333 South Grand Avenue Los Angeles, CA 90071 Telephone: (213) 229-7000 Facsimile: (213) 229-7520 mmcrae@gibsondunn.com jzelenay@gibsondunn.com	Attorneys for Defendants, AT&T, INC, (by Special Appearance) and, AT&T SERVICES, INC.

Ashley Johnson, Esq. *pro hace vice*
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monahanw@sullcrom.com

Attorneys for Defendant WILLIAM KENNARD (by Special Appearance)

☒ (VIA FIRST LEGAL): By uploading a copy of the document listed above to First Legal which will send a notification of filing to all counsel.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on January 23, 2023 at Los Angeles, California.

LouAnn Crosby

LouAnn Crosby

Exhibit O

Joseph Tocco
Senior Vice President &
Assistant General Counsel

AT&T Services, Inc.
208 S. Akard Street
Dallas, TX 75202

T 214.757.3422
Joseph.Tocco@att.com

January 21, 2022

Mr. Robert Herring
Mr. Dan Ball
Herring Networks, Inc.
4757 Morena Blvd.
San Diego, CA 92117

Re: False Statements in On-Air Addresses on One America News Network ("OANN") by Dan Ball on *Real America* on January 17, 2022 and Robert Herring on January 20, 2022

Messrs. Herring and Ball:

I write regarding the false statements you made on multiple OANN broadcasts this week regarding AT&T and its Chairman of the Board, William E. Kennard—including Mr. Ball's appalling threat to launch a smear campaign and his plea to his viewers for "any dirt" on Mr. Kennard. AT&T demands that you immediately stop making these intentionally false and threatening statements and issue an on-air retraction and apology to AT&T and Mr. Kennard for your misrepresentations.

On Monday, January 17, 2022, Mr. Ball stated on-air during the *Real America* program that Mr. Kennard directed DIRECTV to drop OANN at the end of their carriage agreement. Mr. Ball accused Mr. Kennard of "doing nothing but a political maneuver by pressuring DIRECTV" to drop OANN. Mr. Ball further pleaded for the OANN audience to send him "any dirt" about Mr. Kennard, stating:

> **"If you have any dirt on Mr. Kennard, I'd love to see it and put it on this program";**
>
> **"You bring me concrete evidence of whatever it may be: cheating on his taxes, cheating on his wife, saying racial slurs against white people";**
>
> **"Whatever it may be. Find it for me. Bring it, and we will air it"; and**

> **"Everybody's got dirty little sins and secrets they're hiding" and Mr. Kennard "deserves to have his exposed" for what he is "doing" to OANN.**

A video of Mr. Ball's broadcast is accessible on the Real America OAN Facebook page.[1]

The same day, DIRECTV wrote to Herring Networks regarding its material breach of the Affiliation Agreement with DIRECTV, including the airing of disparaging content on OANN.

Not to be deterred, on January 20, OANN's CEO, Robert Herring, provided an on-air address concerning DIRECTV's announced decision not to renew its affiliation agreement with OANN. During that address, with the aid of photographs, Mr. Herring stated:

> **In the past, we have worked with a man named John Stankey at AT&T and we always appreciate the great working relationship we had with him. But just recently, the new head of the board of AT&T by the name of William Kennard let us know that he and the rest of the board simply do not want to carry us anymore.**

Mr. Herring's address ran several more times on OANN since its original broadcast at around 4:00 p.m. ET on January 20.

It is one thing to entertain conspiracy theories in a forum for expressing opinion. It is entirely another to actively promote falsehoods and misinformation for commercial gain, as Mr. Ball, Mr. Herring, and OANN have done here.

The following intentionally false statements about Mr. Kennard and AT&T must be immediately retracted and corrected:

First, putting aside his repulsive "call to action" for his viewership, Mr. Ball falsely stated that Mr. Kennard pressured DIRECTV to drop OANN from its channel lineup at the end of their carriage agreement. No such thing ever occurred. Moreover, Mr. Ball's reckless incendiary call for "dirt" on Mr. Kennard is independently actionable as defamation because his statements convey, directly and implicitly, that there is "dirt" on Mr. Kennard to be had (reinforced by Mr. Ball's assurance that "everybody's got dirty

