UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)**

OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

OR

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

For the transition period from to

Commission File Number: 001-8610

AT&T INC.

(Exact name of registrant as specified in its charter)

Delaware	**43-1301883**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
208 S. Akard St.	
Dallas, Texas	**75202**
(Address of principal executive office)	(Zip Code)

Registrant's telephone number, including area code: 210-821-4105

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Shares (Par Value $1.00 Per Share)	T	New York Stock Exchange
Depositary Shares, each representing a 1/1000th interest in a share of 5.000% Perpetual Preferred Stock, Series A	T PRA	New York Stock Exchange
Depositary Shares, each representing a 1/1000th interest in a share of 4.750% Perpetual Preferred Stock, Series C	T PRC	New York Stock Exchange
AT&T Inc. Floating Rate Global Notes due March 6, 2025	T 25A	New York Stock Exchange
AT&T Inc. 3.550% Global Notes due November 18, 2025	T 25B	New York Stock Exchange
AT&T Inc. 3.500% Global Notes due December 17, 2025	T 25	New York Stock Exchange
AT&T Inc. 0.250% Global Notes due March 4, 2026	T 26E	New York Stock Exchange
AT&T Inc. 1.800% Global Notes due September 5, 2026	T 26D	New York Stock Exchange
AT&T Inc. 2.900% Global Notes due December 4, 2026	T 26A	New York Stock Exchange
AT&T Inc. 1.600% Global Notes due May 19, 2028	T 28C	New York Stock Exchange
AT&T Inc. 2.350% Global Notes due September 5, 2029	T 29D	New York Stock Exchange
AT&T Inc. 4.375% Global Notes due September 14, 2029	T 29B	New York Stock Exchange
AT&T Inc. 2.600% Global Notes due December 17, 2029	T 29A	New York Stock Exchange
AT&T Inc. 0.800% Global Notes due March 4, 2030	T 30B	New York Stock Exchange
AT&T Inc. 3.950% Global Notes due April 30, 2031	T 31F	New York Stock Exchange
AT&T Inc. 2.050% Global Notes due May 19, 2032	T 32A	New York Stock Exchange
AT&T Inc. 3.550% Global Notes due December 17, 2032	T 32	New York Stock Exchange
AT&T Inc. 5.200% Global Notes due November 18, 2033	T 33	New York Stock Exchange

Securities registered pursuant to Section 12(b) of the Act (continued):		
Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
AT&T Inc. 3.375% Global Notes due March 15, 2034	T 34	New York Stock Exchange
AT&T Inc. 4.300% Global Notes due November 18, 2034	T 34C	New York Stock Exchange
AT&T Inc. 2.450% Global Notes due March 15, 2035	T 35	New York Stock Exchange
AT&T Inc. 3.150% Global Notes due September 4, 2036	T 36A	New York Stock Exchange
AT&T Inc. 2.600% Global Notes due May 19, 2038	T 38C	New York Stock Exchange
AT&T Inc. 1.800% Global Notes due September 14, 2039	T 39B	New York Stock Exchange
AT&T Inc. 7.000% Global Notes due April 30, 2040	T 40	New York Stock Exchange
AT&T Inc. 4.250% Global Notes due June 1, 2043	T 43	New York Stock Exchange
AT&T Inc. 4.875% Global Notes due June 1, 2044	T 44	New York Stock Exchange
AT&T Inc. 4.000% Global Notes due June 1, 2049	T 49A	New York Stock Exchange
AT&T Inc. 4.250% Global Notes due March 1, 2050	T 50	New York Stock Exchange
AT&T Inc. 3.750% Global Notes due September 1, 2050	T50A	New York Stock Exchange
AT&T Inc. 5.350% Global Notes due November 1, 2066	TBB	New York Stock Exchange
AT&T Inc. 5.625% Global Notes due August 1, 2067	TBC	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

Yes ☐ No ☒

Based on the closing price of $19.11 per share on June 30, 2024, the aggregate market value of our voting and non-voting common stock held by non-affiliates was $137 billion.

At January 31, 2025, common shares outstanding were 7,178,183,000.

DOCUMENTS INCORPORATED BY REFERENCE

(1) Portions of AT&T Inc.’s Notice of 2025 Annual Meeting and Proxy Statement dated on or about April 4, 2025, to be filed within the period permitted under General Instruction G(3) (Part III).

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PART I

ITEM 1. BUSINESS

GENERAL

AT&T Inc. ("AT&T," "we" or the "Company") is a holding company incorporated under the laws of the State of Delaware in 1983 and has its principal executive offices at 208 S. Akard St., Dallas, Texas, 75202 (telephone number 210-821-4105). We maintain an internet website at www.att.com. (This website address is for information only and is not intended to be an active link or to incorporate any website information into this document.) We file electronically with the Securities and Exchange Commission (SEC) required reports on Form 8-K, Form 10-Q and Form 10-K; proxy materials; registration statements on Forms S-3 and S-8, as necessary; and other forms or reports as required. The SEC maintains a website (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. We make available, free of charge, on our website our annual report on Form 10-K, our quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after such reports are electronically filed with, or furnished to, the SEC. We also make available on that website, and in print, if any stockholder or other person so requests, our "Code of Ethics" applicable to all employees and Directors, our "Corporate Governance Guidelines," and the charters for all committees of our Board of Directors, including Audit, Human Resources and Governance and Policy committees. Any changes to our Code of Ethics or waiver of our Code of Ethics for senior financial officers, executive officers or Directors will be posted on that website.

A reference to a "Note" refers to the Notes to Consolidated Financial Statements in Item 8.

History

AT&T, formerly known as SBC Communications Inc. (SBC), was formed as one of several regional holding companies created to hold AT&T Corp.'s (ATTC) local telephone companies. On January 1, 1984, we were spun-off from ATTC pursuant to an anti-trust consent decree, becoming an independent publicly traded telecommunications services provider.

Following our formation, we expanded our communications footprint and operations, most significantly:

- Our subsidiaries merged with incumbent local exchange carriers (ILEC) Pacific Telesis Group in 1997 and Ameritech Corporation in 1999.
- In 2005, we merged one of our subsidiaries with ATTC, creating one of the world's leading telecommunications providers. In connection with the merger, we changed the name of our company from "SBC Communications Inc." to "AT&T Inc."
- In 2006, we acquired ILEC BellSouth Corporation (BellSouth), which included BellSouth's 40% economic interest in AT&T Mobility LLC (AT&T Mobility), formerly Cingular Wireless LLC, resulting in 100% ownership of AT&T Mobility.
- In 2014, we completed the acquisition of wireless provider Leap Wireless International, Inc.
- In 2015, we acquired wireless properties in Mexico and acquired DIRECTV, a leading provider of digital television entertainment services in both the United States (included in our Video business) and Latin America (referred to as Vrio).
- From 2018 through April 2022, we acquired and held various investments in entertainment businesses, namely Time Warner Inc., which comprised a substantial portion of our previous WarnerMedia segment.
- In July 2021, we closed our transaction with TPG Capital (TPG) to form a new company named DIRECTV Entertainment Holdings, LLC (DIRECTV). With the close of the transaction (DIRECTV Transaction), we separated our Video business, comprised of our U.S. video operations, and began accounting for our investment in DIRECTV under the equity method. In September 2024, we agreed to sell our remaining interest in DIRECTV to TPG, which we expect to close in mid-2025.
- In April 2022, we completed the separation of our WarnerMedia business in a Reverse Morris Trust transaction (WarnerMedia/Discovery Transaction). Upon its separation and distribution, the WarnerMedia business met the criteria for discontinued operations, as did other dispositions that were part of a single plan, including Vrio, Xandr and Playdemic Ltd. (Playdemic). These businesses are reflected in our historical financial statements as discontinued operations, including for periods prior to the consummation of the WarnerMedia separation.

General
We are a leading provider of telecommunications and technology services globally. The services and products that we offer vary by market and utilize various technology platforms in a range of geographies. Our reportable segments are organized as follows:

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

- **Mobility** provides nationwide wireless service and equipment.
- **Business Wireline** provides advanced ethernet-based fiber services, fixed wireless services, IP Voice and managed professional services, as well as legacy voice and data services and related equipment, to business customers.
- **Consumer Wireline** provides broadband services, including fiber connections that provide multi-gig services, and our fixed wireless access product (AT&T Internet Air or "AIA") that provides internet services delivered over our 5G wireless network, to residential customers in select locations. Consumer Wireline also provides legacy telephony voice communication services.

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

Corporate support costs, including administrative support costs borne by AT&T where business units do not influence decision making and results from business no longer integral to our operations are reported as *Corporate* and *Other*, which reconciles our segment results to consolidated operating income and income before income taxes.

Areas of Focus
We are a leader in providing connectivity services through our market focus areas of 5G and fiber. Fiber underpins the connectivity we deliver, both wired and wireless. Building on that fiber foundation is our solid spectrum portfolio, strengthened through Federal Communications Commission (FCC) auction acquisitions and 5G deployment. We believe our fixed wireline and mobile approach will differentiate our services and provide us with additional convergence growth opportunities in the future as bandwidth demands continue to grow. We will continue to demonstrate our commitment to ensure management attention is sharply focused on growth areas and operational efficiencies.

Our integrated telecommunications network utilizes different technological platforms to provide instant connectivity at the higher speeds made possible by our fiber network expansion and wireless network enhancements. Streaming, augmented reality, "smart" technologies, user generated content and artificial intelligence (AI) are expected to continue to drive greater demand for broadband, which we believe will allow us to capitalize on our fiber and 5G deployments. During 2025, we are focused on the core capabilities of our products, our infrastructure and our network. Our concentration is to aggregate the most traffic on the largest, lowest marginal cost, converged network through efficient spectrum deployment and construction of the largest high-capacity broadband solutions in the United States, while also working with regulators and customers to decommission high-cost legacy technologies over the next several years.

During 2024, we collaborated with Ericsson to lead the U.S. in commercial scale open radio access network (Open RAN) deployment to build a more robust ecosystem of network infrastructure providers and suppliers, fostering lower network costs, improved operational efficiencies and allowing for continued investment in our fast-growing broadband network. We plan for about 70% of our wireless network traffic to flow across open-capable platforms by late 2026. Beginning in 2025, we expect to scale this Open RAN environment throughout our wireless network in coordination with multiple suppliers. We believe the move to an open, agile, programmable wireless network positions us to quickly capitalize on the next generation of wireless technology and spectrum when it becomes available. These innovative technologies are expected to enable lower-power, sustainable networks with higher performance to deliver enhanced user experiences.

Wireless Service We continue to experience rapid growth in data usage as consumers are demanding seamless access across their wireless and wired devices, and businesses and municipalities are connecting more and more equipment and facilities to the internet. The deployment of 5G, which allows for faster connectivity, lower latency and greater bandwidth, requires modifications of existing cell sites to add equipment supporting new frequencies, like the C-Band and the 3.45 GHz band. The increased speeds and network operating efficiency expected with 5G technology should enable massive deployment of devices connected to the internet as well as faster delivery of data services. As the wireless industry has matured, with nearly full penetration of smartphones in the U.S. population, future wireless growth will depend on our ability to offer innovative services, plans and devices that bundle product offerings and take advantage of our 5G wireless network.

To support higher mobile data usage, our priority is to best utilize a wireless network that has sufficient spectrum and capacity to support these innovations on as broad a geographic basis as possible. We expect to continue to invest significant capital in expanding our network capacity, as well as obtaining additional spectrum, when available, that meets our long-term needs. We participate in FCC spectrum auctions and have been redeploying spectrum previously used for more basic services to support

more advanced mobile internet services. Additionally, in November 2024, we agreed to purchase select spectrum licenses from United States Cellular Corporation (UScellular) for approximately $1,000, subject to closing conditions, including the consummation of UScellular's proposed sale of its wireless operations and select spectrum assets to T-Mobile US, Inc.

In North America, our network covers over 440 million people with 4G LTE and over 314 million with 5G technology. In the United States, our network covers all major metropolitan areas and more than 336 million people with our LTE technology and more than 314 million people with our 5G technology.

Broadband Technology In 2020, we identified fiber as a core priority for our business and enhanced our focus to expand our fiber footprint and grow customers. At December 31, 2024, we had more than 9.3 million fiber consumer wireline broadband customers, adding 1.0 million during the year. The expansion builds on our recent investments to convert to a software-based network, managing the migration of wireline customers to services using our fiber infrastructure to provide broadband technology. Software-based technologies align with our global leadership in software defined network (SDN) and network function virtualization (NFV). This network approach delivers a demonstrable cost advantage in the deployment of next-generation technology over the traditional, hardware-intensive network approach. Our virtualized network supports next-generation applications like 5G and broadband-based services quickly and efficiently. At December 31, 2024, we had 15.3 million broadband connections, compared to 15.1 million broadband connections in the prior year.

Copper Decommissioning While building the network of the future, we are actively working to exit our legacy copper network operations across the large majority of our wireline footprint. Our exit strategy includes migrating customers to fiber and wireless alternatives, and working with policy-makers to decommission our inefficient and less reliable copper network. At December 31, 2024, we had 3.3 million network access lines in service and 127,000 DSL subscribers compared, to 4.2 million network access lines in service and 210,000 DSL subscribers in the prior year.

BUSINESS OPERATIONS

OPERATING SEGMENTS

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

Additional information about our segments, including financial information, is included under the heading "Segment Results" in Item 7 and in Note 4 of Item 8.

COMMUNICATIONS

Our Communications segment provides wireless and wireline telecom and broadband services to consumers located in the U.S. and businesses globally. Our Communications services and products are marketed under the AT&T, AT&T Business, Cricket, AT&T PREPAID℠, AT&T Fiber and AT&T Internet Air brand names. The Communications segment provided approximately 97% of 2024 segment operating revenues and accounted for substantially all of our 2024 total segment operating income. This segment contains the Mobility, Business Wireline and Consumer Wireline business units.

Mobility – Our Mobility business unit provides nationwide wireless service to consumers and wholesale and resale wireless subscribers located in the United States by utilizing our network to provide voice and data services, including high-speed internet over wireless devices. We classify our subscribers as either postpaid, prepaid or reseller. As of December 31, 2024, we served 118 million Mobility subscribers, including 89 million postpaid (73 million phone), 19 million prepaid and 10 million through resellers. Our Mobility business unit revenue includes the following categories: service and equipment.

Service

We offer a comprehensive range of high-quality nationwide wireless voice and data communications services in a variety of pricing plans to meet the communications needs of targeted customer categories. Through FirstNet® services, we also provide a nationwide wireless broadband network dedicated to public safety.

Consumers continue to require increasing availability of data-centric services and a network to connect and control those devices. An increasing number of our subscribers are using more advanced devices, including embedded computing systems and/or software, commonly called the Internet of Things (IoT). We offer unlimited plans that include features allowing for the sharing of voice, text and data across multiple devices, which attracts subscribers from other providers and helps minimize subscriber churn. We continue to upgrade our network and coordinate with equipment manufacturers and application developers to further capitalize on the continued growing demand for wireless data services.

We also offer nationwide wireless voice and data communications to certain customers who prefer to pay in advance. These services are offered under the Cricket and AT&T PREPAID brands and are typically monthly prepaid services.

Equipment
We sell a wide variety of handsets, wireless data cards and wireless computing devices manufactured by various suppliers for use with our voice and data services. We also sell accessories, such as carrying cases/protective covers and wireless chargers. We sell online and through our own company-owned stores, agents and third-party retail stores. We provide our customers the ability to purchase handsets on an installment basis and the opportunity to bring their own device. Subscribers that bring their own devices or retain handsets for longer periods impact upgrade activity. Like other wireless service providers, we also provide postpaid contract subscribers promotional equipment offers to initiate, renew or upgrade service.

Business Wireline – Our Business Wireline business unit provides services to business customers, including multinational corporations, small and mid-sized businesses, and governmental and wholesale customers. Our Business Wireline business unit revenue includes the following categories: service and equipment.

Service
We offer fiber and other advanced connectivity services, such as AT&T Dedicated Internet, fiber ethernet and broadband, fixed wireless, and hosted and managed professional services, as well as legacy voice and other transitional services comprised of copper-based voice and data, Virtual Private Networks (VPN), wholesale, outsourcing and IP sales. Historically, a majority of our Business Wireline service revenues came from legacy copper-based voice and data and traditional products; however, over recent years those services have been declining due to secular pressures.

We continue to reconfigure our wireline network to take advantage of the latest technologies and services, and rely on our SDN and NFV to enhance business customers' digital agility in a rapidly evolving environment. Some of the services we have offered historically are in secular decline and, going forward, we will focus on our owned and operated connectivity services powered by 5G and fiber as well as evaluating opportunities where we can turn down existing copper infrastructure.

Equipment
Equipment revenues include customer premises equipment.

Consumer Wireline – Our Consumer Wireline business unit provides broadband services, including fiber connections, AIA and legacy telephony voice communication services, to customers in the United States by utilizing our IP-based and copper wired network. Our Consumer Wireline business unit revenue includes the following categories: broadband, legacy voice and data services and other service and equipment.

Broadband Service
We provide broadband and internet services to approximately 14.1 million customers, including 9.3 million fiber broadband subscribers at December 31, 2024. With changes in video viewing preferences and the impacts of remote learning trends, we are experiencing increasing demand for high-speed broadband services. We believe our investment in expanding our industry-leading fiber network positions us to be a leader in wired connectivity. Our focus on fiber brings owners economics and expected efficiencies while we continue to evaluate opportunities where we can turn down existing copper infrastructure.

We believe that our flexible platform, with a broadband and wireless connection, is the most efficient way to transport direct-to-consumer video and data experiences both at home and on mobile devices. Through this integrated approach, we can optimize the use of storage in the home as well as in the cloud, while also providing a seamless service for consumers across screens and locations.

Legacy Voice and Data Services
Revenues from our traditional voice services continue to decline as customers switch to wireless or VoIP services provided by us, cable companies or other internet-based providers.

Other Service and Equipment
Other service revenues include VoIP services, customer fees and equipment.

Additional information on our Communications segment is contained in the "Overview" section of Item 7.

LATIN AMERICA
Our Latin America segment provides wireless service in Mexico. We utilize our regional and national wireless networks in Mexico to provide consumer and business customers with wireless data and voice communication services. The Latin America segment provided approximately 3% of 2024 segment operating revenues and less than 1% of our 2024 total segment operating income. We divide our revenue into the following categories: service and equipment.

Dollars in millions except per share amounts

Service
We provide postpaid and prepaid wireless services in Mexico to approximately 24 million subscribers under the AT&T and Unefon brands. Postpaid service allows for (1) no annual service contract for subscribers who bring their own device or purchase a device on installment and (2) service contracts for periods up to 36 months for subscribers who purchase their equipment under the traditional device subsidy model. We also offer prepaid plans.

Equipment
We sell a wide variety of handsets, including smartphones manufactured by various suppliers for use with our voice and data services. We sell through our own company-owned stores, agents and third-party retail stores.

Additional information on our Latin America segment is contained in the "Overview" section of Item 7.

MAJOR CLASSES OF SERVICE

The following table sets forth the percentage of total consolidated reported operating revenues by any class of service that accounted for 10% or more of our consolidated total operating revenues in any of the last three fiscal years:

	Percentage of Total Consolidated Operating Revenues		
	2024	2023	2022
Communications Segment			
Wireless service	**53 %**	52 %	50 %
Business service	**15**	17	18
Equipment	**17**	17	18
Latin America Segment			
Wireless service	**2**	2	2
Equipment	**1**	1	1

Additional information on our geographical distribution of revenues is contained in Note 4 of Item 8.

GOVERNMENT REGULATION

Facilities-based wireless communications providers in the United States, like AT&T, must be licensed by the FCC to provide communications services at specified spectrum frequencies within defined geographic areas and must comply with FCC rules and policies governing the use of the spectrum. The FCC's rules have a direct impact on whether the wireless industry has sufficient spectrum available to support the high-quality, innovative services our customers demand. Wireless licenses are issued for a fixed time period, typically 10 to 15 years, and we must seek renewal of these licenses. While the FCC has generally renewed licenses, the FCC has authority to both revoke a license for cause and to deny a license renewal if a renewal is not in the public interest. Additionally, while wireless communications providers' prices and service offerings have historically not been subject to prescriptive regulation, the federal government and various states periodically consider new regulations and legislation relating to various aspects of wireless services.

The Communications Act of 1934 and other related laws give the FCC broad authority to regulate the U.S. operations of our interstate telecommunications services. In addition, our ILEC subsidiaries are subject to regulation by state governments, which have the power to regulate intrastate rates and services, including local, long-distance and network access services, provided such state regulation is consistent with federal law. Some states have eliminated or reduced regulations on our retail offerings. These subsidiaries are also subject to the jurisdiction of the FCC with respect to intercarrier compensation, interconnection, and interstate and international rates and services, including interstate access charges. Access charges are a form of intercarrier compensation designed to reimburse our wireline subsidiaries for the use of their networks by other carriers.

We continue to support regulatory and legislative measures and efforts at both the federal and state levels to minimize and/or moderate regulatory burdens that are no longer appropriate in a competitive communications market and that inhibit our ability to compete more effectively and offer services wanted and needed by our customers, including initiatives to transition services from traditional networks to all IP-based networks. At the same time, we also seek to ensure that legacy regulations are not further extended to broadband or wireless services, which are subject to vigorous competition.

Our subsidiaries operating outside the United States are subject to the jurisdiction of national and supranational regulatory authorities in the market where service is provided.

For a discussion of significant regulatory issues directly affecting our operations, please see the information contained under the headings "Operating Environment and Trends of the Business" and "Regulatory Landscape" of Item 7, which information is incorporated herein by reference.

IMPORTANCE, DURATION AND EFFECT OF LICENSES

Certain of our subsidiaries own or have licenses to various patents, copyrights, trademarks and other intellectual property necessary to conduct business. Many of our subsidiaries also hold government-issued licenses or franchises to provide wireline or wireless services. Additional information relating to regulations affecting those rights is contained under the heading "Operating Environment and Trends of the Business" of Item 7. We actively pursue patents, trademarks and service marks to protect our intellectual property within the United States and abroad. We maintain a significant global portfolio of patents, trademarks and service mark registrations. We have also entered into licenses that permit other companies to utilize certain of our patents, trademarks, service marks, and technologies, in exchange for payments and subject to appropriate safeguards and restrictions. As we transition our network from a switch-based network to an IP, software-based network, we have increasingly entered into licensing agreements with software developers.

We periodically license third-party patents and other intellectual rights in exchange for payments. We also receive claims from third parties asserting that our products, services or technologies infringe on their patents or other intellectual property rights. These claims could require us to pay damages or acquire license rights, stop offering the relevant products or services, and/or cease network functions or other activities. While the outcome of any litigation is uncertain, we do not believe that the resolution of any of these infringement claims or the expiration or non-renewal of any of our intellectual property rights would have a material adverse effect on our results of operations.

MAJOR CUSTOMERS

No customer accounted for 10% or more of our consolidated revenues in 2024, 2023 or 2022.

COMPETITION

Competition continues to increase for communications and digital services from traditional and nontraditional competitors. Technological advances have expanded the types and uses of services and products available. In addition, lack of or a reduced level of regulation of comparable legacy services has lowered costs for alternative communications service providers. As a result, we face continuing competition as well as some new opportunities in significant portions of our business.

Wireless We face substantial competition in our wireless businesses. Under current FCC rules, multiple licensees, who provide wireless services on the cellular, PCS, Advanced Wireless Services, 700 MHz and other spectrum bands, may operate in each of our U.S. service areas. Our competitors include two national wireless providers; a larger number of regional providers and resellers of each of those providers' services; and certain cable companies. In addition, we face competition from providers who offer voice, text messaging and other services as applications on data networks. We are one of three facilities-based providers in Mexico (retail and wholesale), with the most significant market share controlled by América Móvil. We may experience significant competition from companies that provide similar services using other communications technologies and services. While some of these technologies and services are now operational, others are being developed or may be developed. We compete for customers based principally on service/device offerings, price, network quality, coverage area and customer service.

Broadband The desire for high-speed data on demand, including video, is continuing to lead customers to terminate their traditional wired or copper-based services and use our fiber or fixed wireless services or competitors' wireless, satellite and internet-based services. In most U.S. markets, we compete for customers with large cable companies and wireless broadband providers for high-speed internet and voice services.

Legacy Voice and Data We continue to lose legacy voice and data subscribers due to industry-wide secular declines and competitors (e.g., wireless, cable and VoIP providers) who can provide comparable services at lower prices because they are not subject to traditional telephone industry regulation (or the extent of regulation they are subject to is in dispute), utilize different technologies or promote a different business model. In most U.S. markets, we compete for customers with large cable companies and other smaller telecommunications companies.

Additionally, we provide local and interstate telephone and switched services to other service providers, primarily large internet service providers using the largest class of nationwide internet networks (internet backbone), wireless carriers, other telephone companies, cable companies and systems integrators. These services are subject to additional competitive pressures from the development of new technologies, the introduction of innovative offerings and increasing satellite, wireless, fiber-optic and cable transmission capacity for services.

RESEARCH AND DEVELOPMENT

AT&T scientists and engineers conduct research in a variety of areas, including IP networking, advanced network design and architecture, network and cybersecurity, network operations support systems and data analytics. The majority of the development activities are performed to create new services and to invent tools and systems to manage secure and reliable networks for us and our customers. Research and development expenses were $955 in 2024, $954 in 2023, and $1,236 in 2022.

HUMAN CAPITAL

Number of Employees As of December 31, 2024, we employed approximately 140,990 persons.

Employee Development We believe our success depends on our employees' success and that all employees must have the skills they need to thrive. We offer training and elective courses that give employees the opportunity to enhance their skills. We also intend to help cultivate the next generation of talent that will lead our company into the future by providing employees with educational opportunities through our internal training organization.

Labor Contracts Approximately 43% of our employees are represented by the Communications Workers of America (CWA), the International Brotherhood of Electrical Workers (IBEW) or other unions. After expiration of collective bargaining agreements, work stoppages or labor disruptions may occur in the absence of new contracts or other agreements being reached. The main contract set to expire in 2025 covers approximately 9,000 employees in Arkansas, Kansas, Missouri, Oklahoma and Texas and is set to expire in April.

Compensation and Benefits In addition to salaries, we provide a variety of benefit programs to help meet the needs of our employees. These programs cover active and former employees and may vary by subsidiary and region. These programs include 401(k) plans, pension benefits, and health and welfare benefits, among many others. In addition to our active employee base, at December 31, 2024, we had approximately 496,000 retirees and dependents who were eligible to receive retiree benefits.

We review our benefit plans to maintain competitive packages that reflect the needs of our workforce. We also adapt our compensation model to provide fair and inclusive pay practices across our business. We are committed to pay equity for employees who hold the same jobs, work in the same geographic area, and have the same levels of experience and performance.

Employee Wellness We provide our employees access to flexible and convenient health and welfare programs and workplace accommodations. We have prioritized self-care and emphasized a focus on wellness and providing flexible scheduling or time-off options.

Inclusion We believe that championing inclusion does more than just make us a better company, it contributes to a world where people are empowered to be their very best and it leads to a workforce that is representative of, and responsive to, the broad customer base that we serve. That is why we are committed to inclusion and one of the reasons why our company purpose is "to connect people to greater possibilities." This emanates from our unwavering pledge to ensure that employees feel included when they join AT&T, and are provided with opportunities for advancement, training and development to realize their full potential while working for the company.

We believe in attracting and hiring talented people who represent a mix of backgrounds and experiences. At AT&T, we have employee groups that reflect our large and varied workforce. These affinity groups provide opportunities for professional enrichment, leadership, community engagement, market development and networking. It is important that our employees feel they are included, valued, and are fully engaged in our success.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this document, including the matters contained under the heading "Cautionary Language Concerning Forward-Looking Statements," you should carefully read the matters described below. We believe that each of these matters could materially affect our business. Most, if not all, of these factors are beyond our ability to control.

Macro-Economic Factors:

Adverse changes in the U.S. securities markets, increasing interest rates, rising inflation and medical costs could materially increase our benefit plan costs and future funding requirements.

Our costs to provide current benefits and funding for future benefits are subject to increases, primarily due to continuing increases in medical and prescription drug costs, in part due to inflation, and can be affected by lower returns on assets held by our pension and other benefit plans, which are reflected in our financial statements for that year. In calculating the recognized benefit costs, we have made certain assumptions regarding future investment returns, interest rates and medical costs. These

assumptions could change significantly over time and could be materially different than originally projected. Lower than assumed investment returns, an increase in our benefit obligations, and higher than assumed medical and prescription drug costs will increase expenses.

The Financial Accounting Standards Board (FASB) requires companies to recognize the funded status of defined benefit pension and postretirement plans as an asset or liability in their statement of financial position and to recognize changes in that funded status in the year in which the changes occur. We have elected to reflect the annual adjustments to the funded status in our consolidated statement of income. Therefore, an increase in our costs or adverse market conditions will have a negative effect on our operating results.

Significant adverse changes in capital markets could result in the deterioration of our defined benefit plans' funded status.

Inflationary pressures on costs, such as inputs for devices we sell and network components, labor and distribution costs, may impact our network construction, our financial condition or results of operations.

As a provider of telecommunications and technology services, we sell handsets, wireless data cards, wireless computing devices and customer premises equipment manufactured by various suppliers for use with our voice and data services and depend on suppliers to provide us, directly or through other suppliers, with items such as network equipment, customer premises equipment, and wireless-related equipment such as mobile hotspots, handsets, wirelessly enabled computers, wireless data cards and other connected devices for our customers. In recent years, the costs of these inputs and the costs of labor necessary to develop, deploy and maintain our networks and our products and services have increased. In addition, many of these inputs are subject to price fluctuations from a number of factors, including, but not limited to, market conditions, demand for raw materials used in the production of these devices and network components, severe weather, energy costs, currency fluctuations, supplier capacities, governmental actions, import and export requirements (including tariffs), and other factors beyond our control. Inflationary and supply pressures may continue into the future and could have an adverse impact on our ability to source materials.

Our attempts to offset these cost pressures, such as through increases in the selling prices of some of our products and services, may not be successful. Higher product or service prices may result in reductions in sales volume or increases in subscriber churn. Consumers may be less willing to pay a price differential for our products and services and may increasingly purchase lower-priced offerings, or may forego some purchases altogether, during a period of inflationary pressure or an economic downturn. To the extent that price increases are not sufficient to offset these increased costs adequately or in a timely manner, and/or if they result in significant decreases in sales volume, our business, financial condition or operating results may be adversely affected. Furthermore, we may not be able to offset any cost increases through productivity and cost-saving initiatives.