---

[1] *See* https://www.facebook.com/RealAmericaOAN/; https://rumble.com/vstoxu-real-america-call-at-and-t-now-demand-they-carry-oan-and-awe.html?fbclid=IwAR3c_hMbrXe2SjAkDh7rr4dvgYKaoFYwdbCB196hV9K8qE67L_QtGqHHB5Q.

little sins and secrets they're hiding"). This includes the factually false insinuation that Mr. Kennard is a tax cheat or an adulterer or uttered "racial slurs against white people." Mr. Ball knew at the time of his statements that he had no facts to support that Mr. Kennard is any of these things. Instead, he recklessly implied just that by confirming a pre-existing false narrative to OANN's viewers that there is "concrete evidence" of such conduct by Mr. Kennard that need only be discovered. Whether couched directly, rhetorically, or as a plea for confirmation, statements that imply Mr. Ball has knowledge of facts such as these are actionable as defamation. *Milkovich v. Lorain Journal Co.*, 497 U.S. 1, 18-19 (1990) (noting that actionable defamation exists when the speaker "implies a knowledge of facts which lead to the conclusion" expressed).

Second, Mr. Herring falsely stated that Mr. Kennard communicated with either OANN or Mr. Herring regarding OANN. As OANN's CEO, Mr. Herring knows that Mr. Kennard did not contact OANN, and certainly knows that Mr. Kennard did not contact him personally. Mr. Herring nevertheless intentionally misrepresented just that to OANN's viewership.

Third, Mr. Herring falsely stated that Mr. Kennard "let [OANN] know that he and the rest of the [AT&T] board simply do not want to carry [OANN] anymore." Again, as Mr. Herring knows, Mr. Kennard has not communicated with him or OANN about DIRECTV's decision, and he did not make the claimed statement to Mr. Herring or anyone at OANN. In fact, Mr. Kennard has not communicated the sentiment that "he and the rest of the board simply do not want to carry" OANN to *anyone*, and to his knowledge, he has never spoken to anyone at OANN on *any* topic.

Last, Mr. Herring falsely implied that Mr. Kennard and the AT&T Board of Directors actually made the decision for and/or directed DIRECTV to remove OANN from DIRECTV's channel lineup. Although AT&T is the majority shareholder of DIRECTV, DIRECTV is an independent company, and AT&T does not control the operations of DIRECTV, including DIRECTV's carriage decisions. Such decisions are made internally by DIRECTV, which has been a separate business entity since August 2021.

OANN has an obligation to correct the false statements that it broadcasts. Under most state laws, OANN has a limited amount of time to publish a retraction in a manner that is substantially as conspicuous as the manner in which it published the original error. *See e.g.*, Tex. Civ. Prac. & Rem. Code § 73.057; Cal. Civ. Code § 48a. Since Messrs. Ball and Herring delivered their original address on-air during prominent programming blocks, it is essential that OANN correct the above falsehoods in a manner no less prominent or conspicuous during its on-air programming.

AT&T demands that Mr. Herring deliver a public address explaining that he retracts his January 20, 2022 statements because (1) he falsely asserted that Mr. Kennard had communicated with Mr. Herring or OANN, when in fact no such communication occurred; (2) he falsely claimed that Mr. Kennard stated that he and the rest of AT&T's Board of Directors simply did not want DIRECTV to carry OANN in its channel lineup anymore, when in fact Mr. Kennard never made such a statement; and (3) he falsely implied that Mr. Kennard and the AT&T Board of Directors play a role in and have authority over DIRECTV's decisions regarding its channel lineup and that the AT&T Board of Directors (including Mr. Kennard) control the business decisions by DIRECTV's management.

Further, Mr. Ball must also issue a retraction and correction of his recklessly false and derogatory statements about Mr. Kennard during the *Real America* program, specifically including Mr. Ball's false statement that Mr. Kennard pressured DIRECTV to drop OANN from its channel lineup at the end of their carriage agreement. Mr. Ball also must retract and apologize for the disgusting "call to action" of his viewership and attempt to smear Mr. Kennard by pleading for "dirt" regarding his taxes, his marriage, and any "racial slurs" he may have happened to utter about "white people."

While the First Amendment protects speech by the news media, it does not protect statements made with actual malice, i.e., statements made with knowledge of falsity or with reckless disregard of the facts. Intentional lies still matter—particularly when made for purely commercial gain. If OANN again publishes the statements identified above, or knowingly or recklessly publishes other false statements concerning Mr. Kennard, AT&T and/or other AT&T Board members, OANN will be exposed to significant monetary damages, including punitive damages. *See Gertz v. Robert Welch, Inc.*, 418 U.S. 323, 349 (1974) (holding punitive and presumed damages are allowed upon "a showing of knowledge of falsity or reckless disregard for the truth").