Adverse changes in global financial markets could limit our ability and our larger customers' and suppliers' ability to access capital or increase the cost of capital needed to fund business operations.

In recent years, uncertainty surrounding global growth rates, inflation and the interest rate environment produced volatility in the credit, currency and equity markets. Volatility may affect companies' access to the credit markets, leading to higher borrowing costs, or, in some cases, the inability to fund ongoing operations. In addition, we contract with large financial institutions to support our own treasury operations, including contracts to hedge our exposure to interest rates and foreign exchange and the funding of credit lines and other short-term debt obligations, including commercial paper. These financial institutions face stricter capital-related and other regulations in the United States and Europe, as well as ongoing legal and financial issues concerning their loan portfolios, which may hamper their ability to provide credit or raise the cost of providing such credit.

A company's cost of borrowing is affected by evaluations given by various credit rating agencies, and these agencies have been applying tighter credit standards when evaluating debt levels and future growth prospects. While we have been successful in continuing to access the credit and fixed income markets when needed, adverse changes in the financial markets could render us either unable to access these markets or able to access these markets only at higher interest costs and with restrictive financial or other conditions, severely affecting our business operations. Additionally, downgrades of our credit rating by the major credit rating agencies could increase our cost of borrowing and also impact the collateral we would be required to post under certain agreements we have entered into with our derivative counterparties, which could negatively impact our liquidity. Further, valuation changes in our derivative portfolio due to interest rates and foreign exchange rates could require us to post collateral and thus may negatively impact our liquidity.

Our international operations increase our exposure to political instability, to changes in the international economy and to regulation on our business, and these risks could offset our expected growth opportunities.

We have international operations, particularly in Mexico, and other countries worldwide where we need to comply with a wide variety of complex local laws, regulations and treaties, and are subject to evolving political environments. In addition, we are

exposed to, among other factors, fluctuations in currency values, changes in relationships between U.S. and foreign governments, war or other hostilities, and other regulations that may materially affect our earnings. Involvement with foreign firms also exposes us to the risk of being unable to control the actions of those firms and therefore exposes us to risks associated with our obligation to comply with the Foreign Corrupt Practices Act (FCPA). Violations of the FCPA could have a material adverse effect on our operating results.

Industry-Wide Factors:

Changes to federal, state and foreign government regulations and decisions in regulatory proceedings, as well as private litigation, could further increase our operating costs and/or alter customer perceptions of our operations, which could materially adversely affect us.

Our subsidiaries providing wired services are subject to significant federal and state regulation, while many of our competitors are not. In addition, our subsidiaries and affiliates operating outside the United States are also subject to the jurisdiction of national and supranational regulatory authorities in the markets where service is provided. Our wireless subsidiaries are regulated to varying degrees by the FCC and in some instances, by state and local agencies. Adverse regulations and rulings by the courts, the FCC or states relating to broadband and wireless deployment,, could impede our ability to manage our networks and recover costs and lessen incentives to invest in our networks. The continuing growth of IP-based services, especially when accessed by wireless devices, has created or potentially could create conflicting regulation between the FCC and various state and local authorities, which may involve lengthy litigation to resolve and may result in outcomes unfavorable to us. In addition, in response to the Federal Aviation Administration (FAA) questioning whether cell sites transmitting C-Band spectrum could impact radio altimeter equipment on airplanes, we voluntarily committed to temporary, precautionary measures near certain airports through January 1, 2028, which may have limited impacts to deployments and services. In addition, increased public focus on a variety of issues related to our operations, such as privacy issues, government requests or orders for customer data, and concerns about global climate change, have led to proposals or new legislation at state, federal and foreign government levels to change or increase regulation on our operations, which could result in additional costs of compliance or litigation. Enactment of new privacy laws and regulations could, among other things, adversely affect our ability to collect data and offer targeted advertisements or result in additional costs of compliance or litigation. Should customers decide that our competitors offer a more customer-friendly environment, our competitive position, results of operations or financial condition could be materially adversely affected.

Extreme weather events and other potential effects of climate change may impose risk of damage to our infrastructure, our ability to provide services, and may cause changes in federal, state and foreign government regulation, all of which may result in potential adverse impact to our financial results.

The potential physical effects of extreme weather events and other potential effects of climate change, such as increased frequency and severity of storms, floods, fires, freezing conditions, sea-level rise and other climate-related events, could damage our networks and cause disruptions in our services, which could adversely affect our operations, infrastructure and financial results. Operational impacts resulting from the potential physical effects of climate change, such as damage to our network infrastructure, could result in increased costs and loss of revenue. While we currently do not believe the potential losses or costs associated with the physical effects of climate change will be material, it is difficult to accurately and precisely calculate the future impacts of the physical effects of climate change given the dynamic nature of climate change's impacts on the environment.

Continuing growth in and the converging nature of wireless and broadband services will require us to deploy significant amounts of capital and require ongoing access to spectrum in order to provide attractive services to customers.

Wireless and broadband services are undergoing rapid and significant technological changes and a dramatic increase in usage, including, in particular, the demand for faster and seamless usage of data across mobile and fixed devices. The COVID-19 pandemic accelerated these changes and also resulted in higher network utilization, as more customers consumed bandwidth from changes in work and learn from home trends. Streaming, augmented reality, "smart" technologies, user generated content and artificial intelligence (AI) are expected to continue to drive greater demand for broadband. We must continually invest in our networks in order to improve our wireless and broadband services to meet this increasing demand and changes in customer expectations while remaining competitive. Improvements in these services depend on many factors, including continued access to and deployment of adequate spectrum and the capital needed to expand our wireline network to support transport of these services. In order to stem broadband subscriber losses to cable competitors in our non-fiber wireline areas, we have been expanding our all-fiber wireline network. We must maintain and expand our network capacity and coverage for transport of data, including video, and voice between cell and fixed landline sites. To this end, we participate in spectrum auctions and continue to deploy software and other technology advancements in order to efficiently invest in our network.

We have spent, and plan to continue spending, significant capital and other resources on the ongoing development and deployment of our 5G and fiber networks. This deployment and other network service enhancements and product launches may

not occur as scheduled or at the cost expected due to many factors, including unexpected inflation, delays in determining equipment and wireless handset operating standards, supplier delays, software issues, increases in network and handset component costs, regulatory permitting delays for tower sites or enhancements, or labor-related delays. Deployment of new technology also may adversely affect the performance of the network for existing services. If we cannot acquire needed spectrum, if our 5G and fiber offerings fail to gain acceptance in the marketplace or if we otherwise fail to deploy the services customers desire on a timely basis with acceptable quality and at reasonable costs, then our ability to attract and retain customers, and, therefore, maintain and improve our operating margins, could be materially adversely affected. In 2023, the FCC's statutory authority to conduct spectrum auctions lapsed and it is uncertain when Congress will act to reauthorize it. Also in 2023, the federal government released a national spectrum strategy that focused on spectrum sharing but did not include terms of future spectrum sharing model(s) or specific timelines to make additional spectrum bands available for 5G and future generations of service. As a result, the federal government's ability and intent to make sufficient spectrum available to the industry in needed timeframes and on terms suitable for mobile broadband network deployments remains uncertain.

Increasing competition could materially adversely affect our operating results.

We have multiple wireless competitors in each of our service areas and compete for customers based principally on service/device offerings, price, network quality, reliability, speed, coverage area and customer service. In addition, we are facing growing competition from providers offering services using advanced wireless technologies and IP-based networks, among others. We expect market saturation to continue, which may cause the wireless industry's customer growth rate to moderate in comparison with historical growth rates, leading to increased competition for customers, including from strategic alliances in converged connectivity. Our share of industry sales could be reduced due to aggressive pricing or promotional strategies pursued by competitors. We also expect that our customers' growing demand for high-speed video and data services will place constraints on our network capacity. These competition and capacity constraints will continue to put pressure on pricing and margins as companies compete for potential customers. Additionally, we may not be able to accurately predict future consumer demands or the success of new services in markets. Our ability to address these issues will depend, among other things, on continued improvement in network quality and customer service and our ability to price our products and services competitively as well as effective marketing of attractive products and services. These efforts will involve significant expenses and require strategic management decisions on, and timely implementation of, equipment choices, network deployment and service offerings. In addition, a sustained decline in a reporting unit's revenues and earnings has resulted in the past, and may again result in the future, in a significant negative impact on its fair value, requiring us to record an impairment charge, which could have an adverse impact on our results of operations.

Intellectual property rights may be inadequate to take advantage of business opportunities, which may materially adversely affect our operations.

We may need to spend significant amounts of money to protect our intellectual property rights. Any impairment of our intellectual property rights, including due to changes in U.S. or foreign intellectual property laws or the absence of effective legal protections or enforcement measures, could materially adversely impact our operations.

Incidents or public assertions leading to damage to our reputation or questions about our business conduct, and any resulting lawsuits, claims or other legal proceedings, could have a material adverse effect on our business.

We believe that our brand image, awareness and reputation strengthen our relationship with consumers and contribute significantly to the success of our business. Our reputation and brand image could be negatively affected by a number of factors, including quality or reliability issues related to our services, products and operations; cybersecurity incidents and data breaches, including our actual or perceived responses thereto; regulatory compliance; governance issues; our actual or perceived position or lack of position on social and other sensitive matters; and the conduct of our employees and former employees. Our ability to attract and retain employees is highly dependent upon our commitment to an inclusive workplace, ethical business practices and other qualities.

We currently are, and may in the future be, named as a defendant in lawsuits, claims and other legal proceedings that arise in the ordinary course of our business based on alleged acts of misconduct by employees. These actions seek, among other things, compensation for alleged personal injury (including claims for loss of life), workers' compensation, employment discrimination, sexual harassment, workplace misconduct, wage and hour claims and other employment-related damages, compensation for breach of contract, statutory or regulatory claims, negligence or gross negligence, punitive damages, consequential damages, and civil penalties or other losses or injunctive or declaratory relief. The outcome of any allegations, lawsuits, claims or legal proceedings is inherently uncertain and could result in significant costs, damage to our brands or reputation and diversion of management's attention from our business. In 2023, *The Wall Street Journal* published a series of articles alleging that lead-clad telecommunications cables are a public-health hazard or may pose environmental risks. We are currently subject to litigation and have received inquiries from government authorities as a result of these assertions. We may be subject to additional litigation, government investigations and potentially new regulation or legislation relating to lead-clad cables. Any damage to our reputation or payments of significant amounts as a result of any of these issues, even if reserved, could materially and adversely affect our business, ability to serve customers, reputation, financial condition, results of operations and cash flows.

Our business is subject to risks related to public health crises.

Public health crises and resulting mitigation measures have in the past, and may in the future, cause a negative effect on our operating results. These effects include, but are not limited to, closure of retail stores; impact on our customers' ability to pay for our products and services; reduction in international roaming revenue; and reduced staffing levels in call centers and field operations. We also have in the past, and may in the future, incur significantly higher expenses attributable to infrastructure investments and increased labor costs due to public health crises.

Company-Specific Financial Factors:

Customer adoption of new software-based technologies may require higher-quality services from us, and meeting these demands could create supply chain issues and could increase capital costs.

The communications industry has experienced rapid changes in the past several years. An increasing number of our customers are using mobile devices as their primary means of viewing video. In addition, businesses and government bodies are broadly shifting to wireless-based services for homes and infrastructure to improve services to their respective customers and constituencies. We have spent, and continue to spend, significant capital to shift our wired network to software-based technology and are expanding 5G wireless technology to address these demands. We have entered and continue to enter into a significant number of software licensing agreements and continue to work with software developers to provide network functions in lieu of installing switches or other physical network equipment in order to respond to rapid developments in wireless demand. While software-based functionality can be changed much more quickly than, for example, physical switches, the rapid pace of development means that we may increasingly need to rely on single-source and software solutions that have not previously been deployed in production environments. Should this software not function as intended or our license agreements provide inadequate protection from intellectual property infringement claims, we could be forced to either substitute (if available) or else spend time to develop alternative technologies at a much higher cost and incur harm to our reputation for reliability, and, as a result, our ability to remain competitive could be materially adversely affected.

We depend on various suppliers to provide equipment to operate our business and satisfy customer demand, and interruption or delay in supply can adversely impact our operating results.

We depend on suppliers to provide us, directly or through other suppliers, with items such as network equipment, customer premises equipment and wireless-related equipment such as mobile hotspots, handsets, wirelessly enabled computers, wireless data cards and other connected devices for our customers. In some instances, we depend on key single-source suppliers to provide important inputs where there are few alternative suppliers available. These suppliers could fail to provide equipment on a timely or cost-effective basis, or fail to meet our performance expectations, for a number of reasons, including difficulties in obtaining export licenses for certain technologies, inflationary pressures, inability to secure component parts, general business disruption, natural disasters, safety issues, economic and political instability, including the outbreak of war and other hostilities, and public health emergencies. These factors have caused, and may again cause, delays in the development, manufacturing (including the sourcing of key components) and shipment of products to the extent that we or our suppliers are impacted. In certain limited circumstances, suppliers have been unable to supply products in a timely fashion, affecting our ability to provide products and services precisely as and when requested by our customers. It is possible that, in some circumstances, we could be forced to switch to a different key supplier or be unable to meet customer demand for certain products or services. Because of the cost and time lag that can be associated with transitioning from one supplier to another, our business could be substantially disrupted if we were required to, or chose to, replace the products of one or more key suppliers with products from another source, especially if the replacement became necessary on short notice. Any such disruption could increase our costs, decrease our operating efficiencies and have a negative effect on our operating results.

Increasing costs to provide services and failure to renew agreements on favorable terms, or at all, could adversely affect operating margins.

Our operating costs, including customer acquisition and retention costs, could continue to put pressure on margins and customer retention levels.

A number of our competitors offering comparable legacy services that rely on alternative technologies and business models are typically subject to less regulation, and therefore are able to operate with lower costs. These competitors generally can focus on discrete customer segments since they do not have regulatory obligations to provide universal service. Also, these competitors have cost advantages compared to us, due in part to operating on newer, more technically advanced and lower-cost networks with a nonunionized workforce, lower employee benefits and fewer retirees. We are transitioning services from our copper-based network and seeking regulatory approvals, where needed, at both the state and federal levels. If we do not obtain regulatory approvals for our network transition or obtain approvals with onerous conditions, we could experience significant cost and competitive disadvantages.

A significant portion of our workforce is represented by labor unions, and we could incur additional costs or experience work stoppages as a result of the renegotiation of our labor contracts.

As of December 31, 2024, approximately 43% of our workforce was represented by the Communications Workers of America (CWA), the International Brotherhood of Electrical Workers (IBEW) or other unions. While we have labor contracts in place with these unions, with subsequent negotiations we have in the past and could in the future incur additional costs and/or experience work stoppages, which could adversely affect our business operations.

We may not realize or sustain the expected benefits from our business transformation initiatives, and these efforts could have a materially adverse effect on our business, operations, financial condition, results of operations and competitive position.

We have been and will be undertaking certain transformation initiatives, which are designed to reduce costs, enable legacy rationalization, streamline and modernize distribution and customer service, remove redundancies and simplify and improve processes and support functions. Our focus is on supporting added customer value with an improved customer experience. We intend for these efficiencies to enable increased investments in our strategic areas of focus, which include improving broadband connectivity (for example, fiber and 5G). We also expect these initiatives to drive efficiencies and improved margins. If we do not successfully manage and timely execute these initiatives, or if they are inadequate or ineffective, we may fail to meet our financial goals and achieve anticipated benefits, improvements may be delayed, not sustained or not realized, and our business, operations and competitive position could be adversely affected. Further, we are using and intend to further use artificial intelligence (AI)-driven efficiencies in our network design and operations, software development, sales, marketing, customer support services and general and administrative costs. The models used in those products, particularly generative AI models, may produce output or take action that is incorrect, release private or confidential information, reflect biases included in the data on which they are trained, infringe on the intellectual property rights of others, or be otherwise harmful. Any of these risks could expose us to liability or adverse legal or regulatory consequences and harm our reputation and the public perception of our business or the effectiveness of our security measures.

Unfavorable litigation or governmental investigation results could require us to pay significant amounts or lead to onerous operating procedures.

We are subject to a number of lawsuits both in the United States and in foreign countries, including, at any particular time, claims relating to antitrust, patent infringement, wage and hour, personal injury, environmental, customer data and privacy violations, cyberattacks, regulatory proceedings, breach of contract, and selling and collection practices. We also spend substantial resources complying with various government standards, which may entail related investigations and litigation. In the wireless and wireline area, we also face current and potential litigation relating to alleged adverse health effects on customers or employees who use such technologies including, for example, wireless devices. We may incur significant expenses defending such suits or government charges and may be required to pay amounts or otherwise change our operations in ways that could materially adversely affect our operations or financial results.

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

Cyberattacks – including through the use of malware, computer viruses, distributed denial of services attacks, ransomware attacks, credential harvesting, social engineering and other means for obtaining unauthorized access to or disrupting the operation of our networks and systems or accessing our data and those of our suppliers, vendors and other service providers – could have a material adverse effect on our operations or results of operations. As a critical infrastructure service provider, the Company believes that it is a particularly attractive target for such cyberattacks, including from nation states and highly sophisticated, state-sponsored, or otherwise well-funded actors, and the Company experiences heightened risk from time to time as a result of geopolitical events.

Cyberattacks can cause equipment or network failures, copying or loss of information, including sensitive personal information of customers or employees or proprietary information, as well as disruptions to our or our customers', suppliers' or vendors' operations, which could result in significant expenses, potential investigations and legal liability, a loss of current or future customers and reputational damage. Additional resources and management attention may be necessary to respond to government inquiries and requirements, including potentially conflicting demands and requirements from multiple government agencies. Moreover, the amount and scope of insurance that we maintain against losses resulting from any such events or security breaches may not be sufficient to cover our losses or otherwise adequately compensate us for any disruptions to our business that may result. As our networks evolve, they are becoming increasingly reliant on software and cloud technologies to handle growing demands for data consumption. Cyberattacks against the Company and its suppliers and vendors have occurred in the past, including from highly sophisticated, state-sponsored actors as noted above, and will continue to occur in the future and are increasing in frequency, scope and potential harm over time. For example, in July 2024, the Company disclosed a cybersecurity incident on Item 1.05 of Form 8-K relating to the copying of mobile customer call data.

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

Extensive and costly efforts are undertaken to develop and test systems before deployment and to conduct ongoing monitoring and updating to prevent and withstand such attacks. While the Company may have contractual rights to assess the effectiveness of many of its suppliers' and vendors' systems and protocols, the Company cannot know or assess the effectiveness of all of our providers' systems and controls at all times. While, to date, we have not been subject to a cyberattack that has had a material adverse effect on our operations or results of operations, the preventive actions we take, or our suppliers or vendors take, to reduce the risks associated with cyberattacks may be insufficient to repel or mitigate the effects of a major cyberattack in the future.

Natural disasters, extreme weather conditions or terrorist or other hostile acts could cause damage to our infrastructure and result in significant disruptions to our operations.

Our business operations could be subject to interruption by equipment or network failures caused by human error, system failures, unauthorized access to our network and critical infrastructure, power outages, terrorist or other hostile acts, including acts of war, and natural disasters, such as flooding, hurricanes and forest fires. Such events could cause significant damage to the infrastructure upon which our business operations rely, resulting in degradation or disruption of service to our customers, as well as significant recovery time and expenditures to resume operations. Our system redundancy and other measures we take to protect our infrastructure and operations from the impacts of such events may be ineffective or inadequate to sustain our operations through all such events. Any of these occurrences could result in lost revenues from business interruption, damage to our reputation and reduced profits.

Increases in our debt levels to fund spectrum purchases, or other strategic decisions could adversely affect our ability to finance future debt at attractive rates and reduce our ability to respond to competition and adverse economic trends.

We have incurred debt to fund significant acquisitions, as well as spectrum purchases needed to compete in our industry. While we believe such decisions were prudent and necessary to take advantage of both growth opportunities and respond to industry developments, we did experience credit rating downgrades from historical levels. Banks and potential purchasers of our publicly traded debt may decide that these strategic decisions and similar actions we may take in the future, as well as expected trends in the industry, will continue to increase the risk of investing in our debt and may demand a higher rate of interest, impose restrictive covenants or otherwise limit the amount of potential borrowing. Additionally, our capital allocation plan is focused on, among other things, managing our debt level going forward. Any failure to successfully execute this plan could adversely affect our cost of funds, liquidity, competitive position and access to capital markets.

Our business may be impacted by changes in tax laws and regulations, judicial interpretations of the same or administrative actions by federal, state, local and foreign taxing authorities.

Tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. In many cases, the application of existing, newly enacted or amended tax laws (such as the U.S. Tax Cuts and Jobs Act of 2017 and the Inflation Reduction Act of 2022) may be uncertain and subject to differing interpretations, especially when evaluated against ever-changing products and services provided by our global telecommunications and technology businesses. In addition, tax legislation has been introduced or is being considered in various jurisdictions that could significantly impact our tax rate, tax liabilities and carrying value of deferred tax assets or deferred tax liabilities. Any of these changes could materially impact our financial performance and our tax provision, net income and cash flows.

We are also subject to ongoing examinations by taxing authorities in various jurisdictions. Although we regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of provisions for taxes, there can be no assurance as to the outcome of these examinations. In the event that we have not accurately or fully described, disclosed or determined, calculated or remitted amounts that were due to taxing authorities or if the ultimate determination of our taxes owed is for an amount in excess of amounts previously accrued, we could be subject to additional taxes, penalties and interest, which could materially impact our business, financial condition and operating results.

If the distribution of WarnerMedia, together with certain related transactions, were to fail to qualify for non-recognition treatment for U.S. federal income tax purposes under audit, then we could be subject to significant tax liability.

In connection with the WarnerMedia/Discovery Transaction, AT&T received a favorable Private Letter Ruling from the Internal Revenue Service (IRS). Nonetheless, the IRS or another applicable tax authority could determine on audit that the distribution by us of WarnerMedia to our stockholders and certain related transactions should be treated as taxable transactions

if it determines that any of the facts, representations or undertakings made in connection with the request for the ruling were incorrect or are violated. We may be entitled to indemnification from Warner Bros. Discovery (Warner Bros.) in the case of certain breaches of representations or undertakings by Warner Bros. under the tax matters agreement related to the WarnerMedia/Discovery Transaction. However, we could potentially be required to pay such tax prior to reimbursement from Warner Bros., and such indemnification is subject to Warner Bros.' credit risk. If the IRS or another tax authority were to so conclude, there could be a material adverse impact on our business, financial condition, results of operations and cash flows.

CAUTIONARY LANGUAGE CONCERNING FORWARD-LOOKING STATEMENTS

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

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

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

Readers are cautioned that other factors discussed in this report, although not enumerated here, also could materially affect our future earnings.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 1C. CYBERSECURITY

Governance

Board and Audit Committee Oversight
Our Board of Directors has delegated to the Audit Committee the oversight responsibility to review and discuss with management the Company's privacy and data security, including cybersecurity, risk exposures, policies and practices, and the steps management has taken to detect, monitor and control such risks and the potential impact of those exposures on our business, financial results, operations and reputation. The full Board and Audit Committee regularly receive reports and presentations on privacy and data security, which address relevant cybersecurity issues and risks and span a wide range of topics. These reports and presentations are provided by officers with responsibility for privacy and data security, who include our Chief Information Security Officer (CISO), Chief Technology Officer (CTO) and AT&T's Legal team. In addition to regular reports to the Audit Committee, we have protocols by which certain security incidents are escalated within the Company and, where appropriate, reported in a timely manner to the Audit Committee.

Chief Security Office/CISO
We maintain a Chief Security Office (CSO), which is charged with management-level responsibility for all aspects of network and information security within the Company. Led by our CISO and comprised of a large team of highly trained security professionals across multiple countries, the CSO is responsible for:

a. establishing the policies, standards and requirements for the security of AT&T's computing and network environments;
b. protecting AT&T-owned and -managed assets and resources against unauthorized access by monitoring potential security threats, correlating network events and overseeing the execution of corrective actions;
c. promoting compliance with AT&T's security policies and network and information security program in a consistent manner on network systems and applications; and
d. providing security thought leadership in the global security arena.

Our CISO plays the key management role in assessing and managing our material risks from cybersecurity threats. The CISO also works closely with AT&T Legal to oversee compliance with legal, regulatory and contractual security requirements. The CISO has extensive technical leadership experience and cybersecurity expertise, gained from approximately 20 years of experience, including serving as the Chief Information Security Officer and Director of the Office of Cybersecurity at a U.S. government agency, in addition to serving as the Chief Information Security Officer of two large public companies. Prior to that, he served for 20 years in the U.S. military, in various information technology roles of increasing seniority. The security professionals in the CSO have cybersecurity backgrounds and expertise relevant to their roles, including, in certain circumstances, relevant industry certifications.

Risk Management and Strategy

We maintain a network and information security program that is reasonably designed to protect our information, and that of our customers, from unauthorized risks to their confidentiality, integrity or availability. Our program encompasses the CSO and its policies, platforms, procedures and processes for assessing, identifying, and managing risks from cybersecurity threats, including third-party risk from vendors and suppliers. The program is integrated into our overall risk management framework and is generally designed to identify and respond to security incidents and threats in a timely manner to minimize the loss or compromise of information assets and to facilitate incident resolution.

We maintain continuous and near-real-time security monitoring of the AT&T network for investigation, action and response to network security events. This security monitoring leverages tools, where available, such as near-real-time data correlation, situational awareness reporting, active incident investigation, case management, trend analysis and predictive security alerting. We assess, identify and manage risks from cybersecurity threats through various mechanisms, which from time to time may include tabletop exercises to test our preparedness and incident response process, business unit assessments, control gap analyses, threat modeling, impact analyses, internal audits, external audits, penetration tests and engaging third parties to conduct analyses of our information security program. When circumstances warrant, we also retain external cybersecurity experts to assist the CSO. We conduct vulnerability testing and assess identified vulnerabilities for severity, the potential impact to AT&T and our customers, and likelihood of occurrence. We regularly evaluate security controls to maintain their functionality in accordance with security policy. We also obtain cybersecurity threat intelligence from recognized forums, third parties and other sources as part of our risk assessment process. In addition, as a critical infrastructure entity, we collaborate

with numerous agencies in the U.S. government to help protect U.S. communications networks and critical infrastructure, which, in turn, informs our cybersecurity threat intelligence.

With respect to incident response, the Company has adopted a Cybersecurity Incident Response Plan, as well as a Data Privacy Incident Response Plan that applies if customer information has been compromised (together, the "IRPs"), to provide a common framework for responding to security incidents. This framework establishes procedures for identifying, validating, categorizing, documenting and responding to security events that are identified by or reported to the CSO. The IRPs apply to all AT&T personnel (including contractors and partners) that perform functions or services that require securing AT&T information and computing assets, and to all devices and network services that are owned or managed by the Company.

The IRPs set out a coordinated, multi-functional approach for investigating, containing and mitigating incidents, including reporting findings to senior management and other key stakeholders and keeping them informed and involved as appropriate. In general, our incident response process follows the NIST (National Institute of Standards and Technology) framework and focuses on four phases: preparation; detection and analysis; containment, eradication and recovery; and post-incident remediation.

Impact of Cybersecurity Risk

In 2024, we did not identify and were not aware of any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, that we believe have materially affected or are reasonably likely to materially affect our business strategy, results of operations or financial condition. For a discussion of cybersecurity risk, please see the information contained under the heading "Cyberattacks impacting our networks, systems or data or those of our suppliers or vendors may have a material adverse effect on our operations or results of operations" of Item 1A.

ITEM 2. PROPERTIES

Our properties do not lend themselves to description by character and location of principal units. At December 31, 2024, of our total property, plant and equipment, central office equipment represented 29%; outside plant (including cable, wiring and other non-central office network equipment) represented 27%; other equipment, comprised principally of wireless network equipment attached to towers, furniture and office equipment and vehicles and other work equipment, represented 25%; land, building and wireless communications towers represented 12%; and other miscellaneous property represented 7%.

For our Communications segment, substantially all of the installations of central office equipment are located in buildings and on land we own. Many garages, administrative and business offices, wireless towers, telephone centers and retail stores are leased. Property on which communications towers are located may be either owned or leased.

ITEM 3. LEGAL PROCEEDINGS

We are a party to numerous lawsuits, regulatory proceedings and other matters arising in the ordinary course of business. As of the date of this report, we do not believe any pending legal proceedings to which we or our subsidiaries are subject are required to be disclosed as material legal proceedings pursuant to this item.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

Dollars in millions except per share amounts

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

As of February 1, 2025

Name	Age	Position	Held Since
John T. Stankey	62	Chief Executive Officer and President	7/2020
F. Thaddeus Arroyo	61	Chief Strategy and Development Officer	5/2022
Pascal Desroches	60	Senior Executive Vice President and Chief Financial Officer	4/2021
Edward W. Gillespie	63	Senior Executive Vice President - External and Legislative Affairs, AT&T Services, Inc.	4/2020
Kellyn S. Kenny	47	Chief Marketing and Growth Officer	5/2022
Lori M. Lee	59	Global Marketing Officer and Senior Executive Vice President - Human Resources and International	8/2023
Jeremy Legg	55	Chief Technology Officer, AT&T Services, Inc.	5/2022
David R. McAtee II	56	Senior Executive Vice President and General Counsel	10/2015
Jeffery S. McElfresh	54	Chief Operating Officer	5/2022

The above executive officers have held high-level managerial positions with AT&T or its subsidiaries for more than the past five years, except for Mr. Desroches, Mr. Gillespie, Ms. Kenny and Mr. Legg. Executive officers are not appointed to a fixed term of office.

Mr. Desroches was previously Executive Vice President - Finance of AT&T from November 2020 to March 2021, Executive Vice President and Chief Financial Officer of WarnerMedia from June 2018 to November 2020, and Executive Vice President and Chief Financial Officer of Turner from January 2015 to June 2018.

Mr. Gillespie was previously Managing Director of Sard Verbinnen & Co. from June 2018 to April 2020, Founder and Principal of Ed Gillespie Strategies from February 2009 to December 2016, and Counselor to the President for George W. Bush, Executive Office of the President at The White House, from July 2007 to January 2009.

Ms. Kenny was previously Chief Marketing and Growth Officer, AT&T Communications, LLC from November 2020 to May 2022. Prior to that she was Global Chief Marketing Officer of Hilton Worldwide Holdings from January 2018 to June 2020 and Vice President of Marketing for Uber Technologies from April 2016 to January 2018.