If you have any questions about this matter, please contact me.

Sincerely,

Joseph Tocco

Exhibit P

VedderPrice

Chicago
New York
Washington, DC
London
San Francisco
Los Angeles
Singapore
vedderprice.com

February 2, 2022

Blaine C. Kimrey
Shareholder
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VIA EMAIL AND FEDERAL EXPRESS

Joseph Tocco, Esq.
Senior Vice President & Assistant General Counsel
AT&T Services, Inc.
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Joseph.Tocco@att.com

Re: OAN response to your January 21, 2022 letter

Dear Mr. Tocco:

As we discussed Friday, Vedder Price P.C. represents Herring Networks, Inc., d/b/a One America News Network ("Herring Networks" or "OAN"), in connection with your January 21, 2022 letter on behalf of AT&T Services, Inc. (collectively, with AT&T, Inc., "AT&T"). While this letter does address the allegedly defamatory statements made by Dan Ball and Robert Herring on the January 17 and 20, 2022 broadcasts, respectively, it also highlights the ways in which AT&T has breached the Affiliation Agreement entered into by DIRECTV, LLC, AT&T Services, Inc., and Herring Networks, Inc. on March 9, 2017 (the "Agreement").

Herring Networks and AT&T have been in business together since June 2006, when AT&T began distributing A Wealth of Entertainment ("AWE") on U-verse. At the urging of AT&T (which wanted to compete with Fox News Network with its own conservative-leaning network), Herring Networks launched OAN in 2013. While AT&T was initially going to take an equity stake in Herring Networks to ensure that OAN was carried on DIRECTV (pursuant to a Put-Right Agreement between AT&T and DIRECTV), the parties eventually entered into a Network Affiliation Agreement on April 10, 2014. AT&T announced its plan to acquire DIRECTV shortly thereafter and enlisted OAN's help to ensure that the Federal Communications Commission ("FCC") approved the acquisition. OAN obliged AT&T by, among other things, hiring a lobbyist, meeting with FCC officials, and signing filings in support of the acquisition that were ghostwritten by AT&T. In exchange, AT&T promised to air OAN and AWE on U-verse and DIRECTV.

But when the FCC approved AT&T's acquisition of DIRECTV in July of 2015, AT&T and DIRECTV did not hold up their end of the bargain, forcing OAN to file suit. The Agreement reflected a settlement reached in the litigation, which further expanded the business relationship between AT&T and OAN and created a business relationship between DIRECTV and OAN. The Agreement demonstrates AT&T's desire for OAN to compete with Fox News Network, providing that OAN's programming was "designed to have broad appeal with special interest to viewers interested in independent and conservative political thought." *See* Ex. A of the Agreement.

Since that time, OAN has grown substantially, thereby directly benefiting AT&T and DIRECTV. Despite OAN's high performance and compliance with the Agreement for years, ***AT&T and DIRECTV began breaching the Agreement as early as April 2020*** when AT&T Related Parties (as defined in the Agreement) began making disparaging remarks against OAN. AT&T and DIRECTV then further breached the Agreement in January 2022 when they divulged confidential information about the Agreement (and the renewal negotiations taking place) on social media platforms and to news outlets, including Bloomberg News. The allegedly defamatory statements at issue in your letter then followed, although, as highlighted below, these statements do not defame or disparage AT&T. Rather, many of the statements made by OAN (which were omitted from your letter) were complimentary of AT&T.

While AT&T's purported claims against OAN fail, OAN has strong claims against AT&T for its breaches of the Agreement. Nonetheless, we are interested in discussing the possibility of an amicable business resolution given the overall success of OAN and AT&T's business relationship over the years. To that end, in a show of good faith, the January 17 and 20, 2022 broadcasts have been removed from all OAN-controlled platforms.

I. The statements in AT&T's letter are not defamatory.

The allegedly defamatory statements in your letter fall into two categories: (1) those relating to the non-renewal of OAN and (2) those relating to "everybody's [] dirty little sins and secrets" and whether William Kennard, Chairman of AT&T's Board of Directors, has any of his own to be exposed. None of the statements in either category gives rise to an actionable defamation claim. OAN thus rejects AT&T's demand for retraction and an apology.

As you correctly write in your letter, "The First Amendment protects speech by the news media." Indeed, "where a media defendant is involved, a statement on matters of public concern must be provable as false before liability can be assessed, thus ensuring full constitutional protection for a statement of opinion having no provably false factual connotation." *Milkovich v. Lorain J. Co.*, 497 U.S. 1, 2 (1990) (internal citation omitted). While you claim to find OAN's broadcasts "appalling" and "repulsive," they are nonetheless protected because of our "profound national commitment to the principle that debate on public issues should be uninhibited, robust, and wide-open." *New York Times Co. v. Sullivan*, 376 U.S. 254, 270 (1964)).

As you also correctly noted, AT&T would have the burden of proving that the allegedly defamatory statements were published with "actual malice" — i.e., "with knowledge that [they were] false or with reckless disregard of whether [they were] false or not." *Id.* at 280. OAN is confident that AT&T would not be able to carry its burden by clear and convincing evidence (which is the applicable evidentiary standard).

A. The statements relating to non-renewal of OAN are not defamatory.

Regarding the first category of allegedly defamatory statements, your letter focuses on Dan Ball's stating in the January 17 broadcast that Mr. Kennard pressured DIRECTV to drop OAN from its lineup. You also object that, in the January 20 broadcast, Robert Herring asserted that Mr. Kennard had communicated with Mr. Herring or OAN that Mr. Kennard and the AT&T Board of Directors no longer wanted to carry OAN, thereby "impl[ying] that Mr. Kennard and the AT&T Board of Directors play a role in and have authority over DIRECTV's decisions regarding its channel lineup and that the AT&T Board of Directors (including Mr. Kennard) control the business decisions by DIRECTV's management."

These statements cannot give rise an actionable defamation claim because OAN has ***at least*** the following elemental challenges and/or defenses available to it:

- **Truth/substantial truth:** AT&T's assertions of falsity do not withstand scrutiny, given that it is true that DIRECTV decided to not renew the Agreement with OAN, that AT&T is the majority owner of DIRECTV with a 70% equity stake in the company, and that Mr. Kennard is on the AT&T Board of Directors. Further, Mr. Kennard serves on AT&T's public policy and corporate reputation committee, which has "the authority to review AT&T's management of its brands to ensure that the value and reputation of the Company's brand names is maintained and enhanced." *See* Public Policy and Corporate Reputation Committee of the Board of Directors of AT&T Inc. Charter. Accordingly, it is highly probable that the committee, including Mr. Kennard, provided input on how to respond to the calls to non-renew OAN in an attempt to burnish AT&T's reputation, thus leading to the non-renewal decision. As such, many of the statements at issue are not defamatory because they are true or substantially true. *See, e.g., Masson v. New Yorker Mag., Inc.*, 501 U.S. 496, 516-17 (1991) ("As in other jurisdictions, California law permits the defense of substantial truth and would absolve a defendant even if she cannot 'justify every word of the alleged defamatory matter; it is sufficient if the substance of the charge be proved true, irrespective of slight inaccuracy in the details.'"); *Vice v. Kasprzak*, 318 S.W.3d 1, 18 (Tex. App. 2009) ("If the article correctly conveys the story's gist but relayed certain details incorrectly, the article will be considered substantially true.").

- **Opinion:** Several of the statements are nonactionable opinions on matters of public concern, which are "[a]t the heart of the First Amendment." *Hustler Mag.,* *Inc. v. Falwell*, 485 U.S. 46, 50 (1988). Specifically, it is the opinion of OAN that AT&T (and Mr. Kennard specifically) had a role in DIRECTV's decision to not renew the Agreement with OAN. This is not a far-fetched opinion given that AT&T is the majority owner of DIRECTV and that AT&T had received calls by individuals, entities, and even the government to either drop OAN or explain its reason for carrying OAN (because they also think that AT&T has a role in DIRECTV's carriage decisions).

- **Statements not injurious to AT&T:** The statements have not injured AT&T or its Board of Directors, which is a required element to state a claim for defamation. Conversely, AT&T has received positive press since the announcement of the decision to not renew the Agreement (while, on the other hand, OAN has been irreparably harmed). *Compare* October 6, 2021 NAACP Press Release *with* January 15, 2022 NAACP Press Release.