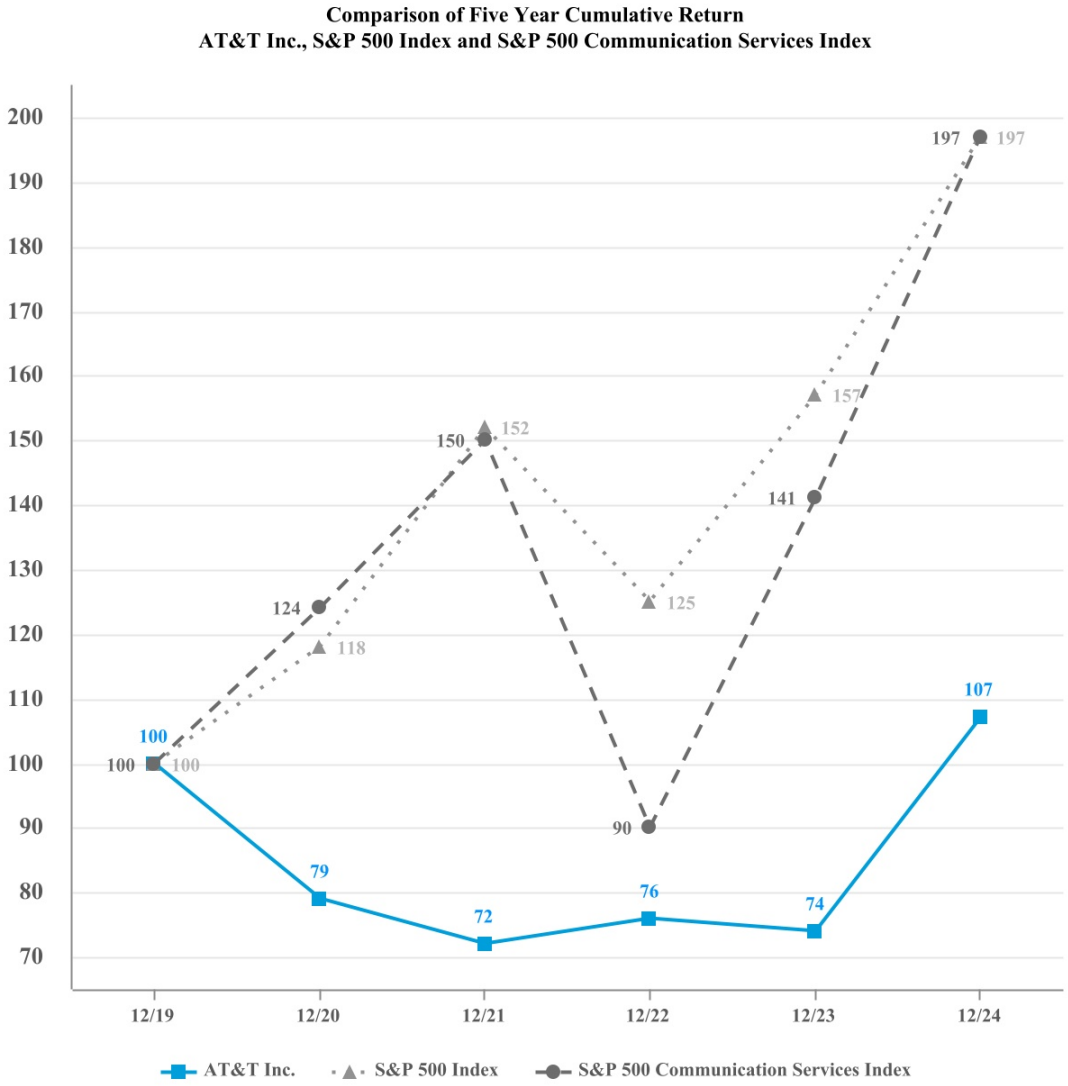
Mr. Legg was previously Chief Technology Officer - AT&T Technology Services of AT&T from June 2020 to April 2022, Chief Technology Officer of WarnerMedia from December 2018 to June 2020, and Chief Technology Officer of Turner from June 2015 to December 2018.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is listed on the New York Stock Exchange under the ticker symbol "T". The number of stockholders of record as of December 31, 2024 and 2023 was 712,700 and 749,207. The number of stockholders of record as of January 31, 2025, was 710,181. We declared dividends on common stock, on a quarterly basis, totaling $1.11 per share in 2024 and 2023.

STOCK PERFORMANCE GRAPH



The comparison above assumes $100 invested on December 31, 2019, in AT&T common stock and the following Standard & Poor's (S&P) Indices: S&P 500 Index and S&P 500 Communication Services Index. Total return equals stock price appreciation plus reinvestment of dividends.

Dollars in millions except per share amounts

A summary of our repurchases of common stock during the fourth quarter of 2024 is as follows:

ISSUER PURCHASES OF EQUITY SECURITIES

Period	(a) Total Number of Shares (or Units) Purchased[1,2]	(b) Average Price Paid Per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs[1]	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) That May Yet Be Purchased Under The Plans or Programs[1]
October 1, 2024 –				
October 31, 2024	424,825	$ 22.12	36,300	143,695,672
November 1, 2024 –				
November 30, 2024	504	$ 22.54	—	143,695,672
December 1, 2024 –				
December 31, 2024	128,898	$ 22.57	—	$ 10,000
Total	554,227	$ 22.22	36,300	

[1] In March 2014, our Board of Directors approved an authorization to repurchase up to 300 million shares of our common stock. The authorization had no expiration date. In December 2024, our Board of Directors approved an authorization to repurchase up to $10,000 of common stock and terminated the March 2014 authorization. No repurchases were made in December 2024 under the March 2014 authorization. The December 2024 authorization has no expiration date.

[2] Of the shares purchased, 517,927 shares were acquired through the withholding of taxes on the vesting of restricted stock and performance shares or in respect of the exercise price of options.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

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

Our Management's Discussion and Analysis of Financial Condition and Results of Operations included in this document generally discusses 2024 and 2023 items and year-to-year comparisons between 2024 and 2023. Discussions of 2022 items and year-to-year comparisons between 2023 and 2022 that are not included in this document can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

On April 8, 2022, we closed our transaction to combine substantially all of our previous WarnerMedia segment (WarnerMedia) with a subsidiary of Discovery, Inc (Discovery). Upon the separation and distribution of WarnerMedia, the WarnerMedia business met the criteria for discontinued operations. For discontinued operations, we also evaluated transactions that were components of AT&T's single plan of a strategic shift, including dispositions that did not individually meet the criteria due to materiality, and determined discontinued operations to be comprised of WarnerMedia, Vrio, Xandr and Playdemic Ltd. (Playdemic). These businesses are reflected in the accompanying financial statements as discontinued operations, including for periods prior to the consummation of the WarnerMedia/Discovery Transaction. (See Notes 6 and 24)

Dollars in millions except per share amounts

We have two reportable segments: Communications and Latin America. Our segment results presented in Note 4 and discussed below follow our internal management reporting. Each segment's percentage calculation of total segment operating revenue is derived from our segment results table in Note 4. Segment operating income is primarily attributable to our Communications segment due to prior-years operating losses in Latin America. Percentage increases and decreases that are not considered meaningful are denoted with a dash.

				Percent Change	
	2024	2023	2022	**2024 vs. 2023**	2023 vs. 2022
Operating Revenues					
Communications	**$ 117,652**	$ 118,038	$ 117,067	**(0.3) %**	0.8 %
Latin America	**4,232**	3,932	3,144	**7.6**	25.1
Corporate	**452**	458	530	**(1.3)**	(13.6)
AT&T Operating Revenues	**$ 122,336**	$ 122,428	$ 120,741	**(0.1) %**	1.4 %
Operating Income					
Communications	**$ 27,095**	$ 27,801	$ 26,736	**(2.5) %**	4.0 %
Latin America	**40**	(141)	(326)	**—**	56.7
Segment Operating Income	**27,135**	27,660	26,410	**(1.9)**	4.7
Corporate	**(2,902)**	(2,961)	(2,890)	**2.0**	(2.5)
Certain significant items	**(5,184)**	(1,238)	(28,107)	**—**	95.6
AT&T Operating Income (Loss)	**$ 19,049**	$ 23,461	$ (4,587)	**(18.8) %**	— %

The ***Communications segment*** accounted for approximately 97% of our 2024 and 2023 total segment operating revenues and accounted for substantially all segment operating income in 2024 and 2023. This segment provides services to businesses and consumers located in the United States and businesses globally. Our business strategies reflect integrated product offerings that cut across product lines and utilize shared assets. This segment contains the following business units:

- **Mobility** provides nationwide wireless service and equipment.
- **Business Wireline** provides advanced ethernet-based fiber services, fixed wireless services, IP Voice and managed professional services, as well as legacy voice and data services and related equipment, to business customers.
- **Consumer Wireline** provides broadband services, including fiber connections that provide multi-gig services, and AIA services, to residential customers in select locations. Consumer Wireline also provides legacy telephony voice communication services.

The ***Latin America segment*** accounted for approximately 3% of our 2024 and 2023 total segment operating revenues and less than 1% of segment operating income in 2024. This segment provides wireless service and equipment in Mexico.

Dollars in millions except per share amounts

RESULTS OF OPERATIONS

Consolidated Results Our financial results from continuing operations are summarized in the following table. We then discuss factors affecting our overall results from continuing operations. Additional analysis is discussed in our "Segment Results" section. We also discuss our expected revenue and expense trends for 2025 in the "Operating Environment and Trends of the Business" section.

				Percent Change	
	2024	2023	2022	**2024 vs. 2023**	2023 vs. 2022
Operating revenues					
Service	**$ 100,135**	$ 99,649	$ 97,831	**0.5 %**	1.9 %
Equipment	**22,201**	22,779	22,910	**(2.5)**	(0.6)
Total Operating Revenues	**122,336**	122,428	120,741	**(0.1)**	1.4
Operating expenses					
Operations and support	**77,632**	78,997	79,809	**(1.7)**	(1.0)
Asset impairments and abandonments and restructuring	**5,075**	1,193	27,498	**—**	(95.7)
Depreciation and amortization	**20,580**	18,777	18,021	**9.6**	4.2
Total Operating Expenses	**103,287**	98,967	125,328	**4.4**	(21.0)
Operating Income (Loss)	**19,049**	23,461	(4,587)	**(18.8)**	—
Interest expense	**6,759**	6,704	6,108	**0.8**	9.8
Equity in net income of affiliates	**1,989**	1,675	1,791	**18.7**	(6.5)
Other income (expense) – net	**2,419**	1,416	5,810	**70.8**	(75.6)
Income (Loss) from Continuing Operations Before Income Taxes	**16,698**	19,848	(3,094)	**(15.9)**	—
Income (Loss) from Continuing Operations	**$ 12,253**	$ 15,623	$ (6,874)	**(21.6) %**	— %

OVERVIEW

Operating revenues decreased in 2024, reflecting declines in Business Wireline service, primarily due to continued declines in legacy services, and Mobility equipment revenues, offset by higher Mobility service, Consumer Wireline and Mexico revenues.

Operations and support expenses decreased in 2024, reflecting lower Mobility equipment costs resulting from lower wireless sales volumes and expense declines from our continued transformation efforts, including lower personnel charges.

Asset impairments and abandonments and restructuring increased in 2024. The increase in 2024 was primarily due to a third-quarter noncash goodwill impairment charge of $4,422 associated with our Business Wireline reporting unit. We performed an interim goodwill impairment test of the Business Wireline reporting unit and concluded that the calculated fair value was lower than the book value, which was driven by a faster-than-previously anticipated industry-wide secular decline of legacy services (see Note 9). Noncash charges in 2024 also included restructuring charges, including termination fees associated with our network modernization program to deploy commercial scale open radio access network (Open RAN).

Noncash charges in 2023 primarily relate to severance and restructuring charges, as well as the abandonment of non-deployed wireless equipment associated with our Open RAN network modernization program.

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

Operating income decreased in 2024 and increased in 2023. Our operating margin was 15.6% in 2024, compared to 19.2% in 2023, and (3.8)% in 2022, which included noncash goodwill impairment charges of $24,812.

Interest expense increased in 2024, primarily due to lower capitalized interest associated with spectrum acquisitions, mostly offset by lower debt balances. Interest expense in 2023 also includes distributions on Mobility preferred interests, which were repurchased on April 5, 2023 (see Note 16).

Dollars in millions except per share amounts

Equity in net income of affiliates increased in 2024. The increase reflects cash distributions received by AT&T in excess of the carrying amount of our investment in DIRECTV, partially offset by the performance of our investment in DIRECTV (see Notes 10 and 19).

Other income (expense) – net increased in 2024. The increase was primarily driven by actuarial remeasurement of benefit plan assets and obligations, with an actuarial loss of $56 in 2024, compared to net actuarial and settlement losses of $1,594 in 2023 (see Note 14). Also contributing to the increase was the prior-year write-down of our SKY Mexico equity investment. These increases were partially offset by lower pension and postretirement benefit credits and lower returns on other benefit-related investments.

Income tax expense increased in 2024. While our income before income taxes decreased in 2024, it includes a goodwill impairment associated with our Business Wireline reporting unit, which is not deductible for tax purposes and results in a higher effective tax rate. Our effective tax rate was 26.6% in 2024, 21.3% in 2023, and (122.2)% in 2022. The effective tax rate in 2022 was also impacted by goodwill impairments, which are not deductible for tax purposes.

Segment Results Our segments are comprised of strategic business units or other operations that offer products and services to different customer segments over various technology platforms and/or in different geographies that are managed accordingly. We evaluate segment performance based on operating income as well as EBITDA and/or EBITDA margin. See "Discussion and Reconciliation of Non-GAAP Measures" for a reconciliation of EBITDA and EBITDA margin to the most comparable financial measures calculated and presented in accordance with U.S. generally accepted accounting principles.

COMMUNICATIONS SEGMENT

				Percent Change	
	2024	2023	2022	**2024 vs. 2023**	2023 vs. 2022
Segment Operating Revenues					
Mobility	**$ 85,255**	$ 83,982	$ 81,780	**1.5 %**	2.7 %
Business Wireline	**18,819**	20,883	22,538	**(9.9)**	(7.3)
Consumer Wireline	**13,578**	13,173	12,749	**3.1**	3.3
Total Segment Operating Revenues	**$ 117,652**	$ 118,038	$ 117,067	**(0.3) %**	0.8 %
Segment Operating Income (Loss)					
Mobility	**$ 26,314**	$ 25,861	$ 23,812	**1.8 %**	8.6 %
Business Wireline	**(88)**	1,289	2,290	—	(43.7)
Consumer Wireline	**869**	651	634	**33.5**	2.7
Total Segment Operating Income	**$ 27,095**	$ 27,801	$ 26,736	**(2.5) %**	4.0 %

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

Operating income decreased in 2024 and increased in 2023. The 2024 operating income reflects a decrease in operating income from our Business Wireline business unit, partially offset by increases in our Mobility and Consumer Wireline business units. Our Communications segment operating income margin was 23.0% in 2024, 23.6% in 2023 and 22.8% in 2022. Our Communications segment EBITDA margin was 39.5% in 2024, 38.3% in 2023 and 37.1% in 2022.

Communications Business Unit Discussion

Mobility Results

				Percent Change	
	2024	2023	2022	**2024 vs. 2023**	2023 vs. 2022
Operating revenues					
Service	**$ 65,373**	$ 63,175	$ 60,499	**3.5 %**	4.4 %
Equipment	**19,882**	20,807	21,281	**(4.4)**	(2.2)
Total Operating Revenues	**85,255**	83,982	81,780	**1.5**	2.7
Operating expenses					
Operations and support	**48,724**	49,604	49,770	**(1.8)**	(0.3)
Depreciation and amortization	**10,217**	8,517	8,198	**20.0**	3.9
Total Operating Expenses	**58,941**	58,121	57,968	**1.4**	0.3
Operating Income	**$ 26,314**	$ 25,861	$ 23,812	**1.8 %**	8.6 %

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

Subscribers

				Percent Change	
(in 000s)	**2024**	2023	2022	**2024 vs. 2023**	2023 vs. 2022
Postpaid	**89,200**	87,104	84,700	**2.4 %**	2.8 %
Postpaid phone	**72,749**	71,255	69,596	**2.1**	2.4
Prepaid	**19,023**	19,236	19,176	**(1.1)**	0.3
Reseller	**9,628**	7,468	6,043	**28.9**	23.6
Total Mobility Subscribers[1]	**117,851**	113,808	109,919	**3.6 %**	3.5 %

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

Mobility Net Additions

				Percent Change	
(in 000s)	**2024**	2023	2022	**2024 vs. 2023**	2023 vs. 2022
Postpaid Phone Net Additions	**1,653**	1,744	2,868	**(5.2) %**	(39.2) %
Total Phone Net Additions	**1,525**	1,801	3,272	**(15.3)**	(45.0)
Postpaid[2]	**2,250**	2,315	4,091	**(2.8)**	(43.4)
Prepaid	**(102)**	128	479	**—**	(73.3)
Reseller	**2,020**	1,279	462	**57.9**	—
Mobility Net Subscriber Additions[1]	**4,168**	3,722	5,032	**12.0 %**	(26.0) %
Postpaid Churn[3]	**0.92 %**	0.98 %	0.97 %	**(6) BP**	1 BP
Postpaid Phone-Only Churn[4]	**0.76 %**	0.81 %	0.81 %	**(5) BP**	— BP

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

[2] In addition to postpaid phones, includes tablets and wearables and other. Tablet net adds (losses) were 167, (68) and 203 for the years ended December 31, 2024, 2023 and 2022, respectively. Wearables and other net adds were 430, 639 and 1,020 for the years ended December 31, 2024, 2023 and 2022, respectively.

[3] Calculated by dividing the aggregate number of wireless subscribers who canceled service during a month by the total number of wireless subscribers at the beginning of that month. The churn rate for the period is equal to the average of the churn rate for each month of that period, excluding the impact of disconnections resulting from our 3G network shutdown in February 2022.

Dollars in millions except per share amounts

Service revenue increased during 2024, largely due to growth from subscriber gains and higher postpaid average revenue per subscriber (ARPU).

ARPU
ARPU increased in 2024 and reflects pricing actions.

Churn
The effective management of subscriber churn is critical to our ability to maximize revenue growth and to maintain and improve margins. Postpaid churn and postpaid phone-only churn were lower in 2024.

Equipment revenue decreased in 2024, primarily driven by lower wireless device sales volumes. The decrease was partially offset by sales of higher-priced phones in 2024.

Operations and support expenses decreased in 2024, largely due to lower equipment and selling costs driven by lower wireless sales volumes, partially offset by higher network costs.

Depreciation expense increased in 2024, primarily due to shortening of estimated economic lives of wireless equipment that will be replaced earlier than originally anticipated with our Open RAN deployment and network transformation, and ongoing capital spending for network upgrades and expansion, which we expect to continue through 2025.

Operating income increased in 2024 and 2023. Our Mobility operating income margin was 30.9% in 2024, 30.8% in 2023 and 29.1% in 2022. Our Mobility EBITDA margin was 42.8% in 2024, 40.9% in 2023 and 39.1% in 2022.

Business Wireline Results

				Percent Change	
	2024	2023	2022	**2024 vs. 2023**	2023 vs. 2022
Operating revenues					
Service	**$ 18,064**	$ 20,274	$ 21,891	**(10.9)%**	(7.4)%
Equipment	**755**	609	647	**24.0**	(5.9)
Total Operating Revenues	**18,819**	20,883	22,538	**(9.9)**	(7.3)
Operating expenses					
Operations and support	**13,352**	14,217	14,934	**(6.1)**	(4.8)
Depreciation and amortization	**5,555**	5,377	5,314	**3.3**	1.2
Total Operating Expenses	**18,907**	19,594	20,248	**(3.5)**	(3.2)
Operating Income (Loss)	**$ (88)**	$ 1,289	$ 2,290	**— %**	(43.7)%

Service revenues decreased in 2024, driven by lower demand for legacy voice, data and network services along with product simplification, partially offset by growth in fiber and connectivity services. We expect these trends to continue. Revenue declines also were impacted by the absence of revenues from our cybersecurity business that was contributed to LevelBlue and higher intellectual property sales in the prior year.

Equipment revenues increased in 2024, driven by higher customer premises equipment sales, which can vary from year to year based on the nature of services purchased.

Operations and support expenses decreased in 2024, primarily driven by lower personnel costs associated with ongoing transformation initiatives, lower network access and customer support expenses and the contribution of our cybersecurity business. Partially offsetting the decreases were higher vendor credits in 2023 and higher equipment costs in 2024. As part of our transformation activities, we expect operations and support expense improvements to continue in 2025 as we further right size our operations in alignment with the strategic direction of the business.

Depreciation expense increased in 2024, primarily due to ongoing capital investment for strategic initiatives such as fiber, which we expect to further increase in 2025.

Operating income decreased in 2024 and 2023. Our Business Wireline operating income margin was (0.5)% in 2024, 6.2% in 2023 and 10.2% in 2022. Our Business Wireline EBITDA margin was 29.1% in 2024, 31.9% in 2023 and 33.7% in 2022.

Consumer Wireline Results

				Percent Change	
	2024	2023	2022	**2024 vs. 2023**	2023 vs. 2022
Operating revenues					
Broadband	**$ 11,212**	$ 10,455	$ 9,669	**7.2 %**	8.1 %
Legacy voice and data services	**1,265**	1,508	1,746	**(16.1)**	(13.6)
Other service and equipment	**1,101**	1,210	1,334	**(9.0)**	(9.3)
Total Operating Revenues	**13,578**	13,173	12,749	**3.1**	3.3
Operating expenses					
Operations and support	**9,048**	9,053	8,946	**(0.1)**	1.2
Depreciation and amortization	**3,661**	3,469	3,169	**5.5**	9.5
Total Operating Expenses	**12,709**	12,522	12,115	**1.5**	3.4
Operating Income	**$ 869**	$ 651	$ 634	**33.5 %**	2.7 %

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

Connections

				Percent Change	
(in 000s)	**2024**	2023	2022	**2024 vs. 2023**	2023 vs. 2022
Broadband Connections					
Total Broadband and DSL Connections	**14,079**	13,890	13,991	**1.4 %**	(0.7)%
Broadband[1]	**13,987**	13,729	13,753	**1.9**	(0.2)
Fiber Broadband Connections	**9,331**	8,307	7,215	**12.3**	15.1
Voice Connections					
Retail Consumer Switched Access Lines	**1,310**	1,651	2,028	**(20.7)**	(18.6)
Consumer VoIP Connections	**1,653**	1,953	2,311	**(15.4)**	(15.5)
Total Retail Consumer Voice Connections	**2,963**	3,604	4,339	**(17.8)%**	(16.9)%

[1] Includes AIA.

Broadband Net Additions

				Percent Change	
(in 000s)	**2024**	2023	2022	**2024 vs. 2023**	2023 vs. 2022
Total Broadband and DSL Net Additions	**189**	(101)	(169)	**— %**	40.2 %
Broadband Net Additions[1]	**258**	(24)	(92)	**—**	73.9
Fiber Broadband Net Additions	**1,024**	1,092	1,223	**(6.2)%**	(10.7)%

[1] Includes AIA.

Broadband revenues increased in 2024, driven by an increase in fiber customers, which we expect to continue as we invest further in building our fiber footprint, and higher ARPU, partially offset by declines in copper-based broadband services.

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

Other service and equipment revenues decreased in 2024, reflecting the continued decline in the number of VoIP customers.

Operations and support expenses decreased in 2024, driven by lower customer support costs, lower marketing expense and savings from cost initiatives, offset by higher network-related costs as our fiber build scales.

Depreciation expense increased in 2024, primarily due to ongoing capital spending for strategic initiatives such as fiber and network upgrades and expansion, which we expect to further increase in 2025.

Operating income increased in 2024 and 2023. Our Consumer Wireline operating income margin was 6.4% in 2024, 4.9% in 2023 and 5.0% in 2022. Our Consumer Wireline EBITDA margin was 33.4% in 2024, 31.3% in 2023 and 29.8% in 2022.

LATIN AMERICA SEGMENT				Percent Change	
	2024	2023	2022	**2024 vs. 2023**	2023 vs. 2022
Segment Operating revenues					
Service	**$ 2,668**	$ 2,569	$ 2,162	**3.9 %**	18.8 %
Equipment	**1,564**	1,363	982	**14.7**	38.8
Total Segment Operating Revenues	**4,232**	3,932	3,144	**7.6**	25.1
Segment Operating expenses					
Operations and support	**3,535**	3,349	2,812	**5.6**	19.1
Depreciation and amortization	**657**	724	658	**(9.3)**	10.0
Total Segment Operating Expenses	**4,192**	4,073	3,470	**2.9**	17.4
Operating Income (Loss)	**$ 40**	$ (141)	$ (326)	**— %**	56.7 %

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

Subscribers

				Percent Change	
(in 000s)	**2024**	2023	2022	**2024 vs. 2023**	2023 vs. 2022
Postpaid	**5,837**	5,236	4,925	**11.5 %**	6.3 %
Prepaid	**17,486**	16,663	16,204	**4.9**	2.8
Reseller	**253**	417	474	**(39.3)**	(12.0)
Mexico Wireless Subscribers	**23,576**	22,316	21,603	**5.6 %**	3.3 %

Mexico Wireless Net Additions

				Percent Change	
(in 000s)	**2024**	2023	2022	**2024 vs. 2023**	2023 vs. 2022
Postpaid	**601**	311	118	**93.2 %**	— %
Prepaid	**823**	459	1,147	**79.3**	(60.0)
Reseller	**(164)**	(57)	(24)	**—**	—
Mexico Wireless Net Additions	**1,260**	713	1,241	**76.7 %**	(42.5)%

Service revenues increased in 2024, reflecting growth in subscribers and ARPU, partially offset by unfavorable foreign exchange impacts.

Equipment revenues increased in 2024, driven by higher equipment sales, partially offset by unfavorable foreign exchange impacts.

Operations and support expenses increased in 2024, driven by increased equipment and selling costs resulting from higher sales, partially offset by favorable impact of foreign exchange.

Depreciation expense decreased in 2024, driven by lower in-service assets and favorable impact of foreign exchange.

Operating income improved in 2024 and 2023. Our Mexico operating income margin was 0.9% in 2024, (3.6)% in 2023 and (10.4)% in 2022. Our Mexico EBITDA margin was 16.5% in 2024, 14.8% in 2023 and 10.6% in 2022.

OPERATING ENVIRONMENT AND TRENDS OF THE BUSINESS

2025 Revenue Trends We expect revenue growth in our wireless and broadband businesses as customers demand instant connectivity and higher speeds made possible by wireless network enhancements through 5G deployment and our fiber network expansion. We believe that our simplified go-to-market strategy for 5G in underpenetrated markets will continue to contribute to wireless subscriber and service revenue growth and that expansion of our fiber footprint and our multi-gig offerings will drive greater demand for broadband services on our fast-growing fiber network, as well as increasing our converged customers that have both wireless and fiber.

As we expand our fiber reach, we will be orienting our business portfolio to leverage this opportunity to offset continuing declines in legacy Business Wireline products by growing connectivity with small to mid-sized businesses. We plan to use our strong fiber and wireless assets, broad distribution and integrated product offerings to strengthen our overall market position. We will continue to rationalize our product portfolio with a longer-term shift of the business to fiber and mobile connectivity, and growth in value-added services. As customers are demanding faster and more reliable services, we are decommissioning our legacy copper network and enhancing our offerings to include services that provide better experiences over new technologies, such as AT&T Internet Air.

2025 Expense Trends During 2025, we expect expense trends consistent with the prior year, and that we will continue to focus on efficiency, led by our cost transformation initiative. We expect the spending required to support growth and efficiency initiatives, primarily our continued deployment of fiber and 5G, to pressure expense trends in 2025. These investments will help prepare us to meet increased customer demand for enhanced wireless and broadband services, including video streaming, augmented reality, "smart" technologies, user generated content and artificial intelligence (AI). The software benefits of our 5G wireless technology should result in a more efficient use of capital and lower network-related expenses in the coming years. Furthermore, to the extent customers upgrade their handsets in 2025, the expenses associated with those device sales are expected to contribute to higher costs.

We continue to transform our operations to be more efficient and effective. We are restructuring businesses, working with regulators and customers to sunset legacy networks, improving customer service and ordering functions through digital transformation, sizing our support costs and staffing with current activity levels, and reassessing overall benefit costs. We also expect cost savings through AI-driven efficiencies in our network design and operations, software development, sales, marketing, customer support services and general and administrative costs.

Market Conditions In recent years, uncertainty surrounding global growth rates, inflation and an increasing interest rate environment continued to produce volatility in the credit, currency and equity markets. We expect ongoing pressure on pricing during 2025 as we respond to the geopolitical and macroeconomic environment and our competitive marketplace, especially in wireless services.

Included on our consolidated balance sheets are assets held by benefit plans for the payment of future benefits. Our pension plans are subject to funding requirements of the Employee Retirement Income Security Act of 1974, as amended (ERISA). We expect only minimal ERISA contribution requirements to our pension plans for 2025. Investment returns on these assets depend largely on trends in the economy, and a weakness in the equity, fixed income and real asset markets could require us to make future contributions to the pension plans. In addition, our policy of recognizing actuarial gains and losses related to our pension and other postretirement plans in the period in which they arise subjects us to earnings volatility caused by changes in market conditions; however, these actuarial gains and losses do not impact segment performance as they are required to be recorded in "Other income (expense) – net." Changes in our discount rate, which are tied to changes in the bond market, and changes in the performance of equity markets, may have significant impacts on the valuation of our pension and other postretirement obligations at the end of 2025 (see "Critical Accounting Policies and Estimates").

Expected Growth Areas Over the next few years, we expect our growth to come from wireless and IP-based fiber broadband services. We provide integrated services to diverse groups of customers in the U.S. on a converged telecommunications network utilizing different technological platforms. In 2025, our key initiatives include:

- Continuing our wireless subscriber momentum and 5G deployment, with expansion of wireless subscribers in underpenetrated markets and converged customers.
- Continuing our fiber deployment, improving fiber penetration, growing AT&T Internet Air services, accelerating subscriber growth and increasing broadband revenues.
- Deploying Open RAN to build a more robust ecosystem of network infrastructure providers and suppliers, fostering lower network costs, improved operational efficiencies and allowing for continued investment in our fast-growing broadband network.
- Continuing to drive efficiencies and a competitive advantage through cost transformation initiatives and product simplification.