- **Lack of actual malice:** AT&T will not be able to adequately plead, much less prove clearly and convincingly with admissible evidence, that OAN acted with actual malice (or even a lesser *mens rea*). AT&T's threadbare denials that it does not control DIRECTV's carriage decisions fail to alter this analysis. The Supreme Court has held that "the press need not accept 'denials, however vehement; such denials are so commonplace in the world of polemical charge and countercharge that, in themselves, they hardly alert the conscientious reporter to the likelihood of error.'" *Harte-Hanks Commc'ns, Inc. v. Connaughton*, 491 U.S. 657, 692 n.37 (1989).

B. The statements relating to "dirty little sins and secrets" of the general public, including Mr. Kennard, are not defamatory.

The second category of allegedly defamatory statements fares no better than the first. Your letter focuses on the following statements made in the January 17, 2022 broadcast by Dan Ball:

> If you have any dirt on Mr. Kennard, I'd love to see it and put it on this program. You bring me concrete evidence of whatever it may be: cheating on his taxes, cheating on his wife, saying racial slurs against white people. Folks do that. Whatever it may be. Find it for me. Bring it, and we will air it. Everybody's got dirty little sins and secrets they're hiding and this man deserves to have his exposed for what he is doing to not only this network, the owners, the hundreds of employees, but you, the viewers, who want a fair and honest and truthful voice….

But none of these statements gives rise to an actionable defamation claim either because OAN has ***at least*** the following elemental challenges and/or defenses available to it:

- **Statements incapable of defamatory meaning:** The statements at issue are not capable of defamatory meaning. At least one of the statements involves rhetoric or hyperbole, and when the statements are perceived as a whole, no reasonable person would think that Mr. Ball claimed as a matter of fact that Mr. Kennard had cheated on his taxes or his wife or had said racial slurs. *See Milkovich*, 497 U.S. at 2 (internal citation omitted) ("[S]tatements that cannot reasonably be interpreted as stating actual facts about an individual are protected, assuring that public debate will not suffer for lack of 'imaginative expression' or the 'rhetorical hyperbole' which has traditionally added much to the discourse of this Nation."); *MVS Int'l Corp. v. Int'l Advert. Sols., LLC*, 545 S.W.3d 180, 202 (Tex. App. 2017) ("[A] communication that is merely unflattering, abusive, annoying, irksome, or embarrassing, or that only hurts a person's feelings, is not actionable."). Moreover, the request to find and disclose any secrets that Mr. Kennard may have is not a statement of fact, but a request which is not defamatory. *See, e.g, Vice*, 318 S.W.3d at 22.

- **Statements not injurious to AT&T:** The statements have not injured AT&T or its Board of Directors, including Mr. Kennard, which is a required element to state a claim for defamation.

An omission of any argument from this letter is not intended to be, and should not be considered, an acknowledgment of the factual or legal basis for any allegation. OAN expressly denies that AT&T has any cognizable claim against OAN for defamation (or any other related cause of action).

Further, nothing set forth in this letter, nor my silence as to anything in your letter, constitutes, or should be construed as, a waiver of any rights, remedies, claims or defenses at law or in equity available to OAN or anyone associated with OAN (including, but not limited to, the ability to recover attorneys' fees and costs under anti-SLAPP or similar laws). OAN reserves all rights.

II. Conversely, AT&T has breached the non-disparagement provision of the Agreement.

While the statements at issue in your letter are not defamatory or disparaging, AT&T has disparaged OAN in breach of the Agreement.

The Agreement contains a non-disparagement provision that provides, in relevant part:

> [T]he Parties, the AT&T Related Parties, the Programmer Related Parties, and their respective Representatives during the Term of this Agreement and for two (2) years thereafter, shall not directly or indirectly (or encourage, suggest or organize any other individual, entity or third party or their Representatives to) (1) disparage (including, without limitation, via the Services, blogging, social media, press

> interviews and/or any public statement) the other Party, the Programmer Related Parties, the AT&T Related Parties, and/or their respective Representatives . . .

Agreement § 16.3. "AT&T Related Parties" is defined broadly to include AT&T and DIRECTV "and all of their current, then-current and former members of the Board of Directors, officers, representatives, agents, employees, attorneys, parent companies, subsidiaries, insurers, partners, predecessors, contractors, successors and assigns including, but not limited to, AT&T Inc., DIRECTV, LLC, AT&T Services, Inc. and AT&T Mobility LLC." §§ 16.1.1, 16.1.3.