Wireless We expect to continue to deliver revenue growth in the coming years. We are in a period of rapid growth in wireless video and data usage and believe that there are substantial opportunities available for next-generation integrated services that combine technologies and services. As of December 31, 2024, we served 141 million wireless subscribers in North America, with 118 million in the United States.

Our LTE technology covers over 440 million people in North America, and in the United States, we cover all major metropolitan areas and over 336 million people. When combined with our upgraded backhaul network, we provide enhanced network capabilities and superior mobile broadband speeds for data and video services. In December 2018, we introduced the nation's first commercial mobile 5G service and expanded that deployment nationwide in July 2020. At December 31, 2024, our network covers more than 314 million people with 5G technology in the United States and North America.

Our networks covering both the U.S. and Mexico have enabled our customers to use wireless services without roaming on other companies' networks. We believe this seamless access will prove attractive to customers and provide a significant growth opportunity. At December 31, 2024, we provided LTE coverage to over 104 million people in Mexico.

Integration of Wireless and Fiber Services The communications industry has evolved into internet-based technologies capable of converging the offering of wireline and wireless services. As the owner and operator of scaled wireless and fiber networks, we plan to continue to focus on expanding our wireless network capabilities and providing broadband offerings that allow customers to integrate their home or business fixed services with their mobile service. In January 2022, we launched our multi-gig rollout, which brings the fastest internet to AT&T Fiber customers in select locations with symmetrical 2 gig and 5 gig tiers. We intend to continue to develop and provide unique integrated mobile and broadband/fiber solutions.

REGULATORY LANDSCAPE

AT&T subsidiaries operating within the United States are subject to federal and state regulatory authorities. While these issues may apply only to certain subsidiaries, the words "we," "AT&T" and "our" are used to simplify the discussion. The following discussions are intended as a condensed summary of the issues rather than as a comprehensive legal analysis and description of all of these specific issues.

International Regulation

Our subsidiaries operating outside the United States are subject to the jurisdiction of regulatory authorities in the territories in which the subsidiaries operate. Our licensing, compliance and advocacy initiatives in foreign countries primarily enable the provision of enterprise (i.e., large business) services globally and wireless services in Mexico.

The General Data Protection Regulation went into effect in Europe in May of 2018. This regulation created a range of new compliance obligations and significantly increased financial penalties for noncompliance. AT&T processes and handles personal data of its customers and subscribers, employees of its enterprise customers and its employees.

U.S. Regulation

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

Internet Until 2015, the FCC classified fixed and mobile consumer broadband internet access services as information services subject to minimal regulation. In 2015, the FCC reclassified such services as telecommunications services subject to broader regulation by the FCC and imposed "net neutrality rules." Since then, the FCC has twice reversed course, most recently again reclassifying such services as telecommunications services subject to broader regulation by the FCC in an order adopted on April 25, 2024. Multiple trade associations and other parties challenged the FCC's reclassification decision in appeals consolidated in the U.S. Court of Appeals for the Sixth Circuit. The trade associations petitioned the Sixth Circuit to stay the FCC's order. On August 1, 2024, the Sixth Circuit issued a stay of the FCC order pending review of the appeals, holding that broadband providers are likely to succeed on the merits. On January 2, 2025, the Sixth Circuit issued an order granting the petition for review and setting aside the FCC net neutrality order, holding that broadband internet access service is an information service.

At least one state has adopted legislation regulating the rates of fixed broadband service. In 2021, New York enacted the Affordable Broadband Act (ABA), requiring ISPs offering "fixed" mass-market broadband service, including fixed wireless, to offer discounted plans to low-income customers. In June 2021, the ABA was enjoined by a federal district court, which found the ABA preempted by federal law. In April 2024, the Second Circuit overruled and vacated the district court order. In August 2024, trade associations asked the Supreme Court to review the Second Circuit's decision. On December 16, the Supreme Court issued an order denying the request. Those associations have since requested rehearing of that Supreme Court decision. Under an agreement with the New York Attorney General, the law began to be enforced on January 15, 2025. In response, AT&T announced that it would no longer offer its AT&T Internet Air fixed wireless service in New York. Other states could consider similar legislation.

Since 2018, some states have adopted legislation or issued executive orders that established state net neutrality rules, including California and Vermont. We expect additional states may seek to impose net neutrality requirements in the future.

On November 15, 2023, the FCC adopted rules to "facilitate" equal access to broadband and prevent digital discrimination in broadband access. The rules, which became effective March 22, 2024, prohibit covered entities from implementing policies or practices not justified by genuine issues of technical or economic feasibility, that differentially impact consumers' access to broadband internet access service based on prohibited characteristics (including income level, race, and ethnicity) or that have such differential impact, whether intentional or not. The rules broadly apply prospectively to all aspects of an ISP's service that could impact a consumer's ability to access broadband, including deployment, marketing, and credit checks, among other things. We may be required to answer complaints alleging that the company has violated the FCC rules and those complaints may seek relief, including changes to our business practices or civil forfeitures that could result in significant costs or reputational harm. It is currently uncertain how the FCC will implement and enforce these new rules. Several business associations have filed appeals challenging the rules and several of those appeals have been consolidated in the Eighth Circuit, which held oral argument on September 25, 2024.

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

Infrastructure Investment On November 15, 2021, the Infrastructure Investment and Jobs Act (IIJA) was signed into law. The legislation appropriates $65,000 to support broadband deployment and adoption. The National Telecommunications and Information Agency (NTIA) is responsible for distributing more than $48,000 of this funding, including $42,500 in state grants for broadband deployment projects in unserved and underserved areas through the Broadband, Equity, Access and Deployment (BEAD) Programs. NTIA and states are in the process of administering these grants. Where appropriate, AT&T has applied for, and in some cases has been awarded, and may continue to apply for grants under this or other government infrastructure programs.

Wireless Industry-wide network densification and 5G technology expansion efforts, which are needed to satisfy extensive demand for video and internet access, will involve significant deployment of "small cell" equipment. This increases the importance of local permitting processes that allow for the placement of small cell equipment in the public right-of-way on reasonable timelines and terms. The FCC has adopted multiple Orders streamlining federal, state, and local wireless structure review processes that had the tendency to delay and impede deployment of small cell and related infrastructure used to provide telecommunications and broadband services. Additional spectrum will be needed industrywide for 5G and future services. In 2023, the FCC's statutory authority to conduct spectrum auctions lapsed and it is uncertain when Congress will reauthorize it. Also in 2023, the federal government released a national spectrum strategy that focused on spectrum sharing but did not include terms of future spectrum sharing model(s) or specific timelines to make additional spectrum bands available for 5G and future generations of service. As a result, the federal government's ability and intent to make sufficient spectrum available to the industry in needed timeframes and on terms suitable for mobile broadband network deployments remains uncertain.

In June and November 2020, the FCC issued Declaratory Rulings clarifying the limits on state and local authority to deny applications to modify existing structures to accommodate wireless facilities. In September 2024, the Ninth Circuit Court of Appeals resolved challenges to those Declaratory Rulings, largely sustaining the FCC's rulings. The decision ensures that the FCC retains the ability to remove state and local regulations that could delay or impede spectrum and technology upgrades on existing cell site facilities.

In recent years, the FCC took several actions to make spectrum available for 5G services, including the auction of 280 MHz of mid-band spectrum previously used for satellite service (the "C-Band" auction) and 39 GHz band spectrum. AT&T obtained spectrum in these auctions. The FCC also made 150 MHz of mid-band CBRS spectrum available, to be shared with Federal incumbents, which enjoy priority. In addition, in 2022, the FCC completed Auction 110, in which AT&T won 40 MHz of 3.45 GHz spectrum nationwide at a cost of $9,079. (See Note 6)

ACCOUNTING POLICIES AND STANDARDS

Critical Accounting Policies and Estimates Because of the size of the financial statement line items they relate to or the extent of judgment required by our management, some of our accounting policies and estimates have a more significant impact on our consolidated financial statements than others.

Pension and Postretirement Benefits Our actuarial estimates of retiree benefit expense and the associated significant weighted-average assumptions are discussed in Note 14. Our assumed weighted-average discount rates for pension and postretirement benefits of 5.70% and 5.60%, respectively, at December 31, 2024, reflect the hypothetical rate at which the projected benefit obligations could be effectively settled or paid out to participants. We determined our discount rate based on a range of factors, including a yield curve composed of the rates of return on several hundred high-quality, fixed income corporate bonds available at the measurement date and corresponding to the related expected durations of future cash outflows for the obligations. These bonds had an average rating of at least Aa3 or AA- by the nationally recognized statistical rating organizations, denominated in U.S. dollars, and generally not callable, convertible or index linked. For the year ended December 31, 2024, when compared to the year ended December 31, 2023, we increased our pension discount rate by 0.70%, resulting in a decrease in our pension plan benefit obligation of $1,994, and increased our postretirement discount rate by 0.60%, resulting in a decrease in our postretirement benefit obligation of $317.

Our expected long-term rate of return is 7.75% on pension plan assets and 4.00% on postretirement plan assets for 2024 and 2025. Our expected return on plan assets is calculated using the actual fair value of plan assets. If all other factors were to remain unchanged, we expect that a 0.50% decrease in the expected long-term rate of return would cause 2025 combined pension and postretirement cost to increase $136, which under our accounting policy would be adjusted to actual returns in the current year upon remeasurement of our retiree benefit plans.

We recognize gains and losses on pension and postretirement plan assets and obligations immediately in “Other income (expense) – net” in our consolidated statements of income. These gains and losses are generally measured annually as of December 31, and accordingly, will normally be recorded during the fourth quarter, unless an earlier remeasurement is required. Should actual experience differ from actuarial assumptions, the projected pension benefit obligation and net pension cost and accumulated postretirement benefit obligation and postretirement benefit cost would be affected in future years. See Note 14 for additional discussions regarding our assumptions.

Asset Valuations and Impairments Goodwill and other indefinite-lived intangible assets are not amortized but tested at least annually on October 1 for impairment. For impairment testing, we estimate fair values using models that predominantly rely on the expected cash flows to be derived from the reporting unit or use of the asset. Long-lived assets are reviewed for impairment whenever events or circumstances indicate that the book value may not be recoverable over the remaining life. Inputs underlying the expected cash flows include, but are not limited to, subscriber counts, revenue per user, capital investment and acquisition costs per subscriber, and ongoing operating costs. We based our assumptions on a combination of our historical results, trends, business plans and marketplace participant data.

Annual Goodwill Testing
Goodwill is tested on a reporting unit basis by comparing the estimated fair value of each reporting unit to its book value. If the fair value exceeds the book value, then no impairment is measured. We estimate fair values using an income approach (also known as a discounted cash flow model) and market multiple approaches. The income approach utilizes our future cash flow projections with a perpetuity value discounted at an appropriate weighted average cost of capital. The market multiple approach uses the multiples of publicly traded companies whose services are comparable to those offered by the reporting units.

During the third quarter of 2024, we updated the long-term strategic plan of our Business Wireline reporting unit. The updated plans reflected lower long-term projected future cash flows associated with the industry-wide secular decline, including a faster-than-previously anticipated decline of legacy services. We identified this as an impairment indicator and performed an interim quantitative goodwill impairment test of our Business Wireline reporting unit. The interim impairment test methodology was consistent with our approach for annual impairment testing (see Note 1), using similar models updated with our current view of key inputs and assumptions. We concluded that the calculated fair value of the Business Wireline reporting unit was lower than the book value, resulting in a noncash goodwill impairment charge of $4,422 for the entirety of our Business Wireline reporting unit goodwill.

As of October 1, 2024, the calculated fair values of the reporting units with remaining goodwill exceeded their book values in all circumstances in excess of 10%. If either the projected long-term growth rates declined by 0.5%, if the projected long-term

Dollars in millions except per share amounts

EBITDA margin declined by 0.5%, or if the weighted average cost of capital increased by 0.5%, the fair values would still be higher than the book value of the reporting units.

The fair values of our remaining reporting units could be negatively impacted by future sustained declines in macroeconomic or business conditions, higher discount rates or declines in the value of AT&T stock and could result in goodwill impairment charges in future periods.

U.S. Wireless Licenses
The fair value of U.S. wireless licenses is assessed using a discounted cash flow model (the Greenfield Approach) and a qualitative corroborative market approach based on auction prices, depending upon auction activity. The Greenfield Approach assumes a company initially owns only the wireless licenses and makes investments required to build an operation comparable to current use. These licenses are tested annually for impairment on an aggregated basis, consistent with their use on a national scope for the United States. For impairment testing, we assume subscriber and revenue growth will trend up to projected levels, with a long-term growth rate reflecting expected long-term inflation trends. We assume churn rates will initially exceed our current experience but decline to rates that are in line with industry-leading churn. We used a discount rate of 8.75%, based on the optimal long-term capital structure of a market participant and its associated cost of debt and equity for the licenses, to calculate the present value of the projected cash flows. If either the projected rate of long-term growth of cash flows or revenues declined by 0.5%, or if the discount rate increased by 0.5%, the fair values of these wireless licenses would still be higher than the book value. The fair value of these wireless licenses exceeded their book values by more than 10%.

Income Taxes Our estimates of income taxes and the significant items giving rise to the deferred assets and liabilities are shown in Note 13 and reflect our assessment of actual future taxes to be paid on items reflected in the financial statements, giving consideration to both timing and probability of these estimates. Actual income taxes could vary from these estimates due to future changes in income tax law or the final review of our tax returns by federal, state or foreign tax authorities.

We use our judgment to determine whether it is more likely than not that we will sustain positions that we have taken on tax returns and, if so, the amount of benefit to initially recognize within our financial statements. We regularly review our uncertain tax positions and adjust our unrecognized tax benefits (UTBs) in light of changes in facts and circumstances, such as changes in tax law, interactions with taxing authorities and developments in case law. These adjustments to our UTBs may affect our income tax expense. Settlement of uncertain tax positions may require use of our cash.

New Accounting Standards

See Note 1 for discussion of recently issued or adopted accounting standards.

OTHER BUSINESS MATTERS

Environmental We are subject from time to time to judicial and administrative proceedings brought by various governmental authorities under federal, state or local environmental laws. We reference in our Forms 10-Q and 10-K certain environmental proceedings that could result in monetary sanctions (exclusive of interest and costs) of three hundred thousand dollars or more. However, we do not believe that any of those currently pending will have a material adverse effect on our results of operations.

LIQUIDITY AND CAPITAL RESOURCES

Continuing operations for the years ended December 31,	**2024**	2023	2022
Cash provided by operating activities	**$ 38,771**	$ 38,314	$ 35,812
Cash used in investing activities	**(17,490)**	(19,660)	(26,899)
Cash used in financing activities	**(24,708)**	(15,614)	(59,564)

At December 31,	**2024**	2023
Cash and cash equivalents	**$ 3,298**	$ 6,722
Total debt	**123,532**	137,331

We had $3,298 in cash and cash equivalents available at December 31, 2024, decreasing $3,424 since December 31, 2023. Cash and cash equivalents included cash of $2,149 and money market funds and other cash equivalents of $1,149. Approximately $1,268 of our cash and cash equivalents were held in accounts outside of the U.S. and may be subject to restrictions on repatriation.

Dollars in millions except per share amounts

In 2024, cash inflows were primarily provided by cash receipts from operations, including cash from our sale and transfer of our receivables to third parties, distributions from DIRECTV and sales of idle Rabbi Trust assets and other investments. These inflows were exceeded by cash used to meet the needs of the business, including, but not limited to, payment of operating expenses. The cash generated from operating activities was used to fund capital expenditures and vendor financing payments, repay short-term borrowings and long-term debt, and dividend payments to stockholders. We maintain availability under our credit facilities and our commercial paper program to meet our short-term liquidity requirements.

Refer to "Contractual Obligations" discussion below for additional information regarding our cash requirements.

Cash Provided by Operating Activities from Continuing Operations
During 2024, cash provided by operating activities was $38,771, compared to $38,314 in 2023, reflecting the timing of working capital associated with device payments, as well as the expansion of committed, cost-efficient receivable sales programs, and operational growth, partially offset by higher cash tax payments.

We actively manage the timing of our supplier payments for operating items to optimize the use of our cash. Among other things, we seek to make payments on 90-day or greater terms, while providing the suppliers with access to bank facilities that permit earlier payments at their cost (referred to as supplier financing program). In addition, for payments to suppliers of handset inventory, as part of our working capital initiatives, we have arrangements that allow us to extend the stated payment terms by up to 90 days at an additional cost to us (referred to as direct supplier financing). The net impact of direct supplier financing, including principal and interest payments, was to improve cash from operating activities $661 in 2024 and decrease cash from operating activities $299 in 2023. All supplier financing payments are due within one year. (See Note 22)

Cash Used in Investing Activities from Continuing Operations
During 2024, cash used in investing activities totaled $17,490, consisting primarily of $20,263 (including interest during construction) for capital expenditures. During 2024, net FirstNet sustainability payments were $237. In 2024, we received a return of investment of $928 from DIRECTV representing distributions in excess of cumulative equity in earnings from DIRECTV (see Note 10) and sold Rabbi Trust and other investments totaling $2,575.

For capital improvements, we have negotiated favorable vendor payment terms of 120 days or more (referred to as vendor financing) with some of our vendors, which are excluded from capital expenditures and reported as financing activities. Vendor financing payments were $1,792 in 2024, compared to $5,742 in 2023. Capital expenditures in 2024 were $20,263, and when including $1,792 cash paid for vendor financing, capital investment was $22,055 ($1,540 lower than the prior year).

The vast majority of our capital expenditures are spent on our networks, including product development and related support systems. In 2024, we placed $700 of productive assets (primarily software) in service under vendor financing arrangements (compared to $2,651 in 2023).

The amount of capital expenditures is influenced by demand for services and products, capacity needs and network enhancements. In 2025, we expect that our capital investment, which includes capital expenditures and cash paid for vendor financing, will be in the $22,000 range.

Cash Provided by or Used in Financing Activities from Continuing Operations
In 2024, cash used in financing activities totaled $24,708 and was comprised of debt repayments, payments of dividends and vendor financing payments.

A tabular summary of our debt activity during 2024 is as follows:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year 2024
Net commercial paper borrowings	$ 428	$ 262	$ (2,686)	$ —	$ (1,996)
Repayments:					
USD notes	$ (2,300)	$ (1,615)	$ —	$ (2,575)	$ (6,490)
EUR notes	(2,181)	(32)	—	—	(2,213)
CAD notes	—	(442)	—	—	(442)
CHF notes	—	—	—	(467)	(467)
Other	(204)	(136)	(203)	(142)	(685)
Repayments of long-term debt	$ (4,685)	$ (2,225)	$ (203)	$ (3,184)	$ (10,297)

The weighted average interest rate of our long-term debt portfolio, including credit agreement borrowings and the impact of derivatives, was approximately 4.2% as of December 31, 2024 and as of December 31, 2023. We had $122,116 of total notes and debentures outstanding at December 31, 2024. This also included Euro, British pound sterling, Canadian dollar, Swiss franc and Australian dollar denominated debt that totaled approximately $30,685.

At December 31, 2024, we had $5,089 of long-term debt maturing within one year. We had no outstanding commercial paper borrowings or other short-term borrowings on December 31, 2024. The weighted average interest rate on our outstanding short-term borrowings was approximately 6.0% as of December 31, 2023.

During 2024, we paid $1,792 of cash under our vendor financing program, compared to $5,742 in 2023. Total vendor financing payables included in our December 31, 2024 consolidated balance sheet were $1,448, with $749 due within one year (in "Accounts payable and accrued liabilities") and the remainder predominantly due within five years (in "Other noncurrent liabilities").

In December 2024, our Board of Directors approved a $10,000 share repurchase authorization and terminated the March 2014 authorization, under which approximately 144 million shares were available for repurchase. At December 31, 2024, we had $10,000 remaining from our common stock repurchase authorization approved by the Board of Directors in December 2024.

We paid dividends on common and preferred shares of $8,208 in 2024, compared with $8,136 in 2023. Dividends on common stock declared by our Board of Directors totaled $1.11 per share in 2024 and in 2023. Our dividend policy considers the expectations and requirements of stockholders, capital funding requirements of AT&T and long-term growth opportunities.

Our 2025 financing activities will focus on managing our debt level and paying dividends, subject to approval by our Board of Directors, and repurchasing common stock when deemed appropriate. We plan to fund our financing uses of cash through a combination of cash from operations, issuance of debt and asset sales. The timing and mix of any debt issuance and/or refinancing will be guided by credit market conditions and interest rate trends.

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

We use credit facilities as a tool in managing our liquidity status. We currently have a $12,000 revolving credit agreement that terminates on November 18, 2029 (Revolving Credit Agreement). No amount was outstanding under the Revolving Credit Agreement as of December 31, 2024.

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

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

Collateral Arrangements
Most of our counterparty collateral arrangements require cash collateral posting by AT&T only when derivative market values exceed certain thresholds. Under these arrangements, which cover the majority of our $34,884 derivative portfolio, counterparties are still required to post collateral. During 2024, we received $477 of cash collateral, on a net basis. Cash postings under these arrangements vary with changes in credit ratings and netting agreements. (See Note 12)

Other
Our total capital consists of debt (long-term debt and debt maturing within one year), redeemable noncontrolling interest and stockholders' equity. Our capital structure does not include debt issued by our equity method investments. At December 31, 2024, our debt ratio was 50.7%, compared to 53.5% at December 31, 2023 and 56.1% at December 31, 2022. The debt ratio is affected by the same factors that affect total capital, and reflects our recent debt issuances, repayments and reclassifications related to redemption of noncontrolling interests.

Dollars in millions except per share amounts

A significant amount of our cash outflows for continuing operations is related to tax items, acquisition of spectrum through FCC auctions and benefits paid for current and former employees:

- Total taxes incurred, collected and remitted by AT&T during 2024 and 2023 were $16,968 and $16,877. These taxes include income, franchise, property, sales, excise, payroll, gross receipts and various other taxes and fees.
- Total domestic spectrum acquired primarily through FCC auctions, including cash, exchanged spectrum, auction deposits and spectrum relocation and clearing costs, was approximately $380 in 2024, $2,940 in 2023 and $10,200 in 2022.
- Total health and welfare benefits provided to certain active and retired employees and their dependents totaled approximately $2,550 in 2024 and $2,990 in 2023, with $736 paid from plan assets in 2024, compared to $624 in 2023. Of those benefits, approximately $2,290 related to medical and prescription drug benefits in 2024, compared to $2,730 in 2023. We paid $2,447 of pension benefits out of plan assets in 2024, compared to $4,863 in 2023.

Contractual Obligations

Our contractual obligations as of December 31, 2024, and the estimated timing of payment, are in the following table:

	Payments Due By Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Long-term debt obligations[1]	$ 135,952	$ 5,399	$ 14,962	$ 13,823	$ 101,768
Interest payments on long-term debt[2]	90,504	5,549	10,300	9,326	65,329
Purchase obligations[3]	27,997	9,916	10,982	5,495	1,604
Operating lease obligations[4]	25,475	4,789	7,693	5,015	7,978
FirstNet sustainability payments[5]	16,449	420	2,462	3,132	10,435
Unrecognized tax benefits (UTB)[6]	9,912	245	—	—	9,667
Other finance obligations[7]	8,802	1,522	2,039	1,566	3,675
Total Contractual Obligations	$ 315,091	$ 27,840	$ 48,438	$ 38,357	$ 200,456

1 Represents principal or payoff amounts of notes, debentures and credit agreement borrowings at maturity (see Note 11). Foreign debt includes the impact from hedges, when applicable.
2 Includes credit agreement borrowings.
3 We expect to fund the purchase obligations with cash provided by operations or through incremental borrowings. The minimum commitment for certain obligations is based on termination penalties that could be paid to exit the contracts. (See Note 21)
4 Represents operating lease payments (see Note 8).
5 Represents contractual commitment to make sustainability payments over the 25-year contract. These sustainability payments represent our commitment to fund FirstNet's operating expenses and future reinvestment in the network, which we own and operate. FirstNet has a statutory requirement to reinvest funds that exceed the agency's operating expenses, which we anticipate to be $15,000. (See Note 20)
6 The noncurrent portion of the UTBs is included in the "More than 5 Years" column, as we cannot reasonably estimate the timing or amounts of additional cash payments, if any, at this time (see Note 13).
7 Represents future minimum payments under the Crown Castle and other arrangements (see Note 18), payables subject to extended payment terms (see Note 22) and finance lease payments (see Note 8).

Certain items were excluded from this table because the year of payment is unknown and could not be reliably estimated, we believe the obligations are immaterial, or the settlement of the obligation will not require the use of cash. These items include: deferred income tax liability of $58,939 (see Note 13); net postemployment benefit obligations of $9,595 (including current portion); and other noncurrent liabilities of $8,292.

Dollars in millions except per share amounts

DISCUSSION AND RECONCILIATION OF NON-GAAP MEASURES

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

	2024	2023	2022
Communications Segment			
Operating income	**$ 27,095**	$ 27,801	$ 26,736
Add: Depreciation and amortization expense	**19,433**	17,363	16,681
EBITDA	**$ 46,528**	$ 45,164	$ 43,417
Operating income margin	**23.0 %**	23.6 %	22.8 %
EBITDA margin	**39.5 %**	38.3 %	37.1 %
Mobility			
Operating income	**$ 26,314**	$ 25,861	$ 23,812
Add: Depreciation and amortization expense	**10,217**	8,517	8,198
EBITDA	**$ 36,531**	$ 34,378	$ 32,010
Operating income margin	**30.9 %**	30.8 %	29.1 %
EBITDA margin	**42.8 %**	40.9 %	39.1 %
Business Wireline			
Operating income	**$ (88)**	$ 1,289	$ 2,290
Add: Depreciation and amortization expense	**5,555**	5,377	5,314
EBITDA	**$ 5,467**	$ 6,666	$ 7,604
Operating income margin	**(0.5)%**	6.2 %	10.2 %
EBITDA margin	**29.1 %**	31.9 %	33.7 %
Consumer Wireline			
Operating income	**$ 869**	$ 651	$ 634
Add: Depreciation and amortization expense	**3,661**	3,469	3,169
EBITDA	**$ 4,530**	$ 4,120	$ 3,803
Operating income margin	**6.4 %**	4.9 %	5.0 %
EBITDA margin	**33.4 %**	31.3 %	29.8 %
Latin America Segment			
Operating income	**$ 40**	$ (141)	$ (326)
Add: Depreciation and amortization expense	**657**	724	658
EBITDA	**$ 697**	$ 583	$ 332
Operating income margin	**0.9 %**	(3.6)%	(10.4)%
EBITDA margin	**16.5 %**	14.8 %	10.6 %

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks primarily from changes in interest rates and foreign currency exchange rates. These risks, along with other business risks, impact our cost of capital. It is our policy to manage our debt structure and foreign exchange exposure in order to manage capital costs, control financial risks and maintain financial flexibility over the long term. In managing market risks, we employ derivatives according to documented policies and procedures, including interest rate swaps, interest rate locks, foreign currency exchange contracts and combined interest rate foreign currency contracts (cross-currency swaps). We do not use derivatives for trading or speculative purposes. We do not foresee significant changes in the strategies we use to manage market risk in the near future.

One of the most significant assumptions used in estimating our postretirement benefit obligations is the assumed weighted-average discount rate, which is the hypothetical rate at which the projected benefit obligations could be effectively settled or paid out to participants. We determined our discount rate based on a range of factors, including a yield curve composed of the rates of return on several hundred high-quality, fixed income corporate bonds available at the measurement date and corresponding to the related expected durations of future cash outflows for the obligations. In recent years, the discount rates have been increasingly volatile, and on average have been lower than in historical periods. Lower discount rates used to measure our pension and postretirement plans result in higher obligations. Future increases in these rates could result in lower obligations, improved funded status and actuarial gains.

Interest Rate Risk
The majority of our financial instruments are medium- and long-term fixed-rate notes and debentures. Changes in interest rates can lead to significant fluctuations in the fair value of these instruments. The principal amounts by expected maturity, average interest rate and fair value of our liabilities that are exposed to interest rate risk are described in Notes 11 and 12. In managing interest expense, we control our mix of fixed- and floating-rate debt through term loans, floating- rate notes, and interest rate swaps. We have established interest rate risk limits that we closely monitor by measuring interest rate sensitivities in our debt and interest rate derivatives portfolios.

Our foreign-denominated long-term debt has been swapped from fixed-rate or floating-rate foreign currencies to fixed-rate U.S. dollars at issuance through cross-currency swaps, removing interest rate risk and foreign currency exchange risk associated with the underlying interest and principal payments. Likewise, periodically we enter into interest rate locks to partially hedge the risk of increases in the benchmark interest rate during the period leading up to the probable issuance of fixed-rate debt. We expect gains or losses on our cross-currency swaps and interest rate locks to offset the losses and gains in the financial instruments they hedge.

We had no interest rate swaps and no interest rate locks at December 31, 2024.

Foreign Exchange Risk
We principally use foreign exchange contracts to hedge costs and debt denominated in foreign currencies. We are also exposed to foreign currency exchange risk through our foreign affiliates and equity investments in foreign companies.

Through cross-currency swaps, our foreign-denominated debt has been swapped from fixed-rate or floating-rate foreign currencies to fixed-rate U.S. dollars at issuance, removing interest rate and foreign currency exchange risk associated with the underlying interest and principal payments. We expect gains or losses in our cross-currency swaps to offset the gains and losses in the financial instruments they hedge. We had cross-currency swaps with a notional value of $34,884 and a fair value of $(4,076) outstanding at December 31, 2024.

For the purpose of assessing specific risks, we use a sensitivity analysis to determine the effects that market risk exposures may have on the fair value of our financial instruments and results of operations. We had no foreign exchange forward contracts at December 31, 2024.

REPORT OF MANAGEMENT

The consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles. The integrity and objectivity of the data in these financial statements, including estimates and judgments relating to matters not concluded by year end, are the responsibility of management, as is all other information included in the Annual Report, unless otherwise indicated.

The financial statements of AT&T Inc. (AT&T) have been audited by Ernst & Young LLP, Independent Registered Public Accounting Firm. Management has made available to Ernst & Young LLP all of AT&T's financial records and related data, as well as the minutes of stockholders' and directors' meetings. Furthermore, management believes that all representations made to Ernst & Young LLP during its audit were valid and appropriate.

Management maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed by AT&T is recorded, processed, summarized, accumulated and communicated to its management, including its principal executive and principal financial officers, to allow timely decisions regarding required disclosure, and reported within the time periods specified by the Securities and Exchange Commission's rules and forms.

Management also seeks to ensure the objectivity and integrity of its financial data by the careful selection of its managers, by organizational arrangements that provide an appropriate division of responsibility and by communication programs aimed at ensuring that its policies, standards and managerial authorities are understood throughout the organization.

The Audit Committee of the Board of Directors meets periodically with management, the internal auditors and the independent auditors to review the manner in which they are performing their respective responsibilities and to discuss auditing, internal accounting controls and financial reporting matters. Both the internal auditors and the independent auditors periodically meet alone with the Audit Committee and have access to the Audit Committee at any time.

Assessment of Internal Control

The management of AT&T is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) or 15d-15(f) under the Securities Exchange Act of 1934. AT&T's internal control system was designed to provide reasonable assurance to the company's management and Board of Directors regarding the preparation and fair presentation of published financial statements.

AT&T management assessed the effectiveness of the company's internal control over financial reporting as of December 31, 2024. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control – Integrated Framework* (2013 framework). Based on its assessment, AT&T management believes that, as of December 31, 2024, the company's internal control over financial reporting is effective based on those criteria.

Ernst & Young LLP, the independent registered public accounting firm that audited the financial statements included in this Annual Report, has issued an attestation report on the company's internal control over financial reporting.

/s/John T. Stankey
John T. Stankey
Chief Executive Officer
and President

/s/Pascal Desroches
Pascal Desroches
Senior Executive Vice President
and Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of AT&T Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of AT&T Inc. (the Company) as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, cash flows and changes in stockholders' equity for each of the three years in the period ended December 31, 2024, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 12, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Discount rates used in determining pension and postretirement benefit obligations

Description of the Matter

At December 31, 2024, the Company's defined benefit pension obligation was $30,944 million and exceeded the fair value of pension plan assets of $27,919 million, resulting in an unfunded benefit obligation of $3,025 million. Additionally, at December 31, 2024, the Company's postretirement benefit obligation was $6,339 million and exceeded the fair value of postretirement plan assets of $1,144 million, resulting in an unfunded benefit obligation of $5,195 million. As explained in Note 14 to the consolidated financial statements, the Company updates the assumptions used to measure the defined benefit pension and postretirement benefit obligations, including discount rates, at December 31 or upon a remeasurement event. The Company determines the discount rates used to measure the obligations based on the development of a yield curve using high-quality corporate bonds selected to yield cash flows that correspond to the expected timing and amount of the expected future benefit payments.

Auditing the defined benefit pension and postretirement benefit obligations was complex due to the judgmental nature of the actuarial assumptions made by management, primarily the discount rates, used in the Company's measurement process. The discount rates have a significant effect on the measurement of the defined benefit pension and postretirement benefit obligations, and auditing the discount rates was complex because it required an evaluation of the credit quality of the corporate bonds used to develop the discount rates and the correlation of those bonds' cash inflows to the timing and amount of future expected benefit payments.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of certain controls over management's review of the determination of the discount rates used in the defined benefit pension and postretirement benefit obligations calculations.

To test the determination of the discount rates used in the calculation of the defined benefit pension and postretirement benefit obligations, we performed audit procedures that focused on evaluating, with the assistance of our actuarial specialists, the determination of the discount rates, among other procedures. For example, we evaluated the selected yield curve used to determine the discount rates applied in measuring the defined benefit pension and postretirement benefit obligations. As part of this assessment, we considered the credit quality of the corporate bonds that comprised the yield curve and compared the timing and amount of cash flows at maturity with the expected amounts and duration of the related benefit payments.

Evaluation of goodwill for impairment

Description of the Matter

At December 31, 2024, the Company's goodwill balance was $63,432 million. As discussed in Note 1 to the consolidated financial statements, reporting unit goodwill is tested at least annually for impairment. Estimating fair value in connection with the impairment evaluation involves the utilization of discounted cash flow and market multiple approaches.

Auditing management's annual goodwill impairment test for the Consumer Wireline reporting unit was complex because the estimation of fair value involves subjective management assumptions, such as the projected terminal growth rate, projected long-term EBITDA margin, and weighted average cost of capital, and complex valuation methodologies, such as the discounted cash flow and market multiple approaches. Assumptions used in these valuation models are forward-looking, and changes in these assumptions can have a material effect on the determination of fair value.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of certain controls over the Company's impairment evaluation processes. Our procedures included testing controls over management's review of the valuation models and its determination of the significant assumptions described above.

Our audit procedures to test management's impairment evaluations included, among others, assessing the valuation methodologies and significant assumptions discussed above and the underlying data used to develop such assumptions. For example, we compared the significant assumptions to current industry, market and economic trends, and other guideline companies in the same industry. Where appropriate, we evaluated whether changes to the Company's business and other factors would affect the significant assumptions. We also assessed the historical accuracy of management's estimates and performed independent sensitivity analyses. We involved our valuation specialists to assist us in evaluating the methodologies and auditing the assumptions used to calculate the estimated fair value of the Consumer Wireline reporting unit.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1999.

Dallas, Texas
February 12, 2025

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of AT&T Inc.

Opinion on Internal Control Over Financial Reporting

We have audited AT&T Inc.'s internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, AT&T Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the 2024 consolidated financial statements of the Company and our report dated February 12, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Dallas, Texas
February 12, 2025

Dollars in millions except per share amounts

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Consolidated Statements of Income

	2024	2023	2022
Operating Revenues			
Service	**$ 100,135**	$ 99,649	$ 97,831
Equipment	**22,201**	22,779	22,910
Total operating revenues	**122,336**	122,428	120,741
Operating Expenses			
Cost of revenues			
Equipment	**22,249**	23,136	24,009
Other cost of revenues (exclusive of depreciation and amortization shown separately below)	**26,972**	26,987	26,839
Selling, general and administrative	**28,411**	28,874	28,961
Asset impairments and abandonments and restructuring	**5,075**	1,193	27,498
Depreciation and amortization	**20,580**	18,777	18,021
Total operating expenses	**103,287**	98,967	125,328
Operating Income (Loss)	**19,049**	23,461	(4,587)
Other Income (Expense)			
Interest expense	**(6,759)**	(6,704)	(6,108)
Equity in net income of affiliates	**1,989**	1,675	1,791
Other income (expense) – net	**2,419**	1,416	5,810
Total other income (expense)	**(2,351)**	(3,613)	1,493
Income (Loss) from Continuing Operations Before Income Taxes	**16,698**	19,848	(3,094)
Income tax expense on continuing operations	**4,445**	4,225	3,780
Income (Loss) from Continuing Operations	**12,253**	15,623	(6,874)
Loss from discontinued operations, net of tax	**—**	—	(181)
Net Income (Loss)	**12,253**	15,623	(7,055)
Less: Net Income Attributable to Noncontrolling Interest	**(1,305)**	(1,223)	(1,469)
Net Income (Loss) Attributable to AT&T	**$ 10,948**	$ 14,400	$ (8,524)
Less: Preferred Stock Dividends	**(202)**	(208)	(203)
Net Income (Loss) Attributable to Common Stock	**$ 10,746**	$ 14,192	$ (8,727)
Basic Earnings (Loss) Per Share from continuing operations	**$ 1.49**	$ 1.97	$ (1.10)
Basic Loss Per Share from discontinued operations	**$ —**	$ —	$ (0.03)
Basic Earnings (Loss) Per Share Attributable to Common Stock	**$ 1.49**	$ 1.97	$ (1.13)
Diluted Earnings (Loss) Per Share from continuing operations	**$ 1.49**	$ 1.97	$ (1.10)
Diluted Loss Per Share from discontinued operations	**$ —**	$ —	$ (0.03)
Diluted Earnings (Loss) Per Share Attributable to Common Stock	**$ 1.49**	$ 1.97	$ (1.13)

The accompanying notes are an integral part of the consolidated financial statements.

Dollars in millions except per share amounts

Consolidated Statements of Comprehensive Income

	2024	2023	2022
Net income (loss)	**$ 12,253**	$ 15,623	$ (7,055)
Other comprehensive income (loss), net of tax:			
Foreign Currency:			
Translation adjustment, net of taxes of $(175), $143 and $90	**(545)**	463	346
Reclassification adjustment included in net income (loss), net of taxes of $(14), $0 and $0	**127**	—	—
Distributions of WarnerMedia, net of taxes of $0, $0 and $(38)	**—**	—	(182)
Securities:			
Net unrealized gains (losses), net of taxes of $(5), $8 and $(49)	**(19)**	22	(143)
Reclassification adjustment included in net income (loss), net of taxes of $10, $4 and $3	**30**	11	8
Derivative Instruments:			
Net unrealized gains (losses), net of taxes of $121, $228 and $(183)	**380**	922	(648)
Reclassification adjustment included in net income (loss), net of taxes of $14, $12 and $25	**45**	47	96
Distributions of WarnerMedia, net of taxes of $0, $0 and $(12)	**—**	—	(24)
Defined benefit postretirement plans:			
Net prior service (cost) credit arising during period, net of taxes of $0, $10 and $583	**—**	32	1,787
Amortization of net prior service credit included in net income (loss), net of taxes of $(492), $(642) and $(663)	**(1,523)**	(1,963)	(2,028)
Distributions of WarnerMedia, net of taxes of $0, $0 and $5	**—**	—	25
Other comprehensive income (loss)	**(1,505)**	(466)	(763)
Total comprehensive income (loss)	**10,748**	15,157	(7,818)
Less: Total comprehensive income attributable to noncontrolling interest	**(1,305)**	(1,223)	(1,469)
Total Comprehensive Income (Loss) Attributable to AT&T	**$ 9,443**	$ 13,934	$ (9,287)

The accompanying notes are an integral part of the consolidated financial statements.

Dollars in millions except per share amounts

Consolidated Balance Sheets

	December 31,	
	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	**$ 3,298**	$ 6,722
Accounts receivable – net of related allowance for credit loss of $375 and $499	**9,638**	10,289
Inventories	**2,270**	2,177
Prepaid and other current assets	**15,962**	17,270
Total current assets	**31,168**	36,458
Property, Plant and Equipment – Net	**128,871**	128,489
Goodwill – Net	**63,432**	67,854
Licenses – Net	**127,035**	127,219
Other Intangible Assets – Net	**5,255**	5,283
Investments in and Advances to Equity Affiliates	**295**	1,251
Operating Lease Right-Of-Use Assets	**20,909**	20,905
Other Assets	**17,830**	19,601
Total Assets	**$ 394,795**	$ 407,060
Liabilities and Stockholders' Equity		
Current Liabilities		
Debt maturing within one year	**$ 5,089**	$ 9,477
Accounts payable and accrued liabilities	**35,657**	35,852
Advanced billings and customer deposits	**4,099**	3,778
Dividends payable	**2,027**	2,020
Total current liabilities	**46,872**	51,127
Long-Term Debt	**118,443**	127,854
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**58,939**	58,666
Postemployment benefit obligation	**9,025**	8,734
Operating lease liabilities	**17,391**	17,568
Other noncurrent liabilities	**23,900**	23,696
Total deferred credits and other noncurrent liabilities	**109,255**	108,664
Redeemable Noncontrolling Interest	**1,980**	1,973
Stockholders' Equity		
Preferred stock ($1 par value, 10,000,000 authorized at December 31, 2024 and December 31, 2023):		
Series A (48,000 issued and outstanding at December 31, 2024 and December 31, 2023)	**—**	—
Series B (20,000 issued and outstanding at December 31, 2024 and December 31, 2023)	**—**	—
Series C (70,000 issued and outstanding at December 31, 2024 and December 31, 2023)	**—**	—
Common stock ($1 par value, 14,000,000,000 authorized at December 31, 2024 and December 31, 2023: issued 7,620,748,598 at December 31, 2024 and December 31, 2023)	**7,621**	7,621
Additional paid-in capital	**109,108**	114,519
Retained earnings (deficit)	**1,871**	(5,015)
Treasury stock (444,853,148 at December 31, 2024 and 470,685,237 at December 31, 2023, at cost)	**(15,023)**	(16,128)
Accumulated other comprehensive income	**795**	2,300
Noncontrolling interest	**13,873**	14,145
Total stockholders' equity	**118,245**	117,442
Total Liabilities and Stockholders' Equity	**$ 394,795**	$ 407,060

The accompanying notes are an integral part of the consolidated financial statements.

Dollars in millions except per share amounts

Consolidated Statements of Cash Flows

	2024	2023	2022
Operating Activities			
Income (loss) from continuing operations	**$ 12,253**	$ 15,623	$ (6,874)
Adjustments to reconcile income (loss) from continuing operations to net cash provided by operating activities from continuing operations:			
Depreciation and amortization	**20,580**	18,777	18,021
Provision for uncollectible accounts	**1,969**	1,969	1,865
Deferred income tax expense	**1,570**	3,037	2,975
Net (gain) loss on investments, net of impairments	**80**	441	381
Pension and postretirement benefit expense (credit)	**(1,883)**	(2,552)	(3,237)
Actuarial and settlement (gain) loss on pension and postretirement benefits – net	**56**	1,594	(1,999)
Asset impairments and abandonments and restructuring	**5,075**	1,193	27,498
Changes in operating assets and liabilities:			
Receivables	**123**	82	727
Inventories, prepaid and other current assets	**(383)**	(642)	(674)
Accounts payable and other accrued liabilities	**(810)**	(1,764)	(1,109)
Equipment installment receivables and related sales	**(1,846)**	(133)	154
Deferred customer contract acquisition and fulfillment costs	**497**	1	(947)
Postretirement claims and contributions	**(166)**	(735)	(823)
Other – net	**1,656**	1,423	(146)
Total adjustments	**26,518**	22,691	42,686
Net Cash Provided by Operating Activities from Continuing Operations	**38,771**	38,314	35,812
Investing Activities			
Capital expenditures	**(20,263)**	(17,853)	(19,626)
Acquisitions, net of cash acquired	**(380)**	(2,942)	(10,200)
Dispositions	**75**	72	199
Distributions from DIRECTV in excess of cumulative equity in earnings	**928**	2,049	2,649
(Purchases), sales and settlements of securities and investments – net	**2,575**	(902)	82
Other – net	**(425)**	(84)	(3)
Net Cash Used in Investing Activities from Continuing Operations	**(17,490)**	(19,660)	(26,899)
Financing Activities			
Net change in short-term borrowings with original maturities of three months or less	**—**	(914)	(519)
Issuance of other short-term borrowings	**491**	5,406	3,955
Repayment of other short-term borrowings	**(2,487)**	(3,415)	(18,345)
Issuance of long-term debt	**19**	10,004	2,979
Repayment of long-term debt	**(10,297)**	(12,044)	(25,118)
Note payable to DIRECTV, net of payments	**—**	(130)	(1,211)
Payment of vendor financing	**(1,792)**	(5,742)	(4,697)
Purchase of treasury stock	**(215)**	(194)	(890)
Issuance of treasury stock	**15**	3	28
Issuance of preferred interests in subsidiary	**—**	7,151	—
Redemption of preferred interests in subsidiary	**—**	(5,333)	(2,665)
Dividends paid	**(8,208)**	(8,136)	(9,859)
Other – net	**(2,234)**	(2,270)	(3,222)
Net Cash Used in Financing Activities from Continuing Operations	**(24,708)**	(15,614)	(59,564)
Net increase (decrease) in cash and cash equivalents and restricted cash from continuing operations	**(3,427)**	3,040	(50,651)
Cash flows from Discontinued Operations:			
Cash used in operating activities	**—**	—	(3,789)
Cash provided by investing activities	**—**	—	1,094
Cash provided by financing activities	**—**	—	35,823
Net increase in cash and cash equivalents and restricted cash from discontinued operations	**—**	—	33,128
Net increase (decrease) in cash and cash equivalents and restricted cash	**(3,427)**	3,040	(17,523)
Cash and cash equivalents and restricted cash beginning of year	**6,833**	3,793	21,316
Cash and Cash Equivalents and Restricted Cash End of Year	**$ 3,406**	$ 6,833	$ 3,793

The accompanying notes are an integral part of the consolidated financial statements.

Dollars and shares in millions except per share amounts

Consolidated Statements of Changes in Stockholders' Equity

	2024		2023		2022	
	Shares	**Amount**	Shares	Amount	Shares	Amount
Preferred Stock – Series A						
Balance at beginning of year	**—**	**$ —**	—	$ —	—	$ —
Balance at end of year	**—**	**$ —**	—	$ —	—	$ —
Preferred Stock – Series B						
Balance at beginning of year	**—**	**$ —**	—	$ —	—	$ —
Balance at end of year	**—**	**$ —**	—	$ —	—	$ —
Preferred Stock – Series C						
Balance at beginning of year	**—**	**$ —**	—	$ —	—	$ —
Balance at end of year	**—**	**$ —**	—	$ —	—	$ —
Common Stock						
Balance at beginning of year	**7,621**	**$ 7,621**	7,621	$ 7,621	7,621	$ 7,621
Balance at end of year	**7,621**	**$ 7,621**	7,621	$ 7,621	7,621	$ 7,621
Additional Paid-In Capital						
Balance at beginning of year		**$ 114,519**		$ 123,610		$ 130,112
Distribution of WarnerMedia		**—**		—		(6,832)
Preferred stock dividends		**(134)**		(205)		—
Common stock dividends ($1.11, $1.11 and $1.11 per share in 2024, 2023 and 2022)		**(4,020)**		(7,991)		—
Issuance of treasury stock		**(516)**		(379)		(171)
Share-based payments		**(184)**		(109)		(162)
Redemption or reclassification of interests held by noncontrolling owners		**(557)**		(407)		663
Balance at end of year		**$ 109,108**		$ 114,519		$ 123,610
Retained Earnings (Deficit)						
Balance at beginning of year		**$ (5,015)**		$ (19,415)		$ 42,350
Net income (loss) attributable to AT&T		**10,948**		14,400		(8,524)
Distribution of WarnerMedia		**—**		—		(45,041)
Preferred stock dividends		**(71)**		—		(207)
Common stock dividends ($1.11, $1.11 and $1.11 per share in 2024, 2023 and 2022)		**(3,991)**		—		(7,993)
Balance at end of year		**$ 1,871**		$ (5,015)		$ (19,415)

The accompanying notes are an integral part of the consolidated financial statements.

Dollars and shares in millions except per share amounts

Consolidated Statements of Changes in Stockholders' Equity – continued

	2024		2023		2022	
	Shares	**Amount**	Shares	Amount	Shares	Amount
Treasury Stock						
Balance at beginning of year	**(471)**	**$ (16,128)**	(493)	$ (17,082)	(480)	$ (17,280)
Repurchase and acquisition of common stock	**(12)**	**(215)**	(10)	(194)	(44)	(890)
Issuance of treasury stock	**38**	**1,320**	32	1,148	31	1,088
Balance at end of year	**(445)**	**$ (15,023)**	(471)	$ (16,128)	(493)	$ (17,082)
Accumulated Other Comprehensive Income Attributable to AT&T, net of tax						
Balance at beginning of year		**$ 2,300**		$ 2,766		$ 3,529
Other comprehensive income (loss) attributable to AT&T		**(1,505)**		(466)		(763)
Balance at end of year		**$ 795**		$ 2,300		$ 2,766
Noncontrolling Interest[1]						
Balance at beginning of year		**$ 14,145**		$ 8,957		$ 17,523
Net income attributable to noncontrolling interest		**1,163**		1,146		1,469
Issuance and acquisition (disposition) of noncontrolling owners		**(29)**		5,180		(21)
Redemption of noncontrolling interest		**(76)**		(53)		(2,665)
Reclassification of noncontrolling interest		**—**		—		(5,997)
Distributions		**(1,330)**		(1,085)		(1,352)
Balance at end of year		**$ 13,873**		$ 14,145		$ 8,957
Total Stockholders' Equity at beginning of year		**$ 117,442**		$ 106,457		$ 183,855
Total Stockholders' Equity at end of year		**$ 118,245**		$ 117,442		$ 106,457

[1] Excludes redeemable noncontrolling interest.

The accompanying notes are an integral part of the consolidated financial statements.

Notes to Consolidated Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation Throughout this document, AT&T Inc. is referred to as "AT&T," "we" or the "Company." The consolidated financial statements include the accounts of the Company and subsidiaries and affiliates which we control. AT&T is a holding company whose subsidiaries and affiliates operate worldwide in the telecommunications and technology industries.

On April 8, 2022, we completed the separation of our WarnerMedia business, which represented substantially all of our WarnerMedia segment, in a Reverse Morris Trust transaction, under which Magallanes, Inc. (Spinco), a formerly wholly-owned subsidiary of AT&T that held the WarnerMedia business, was distributed to AT&T stockholders via a pro rata dividend, followed by the combination of Spinco with a subsidiary of Discovery, Inc. (Discovery), which was renamed Warner Bros. Discovery, Inc. (WBD). (See Note 6)

Upon the separation and distribution, the WarnerMedia business met the criteria for discontinued operations. For discontinued operations, we also evaluated transactions that were components of AT&T's single plan of a strategic shift, including dispositions that previously did not individually meet the criteria due to materiality, and have determined discontinued operations to be comprised of WarnerMedia, Vrio, Xandr and Playdemic Ltd. (Playdemic). These businesses are reflected in the accompanying financial statements as discontinued operations, including for periods prior to the consummation of the WarnerMedia/Discovery Transaction. (See Notes 6 and 24)

All significant intercompany transactions are eliminated in the consolidation process. Investments in subsidiaries and partnerships which we do not control but have significant influence are accounted for under the equity method. Earnings from certain investments accounted for using the equity method are included in our results on a one quarter lag. We also record our proportionate share of our equity method investees' other comprehensive income (OCI) items, including translation adjustments. We treat distributions received from equity method investees as returns on investment and classify them as cash flows from operating activities until those distributions exceed our cumulative equity in the earnings of that investment. We treat the excess amount as a return of investment and classify it as cash flows from investing activities. In the event we receive dividends in excess of the carrying amount of the investment, and we have no obligation to provide financial support to the equity method investee, we treat those dividends as returns on investment and classify them as cash flows from operating activities.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions, including other estimates of fair value, probable losses and expenses, that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Moreover, unfavorable changes in market conditions, including interest rates, could adversely impact those estimates and result in asset impairments. Certain prior-period amounts have been conformed to the current period's presentation. Unless otherwise noted, the information in Notes 1 through 23 refer only to our continuing operations and do not include discussion of balances or activity of WarnerMedia, Vrio, Xandr and Playdemic, which are part of discontinued operations.

Adopted and New Accounting Standards

Segment Reporting In November 2023, the Financial Accounting Standards Board (FASB) issued ASU No. 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" (ASU 2023-07). Beginning with our 2024 annual reporting, we adopted, through retrospective application, ASU No. 2023-07, which requires that a public entity disclose, on an interim and annual basis, significant segment expense categories and amounts that are regularly provided to its chief operating decision maker (CODM) and included in each reported measure of segment profit or loss. An entity must also disclose, by reportable segment, the amount and composition of other expenses. The standard requires an entity disclose the title and position of its CODM and explain how the CODM uses these reported measures in assessing segment performance and determining how to allocate resources.

Convertible Instruments Beginning with 2022 interim reporting, we adopted, through retrospective application, ASU No. 2020-06, "Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity" (ASU 2020-06). ASU 2020-06 requires that instruments which may be settled in cash or stock are presumed settled in stock in calculating diluted earnings per share. Prior to the April 2023 repurchase, settlement of our Series A Cumulative Perpetual Membership Interests in AT&T Mobility II LLC (Mobility preferred interests) could have resulted in additional dilutive impact, the magnitude of which was influenced by the fair value of the Mobility preferred interests and the average AT&T common stock price during the reporting period, which varied from period-to-period (see Note 16).

Income Taxes In December 2023, the FASB issued ASU No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" (ASU 2023-09), which requires that a public entity disclose specific categories in its annual income tax rate reconciliation table and provide additional qualitative information for reconciling items representing at least 5% of pre-tax income or loss from continuing operations, using the federal statutory tax rate. The standard also requires an annual breakdown of income taxes paid by jurisdiction (i.e., federal, state and foreign), with further disaggregation by jurisdictions representing at least 5% of total income taxes paid. ASU 2023-09 is effective for annual periods beginning after December 15, 2024, with prospective application.

Disaggregation of Income Statement Expenses In November 2024, the FASB issued ASU No. 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses" (ASU 2024-03), which requires that a public entity disclose the amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation and (d) intangible asset amortization included in each relevant expense caption presented on the face of the income statement. The standard also requires an entity to disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively as well as disclose the total amount of selling expenses and, annually, the entity's definition of selling expenses. ASU 2024-03 will be effective for annual periods beginning after December 15, 2026, with either retrospective or prospective application. The standard allows for early adoption of these requirements; we are currently evaluating the disclosure impacts of our adoption.

Accounting Policies

Income Taxes We record deferred income taxes for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the computed tax basis of those assets and liabilities. We record valuation allowances against the deferred tax assets (included, together with our deferred income tax assets, as part of our reportable net deferred income tax liabilities on our consolidated balance sheets), for which the realization is uncertain. We review these items regularly in light of changes in federal, state and foreign tax laws and changes in our business.

Cash and Cash Equivalents Cash and cash equivalents include all highly liquid investments with original maturities of three months or less. The carrying amounts approximate fair value. At December 31, 2024, we held $2,149 in cash and $1,149 in money market funds and other cash equivalents. Of our total cash and cash equivalents, $1,268 resided in foreign jurisdictions, some of which is subject to restrictions on repatriation.

Allowance for Credit Losses We record expense to maintain an allowance for credit losses for estimated losses that result from the failure or inability of our customers to make required payments deemed collectible from the customer when the service was provided or product was delivered. When determining the allowances for trade receivables and loans, we consider the probability of recoverability of accounts receivable based on past experience, taking into account current collection trends and general economic factors, including bankruptcy rates. We also consider future economic trends to estimate expected credit losses over the lifetime of the asset. Credit risks are assessed based on historical write-offs, net of recoveries, as well as an analysis of the aged accounts receivable balances with allowances generally increasing as the receivable ages. Accounts receivable may be fully reserved for when specific collection issues are known to exist, such as catastrophes or pending bankruptcies.

Inventories Inventories primarily consist of wireless devices and accessories and are valued at the lower of cost or net realizable value.

Property, Plant and Equipment Property, plant and equipment is stated at cost, except for assets acquired through business combinations, which are initially recorded at fair value. The cost of additions and substantial improvements to property, plant and equipment is capitalized, and includes internal compensation costs for these projects. The cost of maintenance and repairs of property, plant and equipment is charged to operating expenses. Property, plant and equipment costs are depreciated using straight-line methods over their estimated economic lives. Certain subsidiaries follow composite group depreciation methodology. Accordingly, when a portion of their depreciable property, plant and equipment is retired in the ordinary course of business, the gross book value is reclassified to accumulated depreciation, and no gain or loss is recognized on the disposition of these assets.

Property, plant and equipment is reviewed for recoverability whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. We recognize an impairment loss when the carrying amount of a long-lived asset is not recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. (See Note 7)

The liability for the fair value of an asset retirement obligation is recorded in the period in which it is incurred if a reasonable estimate of fair value can be made. In periods subsequent to initial measurement, we recognize period-to-period changes in the

liability resulting from the passage of time and revisions to either the timing or the amount of the original estimate. The increase in the carrying value of the associated long-lived asset is depreciated over the corresponding estimated economic life.

Software Costs We capitalize certain costs incurred in connection with developing or obtaining internal-use software. Capitalized software costs are included in "Property, Plant and Equipment – Net" on our consolidated balance sheets.

We amortize our capitalized software costs over a three-year to seven-year period, reflecting the estimated period during which these assets will remain in service.

Goodwill and Other Intangible Assets We have the following major classes of intangible assets: goodwill; licenses, which include Federal Communications Commission (FCC) and other wireless licenses; customer lists and relationships; and trademarks, trade names and various other finite-lived intangible assets (see Note 9).

Goodwill represents the excess of consideration paid over the fair value of identifiable net assets acquired in business combinations.

Wireless licenses provide us with the exclusive right to utilize certain radio frequency spectrum to provide wireless communications services. While wireless licenses are issued for a fixed period of time (generally ten years), renewals of domestic wireless licenses have occurred routinely and at nominal cost. We have determined that there are currently no legal, regulatory, contractual, competitive, economic or other factors that limit the useful lives of our FCC wireless licenses. Cash paid, including spectrum deposits (net of refunds), capitalized interest, and any payments for incentive and relocation costs are included in "Acquisitions, net of cash acquired" in our consolidated statements of cash flows. Interest is capitalized until the spectrum is ready for its intended use.

We amortize our wireless licenses in Mexico over their average remaining economic life of 25 years.

We acquired the rights to the AT&T and other trade names in previous acquisitions, classifying certain of those trade names as indefinite-lived. We have the effective ability to retain these exclusive rights permanently at a nominal cost.

Goodwill, FCC wireless licenses and other indefinite-lived intangible assets are not amortized but are tested at least annually for impairment (see Note 9). The testing is performed on the value as of October 1 each year and compares the book values of the assets to their fair values. Goodwill is tested by comparing the carrying amount of each reporting unit, deemed to be our principal operating segments or one level below them, to the fair value using both discounted cash flow as well as market multiple approaches. FCC wireless licenses are tested on an aggregate basis, consistent with our use of the licenses on a national scope, using a discounted cash flow approach. Trade names are tested by comparing their book values to their fair values calculated using a discounted cash flow approach on a presumed royalty rate derived from the revenues related to each brand name.

Intangible assets that have finite useful lives are amortized over their estimated economic lives (see Note 9). Customer lists and relationships are amortized using primarily the sum-of-the-months-digits method of amortization over the period in which those relationships are expected to contribute to our future cash flows. Finite-lived trademarks and trade names are amortized using the straight-line method over the estimated useful life of the assets. The remaining finite-lived intangible assets are generally amortized using the straight-line method. These assets, along with other long-lived assets, are reviewed for recoverability whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable.

Advertising Costs We expense advertising costs for products and services or for promoting our corporate image as incurred (see Note 23).

Foreign Currency Translation Our foreign subsidiaries and foreign investments generally report their earnings in their local currencies. We translate their foreign assets and liabilities at exchange rates in effect at the balance sheet dates. We translate their revenues and expenses using average rates during the year. The resulting foreign currency translation adjustments are recorded as a separate component of accumulated OCI on our consolidated balance sheets (see Note 3).