As such, the non-disparagement provision extends to networks such as HBO and CNN (which are both owned by AT&T) and their representatives, agents, and employees.

In an October 10, 2021 episode of HBO's *Last Week Tonight with John Oliver*, the host stated, "AT&T is still technically our business daddy, making OAN our business step-sibling — and not in a hot way." CNN employees have similarly confirmed that AT&T is the parent company of CNN.

With this in mind, AT&T began breaching the non-disparagement provision of the Agreement ***as early as April 5, 2020*** when HBO's *Last Week Tonight with John Oliver* dedicated an entire segment to OAN. Host John Oliver made the following comments about OAN during the segment:

- "The whole selling point for OAN is that they are Fox News with even less shame and even fewer scruples."
- "And I know that it is easy to dismiss OAN as just a stupid, little watched, borderline self-parody. The problem is if we're learning one thing right now it's that toxic things that start small can get big fast and it's dangerous to ignore them."
- "OAN's weird compilation of far right-wing talking points and dirt stupid reporting is incredibly dangerous at a time like this."
- "It is more important than ever to be on the lookout for OAN's bullshit and to make sure no one that you know is falling for it either."

Oliver doubled down in his October 10, 2021 episode, referring to OAN as a "ragtag band of fascists" and stating that "with [AT&T's] help, OAN has grown into the toxic network that is today — one that's happy to give a platform to batshit election fraud theories from America's most out-of-breath pillow fetishist."

Around that same time, CNN began its disparagement attack on OAN. For example, on October 6, 2021, CNN anchor Don Lemon stated that OAN is "corrosive to our democracy" and CNN media reporter Oliver Darcy referred to OAN as a "far right-wing conspiracy channel" that "promotes all sorts of nonsense." The next day when appearing on CNN's *New Day*, CNN chief media correspondent Brian Stelter called OAN "conspiracy laden" and accused OAN of putting "some of the worst of the worst content out there." He went even further to state that "there's a difference between real news and conspiracy crap. . . . [OAN] goes on the air and lies to people who for some reason want the lies."

The above are mere examples of the ways in which AT&T has breached the non-disparagement provision of the Agreement. OAN demands that AT&T cease and desist from further violations of the non-disparagement provision and reserves all rights in this regard.

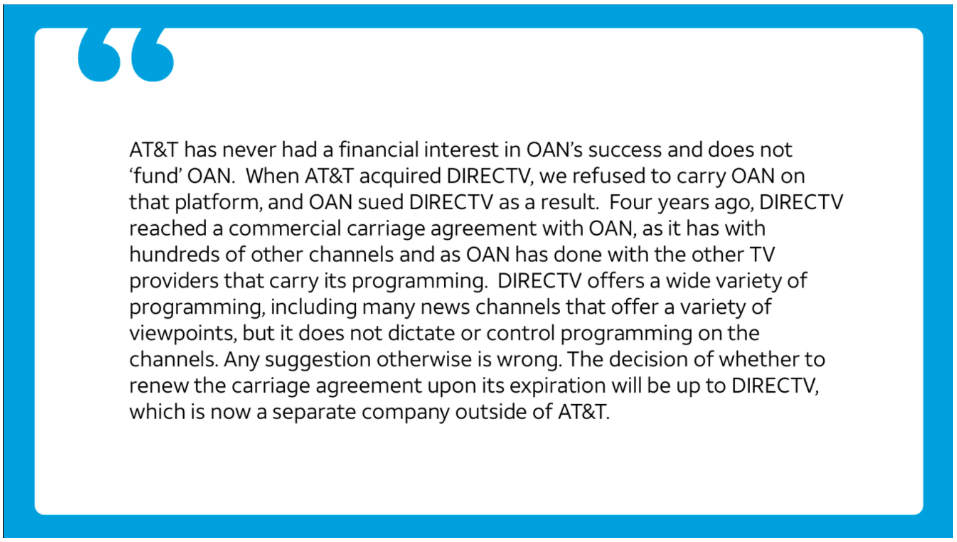
III. AT&T and DIRECTV have otherwise breached the Agreement by making public statements regarding the Agreement and its non-renewal.