Pension and Other Postretirement Benefits See Note 14 for a comprehensive discussion of our pension and postretirement benefits, including a discussion of the actuarial assumptions, our policy for recognizing the associated gains and losses and our method used to estimate service and interest cost components.

Dollars in millions except per share amounts

NOTE 2. EARNINGS PER SHARE

A reconciliation of the numerators and denominators of basic and diluted earnings per share is shown in the table below:

Year Ended December 31,	**2024**	2023	2022
Numerators			
Numerator for basic earnings per share:			
Income (loss) from continuing operations, net of tax	**$ 12,253**	$ 15,623	$ (6,874)
Net income from continuing operations attributable to noncontrolling interests	**(1,305)**	(1,223)	(1,469)
Preferred Stock Dividends	**(202)**	(208)	(203)
Income (loss) from continuing operations attributable to common stock	**10,746**	14,192	(8,546)
Adjustment to carrying value of noncontrolling interest	**—**	—	663
Numerator for basic earnings per share from continuing operations[1]	**10,746**	14,192	(7,883)
Loss from discontinued operations attributable to common stock	**—**	—	(181)
Numerator for basic earnings per share[1]	**$ 10,746**	$ 14,192	$ (8,064)
Dilutive potential common shares:			
Mobility preferred interests[2]	**—**	72	526
Share-based payment[2]	**—**	13	17
Numerator for diluted earnings per share	**$ 10,746**	$ 14,277	$ (7,521)
Denominators (000,000)			
Denominator for basic earnings per share:			
Weighted average number of common shares outstanding	**7,199**	7,181	7,166
Dilutive potential common shares:			
Mobility preferred interests (in shares)	**—**	71	378
Share-based payment (in shares)	**5**	6	43
Denominator for diluted earnings per share[2]	**7,204**	7,258	7,587

[1] For 2022, in the calculation of basic earnings per share, income (loss) attributable to common stock for continuing operations and total company has been increased by $663 from adjustment to carrying value of noncontrolling interest. (See Note 16)

[2] For 2022, dilutive potential common shares are not included in the computation of diluted earnings per share because their effect is antidilutive as a result of the net loss.

On April 5, 2023, we repurchased all of our Mobility preferred interests (see Note 16). For periods prior to repurchase, under ASU 2020-06, the ability to settle the Mobility preferred interests in stock was reflected in our diluted earnings per share calculation (see Note 1).

Dollars in millions except per share amounts

NOTE 3. OTHER COMPREHENSIVE INCOME

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

	Foreign Currency Translation Adjustment	Net Unrealized Gains (Losses) on Securities	Net Unrealized Gains (Losses) on Derivative Instruments	Defined Benefit Postretirement Plans	Accumulated Other Comprehensive Income
Balance as of December 31, 2021	$ (1,964)	$ 45	$ (1,422)	$ 6,870	$ 3,529
Other comprehensive income (loss) before reclassifications	346	(143)	(648)	1,787	1,342
Amounts reclassified from accumulated OCI	— [1]	8 [1]	96 [2]	(2,028) [3]	(1,924)
Distribution of WarnerMedia	(182)	—	(24)	25	(181)
Net other comprehensive income (loss)	164	(135)	(576)	(216)	(763)
Balance as of December 31, 2022	(1,800)	(90)	(1,998)	6,654	2,766
Other comprehensive income (loss) before reclassifications	463	22	922	32	1,439
Amounts reclassified from accumulated OCI	— [1]	11 [1]	47 [2]	(1,963) [3]	(1,905)
Net other comprehensive income (loss)	463	33	969	(1,931)	(466)
Balance as of December 31, 2023	(1,337)	(57)	(1,029)	4,723	2,300
Other comprehensive income (loss) before reclassifications	(545)	(19)	380	—	(184)
Amounts reclassified from accumulated OCI	127 [1]	30 [1]	45 [2]	(1,523) [3]	(1,321)
Net other comprehensive income (loss)	(418)	11	425	(1,523)	(1,505)
Balance as of December 31, 2024	**$ (1,755)**	**$ (46)**	**$ (604)**	**$ 3,200**	**$ 795**

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

[2] (Gains) losses are primarily included in "Interest expense" in the consolidated statements of income (see Note 12).

[3] The amortization of prior service credits associated with postretirement benefits is included in "Other income (expense) – net" in the consolidated statements of income (see Note 14).

NOTE 4. SEGMENT INFORMATION

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

Our chief operating decision maker (CODM) is our Chief Executive Officer and President. Our CODM uses operating income to evaluate performance and allocate resources, including capital allocations, when managing the business. Our CODM manages operations through the review of actual and forecasted "Operations and Support Expenses" information at a segment and business unit level, with Communications and Latin America segments primarily evaluated on a direct cost basis and comprised of equipment, compensation, network and technology, sales, advertising and other costs.

Additionally, business unit expenses within the Communications segment include direct and shared costs. Direct costs are incurred in support of products and services offered by the business units, such as equipment costs (predominantly wireless devices), network access, rents, leases, sales support, customer provisioning and commission expenses. Shared costs amongst the business units generally include information technology, network engineering and construction costs, advertising and other general and administrative expense.

Dollars in millions except per share amounts

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

- **Mobility** provides nationwide wireless service and equipment.
- **Business Wireline** provides advanced ethernet-based fiber services, fixed wireless services, IP Voice and managed professional services, as well as legacy voice and data services and related equipment, to business customers.
- **Consumer Wireline** provides broadband services, including fiber connections that provide multi-gig services, and our fixed wireless access product (AT&T Internet Air or "AIA") that provides internet services delivered over our 5G wireless network, to residential customers in select locations. Consumer Wireline also provides legacy telephony voice communication services.

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

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

Corporate includes*:*

- *DTV-related retained costs*, which are costs previously allocated to the Video business that were retained after the transaction, net of reimbursements from DIRECTV under transition service agreements.
- *Parent administration support*, which includes costs borne by AT&T where the business units do not influence decision making.
- *Securitization fees* associated with our sales of receivables (see Note 17).
- *Value portfolio*, which are businesses no longer integral to our operations or which we no longer actively market.

Other items consist of*:*

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

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

For the year ended December 31, 2024

	Revenues	Operations and Support Expenses	Depreciation and Amortization	Operating Income (Loss)
Communications				
Mobility	**$ 85,255**	**$ 48,724**	**$ 10,217**	**$ 26,314**
Business Wireline	**18,819**	**13,352**	**5,555**	**(88)**
Consumer Wireline	**13,578**	**9,048**	**3,661**	**869**
Total Communications	**117,652**	**71,124**	**19,433**	**27,095**
Latin America – Mexico	**4,232**	**3,535**	**657**	**40**
Segment Total	**121,884**	**74,659**	**20,090**	**27,135**
Corporate and Other				
Corporate:				
DTV-related retained costs	**—**	**465**	**414**	**(879)**
Parent administration support	**(2)**	**1,722**	**6**	**(1,730)**
Securitization fees	**116**	**628**	**—**	**(512)**
Value portfolio	**338**	**102**	**17**	**219**
Total Corporate	**452**	**2,917**	**437**	**(2,902)**
Certain significant items	**—**	**5,131**	**53**	**(5,184)**
Total Corporate and Other	**452**	**8,048**	**490**	**(8,086)**
AT&T Inc.	**$ 122,336**	**$ 82,707**	**$ 20,580**	**$ 19,049**

Dollars in millions except per share amounts

For the year ended December 31, 2023

	Revenues	Operations and Support Expenses	Depreciation and Amortization	Operating Income (Loss)
Communications				
Mobility	$ 83,982	$ 49,604	$ 8,517	$ 25,861
Business Wireline	20,883	14,217	5,377	1,289
Consumer Wireline	13,173	9,053	3,469	651
Total Communications	118,038	72,874	17,363	27,801
Latin America – Mexico	3,932	3,349	724	(141)
Segment Total	121,970	76,223	18,087	27,660
Corporate and Other				
Corporate:				
DTV-related retained costs	—	686	586	(1,272)
Parent administration support	(7)	1,416	6	(1,429)
Securitization fees	85	604	—	(519)
Value portfolio	380	99	22	259
Total Corporate	458	2,805	614	(2,961)
Certain significant items	—	1,162	76	(1,238)
Total Corporate and Other	458	3,967	690	(4,199)
AT&T Inc.	$ 122,428	$ 80,190	$ 18,777	$ 23,461

For the year ended December 31, 2022

	Revenues	Operations and Support Expenses	Depreciation and Amortization	Operating Income (Loss)
Communications				
Mobility	$ 81,780	$ 49,770	$ 8,198	$ 23,812
Business Wireline	22,538	14,934	5,314	2,290
Consumer Wireline	12,749	8,946	3,169	634
Total Communications	117,067	73,650	16,681	26,736
Latin America – Mexico	3,144	2,812	658	(326)
Segment Total	120,211	76,462	17,339	26,410
Corporate and Other				
Corporate:				
DTV-related retained costs	8	878	549	(1,419)
Parent administration support	(32)	1,378	16	(1,426)
Securitization fees	65	419	—	(354)
Value portfolio	489	139	41	309
Total Corporate	530	2,814	606	(2,890)
Certain significant items	—	28,031	76	(28,107)
Total Corporate and Other	530	30,845	682	(30,997)
AT&T Inc.	$ 120,741	$ 107,307	$ 18,021	$ (4,587)

Dollars in millions except per share amounts

The following table is a reconciliation of Segment Operating Income to "Income (Loss) from Continuing Operations Before Income Taxes" reported in our consolidated statements of income:

For the years ended December 31,	**2024**	2023	2022
Communications	**$ 27,095**	$ 27,801	$ 26,736
Latin America	**40**	(141)	(326)
Segment Operating Income	**27,135**	27,660	26,410
Reconciling Items:			
Corporate	**(2,902)**	(2,961)	(2,890)
Transaction and other costs	**(123)**	(98)	(425)
Amortization of intangibles acquired	**(53)**	(76)	(76)
Asset impairments and abandonments and restructuring	**(5,075)**	(1,193)	(27,498)
Benefit-related gains (losses)	**67**	129	(108)
AT&T Operating Income (Loss)	**19,049**	23,461	(4,587)
Interest expense	**6,759**	6,704	6,108
Equity in net income of affiliates	**1,989**	1,675	1,791
Other income (expense) – net	**2,419**	1,416	5,810
Income (Loss) from Continuing Operations Before Income Taxes	**$ 16,698**	$ 19,848	$ (3,094)

The following table sets forth revenues earned from customers, and property, plant and equipment located in different geographic areas:

At or for the years ended December 31,	**2024**		2023		2022	
	Revenues	Net Property, Plant & Equipment	Revenues	Net Property, Plant & Equipment	Revenues	Net Property, Plant & Equipment
United States	**$ 116,882**	**$ 125,573**	$ 117,097	$ 124,387	$ 116,006	$ 123,305
Mexico	**4,286**	**2,981**	3,993	3,750	3,210	3,718
Asia/Pacific Rim	**462**	**82**	521	99	592	124
Europe	**441**	**139**	504	166	584	201
Latin America	**149**	**60**	194	67	217	74
Other	**116**	**36**	119	20	132	23
Total	**$ 122,336**	**$ 128,871**	$ 122,428	$ 128,489	$ 120,741	$ 127,445

The following table presents assets, investments in equity affiliates and capital expenditures by segment:

At or for the years ended December 31,	**2024**			2023		
	Assets	Investments in Equity Method Investees	Capital Expenditures	Assets	Investments in Equity Method Investees	Capital Expenditures
Communications	**$ 481,757**	**$ —**	**$ 19,335**	$ 504,006	$ —	$ 16,876
Latin America	**7,808**	**—**	**269**	9,314	—	298
Corporate and eliminations	**(94,770)**	**295**	**659**	(106,260)	1,251	679
Total	**$ 394,795**	**$ 295**	**$ 20,263**	$ 407,060	$ 1,251	$ 17,853

NOTE 5. REVENUE RECOGNITION

We report our revenues net of sales taxes and record certain regulatory fees, primarily Universal Service Fund (USF) fees, on a net basis. No customer accounted for more than 10% of consolidated revenues in 2024, 2023 or 2022.

Wireless, Advanced Data, Legacy Voice & Data Services and Equipment Revenue
We offer service-only contracts and contracts that bundle equipment used to access the services and/or with other service offerings. Some contracts have fixed terms and others are cancelable on a short-term basis (i.e., month-to-month arrangements).

Examples of service revenues include wireless, fiber and other advanced connectivity, transitional and legacy voice and data. These services represent a series of distinct services that is considered a separate performance obligation. Service revenue is recognized when services are provided, based upon either period of time (e.g., monthly service fees) or usage (e.g., bytes of data processed).

Some of our services require customer premises equipment that, when combined and integrated with AT&T's specific network infrastructure, facilitates the delivery of service to the customer. In evaluating whether the equipment is a separate performance obligation, we consider the customer's ability to benefit from the equipment on its own or together with other readily available resources and if so, whether the service and equipment are separately identifiable (i.e., is the service highly dependent on, or highly interrelated with the equipment). When equipment is a separate performance obligation, we record the sale of equipment when title has passed and the products are accepted by the customer. For devices sold through indirect channels (e.g., national retailers), revenue is recognized when the retailer accepts the device, not upon activation.

Our equipment and service revenues are predominantly recognized on a gross basis, as most of our services do not involve a third party and we typically control the equipment that is sold to our customers.

Revenue recognized from fixed-term contracts that bundle services and/or equipment is allocated based on the standalone selling price of all required performance obligations of the contract (i.e., each item included in the bundle). Promotional discounts are attributed to each required component of the arrangement, resulting in recognition over the contract term. Standalone selling prices are determined by assessing prices paid for service-only contracts (e.g., arrangements where customers bring their own devices) and standalone device pricing.

We offer the majority of our customers the option to purchase certain wireless devices in installments over a specified period of time, and, in many cases, they may be eligible to trade in the original equipment for a new device and have the remaining unpaid balance paid or settled. For customers that elect these equipment installment payment programs, at the point of sale, we recognize revenue for the entire amount of revenue allocated to the customer receivable net of fair value of the trade-in right guarantee, when applicable. The difference between the revenue recognized and the consideration received is recorded as a note receivable when the devices are not discounted and our right to consideration is unconditional. When installment sales include promotional discounts that are earned by customers over the contract term (e.g., "buy one get one free" or equipment discounts with trade-in of a device), notes receivable are recognized net of discounts and the difference between revenue recognized and consideration received is recorded as a contract asset to be amortized over the contract term.

Less commonly, we offer certain customers highly discounted devices when they enter into a minimum service agreement term. For these contracts, we recognize equipment revenue at the point of sale based on a standalone selling price allocation. The difference between the revenue recognized and the cash received is recorded as a contract asset that will amortize over the contract term.

Our contracts allow for customers to frequently modify their arrangement, without incurring penalties in many cases. When a contract is modified, we evaluate the change in scope or price of the contract to determine if the modification should be treated as a new contract or if it should be considered a change of the existing contract. We generally do not have significant impacts from contract modifications.

Revenues from transactions between us and our customers are recorded net of revenue-based regulatory fees and taxes. Cash incentives given to customers are recorded as a reduction of revenue. Nonrefundable, upfront service activation and setup fees associated with service arrangements are deferred and recognized over the associated service contract period or customer relationship life.

Dollars in millions except per share amounts

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

For the year ended December 31, 2024

	Communications					
	Mobility	Business Wireline	Consumer Wireline	Latin America	Corporate & Other	Total
Wireless service	**$ 65,373**	**$ —**	**$ —**	**$ 2,668**	**$ —**	**$ 68,041**
Business service	**—**	**18,064**	**—**	**—**	**—**	**18,064**
Broadband	**—**	**—**	**11,212**	**—**	**—**	**11,212**
Legacy voice and data	**—**	**—**	**1,265**	**—**	**253**	**1,518**
Other	**—**	**—**	**1,101**	**—**	**199**	**1,300**
Total Service	**65,373**	**18,064**	**13,578**	**2,668**	**452**	**100,135**
Equipment	**19,882**	**755**	**—**	**1,564**	**—**	**22,201**
Total	**$ 85,255**	**$ 18,819**	**$ 13,578**	**$ 4,232**	**$ 452**	**$ 122,336**

For the year ended December 31, 2023

	Communications					
	Mobility	Business Wireline	Consumer Wireline	Latin America	Corporate & Other	Total
Wireless service	$ 63,175	$ —	$ —	$ 2,569	$ —	$ 65,744
Business service	—	20,274	—	—	—	20,274
Broadband	—	—	10,455	—	—	10,455
Legacy voice and data	—	—	1,508	—	294	1,802
Other	—	—	1,210	—	164	1,374
Total Service	63,175	20,274	13,173	2,569	458	99,649
Equipment	20,807	609	—	1,363	—	22,779
Total	$ 83,982	$ 20,883	$ 13,173	$ 3,932	$ 458	$ 122,428

For the year ended December 31, 2022

	Communications					
	Mobility	Business Wireline	Consumer Wireline	Latin America	Corporate & Other	Total
Wireless service	$ 60,499	$ —	$ —	$ 2,162	$ 13	$ 62,674
Business service	—	21,891	—	—	—	21,891
Broadband	—	—	9,669	—	—	9,669
Legacy voice and data	—	—	1,746	—	323	2,069
Other	—	—	1,334	—	194	1,528
Total Service	60,499	21,891	12,749	2,162	530	97,831
Equipment	21,281	647	—	982	—	22,910
Total	$ 81,780	$ 22,538	$ 12,749	$ 3,144	$ 530	$ 120,741

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

During the first quarter of 2022, we updated our analysis of expected economic lives of customer relationships. As of January 1, 2022, we extended the amortization period for deferred acquisition and fulfillment contract costs within Mobility, Business Wireline and Consumer Wireline to better reflect the estimated economic lives of the relationships. These changes in

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accounting estimate decreased "Other cost of revenues" approximately $395, or $0.04 per diluted share from continuing operations for the year ended December 31, 2022.

The following table presents the deferred customer contract acquisition and fulfillment costs included on our consolidated balance sheets at December 31:

Consolidated Balance Sheets	**2024**	2023
Deferred Acquisition Costs		
Prepaid and other current assets	**$ 3,239**	$ 3,233
Other Assets	**4,177**	4,077
Total deferred customer contract acquisition costs	**$ 7,416**	$ 7,310
Deferred Fulfillment Costs		
Prepaid and other current assets	**$ 2,101**	$ 2,340
Other Assets	**3,289**	3,843
Total deferred customer contract fulfillment costs	**$ 5,390**	$ 6,183

The following table presents deferred customer contract acquisition and fulfillment cost amortization, which are primarily included in "Selling, general and administrative" and "Other cost of revenues," respectively, for the years ended December 31:

Consolidated Statements of Income	**2024**	2023
Deferred acquisition cost amortization	**$ 3,667**	$ 3,476
Deferred fulfillment cost amortization	**2,525**	2,700

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

Our contract assets primarily relate to our wireless businesses. Promotional equipment sales where we offer handset credits, which are allocated between equipment and service in proportion to their standalone selling prices, when customers commit to a specified service period result in additional contract assets recognized. These contract assets will amortize over the service contract period, resulting in lower future service revenue.

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

The following table presents contract assets and liabilities on our consolidated balance sheets at December 31:

Consolidated Balance Sheets	**2024**	2023
Contract asset	**$ 6,855**	$ 6,518
Current portion in "Prepaid and other current assets"	**3,845**	3,549
Contract liability	**4,272**	3,994
Current portion in "Advanced billings and customer deposits"	**3,981**	3,666

Our beginning of period contract liabilities recorded as customer contract revenue during 2024 was $3,666.

Remaining Performance Obligations
Remaining performance obligations represent services we are required to provide to customers under bundled or discounted arrangements, which are satisfied as services are provided over the contract term. In determining the transaction price allocated,

we do not include non-recurring charges and estimates for usage, nor do we consider arrangements with an original expected duration of less than one year, which are primarily prepaid wireless and residential internet agreements.

Remaining performance obligations associated with business contracts reflect recurring charges billed, adjusted to reflect estimates for sales incentives and revenue adjustments. Performance obligations associated with wireless contracts are estimated using a portfolio approach in which we review all relevant promotional activities, calculating the remaining performance obligation using the average service component for the portfolio and the average device price. As of December 31, 2024, the aggregate amount of the transaction price allocated to remaining performance obligations was $40,914, of which we expect to recognize approximately 85% by the end of 2026, with the balance recognized thereafter.

NOTE 6. ACQUISITIONS, DISPOSITIONS AND OTHER ADJUSTMENTS

Acquisitions

Spectrum Auctions On January 14, 2022, the Federal Communications Commission (FCC) announced that we were the winning bidder for 1,624 3.45 GHz licenses in Auction 110. We provided the FCC an upfront deposit of $123 in the third quarter of 2021 and paid the remaining $8,956 in the first quarter of 2022, for a total of $9,079. We funded the purchase price using cash and short-term investments. We received the licenses in May 2022 and classified the auction deposits and related capitalized interest as “Licenses – Net” on our December 31, 2022 consolidated balance sheet.

In February 2021, the FCC announced that AT&T was the winning bidder for 1,621 C-Band licenses, comprised of a total of 80 MHz nationwide, including 40 MHz in Phase I. We provided to the FCC an upfront deposit of $550 in 2020 and cash payments totaling $22,856 in the first quarter of 2021, for a total of $23,406. We received the licenses in July 2021 and classified the auction deposits, related capitalized interest and billed relocation costs as “Licenses – Net” on our December 31, 2021 consolidated balance sheet. In December 2021, we paid $955 of Incentive Payments upon clearing of Phase I spectrum and paid $2,112 upon clearing of Phase II spectrum in 2023. Additionally, we are responsible for approximately $1,100 of compensable relocation costs over the next several years as the spectrum is being cleared by satellite operators, of which we paid $650 in 2021, $98 in 2022, $109 in 2023 and $138 in 2024. Funding for the purchase price of the spectrum included a combination of cash on hand and short-term investments, as well as short- and long-term debt.

Dispositions Reflected as Discontinued Operations

WarnerMedia On April 8, 2022, we completed the separation and distribution of our WarnerMedia business, and merger of Spinco, an AT&T subsidiary formed to hold the WarnerMedia business, with a subsidiary of Discovery, Inc., which was renamed Warner Bros. Discovery, Inc (WBD). Each AT&T shareholder was entitled to receive 0.241917 shares of WBD common stock for each share of AT&T common stock held as of the record date, which represented approximately 71% of WBD. In connection with and in accordance with the terms of the Separation and Distribution Agreement (SDA), prior to the distribution and merger, AT&T received approximately $40,400, which includes $38,800 of Spinco cash and $1,600 of debt retained by WarnerMedia. During the second quarter of 2022, $45,041 of retained earnings and $5,632 of additional paid-in capital associated with the transaction were removed from our balance sheet. Additionally, in August 2022, we and WBD finalized the post-closing adjustment, pursuant to Section 1.3 of the SDA, which resulted in a $1,200 payment to WBD in the third quarter of 2022 and was reflected in the balance sheet as an adjustment to additional paid-in capital. (See Note 24)

Xandr On June 6, 2022, we completed the sale of the marketplace component of Xandr to Microsoft Corporation. Xandr was reflected in our historical financial statements as discontinued operations.

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NOTE 7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is summarized as follows at December 31:

	Lives (years)	2024	2023
Land	-	**$ 1,372**	$ 1,377
Buildings and improvements	2-44	**39,947**	39,380
Central office equipment[1]	3-10	**101,607**	100,264
Cable, wiring and conduit	15-50	**95,217**	90,109
Other equipment	3-20	**87,656**	85,379
Software	3-7	**17,663**	17,742
Under construction	-	**7,452**	5,640
		350,914	339,891
Accumulated depreciation and amortization		**222,043**	211,402
Property, plant and equipment – net		**$ 128,871**	$ 128,489

[1] Includes certain network software.

Our depreciation expense was $20,421 in 2024, $18,593 in 2023, and $17,852 in 2022. Depreciation expense included amortization of software totaling $3,076 in 2024, $3,023 in 2023 and $2,972 in 2022.

In December 2022, we recorded a noncash pre-tax charge of $1,413 to abandon conduits that will not be utilized to support future network activity. The abandonment was considered outside the ordinary course of business.

During the first quarter of 2022, we updated our analysis of economic lives of AT&T-owned fiber network assets. As of January 1, 2022, we extended the estimated economic life and depreciation period of such costs to better reflect the physical life of the assets that we had been experiencing and absence of technological changes that would replace fiber as the best broadband technology in the industry. The change in accounting estimate decreased depreciation expense $280, or $0.03 per diluted share from continuing operations for the year ended December 31, 2022.

NOTE 8. LEASES

We have operating and finance leases for certain facilities and equipment used in our operations. Our leases generally have remaining lease terms of up to 15 years. Some of our operating leases (e.g., for towers and real estate) contain renewal options that may be exercised, and some of our leases include options to terminate the leases within one year.

We have recognized a right-of-use asset for both operating and finance leases, and a corresponding lease liability that represents the present value of our obligation to make payments over the lease term. The present value of the lease payments is calculated using the incremental borrowing rate for operating and finance leases, which was determined using a portfolio approach based on the rate of interest that we would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term. We use the unsecured borrowing rate and risk-adjust that rate to approximate a collateralized rate in the currency of the lease, which will be updated on a quarterly basis for measurement of new lease liabilities.

The components of lease expense were as follows:

	2024	2023	2022
Operating lease cost	**$ 5,776**	$ 5,577	$ 5,437
Finance lease cost:			
Amortization of leased assets in property, plant and equipment	**$ 205**	$ 232	$ 204
Interest on lease obligation	**171**	184	159
Total finance lease cost	**$ 376**	$ 416	$ 363

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The following table provides supplemental cash flows information related to leases:

	2024	2023	2022
Cash Flows from Operating Activities			
Cash paid for amounts included in lease obligations:			
Operating cash flows from operating leases	**$ 4,757**	$ 4,588	$ 4,679
Supplemental Lease Cash Flow Disclosures			
Operating lease right-of-use assets obtained in exchange for new operating lease obligations	**3,762**	2,693	3,751

The following tables set forth supplemental balance sheet information related to leases at December 31:

	2024	2023
Operating Leases		
Operating lease right-of-use assets	**$ 20,909**	$ 20,905
Accounts payable and accrued liabilities	**$ 3,533**	$ 3,524
Operating lease obligation	**17,391**	17,568
Total operating lease obligation	**$ 20,924**	$ 21,092
Finance Leases		
Property, plant and equipment, at cost	**$ 2,449**	$ 2,828
Accumulated depreciation and amortization	**(1,378)**	(1,399)
Property, plant and equipment – net	**$ 1,071**	$ 1,429
Current portion of long-term debt	**$ 179**	$ 183
Long-term debt	**1,237**	1,655
Total finance lease obligation	**$ 1,416**	$ 1,838

	2024	2023
Weighted-Average Remaining Lease Term (years)		
Operating leases	**7.6**	7.7
Finance leases	**6.7**	7.2
Weighted-Average Discount Rate		
Operating leases	**4.5 %**	4.1 %
Finance leases	**8.5 %**	8.3 %

Dollars in millions except per share amounts

The following table provides the expected future minimum maturities of lease obligations:

At December 31, 2024	Operating Leases	Finance Leases
2025	**$ 4,789**	**$ 293**
2026	**4,166**	**285**
2027	**3,527**	**284**
2028	**2,885**	**286**
2029	**2,130**	**294**
Thereafter	**7,978**	**416**
Total lease payments	**25,475**	**1,858**
Less: Imputed interest	**(4,551)**	**(442)**
Total	**$ 20,924**	**$ 1,416**

NOTE 9. GOODWILL AND OTHER INTANGIBLE ASSETS

We test goodwill for impairment at a reporting unit level, which is deemed to be our principal operating segments or one level below. With our annual impairment testing as of October 1, the calculated fair value of each reporting unit exceeded its book value.

During the third quarter of 2024, we updated the long-term strategic plan of our Business Wireline reporting unit. The updated plans reflected lower long-term projected future cash flows associated with the industry-wide secular decline, including a faster-than-previously anticipated decline of legacy services. We identified this as an impairment indicator and performed an interim quantitative goodwill impairment test of our Business Wireline reporting unit. The interim impairment test methodology was consistent with our approach for annual impairment testing (see Note 1), using similar models updated with our current view of key inputs and assumptions. We concluded that the calculated fair value of the Business Wireline reporting unit was lower than the book value, resulting in a goodwill impairment. As a result, in the third quarter of 2024, we recorded a noncash goodwill impairment charge of $4,422 in our consolidated statements of income, which represented the entirety of Business Wireline reporting unit goodwill.

In 2022, we recorded noncash impairment charges of $13,478 in our Business Wireline reporting unit, $10,508 in our Consumer Wireline reporting unit and the entire $826 in our Mexico reporting unit. The decline in fair values was primarily due to changes in the macroeconomic environment, namely increased weighted-average cost of capital. Also, inflation pressure and lower projected cash flows driven by secular declines, predominantly at Business Wireline, impacted the fair values.

Changes to our goodwill in 2024 resulted from the noncash impairment discussed above. Changes to our goodwill in 2023 resulted from goodwill attributed to assets contributed to the formation of strategic joint ventures.

Our Communications segment has three reporting units: Mobility, Consumer Wireline and Business Wireline. Business Wireline goodwill was fully impaired in the third quarter of 2024. The reporting unit is deemed to be the operating segment for Latin America and its goodwill was fully impaired in 2022. At December 31, 2024, accumulated goodwill impairments totaled $29,234.

The following table sets forth the changes in the carrying amounts of goodwill for the Communications segment:

	2024			2023		
	Balance at Jan. 1	**Impairment**	**Balance at Dec. 31**	Balance at Jan. 1	Dispositions and other	Balance at Dec. 31
Communications						
Goodwill	**$ 91,840**	**$ —**	**$ 91,840**	$ 91,881	$ (41)	$ 91,840
Accumulated Impairments	**(23,986)**	**(4,422)**	**(28,408)**	(23,986)	—	(23,986)
Total	**$ 67,854**	**$ (4,422)**	**$ 63,432**	$ 67,895	$ (41)	$ 67,854

We review amortizing intangible assets for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable over the remaining life of the asset or asset group.

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Indefinite-lived wireless licenses increased in 2024 primarily due to compensable relocation and incentive payments and $199 of capitalized interest. Indefinite-lived wireless licenses increased in 2023 primarily due to compensable relocation and incentive payments and $695 of capitalized interest. (See Notes 6 and 23)

Our other intangible assets at December 31 are summarized as follows:

		2024			2023		
Other Intangible Assets	Weighted-Average Life	**Gross Carrying Amount**	**Accumulated Amortization**	**Currency Translation Adjustment**	Gross Carrying Amount	Accumulated Amortization	Currency Translation Adjustment
Amortized intangible assets:							
Wireless licenses	21.6 years	**$ 2,999**	**$ 696**	**$ (343)**	$ 3,034	$ 572	$ 23
Customer lists and relationships	10.0 years	**349**	**275**	**(74)**	379	286	(74)
Trademarks, trade names and other	12.6 years	**43**	**23**	**(6)**	289	261	(5)
Total	21.6 years	**$ 3,391**	**$ 994**	**$ (423)**	$ 3,702	$ 1,119	$ (56)

Indefinite-lived intangible assets not subject to amortization:

Wireless licenses	**$ 125,075**	$ 124,734
Trade names	**5,241**	5,241
Total	**$ 130,316**	$ 129,975

Amortized intangible assets are definite-life assets, and, as such, we record amortization expense based on a method that most appropriately reflects our expected cash flows from these assets. Amortization expense for definite-life intangible assets was $159 for the year ended December 31, 2024, $184 for the year ended December 31, 2023 and $169 for the year ended December 31, 2022. Estimated amortization expense for the next five years is: $129 for 2025, $131 for 2026, $130 for 2027, $130 for 2028 and $130 for 2029.

NOTE 10. EQUITY METHOD INVESTMENTS

Investments in partnerships, joint ventures and less than majority-owned subsidiaries in which we have significant influence are accounted for under the equity method.
Our investments in equity affiliates at December 31, 2024, primarily included our interests in DIRECTV and Gigapower.

DIRECTV We account for our investment in DIRECTV under the equity method of accounting. DIRECTV is considered a variable interest entity for accounting purposes. As DIRECTV is jointly governed by a board with representation from both AT&T and TPG Capital (TPG), with TPG having tie-breaking authority on certain key decisions, most significantly the appointment and removal of the CEO, we have concluded that we are not the primary beneficiary of DIRECTV. The initial fair value of the equity considerations at the date of acquisition was $6,852, which was determined using a discounted cash flow model reflecting distribution rights and preference of the individual instruments.

The ownership interests in DIRECTV, based on seniority, are as follows:
- Preferred units with distribution rights of $1,800 held by TPG, which have been fully distributed.
- Junior preferred units with distribution rights of $4,250 held by AT&T, which were fully distributed as of December 31, 2023.
- Distribution preference associated with Common units of $4,200 held by AT&T, of which $1,370 of distribution rights remain as of December 31, 2024.
- Common units, with 70% held by AT&T and 30% held by TPG.

On September 29, 2024, we agreed to sell our interest in DIRECTV to TPG for approximately $7,600 in cash payments through 2029, inclusive of third-quarter and fourth-quarter 2024 combined distributions of $1,695. In addition to quarterly distributions through 2025, including payout of common catch-up units, this consideration includes notes payable to AT&T of approximately

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$2,550 and a dividend of $1,150. The transaction is expected to close in mid-2025, pending customary closing conditions. We expect a gain on sale, whose amount will be dependent on the timing of close.

Beginning in third-quarter 2024, our investment in DIRECTV was reduced to zero on our consolidated balance sheet, resulting from aggregate cash receipts exceeding our initial investment balance plus our cumulative equity in DIRECTV earnings. As we are not committed, implicitly or explicitly, to provide financial or other support to DIRECTV, we record cash distributions received in excess of our share of DIRECTV's earnings in "Equity in net income of affiliates" in the consolidated statements of income and as cash provided by operations in the consolidated statements of cash flows.

During 2024, 2023 and 2022, we recognized $2,027, $1,666 and $1,808 of equity in net income of affiliates and received total distributions of $2,955, $3,715 and $4,457, respectively, from DIRECTV. The book value of our investment in DIRECTV was $0 and $877 at December 31, 2024 and 2023.

Our share of net income or loss may differ from the stated ownership percentage interest of DIRECTV as the terms of the arrangement prescribe substantive non-proportionate cash distributions, both from operations and in liquidation, that are based on classes of interests held by investors. In the event that DIRECTV records a loss, that loss will be allocated to ownership interests based on their seniority, beginning with the most subordinated interests.

Gigapower On May 11, 2023, we closed our transaction with BlackRock, through a fund managed by its Diversified Infrastructure business, related to Gigapower, LLC (Gigapower). We hold a 50% interest in this joint venture, which provides a fiber network in select areas to internet service providers and other businesses across the U.S. We deconsolidated Gigapower's operations and began accounting for it as an equity method investment on May 12, 2023.

SKY Mexico In June 2024, we sold our 41.3% interest in SKY Mexico, a leading pay-TV provider in Mexico.

The following table presents summarized financial information for DIRECTV and our other equity method investments, consisting primarily of Gigapower, SKY Mexico (prior to disposition) and certain sports-related programming investments, at December 31, or for the year then ended:

	2024	2023	2022
Income Statements[1,2]			
Operating revenues	**$ 20,003**	$ 22,938	$ 25,794
Operating income	**2,343**	2,873	3,175
Net income	**1,811**	2,393	2,581
Balance Sheets[2]			
Current assets	**2,857**	3,058	
Noncurrent assets	**9,496**	12,203	
Current liabilities	**5,312**	5,148	
Noncurrent liabilities	**7,389**	8,193	

[1] Does not include Gigapower for periods prior to May 2023.

[2] Does not include SKY Mexico after disposition in June 2024.

The following table is a reconciliation of our investments in equity affiliates as presented on our consolidated balance sheets:

	2024	2023
Beginning of year	**$ 1,251**	$ 3,533
Additional investments	**117**	135
Distributions from DIRECTV in excess of cumulative equity in earnings	**(928)**	(2,049)
Dividends and distributions of cumulative earnings received	**(2,033)**	(1,668)
Equity in net income of affiliates	**1,989**	1,675
Impairments	**(155)**	(450)
Currency translation adjustments	**—**	61
Other adjustments	**54**	14
End of year	**$ 295**	$ 1,251

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NOTE 11. DEBT

Long-term debt of AT&T and its subsidiaries, including interest rates and maturities, is summarized as follows at December 31:

							2024		2023
Notes and debentures									
Interest Rates[1]			Maturities						
0.00%	–	2.99%	2024	–	2033	**$**	**21,860**	$	24,560
3.00%	–	4.99%	2024	–	2061		**83,725**		87,855
5.00%	–	6.99%	2024	–	2095		**22,679**		27,286
7.00%	–	8.75%	2024	–	2097		**3,565**		3,639
Fair value of interest rate swaps recorded in debt							**6**		7
							131,835		143,347
Unamortized (discount) premium – net							**(9,340)**		(9,509)
Unamortized issuance costs							**(379)**		(436)
Total notes and debentures							**122,116**		133,402
Finance lease obligations							**1,416**		1,838
Total long-term debt, including current maturities							**123,532**		135,240
Current maturities of long-term debt							**(5,089)**		(7,386)
Total long-term debt						**$**	**118,443**	$	127,854

[1] Foreign debt includes the impact from hedges, when applicable.

We had outstanding Euro, British pound sterling, Canadian dollar, Swiss franc and Australian dollar denominated debt of approximately $30,685 and $35,192 at December 31, 2024 and 2023, respectively.

The weighted-average interest rate of our long-term debt portfolio, including credit agreement borrowings and the impact of derivatives, was approximately 4.2% as of December 31, 2024 and as of December 31, 2023.

Debt maturing within one year consisted of the following at December 31:

		2024		2023
Current maturities of long-term debt	**$**	**5,089**	$	7,386
Commercial paper		**—**		2,091
Total	**$**	**5,089**	$	9,477

The weighted average interest rate on our outstanding short-term borrowings, comprised solely of commercial paper, was approximately 6.0% as of December 31, 2023.

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Financing Activities
During 2024, we repaid $10,112 of long-term debt and credit agreement borrowings with a weighted average interest rate of 4.1%. Our debt activity during 2024 primarily consisted of the following:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year 2024
Net commercial paper borrowings	$ 428	$ 262	$ (2,686)	$ —	$ (1,996)
Repayments:					
USD notes	$ (2,300)	$ (1,615)	$ —	$ (2,575)	$ (6,490)
EUR notes	(2,181)	(32)	—	—	(2,213)
CAD notes	—	(442)	—	—	(442)
CHF notes	—	—	—	(467)	(467)
Other	(204)	(136)	(203)	(142)	(685)
Repayments of long-term debt	$ (4,685)	$ (2,225)	$ (203)	$ (3,184)	$ (10,297)

As of December 31, 2024 and 2023, we were in compliance with all covenants and conditions of instruments governing our debt. Substantially all of our outstanding long-term debt is unsecured. Maturities of outstanding long-term notes and debentures, as of December 31, 2024, and the corresponding weighted-average interest rate scheduled for repayment are as follows:

	2025	2026	2027	2028	2029	Thereafter
Debt repayments[1,2]	$ 5,399	$ 8,652	$ 6,310	$ 6,905	$ 6,918	$ 101,768
Weighted-average interest rate [2]	4.7 %	3.1 %	3.7 %	3.2 %	4.6 %	4.2 %

[1] Debt repayments represent maturity value. Foreign debt includes the impact from hedges, when applicable.

[2] Includes credit agreement borrowings.

Credit Facilities

General
In November 2022, we entered into and drew on a $2,500 term loan agreement due February 16, 2025 (Term Loan), with Mizuho Bank, Ltd., as agent. On March 30, 2023, the $2,500 Term Loan was paid off and terminated.

Revolving Credit Agreement
We currently have a $12,000 revolving credit agreement that terminates on November 18, 2029 (Revolving Credit Agreement), for which we extended the termination date, pursuant to the terms of the agreement, by one year in November 2024. No amount was outstanding under the Revolving Credit Agreement as of December 31, 2024.

Our Revolving Credit Agreement contains covenants that are customary for an issuer with investment grade senior debt credit rating as well as a net debt-to-EBITDA financial ratio covenant requiring AT&T to maintain, as of the last day of each fiscal quarter, a ratio of not more than 3.75-to-1.

The events of default are customary for agreements of this type and such events would result in the acceleration of, or would permit the lenders to accelerate, as applicable, required payments and would increase each agreement's relevant Applicable Margin by 2.00% per annum.

The obligations of the lenders under the Revolving Credit Agreement to provide advances will terminate on November 18, 2029, unless the commitments are terminated in whole prior to that date. All advances must be repaid no later than the date on which lenders are no longer obligated to make any advances under the Revolving Credit Agreement.

The Revolving Credit Agreement provides that we have the right to terminate, in whole or in part, amounts committed by the lenders under the credit agreement in excess of any outstanding advances; however, any such terminated commitments may not be reinstated.

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Advances under the Revolving Credit Agreement would bear interest, at our option, either:

- at a variable annual rate equal to: (1) the highest of (but not less than zero) (a) the rate of interest announced publicly by Citibank in New York, New York, from time to time, as Citibank's base rate, (b) 0.5% per annum above the federal funds rate, and (c) the forward-looking term rate based on the secured overnight financing rate (Term SOFR) for a period of one month plus a credit spread adjustment of 0.10% plus 1.00%, plus (2) an applicable margin, as set forth in the credit agreement (the "Applicable Margin for Base Advances"); or
- at a rate equal to: (i) Term SOFR for a period of one, three or six months, as applicable, plus (ii) a credit spread adjustment of 0.10%, plus (iii) an applicable margin, as set forth in the Revolving Credit Agreement (the "Applicable Margin for Benchmark Rate Advances").

We pay a facility fee of 0.060%, 0.070%, 0.080% or 0.100% per annum of the amount of the lender commitments, depending on AT&T's credit rating.

NOTE 12. FAIR VALUE MEASUREMENTS AND DISCLOSURE

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

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

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

Long-Term Debt and Other Financial Instruments

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

	December 31, 2024		December 31, 2023	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Notes and debentures[1]	**$ 122,116**	**$ 114,167**	$ 133,402	$ 128,474
Commercial paper	**—**	**—**	2,091	2,091
Investment securities[2]	**1,603**	**1,603**	2,836	2,836

[1] Includes credit agreement borrowings.

[2] Excludes investments accounted for under the equity method.

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

Following is the fair value leveling for investment securities that are measured at fair value and derivatives as of December 31, 2024 and December 31, 2023. Derivatives designated as hedging instruments are reflected as "Prepaid and other current assets,"

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"Other Assets," "Accounts payable and accrued liabilities," and "Other noncurrent liabilities" on our consolidated balance sheets.

	December 31, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Equity Securities				
Domestic equities	**$ 484**	**$ —**	**$ —**	**$ 484**
International equities	**8**	**—**	**—**	**8**
Fixed income equities	**178**	**—**	**—**	**178**
Available-for-Sale Debt Securities	**—**	**689**	**—**	**689**
Asset Derivatives				
Cross-currency swaps	**—**	**87**	**—**	**87**
Liability Derivatives				
Cross-currency swaps	**—**	**(4,163)**	**—**	**(4,163)**

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

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

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

For the years ended December 31,	**2024**	2023	2022
Total gains (losses) recognized on equity securities	**$ 209**	$ 257	$ (309)
Gains (Losses) recognized on equity securities sold	**(52)**	89	(80)
Unrealized gains (losses) recognized on equity securities held at end of period	**$ 261**	$ 168	$ (229)

At December 31, 2024, available-for-sale debt securities totaling $689 have maturities as follows - less than one year: $66; one to three years: $120; three to five years: $99; five or more years: $404.

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

Derivative Financial Instruments
We enter into derivative transactions to manage certain market risks, primarily interest rate risk and foreign currency exchange risk. This includes the use of interest rate swaps, interest rate locks, foreign exchange forward contracts and combined interest

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

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

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

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

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

On September 30, 2022, we de-designated most of our cross-currency swaps from cash flow hedges and re-designated these swaps as fair value hedges. The amount remaining in accumulated other comprehensive loss related to cash flow hedges on the de-designation date was $1,857. The amount will be reclassified to earnings when the hedged item is recognized in earnings or when it becomes probable that the forecasted transactions will not occur. The election of fair value hedge designation for cross-currency swaps does not have an impact on our financial results.

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

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

Collateral and Credit-Risk Contingency We have entered into agreements with our derivative counterparties establishing collateral thresholds based on respective credit ratings and netting agreements. At December 31, 2024, we had posted collateral of $188 (a deposit asset) and held collateral of $0 (a receipt liability). Under the agreements, if AT&T’s credit rating had been downgraded two ratings levels by Fitch Ratings, one level by S&P and one level by Moody’s, before the final collateral exchange in December, we would have been required to post additional collateral of $52. If AT&T’s credit rating had been downgraded three ratings levels by Fitch Ratings, two levels by S&P and two levels by Moody’s, we would have been required to post additional collateral of $3,986. At December 31, 2023, we had posted collateral of $670 (a deposit asset) and held collateral of $5 (a receipt liability). We do not offset the fair value of collateral, whether the right to reclaim cash collateral (a receivable) or the obligation to return cash collateral (a payable) exists, against the fair value of the derivative instruments.

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Following are the notional amounts of our outstanding derivative positions at December 31:

		2024		2023
Interest rate swaps	**$**	**—**	$	1,750
Cross-currency swaps		**34,884**		38,006
Total	**$**	**34,884**	$	39,756

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

Effect of Derivatives on the Consolidated Statements of Income

Fair Value Hedging Relationships For the years ended December 31,		**2024**		2023		2022
Interest rate swaps ("Interest expense"):						
Gain (loss) on interest rate swaps	**$**	**(1)**	$	(6)	$	(3)
Gain (loss) on long-term debt		**1**		6		3
Cross-currency swaps:						
Gain (loss) on cross-currency swaps		**(1,347)**		1,121		2,195
Gain (loss) on long-term debt		**1,347**		(1,121)		(2,195)
Gain (loss) recognized in accumulated OCI		**501**		1,126		297
Foreign exchange contracts:						
Gain (loss) on foreign exchange contracts		**—**		12		(12)
Gain (loss) on long-term debt		**—**		(12)		12
Gain (loss) recognized in accumulated OCI		**—**		12		(12)

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

Cash Flow Hedging Relationships For the years ended December 31,		**2024**		2023		2022
Cross-currency swaps:						
Gain (loss) recognized in accumulated OCI	**$**	**—**	$	12	$	(1,119)
Foreign exchange contracts:						
Gain (loss) recognized in accumulated OCI		**—**		—		3
Other income (expense) – net reclassified from accumulated OCI into income		**—**		—		1
Interest rate locks:						
Interest income (expense) reclassified from accumulated OCI into income		**(59)**		(59)		(65)
Other income (expense) reclassified from accumulated OCI into income		**—**		—		(45)
Distribution of WarnerMedia		**—**		—		(12)

Nonrecurring Fair Value Measurements
In addition to assets and liabilities that are recorded at fair value on a recurring basis, impairment indicators may subject goodwill and long-lived assets to nonrecurring fair value measurements. The implied fair values of the Business Wireline, Consumer Wireline and Mexico reporting units were estimated using both the discounted cash flow as well as market multiple approaches (see Note 9). The inputs to these models are considered Level 3.

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NOTE 13. INCOME TAXES

Significant components of our deferred tax liabilities (assets) are as follows at December 31:

		2024		2023
Depreciation and amortization	**$**	**36,531**	$	37,931
Licenses and nonamortizable intangibles		**20,660**		20,049
Lease right-of-use assets		**5,103**		5,100
Lease liabilities		**(5,107)**		(5,146)
Employee benefits		**(3,017)**		(2,970)
Deferred fulfillment costs		**1,788**		1,941
Equity in partnership		**2,716**		2,943
Net operating loss and other carryforwards		**(5,619)**		(6,484)
Other – net		**1,466**		563
Subtotal		**54,521**		53,927
Deferred tax assets valuation allowance		**4,338**		4,656
Net deferred tax liabilities	**$**	**58,859**	$	58,583
Noncurrent deferred tax liabilities	**$**	**58,939**	$	58,666
Less: Noncurrent deferred tax assets		**(80)**		(83)
Net deferred tax liabilities	**$**	**58,859**	$	58,583

At December 31, 2024, we had combined net operating and capital loss carryforwards (tax effected) for federal income tax purposes of $692, state of $683 and foreign of $2,447, expiring through 2044. Additionally, we had federal credit carryforwards of $299 and state credit carryforwards of $1,498, expiring primarily through 2044.

We recognize a valuation allowance if, based on the weight of available evidence, it is more likely than not that some portion, or all, of a deferred tax asset will not be realized. Our valuation allowances at December 31, 2024 and 2023 related primarily to state and foreign net operating losses and state credit carryforwards.

We consider post-1986 unremitted foreign earnings subjected to the one-time transition tax not to be indefinitely reinvested as such earnings can be repatriated without any significant incremental tax costs. We consider other types of unremitted foreign earnings to be indefinitely reinvested. U.S. income and foreign withholding taxes have not been recorded on temporary differences related to investments in certain foreign subsidiaries as such differences are considered indefinitely reinvested. The amount of unrecognized deferred tax liability does not have a material impact on the financial statements.

We recognize the financial statement effects of a tax return position when it is more likely than not, based on the technical merits, that the position will ultimately be sustained. For tax positions that meet this recognition threshold, we apply our judgment, taking into account applicable tax laws, our experience in managing tax audits and relevant GAAP, to determine the amount of tax benefits to recognize in our financial statements. For each position, the difference between the benefit realized on our tax return and the benefit reflected in our financial statements is recorded on our consolidated balance sheets as an unrecognized tax benefit (UTB). We update our UTBs at each financial statement date to reflect the impacts of audit settlements and other resolutions of audit issues, the expiration of statutes of limitation, developments in tax law and ongoing discussions with taxing authorities.

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A reconciliation of the change in our UTB balance from January 1 to December 31 for 2024 and 2023 is as follows:

Federal, State and Foreign Tax	**2024**	2023
Balance at beginning of year	**$ 11,924**	$ 9,657
Increases for tax positions related to the current year	**369**	1,026
Increases for tax positions related to prior years	**1,017**	448
Decreases for tax positions related to prior years	**(772)**	(212)
Lapse of statute of limitations	**(8)**	(16)
Settlements	**3**	1,021
Balance at end of year	**12,533**	11,924
Accrued interest and penalties	**2,223**	1,785
Gross unrecognized income tax benefits	**14,756**	13,709
Less: Deferred federal and state income tax benefits	**(849)**	(687)
Less: Tax attributable to timing items included above	**(6,964)**	(6,438)
Total UTB that, if recognized, would impact the effective income tax rate as of the end of the year	**$ 6,943**	$ 6,584

Periodically we make deposits to taxing jurisdictions which reduce our UTB balance but are not included in the reconciliation above. The amount of deposits that reduced our UTB balance was $2,282 at December 31, 2024 and $2,361 at December 31, 2023. Current tax assets on our consolidated balance sheets were $2,236 at December 31, 2024 and $2,079 at December 31, 2023.

Accrued interest and penalties included in UTBs were $2,223 as of December 31, 2024 and $1,785 as of December 31, 2023. We record interest and penalties related to federal, state and foreign UTBs in income tax expense. The net interest and penalty expense (benefit) included in income tax expense was $474 for 2024, $324 for 2023 and $(86) for 2022.

We file income tax returns in the U.S. federal jurisdiction and various state, local and foreign jurisdictions. As a large taxpayer, our income tax returns are regularly audited by the Internal Revenue Service (IRS) and other taxing authorities.

The IRS has completed field examinations of our tax returns through 2015. All audit periods prior to 2006 are closed for federal examination purposes, and we have effectively resolved all outstanding audit issues for years through 2010 with the IRS Appeals Division.

While we do not expect material changes, we are generally unable to estimate the range of impacts on the balance of the remaining uncertain tax positions or the impact on the effective tax rate from the resolution of these issues until each year is closed; it is possible that the amount of unrecognized benefit with respect to our uncertain tax positions could increase or decrease within the next 12 months.

Dollars in millions except per share amounts

The components of income tax (benefit) expense are as follows:

	2024	2023	2022
Federal:			
Current	**$ 2,769**	$ 2,280	$ 579
Deferred	**1,289**	2,250	2,206
	4,058	4,530	2,785
State and local:			
Current	**859**	423	21
Deferred	**(512)**	(832)	912
	347	(409)	933
Foreign:			
Current	**68**	66	106
Deferred	**(28)**	38	(44)
	40	104	62
Total	**$ 4,445**	$ 4,225	$ 3,780

"Income (Loss) from Continuing Operations Before Income Taxes" in the consolidated statements of income included the following components for the years ended December 31:

	2024	2023	2022
U.S. income (loss) before income taxes	**$ 16,674**	$ 20,506	$ (1,480)
Foreign income (loss) before income taxes	**24**	(658)	(1,614)
Total	**$ 16,698**	$ 19,848	$ (3,094)

A reconciliation of income tax expense (benefit) on continuing operations and the amount computed by applying the statutory federal income tax rate of 21% to income from continuing operations before income taxes is as follows:

	2024	2023	2022
Taxes computed at federal statutory rate	**$ 3,507**	$ 4,168	$ (650)
Increases (decreases) in income taxes resulting from:			
State and local income taxes – net of federal income tax benefit	**478**	345	795
Tax on foreign investments	**3**	102	43
Noncontrolling interest	**(274)**	(259)	(308)
Permanent items and R&D credit	**(174)**	(207)	(121)
Audit resolutions	**192**	319	(642)
Divestitures	**—**	(75)	(481)
Goodwill impairment[1]	**929**	9	5,210
Other – net	**(216)**	(177)	(66)
Total	**$ 4,445**	$ 4,225	$ 3,780
Effective Tax Rate	**26.6 %**	21.3 %	(122.2)%

[1] Goodwill impairments are not deductible for tax purposes.

NOTE 14. PENSION AND POSTRETIREMENT BENEFITS

We offer noncontributory pension programs covering the majority of domestic nonmanagement employees in our Communications business. Nonmanagement employees' pension benefits are generally calculated using one of two formulas: a flat dollar amount applied to years of service according to job classification, or a cash balance plan with negotiated annual pension band credits as well as interest credits. Most employees can elect to receive their pension benefits in either a lump sum payment or an annuity.

Dollars in millions except per share amounts

Pension programs covering U.S. management employees are closed to new entrants. These programs continue to provide benefits to participants that were generally hired before January 1, 2015, who receive benefits under either cash balance pension programs that include annual or monthly credits based on salary as well as interest credits, or a traditional pension formula (i.e., a stated percentage of employees' adjusted career income).

We also provide a variety of medical, dental and life insurance benefits to certain retired employees under various plans and accrue actuarially determined postretirement benefit costs as active employees earn these benefits.

On April 26, 2023, AT&T and State Street Global Advisors Trust Company, as independent fiduciary of the AT&T Pension Benefit Plan (Plan), entered into a commitment agreement with subsidiaries of Athene Holding Ltd. (Athene) under which AT&T agreed to purchase nonparticipating single premium group annuity contracts that would transfer to Athene $8,067 of the Plan's defined benefit pension obligations related to certain retirees, participants and beneficiaries under the Plan.

The purchase of the group annuity contracts closed on May 3, 2023, covering approximately 96,000 AT&T participants and beneficiaries (Transferred Participants). Under the group annuity contracts, Athene, through its wholly-owned subsidiaries Athene Annuity and Life Company and Athene Annuity & Life Assurance Company of New York, made an irrevocable commitment, and is solely responsible, to pay the pension benefits of each Transferred Participant beginning with their August 2023 pension payments. The transaction does not change the amount of pension benefits payable to the Transferred Participants.

The purchase of the group annuity contracts was funded directly by assets of the Plan via the pension trust underlying the Plan and required no cash or asset contributions by AT&T. We transferred $8,067 of pension benefit obligation and related plan assets upon close of the transaction and recognized a pre-tax pension settlement gain of $363. The funded status of the Plan did not materially change due to this transaction.

This transaction with Athene was considered a settlement for accounting purposes and required us to remeasure our pension plan assets and obligations at quarter-end for the second and third quarters of 2023.

Obligations and Funded Status
For defined benefit pension plans, the benefit obligation is the projected benefit obligation, the actuarial present value, as of our December 31 measurement date, of all benefits attributed by the pension benefit formula to employee service rendered to that date. The amount of benefit to be paid depends on a number of future events incorporated into the pension benefit formula, including estimates of the average life of employees and their beneficiaries and average years of service rendered. It is measured based on assumptions concerning future interest rates and future employee compensation levels as applicable.

For postretirement benefit plans, the benefit obligation is the accumulated postretirement benefit obligation, the actuarial present value as of the measurement date of all future benefits attributed under the terms of the postretirement benefit plans to employee service.

The following table presents the change in the projected benefit obligation for the years ended December 31:

	Pension Benefits		Postretirement Benefits	
	2024	2023	**2024**	2023
Benefit obligation at beginning of year	**$ 33,227**	$ 42,828	**$ 6,693**	$ 7,280
Service cost - benefits earned during the period	**487**	477	**22**	23
Interest cost on projected benefit obligation	**1,586**	1,876	**310**	340
Amendments	**—**	—	**—**	(42)
Actuarial (gain) loss	**(1,909)**	976	**84**	278
Benefits paid, including settlements	**(2,447)**	(4,863)	**(770)**	(1,186)
Group annuity contract transfer	**—**	(8,067)	**—**	—
Benefit obligation at end of year	**$ 30,944**	$ 33,227	**$ 6,339**	$ 6,693

Dollars in millions except per share amounts

The following table presents the change in the fair value of plan assets for the years ended December 31 and the plans' funded status at December 31:

	Pension Benefits		Postretirement Benefits	
	2024	2023	**2024**	2023
Fair value of plan assets at beginning of year	**$ 30,098**	$ 40,874	**$ 1,763**	$ 2,160
Actual return on plan assets	**265**	1,791	**117**	227
Benefits paid, including settlements[1]	**(2,447)**	(4,863)	**(736)**	(624)
Contributions	**3**	—	**—**	—
Group annuity contract transfer	**—**	(7,704)	**—**	—
Fair value of plan assets at end of year	**27,919**	30,098	**1,144**	1,763
Unfunded status at end of year[2]	**$ (3,025)**	$ (3,129)	**$ (5,195)**	$ (4,930)

[1] At our discretion, certain postretirement benefits may be paid from our cash accounts, which does not reduce Voluntary Employee Benefit Association (VEBA) assets. Future benefit payments may be made from VEBA trusts and thus reduce those asset balances.

[2] Funded status is not indicative of our ability to pay ongoing pension benefits or of our obligation to fund retirement trusts. Required pension funding is determined in accordance with the Employee Retirement Income Security Act of 1974, as amended (ERISA), and applicable regulations.

Amounts recognized on our consolidated balance sheets at December 31 are listed below:

	Pension Benefits		Postretirement Benefits	
	2024	2023	**2024**	2023
Current portion of employee benefit obligation[1]	**$ —**	$ —	**$ (455)**	$ (521)
Employee benefit obligation[2]	**(3,025)**	(3,129)	**(4,740)**	(4,409)
Net amount recognized	**$ (3,025)**	$ (3,129)	**$ (5,195)**	$ (4,930)

[1] Included in "Accounts payable and accrued liabilities."

[2] Included in "Postemployment benefit obligation," combined with international pension obligations and other postemployment obligations of $157 and $1,103 at December 31, 2024, and $152 and $1,044 at December 31, 2023, respectively.

The accumulated benefit obligation for our pension plans represents the actuarial present value of benefits based on employee service and compensation as of a certain date and does not include an assumption about future compensation levels. The accumulated benefit obligation for our pension plans was $30,322 at December 31, 2024, and $32,481 at December 31, 2023.

Net Periodic Benefit Cost and Other Amounts Recognized in Other Comprehensive Income

Periodic Benefit Costs

The service cost component of net periodic pension cost (credit) is recorded in operating expenses in the consolidated statements of income while the remaining components are recorded in "Other income (expense) – net." Our combined net pension and postretirement cost (credit) recognized in our consolidated statements of income was $(1,817), $(1,017) and $(4,789) for the years ended December 31, 2024, 2023 and 2022.