The Agreement also contains a confidentiality provision, which provides, in relevant part:

> **The Parties agree that all terms and provisions of this Agreement** (as well as all data, summaries, reports or information of all kinds, whether oral or written, acquired or devised or developed in any manner from the other Party (and/or the Programmer Related Parties or the AT&T Related Parties, as applicable, and/or their respective Representatives), or any proprietary or subscriber information, provided by one Party (and/or the Programmer Related Parties or the AT&T Related Parties, as applicable, and/or their respective Representatives) to the other Party), **its negotiation, and any discussions or agreements related thereto, as well as information, testimony, documents or other data related to or concerning the Litigation**, or provided and/or obtained in discovery in the Litigation (together, the "Confidential Information") **shall be held strictly confidential by the Parties**, the Programmer Related Parties, the AT&T Related Parties, and their respective Representatives.

Agreement § 16.2 (emphasis added).

But neither AT&T nor DIRECTV have kept the information and discussions about the Agreement confidential. Instead, on October 6, 2021 — the same day that the Reuters Special Report titled *How AT&T helped build far-right One America News* — AT&T released the following statement, providing confidential information on how the Agreement came to be (and implying that it only carried OAN because OAN forced its hand by filing suit):



AT&T has never had a financial interest in OAN's success and does not 'fund' OAN. When AT&T acquired DIRECTV, we refused to carry OAN on that platform, and OAN sued DIRECTV as a result. Four years ago, DIRECTV reached a commercial carriage agreement with OAN, as it has with hundreds of other channels and as OAN has done with the other TV providers that carry its programming. DIRECTV offers a wide variety of programming, including many news channels that offer a variety of viewpoints, but it does not dictate or control programming on the channels. Any suggestion otherwise is wrong. The decision of whether to renew the carriage agreement upon its expiration will be up to DIRECTV, which is now a separate company outside of AT&T.

Thereafter, on January 14, 2022 — the same day that OAN was informed via telephone by Rob Thun, Chief Content Officer at DIRECTV, that the Agreement would not be renewed — an article titled *DirecTV to Drop One America News in Blow to Conservative Chanel* was released by Bloomberg News. DIRECTV provided confidential information regarding the parties' discussions on the non-renewal of the Agreement to Bloomberg, writing via email that it had "informed Herring Networks that, following a routine internal review, we do not plan to enter into a new contract when our current agreement expires." DIRECTV has since provided similar statements to other media outlets.

The Bloomberg News article also said that a "personal familiar with the matter" told Bloomberg that the Agreement expires in April. OAN can only assume that this information came from someone at DIRECTV or AT&T given that the termination date of the Agreement was confidential and thus unknown to non-parties.

OAN demands that AT&T cease and desist from further violations of the confidentiality provision of the Agreement and reserves all rights in this regard.

IV. AT&T and Mr. Kennard have tortiously interfered with the Affiliation Agreement.

To state a claim for intentional interference with contractual relations, a plaintiff must sufficiently allege the following: "(1) a valid contract between plaintiff and a third party; (2) defendant's knowledge of this contract; (3) defendant's intentional acts designed to induce a breach or disruption of the contractual relationship; (4) actual breach or disruption of the contractual relationship; and (5) resulting damage." *Pac. Gas & Elec. Co. v. Bear Stearns & Co.*, 50 Cal. 3d 1118, 1126 (1990). Interference with a contractual relationship may be actionable even where the contract is terminated according to its terms. *Id*. ("The actionable wrong lies in the inducement to break the contract or to sever the relationship, not in the kind of contract or relationship so disrupted, whether it is written or oral, enforceable or not enforceable."). OAN can easily satisfy each element.

The Agreement is a valid contract, and while AT&T Services, Inc. was a party at the time of its execution, it claims that it has since assigned its rights under the Agreement to DIRECTV. AT&T, Inc. and Mr. Kennard have never been parties to the Agreement. As highlighted above, DIRECTV's non-renewal decision was induced by and attributable to AT&T (the majority owner of DIRECTV) and Mr. Kennard (Chairman of AT&T's Board of Directors).

AT&T has received numerous calls by individuals, entities, and even the government to either drop OAN or explain its reason for carrying OAN, and part of Mr. Kennard's role involves "ensur[ing] that the value and reputation of [AT&T's] brand names is maintained and enhanced." Indeed, the non-renewal decision came only two months after Reuters' *How AT&T helped build far-right One America News* was released, and during that time, many attacked AT&T's reputation for its connection to OAN. *See, e.g.,* MoveOn.org Petition to AT&T and CEO John T. Stankey titled *AT&T: Drop white supremacist propaganda One America News from DirecTV!* ("AT&T is fueling attacks on our democracy by propping up and enabling white supremacy propaganda and conspiracy theory network OAN…."). OAN had received no indication that the Agreement might not be renewed before it was informed of the non-renewal decision, and, in fact, all indications by AT&T and DirectTV had been to the contrary (giving rise to other potential claims by OAN against AT&T and DIRECTV, including but not limited to negligent misrepresentation, intentional misrepresentation, fraudulent inducement, promissory estoppel, and breach of the covenant of good faith and fair dealing).

Lastly, given Mr. Herring's testimony in a separate action that monies paid to Herring Networks by AT&T account for 90% of Herring Networks' income, and an accountant's testimony that the network would be worth "zero" without the Agreement, damages would be easily provable. **In fact, if AT&T does not address and reverse its unlawful conduct against OAN in the very near future, damage to OAN will exceed $1 billion.**

V. Request for information pursuant to the Texas Defamation Mitigation Act ("DMA"), Tex. Civ. Prac. & Rem. Code §§ 73.051-73.062

Your letter invoked the DMA. *See* p. 4 ("OANN has a limited amount of time to publish a retraction in a manner that is substantially as conspicuous as the manner in which it published the original error. *See, e.g.*, Tex. Civ. Prac. & Rem. Code § 73.057….").

The DMA provides:

> A person who has been requested to make a correction, clarification, or retraction may ask the person making the request to provide reasonably available information regarding the falsity of the allegedly defamatory statement not later than the 30th day after the date the person receives the request. Any information

> requested under this section must be provided by the person seeking the correction, clarification, or retraction not later than the 30th day after the date the person receives the request.

§ 73.056(a). Pursuant to the DMA, OAN is therefore entitled to information regarding the falsity of the allegedly defamatory statements in your letter within thirty (30) days (i.e. by March 2, 2022). Accordingly, OAN requests the following by March 2, 2022:

(1) All external and internal AT&T communications (in any way recorded, including but not limited to hard-copy or digital writing, audio recording, or video recording) about complaints to AT&T and/or DIRECTV about OAN, including but not limited to requests that AT&T and/or DIRECTV drop OAN from carriage via DIRECTV.

(2) All external and internal communications (in any way recorded, including but not limited to hard-copy or digital writing, audio recording, or video recording) in AT&T's possession, custody, or control by Mr. Kennard about OAN or anyone associated with OAN, including but not limited to Mr. Ball or Mr. Herring.

(3) All information and communications (in any way recorded, including but not limited to hard-copy or digital writing, audio recording, or video recording) in AT&T's possession, custody, or control about Mr. Kennard's relationship with Staple Street Capital LLC, including but not limited to the nature and duration of his service on the board of directors of Staple Street Capital LLC and any ownership interest held by Staple Street Capital LLC in any Dominion Voting Systems entity and/or any Sequoia Voting Systems entity.

(4) All documents and communications (in any way recorded, including but not limited to hard-copy or digital writing, audio recording, or video recording) memorializing the assignment of AT&T's rights under the Agreement to DIRECTV.

(5) All internal and external AT&T communications (in any way recorded, including but not limited to hard-copy or digital writing, audio recording, or video recording) about reporting by OAN about DIRECTV's non-renewal of the carriage agreement, AT&T's ownership interest in and/or control over DIRECTV, Mr. Kennard's role in non-renewal of OAN, and the AT&T board of directors' role in non-renewal of OAN.

(6) Mr. Kennards' AT&T human resources file.

(7) All information and communications (in any way recorded, including but not limited to hard-copy or digital writing, audio recording, or video recording) in AT&T's possession, custody, or control supporting the allegations in your January 21, 2022 letter, including but not limited to any evidence of falsity or defamatory meaning of any statements made by Mr. Ball, Mr. Herring, or anyone else associated with OAN allegedly "of and concerning" AT&T.

Subject to the above, OAN remains interested in discussing the possibility of an amicable business resolution. I can be reached at the above number and email to discuss further.

Sincerely,

Blaine C. Kimrey

cc: Bryan Clark (bclark@vedderprice.com)
Brian Ledebuhr (bledebuhr@vedderprice.com)
Jeanah Park (jpark@vedderprice.com)