Dollars in millions except per share amounts

The following table presents the components of net periodic benefit cost (credit):

	Pension Benefits			Postretirement Benefits		
	2024	2023	2022	**2024**	2023	2022
Service cost – benefits earned during the period	**$ 487**	$ 477	$ 617	**$ 22**	$ 23	$ 32
Interest cost on projected benefit obligation	**1,586**	1,876	1,747	**310**	340	277
Expected return on assets	**(2,212)**	(2,533)	(3,107)	**(61)**	(130)	(112)
Amortization of prior service credit	**(87)**	(133)	(133)	**(1,928)**	(2,472)	(2,558)
Net periodic benefit cost (credit) before remeasurement	**(226)**	(313)	(876)	**(1,657)**	(2,239)	(2,361)
Actuarial (gain) loss	**38**	1,717	(115)	**28**	181	(1,437)
Settlement (gain) loss	**—**	(363)	—	**—**	—	—
Net pension and postretirement cost (credit)	**$ (188)**	$ 1,041	$ (991)	**$ (1,629)**	$ (2,058)	$ (3,798)

Other Changes in Benefit Obligations Recognized in Other Comprehensive Income
The following table presents the after-tax changes in benefit obligations recognized in OCI and the after-tax prior service credits that were amortized from OCI into net periodic benefit costs:

	Pension Benefits			Postretirement Benefits		
	2024	2023	2022	**2024**	2023	2022
Balance at beginning of year	**$ 216**	$ 316	$ 416	**$ 4,523**	$ 6,354	$ 6,496
Prior service (cost) credit	**—**	—	—	**—**	32	1,786
Amortization of prior service credit	**(66)**	(100)	(100)	**(1,457)**	(1,863)	(1,928)
Total recognized in other comprehensive (income) loss	**(66)**	(100)	(100)	**(1,457)**	(1,831)	(142)
Balance at end of year	**$ 150**	$ 216	$ 316	**$ 3,066**	$ 4,523	$ 6,354

Dollars in millions except per share amounts

Assumptions
In determining the projected benefit obligation and the net pension and postretirement benefit cost, we used the following significant weighted-average assumptions:

	Pension Benefits			Postretirement Benefits		
	2024	2023	2022	**2024**	2023	2022
Weighted-average discount rate for determining benefit obligation at December 31	**5.70 %**	5.00 %	5.20 %	**5.60 %**	5.00 %	5.20 %
Discount rate in effect for determining service cost[1]	**5.10 %**	5.40 %	4.40 %	**5.10 %**	5.20 %	4.00 %
Discount rate in effect for determining interest cost[1]	**4.90 %**	5.30 %	3.90 %	**4.90 %**	5.10 %	3.20 %
Weighted-average interest credit rate for cash balance pension programs[2]	**4.60 %**	4.20 %	4.10 %	**— %**	— %	— %
Long-term rate of return on plan assets	**7.75 %**	7.50 %	6.75 %	**4.00 %**	6.50 %	4.50 %
Composite rate of compensation increase for determining benefit obligation	**3.00 %**	3.00 %	3.00 %	**3.00 %**	3.00 %	3.00 %
Composite rate of compensation increase for determining net cost (credit)	**3.00 %**	3.00 %	3.00 %	**3.00 %**	3.00 %	3.00 %

[1] Weighted-average discount rates shown for years with interim remeasurements: 2023 and 2022 for pension benefits and 2022 for postretirement benefits.

[2] Weighted-average interest crediting rates for cash balance pension programs relate only to the cash balance portion of total pension benefits. A 0.50% increase in the weighted-average interest crediting rate would increase the pension benefit obligation by $150.

We recognize gains and losses on pension and postretirement plan assets and obligations immediately in "Other income (expense) – net" in our consolidated statements of income. These gains and losses are generally measured annually as of December 31 and accordingly, will normally be recorded during the fourth quarter, unless an earlier remeasurement is required. Should actual experience differ from actuarial assumptions, the projected pension benefit obligation and net pension cost and accumulated postretirement benefit obligation and postretirement benefit cost would be affected in future years.

Discount Rate Our assumed weighted-average discount rates for pension and postretirement benefits of 5.70% and 5.60% respectively, at December 31, 2024, reflect the hypothetical rate at which the projected benefit obligation could be effectively settled or paid out to participants. We determined our discount rates based on a range of factors, including a yield curve composed of the rates of return on several hundred high-quality, fixed income corporate bonds available at the measurement date and corresponding to the related expected durations of future cash outflows. These bonds had an average rating of at least Aa3 or AA- by the nationally recognized statistical rating organizations, denominated in U.S. dollars, and generally not callable, convertible or index linked. For the year ended December 31, 2024, when compared to the year ended December 31, 2023, we increased our pension discount rate by 0.70%, resulting in a decrease in our pension plan benefit obligation of $1,994, and increased our postretirement discount rate by 0.60%, resulting in a decrease in our postretirement benefit obligation of $317. For the year ended December 31, 2023, we decreased our pension discount rate by 0.20%, resulting in an increase in our pension plan benefit obligation of $916, and decreased our postretirement discount rate by 0.20%, resulting in an increase in our postretirement benefit obligation of $110.

We utilize a full yield curve approach in the estimation of the service and interest components of net periodic benefit costs for pension and other postretirement benefits. Under this approach, we apply discounting using individual spot rates from a yield curve composed of the rates of return on several hundred high-quality, fixed income corporate bonds available at the measurement date. These spot rates align to each of the projected benefit obligations and service cost cash flows. The service cost component relates to the active participants in the plan, so the relevant cash flows on which to apply the yield curve are considerably longer in duration on average than the total projected benefit obligation cash flows, which also include benefit payments to retirees. Interest cost is computed by multiplying each spot rate by the corresponding discounted projected benefit obligation cash flows. The full yield curve approach reduces any actuarial gains and losses based upon interest rate expectations (e.g., built-in gains in interest cost in an upward sloping yield curve scenario), or gains and losses merely resulting from the timing and magnitude of cash outflows associated with our benefit obligations. Neither the annual measurement of our total benefit obligations nor annual net benefit cost is affected by the full yield curve approach.

Dollars in millions except per share amounts

Expected Long-Term Rate of Return In 2025, our expected long-term rate of return is 7.75% on pension plan assets and 4.00% on postretirement plan assets. Our long-term rates of return reflect the average rate of earnings expected on the funds invested, or to be invested, to provide for the benefits included in the projected benefit obligations. In setting the long-term assumed rate of return, management considers capital markets' future expectations, the asset mix of the plans' investment and average historical asset return. Actual long-term returns can, in relatively stable markets, also serve as a factor in determining future expectations. We consider many factors that include, but are not limited to, historical returns on plan assets, current market information on long-term returns (e.g., long-term bond rates) and current and target asset allocations between asset categories. The target asset allocation is determined based on consultations with external investment advisers. If all other factors were to remain unchanged, we expect that a 0.50% decrease in the expected long-term rate of return would cause 2025 combined pension and postretirement cost to increase $136. However, any differences in the rate and actual returns will be included with the actuarial gain or loss recorded in the fourth quarter when our plans are remeasured.

Composite Rate of Compensation Increase Our expected composite rate of compensation increase cost of 3.00% in 2024 and 2023 reflects the long-term average rate of salary increases.

Healthcare Cost Trend Our healthcare cost trend assumptions are developed based on historical cost data, the near-term outlook and an assessment of likely long-term trends. Based on our assessment of expectations of healthcare industry inflation, our 2025 assumed annual healthcare prescription drug cost trend and medical cost trend for eligible participants will increase to 8.25%, grading down to an ultimate trend rate of 4.25% in 2032. This change in initial and ultimate assumptions increased our obligation by $144. For 2024, our assumed annual healthcare prescription drug cost trend and medical cost trend for eligible participants remained at an annual and ultimate trend rate of 4.50%.

Plan Assets
Plan assets consist primarily of private and public equity, government and corporate bonds, and real assets (real estate and natural resources). The asset allocations of the pension plans are maintained to meet ERISA requirements. Any plan contributions, as determined by ERISA regulations, are made to a pension trust for the benefit of plan participants. We do not have significant ERISA required contributions to our pension plans for 2025.

We maintain VEBA trusts to partially fund postretirement benefits; however, there are no ERISA or regulatory requirements that these postretirement benefit plans be funded annually.

The principal investment objectives are to ensure the availability of funds to pay pension and postretirement benefits as they become due under a broad range of future economic scenarios, maximize long-term investment return with an acceptable level of risk based on our pension and postretirement obligations, and diversify broadly across and within the capital markets to insulate asset values against adverse experience in any one market. Each asset class has broadly diversified characteristics. Substantial biases toward any particular investing style or type of security are sought to be avoided by managing the aggregation of all accounts with portfolio benchmarks. Asset and benefit obligation forecasting studies are conducted periodically, generally every two to three years, or when significant changes have occurred in market conditions, benefits, participant demographics or funded status. Decisions regarding investment policy are made with an understanding of the effect of asset allocation on funded status, future contributions and projected expenses.

The plans' weighted-average asset targets and actual allocations as a percentage of plan assets, including the notional exposure of future contracts by asset categories, at December 31 are as follows:

	Pension Assets			Postretirement (VEBA) Assets		
	Target	**2024**	2023	Target	**2024**	2023
Equity securities:						
Domestic	7 % - 17 %	**12 %**	10 %	5 % - 15 %	**10 %**	16 %
International	4 % - 14 %	**9**	7	— % - 9 %	**4**	11
Fixed income securities	39 % - 49 %	**44**	47	7 % - 17 %	**12**	8
Real assets	14 % - 24 %	**15**	16	— % - 6 %	**1**	1
Private equity	11 % - 21 %	**19**	20	— % - 6 %	**1**	1
Other	— % - 3 %	**1**	—	68 % - 78 %	**72**	63
Total		**100 %**	100 %		**100 %**	100 %

Prior to April 2023, the pension trust held preferred equity interests in AT&T Mobility II LLC (Mobility II), the primary holding company for our wireless business. The preferred equity interests were repurchased in April 2023. (See Note 16)

At December 31, 2024, AT&T securities represented less than 1% of assets held by our pension trust. The VEBA trusts do not hold AT&T securities.

Investment Valuation
Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date.

Investments in securities traded on a national securities exchange are valued at the last reported sales price on the final business day of the year. If no sale was reported on that date, they are valued at the last reported bid price. Investments in securities not traded on a national securities exchange are valued using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Shares of registered investment companies are valued based on quoted market prices, which represent the net asset value of shares held at year-end.

Other commingled investment entities are valued at quoted redemption values that represent the net asset values of units held at year-end which management has determined approximates fair value.

Real estate and natural resource direct investments are valued at amounts based upon appraisal reports. Fixed income securities valuation is based upon observable prices for comparable assets, broker/dealer quotes (spreads or prices), or a pricing matrix that derives spreads for each bond based on external market data, including the current credit rating for the bonds, credit spreads to Treasuries for each credit rating, sector add-ons or credits, issue-specific add-ons or credits as well as call or other options.

Purchases and sales of securities are recorded as of the trade date. Realized gains and losses on sales of securities are determined on the basis of average cost. Interest income is recognized on the accrual basis. Dividend income is recognized on the ex-dividend date.

Non-interest bearing cash and overdrafts are valued at cost, which approximates fair value.

Dollars in millions except per share amounts

Fair Value Measurements
See Note 12 for a discussion of the fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The following tables set forth by level, within the fair value hierarchy, the pension and postretirement assets and liabilities at fair value as of December 31, 2024:

Pension Assets and Liabilities at Fair Value

	Level 1	Level 2	Level 3	Total
Non-interest bearing cash	$ 146	$ —	$ —	$ 146
Interest bearing cash	23	—	—	23
Foreign currency contracts	—	2	—	2
Equity securities:				
Domestic equities	2,608	—	2	2,610
International equities	1,145	—	—	1,145
Fixed income securities:				
Corporate bonds and other investments	—	6,925	1	6,926
Government and municipal bonds	—	4,274	—	4,274
Mortgage-backed securities	—	267	—	267
Real estate and real assets	—	—	2,311	2,311
Securities lending collateral	643	961	—	1,604
Receivable for variation margin	4	—	—	4
Assets at fair value	4,569	12,429	2,314	19,312
Investments sold short and other liabilities at fair value	(152)	(12)	—	(164)
Total plan net assets at fair value	$ 4,417	$ 12,417	$ 2,314	$ 19,148
Assets held at net asset value practical expedient				
Private equity funds				5,138
Real estate funds				1,957
Commingled funds				3,895
Total assets held at net asset value practical expedient				10,990
Other assets (liabilities)[1]				(2,219)
Total Plan Net Assets				**$ 27,919**

[1] Other assets (liabilities) include amounts receivable, accounts payable and net adjustment for securities lending payable.

Postretirement Assets and Liabilities at Fair Value

	Level 1	Level 2	Level 3	Total
Interest bearing cash	$ 816	$ 6	$ —	$ 822
Equity securities:				
Domestic equities	1	—	—	1
Total plan net assets at fair value	$ 817	$ 6	$ —	$ 823
Assets held at net asset value practical expedient				
Private equity funds				9
Real estate funds				9
Commingled funds				299
Total assets held at net asset value practical expedient				317
Other assets (liabilities)[1]				4
Total Plan Net Assets				**$ 1,144**

[1] Other assets (liabilities) include amounts receivable and accounts payable.

Dollars in millions except per share amounts

The following tables set forth by level, within the fair value hierarchy, the pension and postretirement assets and liabilities at fair value as of December 31, 2023:

Pension Assets and Liabilities at Fair Value

	Level 1	Level 2	Level 3	Total
Non-interest bearing cash	$ 102	$ —	$ —	$ 102
Interest bearing cash	5	—	—	5
Foreign currency contracts	—	5	—	5
Equity securities:				
Domestic equities	2,146	—	2	2,148
International equities	1,085	—	—	1,085
Fixed income securities:				
Corporate bonds and other investments	—	7,584	1	7,585
Government and municipal bonds	1	4,856	—	4,857
Mortgage-backed securities	—	329	—	329
Real estate and real assets	—	—	2,954	2,954
Securities lending collateral	719	985	—	1,704
Receivable for variation margin	2	—	—	2
Assets at fair value	4,060	13,759	2,957	20,776
Investments sold short and other liabilities at fair value	(147)	(1)	—	(148)
Total plan net assets at fair value	$ 3,913	$ 13,758	$ 2,957	$ 20,628
Assets held at net asset value practical expedient				
Private equity funds				5,889
Real estate funds				1,877
Commingled funds				3,863
Total assets held at net asset value practical expedient				11,629
Other assets (liabilities)[1]				(2,159)
Total Plan Net Assets				$ 30,098

[1] Other assets (liabilities) include amounts receivable, accounts payable and net adjustment for securities lending payable.

Postretirement Assets and Liabilities at Fair Value

	Level 1	Level 2	Level 3	Total
Interest bearing cash	$ 1,109	$ 3	$ —	$ 1,112
Equity securities:				
Domestic equities	1	—	—	1
International equities	—	—	1	1
Total plan net assets at fair value	$ 1,110	$ 3	$ 1	$ 1,114
Assets held at net asset value practical expedient				
Private equity funds				8
Real estate funds				11
Commingled funds				624
Total assets held at net asset value practical expedient				643
Other assets (liabilities)[1]				6
Total Plan Net Assets				$ 1,763

[1] Other assets (liabilities) include amounts receivable and accounts payable.

Dollars in millions except per share amounts

For the years ended December 31, 2024 and 2023, our postretirement assets did not include significant investments in Level 3 assets, nor were there significant changes in fair value of those assets during the period. The tables below set forth a summary of changes in the fair value of the Level 3 pension assets:

	Equities	Fixed Income Funds	Real Estate and Real Assets	Total
Balance as of December 31, 2023	$ 2	$ 1	$ 2,954	$ 2,957
Realized gains (losses)	—	—	159	159
Unrealized gains (losses)	—	—	(510)	(510)
Purchases	—	—	291	291
Sales	—	—	(583)	(583)
Balance as of December 31, 2024	**$ 2**	**$ 1**	**$ 2,311**	**$ 2,314**

	Equities	Fixed Income Funds	Real Estate and Real Assets	Total
Balance as of December 31, 2022	$ 5,429	$ 1	$ 4,343	$ 9,773
Realized gains (losses)	(639)	—	569	(70)
Unrealized gains (losses)	643	—	(1,270)	(627)
Purchases	—	—	128	128
Sales	(5,431)	—	(816)	(6,247)
Balance as of December 31, 2023	$ 2	$ 1	$ 2,954	$ 2,957

Estimated Future Benefit Payments
Expected benefit payments are estimated using the same assumptions used in determining our benefit obligation at December 31, 2024. Because benefit payments will depend on future employment and compensation levels; average years employed; average life spans; and payment elections, among other factors, changes in any of these assumptions could significantly affect these expected amounts. The following table provides expected benefit payments under our pension and postretirement plans:

	Pension Benefits	Postretirement Benefits
2025	$ 3,508	$ 672
2026	2,964	638
2027	2,919	627
2028	2,860	606
2029	2,808	518
Years 2030 - 2034	12,995	2,419

Supplemental Retirement Plans
We also provide certain senior- and middle-management employees with nonqualified, unfunded supplemental retirement and savings plans. While these plans are unfunded, we have assets in a designated non-bankruptcy remote trust that are independently managed and used to provide for certain of these benefits. These plans include supplemental pension benefits as well as compensation-deferral plans, some of which include a corresponding match by us based on a percentage of the compensation deferral. For our supplemental retirement plans, the projected benefit obligation was $1,305 and the net supplemental retirement pension cost was $18 at and for the year ended December 31, 2024. The projected benefit obligation was $1,437 and the net supplemental retirement pension cost was $87 at and for the year ended December 31, 2023.

We use the same significant assumptions for the composite rate of compensation increase in determining our projected benefit obligation and the net pension and postemployment benefit cost. Our discount rates of 5.50% at December 31, 2024 and 4.90% at December 31, 2023 were calculated using the same methodologies used in calculating the discount rates for our qualified pension and postretirement benefit plans.

Deferred compensation expense was $152 in 2024, $101 in 2023 and $94 in 2022.

Contributory Savings Plans
We maintain contributory savings plans that cover substantially all employees. Under the savings plans, we match in cash or company stock a stated percentage of eligible employee contributions, subject to a specified ceiling. There are no debt-financed shares held by the Employee Stock Ownership Plans, allocated or unallocated.

Our match of employee contributions to the savings plans is fulfilled with purchases of our stock on the open market or company cash. Benefit cost, which is based on the cost of shares or units allocated to participating employees' accounts or the cash contributed to participant accounts, was $565, $570 and $611 for the years ended December 31, 2024, 2023 and 2022.

NOTE 15. SHARE-BASED PAYMENTS

Under our various share-based payment plans, senior and other management employees and nonemployee directors have received performance stock units and other nonvested stock units.

As of December 31, 2024, we were authorized to issue up to approximately 84 million shares of common stock (including shares that may be issued upon exercise of outstanding options or upon vesting of performance stock units or other nonvested stock units) pursuant to these various plans:

- Performance stock units, which are nonvested stock units, which are valued based upon the market price of our common stock at the date of grant and performance expectations. These distribute in the form of AT&T common stock and cash at the end of a three-year period, subject to the achievement of certain performance goals. We treat the cash-settled portion of these awards as a liability.
- Restricted stock and restricted stock units are valued at the market price of our common stock at the date of grant and do not have any performance conditions. Restricted stock predominantly vests over a three- to ten-year period and restricted stock units predominantly vest over a three-year period.

We account for our share-based payment arrangements based on the fair value of the awards on their respective grant date, which may affect our ability to fully realize the value shown on our consolidated balance sheets of deferred tax assets associated with compensation expense. We record a valuation allowance when our future taxable income is not expected to be sufficient to recover the asset. Accordingly, there can be no assurance that the current stock price of our common shares will rise to levels sufficient to realize the entire tax benefit currently reflected on our consolidated balance sheets. However, to the extent we generate excess tax benefits (i.e., those additional tax benefits in excess of the deferred taxes associated with compensation expense previously recognized) the potential future impact on income would be reduced.

Our consolidated statements of income include the share-based compensation cost recognized for the plans described above as "Selling, general and administrative" expense. Those expenses, as well as the associated tax benefits, are reflected in the table below:

	2024	2023	2022
Performance stock units	**$ 127**	$ 79	$ 168
Restricted stock and stock units	**378**	400	350
Total	**$ 505**	$ 479	$ 518
Income tax benefit	**$ 123**	$ 118	$ 127

A summary of the status of our nonvested stock units as of December 31, 2024, and changes during the year then ended is presented as follows (shares in millions):

Nonvested Stock Units	Shares	Weighted-Average Grant-Date Fair Value
Nonvested at January 1, 2024	28	$ 20.05
Granted	37	18.68
Vested	(25)	18.42
Forfeited	(3)	18.55
Nonvested at December 31, 2024	**37**	**$ 19.88**

As of December 31, 2024, there was $666 of total unrecognized compensation cost related to nonvested share-based payment arrangements outstanding. That cost is expected to be recognized over a weighted-average period of 2.21 years. The total fair value of shares vested during the year was $452 for 2024, compared to $592 for 2023 and $783 for 2022.

NOTE 16. STOCKHOLDERS' AND MEZZANINE EQUITY

Authorized Shares We have authorized 14 billion common shares of AT&T stock and 10 million preferred shares of AT&T stock, each with a par value of $1.00 per share. Cumulative perpetual preferred shares consist of the following:

- Series A: 48 thousand shares outstanding at December 31, 2024 and December 31, 2023, with a $25,000 per share liquidation preference and a dividend rate of 5.000%.
- Series B: 20 thousand shares outstanding at December 31, 2024 and December 31, 2023, with a €100,000 per share liquidation preference, and an initial rate of 2.875%, subject to reset after May 1, 2025. On January 31, 2025, we issued a call notice for the Series B cumulative preferred shares, with a redemption date of March 3, 2025.
- Series C: 70 thousand shares outstanding at December 31, 2024 and December 31, 2023, with a $25,000 per share liquidation preference, and a dividend rate of 4.75%.

So long as the quarterly preferred dividends are declared and paid on a timely basis on each series of preferred shares, there are no limitations on our ability to declare a dividend on or repurchase AT&T common shares. The preferred shares are optionally redeemable by AT&T at the liquidation price on or after five years from the issuance date, or upon certain other contingent events.

Stock Repurchase Program From time to time, we repurchase shares of common stock. Over the past few years, these repurchases have generally been for distribution through our employee benefit plans or in connection with certain acquisitions. In December 2024, the Board approved an authorization to repurchase up to $10,000 of common stock and terminated the March 2014 authorization.

To implement repurchase authorizations, we have used open market repurchases, relying on Rule 10b5-1 of the Securities Exchange Act of 1934, where feasible. We also used accelerated share repurchase agreements with large financial institutions to repurchase our stock. During 2024, we repurchased approximately 36 thousand shares totaling $1 and during 2023, there were no shares repurchased under the March 2014 authorization.

Dividend Declarations In December 2024 and December 2023, AT&T declared a quarterly preferred dividend of $36. In December 2024 and December 2023, AT&T declared a quarterly common dividend of $0.2775 per share of common stock.

Preferred Interests Issued by Subsidiaries We have issued cumulative perpetual preferred membership interests in certain subsidiaries. The preferred interests are entitled to cash distributions, subject to declaration.

Mobility II Preferred Interests
In 2018, we issued 320 million Series A Cumulative Perpetual Preferred Membership Interests in Mobility II (Mobility preferred interests), which paid cash distributions of 7% per annum, subject to declaration. So long as the distributions were declared and paid, the terms of the Mobility preferred interests did not impose any limitations on cash movements between affiliates, or our ability to declare a dividend on or repurchase AT&T shares. All outstanding Mobility preferred interests were repurchased as of April 2023, leaving no amounts outstanding at December 31, 2023.

Prior to repurchase, a holder of the Mobility preferred interests could put the interests to Mobility II, or Mobility II could have redeemed the interests upon a change in control of Mobility II or on or after September 9, 2022, with either option only allowed to be exercised during certain periods.

The price at which a put option or a redemption option could be exercised was the greater of (1) the market value of the interests as of the last date of the quarter preceding the date of the exercise of a put or redemption option and (2) the sum of (a) twenty-five dollars plus (b) any accrued and unpaid distributions. The redemption price was to be paid with cash, AT&T common stock, or a combination of cash and AT&T common stock, at Mobility II's sole election. In no event was Mobility II required to deliver more than 250 million shares of AT&T common stock to settle put and redemption options.

On October 24, 2022, approximately 105 million Mobility preferred interests were put to AT&T by a third-party investor, for which we paid approximately $2,600 cash to redeem. On December 27, 2022, the AT&T pension trust provided written notice of its right to require us to purchase the remaining 213 million, or approximately $5,340, of Mobility preferred interests outstanding. The terms of the instruments limited the amount we were required to redeem in any 12-month period to approximately 107 million shares, or $2,670. With the certainty of redemption, the Mobility preferred interests were reclassified from equity to a liability at fair value, with approximately $2,670 recorded in current liabilities as "Accounts payable and

accrued liabilities," representing the amount required to be redeemed within one year, and $2,670 recorded in "Other noncurrent liabilities." The liabilities associated with the Mobility preferred interests were considered Level 3 under the Fair Value Measurement and Disclosure framework (see Note 12). The difference between the carrying value of the Mobility preferred interest, which represented fair value at contribution, and the fair value of the instrument upon settlement and/or balance sheet reclassification was recorded as an adjustment to additional paid-in capital. As of December 31, 2022, we had approximately 213 million Mobility preferred interests outstanding, which had a redemption value of approximately $5,340 and paid cash distributions of $373 per annum, subject to declaration. In April 2023, we accepted the December 2022 put option notice from the AT&T pension trust and repurchased the remaining 213 million Mobility preferred interests for a purchase price, including accrued and unpaid distributions, of $5,414.

Tower Holdings Preferred Interests
In 2019, we issued $6,000 nonconvertible cumulative preferred interests in a wireless subsidiary (Tower Holdings) that holds interests in various tower assets and have the right to receive approximately $6,000 if the purchase options from the tower companies are exercised.

The membership interests in Tower Holdings consist of (1) common interests, which are held by a consolidated subsidiary of AT&T, and (2) two series of preferred interests (collectively the "2019 Tower preferred interests"). The 2019 Tower preferred interests were subject to reset in December 2024 and included a September series (Tower Class A-1) totaling $1,500 that paid an initial preferred distribution of 5.0%, and a December series (Tower Class A-2) totaling $4,500 that paid an initial preferred distribution of 4.75%.

In August 2024, we amended the 2019 Tower preferred interests, effective November 2024, to reset the rate and restructure the membership interests whereby all of the 2019 Tower preferred interests are now designated Fixed Rate Class A Limited Membership Interests (Tower Fixed Rate Interests). A portion of the Tower Fixed Rate Interests will move to Floating Rate Class A Limited Membership Interests (Tower Floating Rate Interests) each year over a five-year period. The Tower Fixed Rate Interests pay a preferred distribution of 5.90%, and the Tower Floating Rate Interests, which could equal $525 by 2028 if not called prior, pay a preferred distribution equal to the Secured Overnight Financing Rate (SOFR) plus 250 basis points, as defined in the agreement. Distributions are paid quarterly, subject to declaration, and reset every five years. Any failure to declare or pay distributions on the Tower Fixed Rate Interests or Tower Floating Rate Interests (collectively, the "Tower preferred interests") would not impose any limitation on cash movements between affiliates, or our ability to declare a dividend on or repurchase AT&T shares. We can call the Tower preferred interests at the issue price beginning in November 2029, and we can call the Tower Floating Rate Interests at any time. The Tower preferred interests are included in "Noncontrolling interest" on the consolidated balance sheets.

The holders of the Tower preferred interests have the option to require redemption upon the occurrence of certain contingent events, such as the failure of AT&T to pay the preferred distribution for two or more periods or to meet certain other requirements, including a minimum credit rating. If notice is given upon such an event, all other holders of equal or more subordinate classes of membership interests in Tower Holdings are entitled to receive the same form of consideration payable to the holders of the preferred interests, resulting in a deemed liquidation for accounting purposes.

Telco LLC Preferred Interests
In September 2020, we issued $2,000 nonconvertible cumulative preferred interests (Telco Class A-1) out of a newly created limited liability company (Telco LLC) that was formed to hold telecommunications-related assets. In April 2023, we expanded our September 2020 transaction and issued an additional $5,250 of nonconvertible cumulative preferred interests (Telco Class A-2 and A-3). As of December 31, 2024 and 2023, cumulative preferred interests in our Telco LLC totaled $7,250 (collectively the "Telco preferred interests").

Members' equity in Telco LLC consists of (1) members' interests, which are held by a consolidated subsidiary of AT&T, (2) Telco Class A-1 preferred interests, which pay an initial preferred distribution of 4.25% annually, subject to declaration, and subject to reset every seven years, and (3) Telco Class A-2 and A-3 preferred interests, which pay an initial preferred distribution of 6.85% annually, subject to declaration, and subject to reset on November 1, 2027, and every seven years thereafter. Failure to pay distributions on the Telco preferred interests would not limit cash movements between affiliates, or our ability to declare a dividend on or repurchase AT&T shares. We can call the Telco preferred interests at the issue price beginning seven years from the issuance date. The Telco preferred interests are included in "Noncontrolling interest" on the consolidated balance sheets.

The holders of the Telco preferred interests have the option to require redemption upon the occurrence of certain contingent events, such as the failure of Telco LLC to pay the preferred distribution for two or more periods or to meet certain other requirements, including a minimum credit rating. If notice is given, all other holders of equal or more subordinate classes of

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members' equity are entitled to receive the same form of consideration payable to the holders of the preferred interests, resulting in a deemed liquidation for accounting purposes.

In October 2024, we entered into an agreement to issue in the first quarter of 2025 an additional $2,250 of nonconvertible cumulative preferred interests in Telco LLC (Telco Class A-4). The Telco Class A-4 interests will pay an initial preferred distribution of 5.94% annually, subject to declaration, and subject to reset on November 1, 2028, and every four years thereafter. The Telco Class A-4 interests can be called at issue price beginning on November 1, 2028, and are subject to the same redemption and liquidation rights as the Telco Class A-1, A-2 and A-3 interests. Upon the expected issuance in the first quarter of 2025, we intend to use the Telco Class A-4 proceeds to fund the redemption of preferred equity securities.

Mobility II Redeemable Noncontrolling Interests
In June 2023, we issued two million Series B Cumulative Perpetual Preferred Membership Interests in Mobility II LLC (Mobility noncontrolling interests), which pay cash distributions of 6.8% per annum, subject to declaration. So long as the distributions are declared and paid, the terms of the Mobility noncontrolling interests will not impose any limitations on cash movements between affiliates, or our ability to declare a dividend on or repurchase AT&T shares.

The Mobility noncontrolling interests are required to be initially recorded at fair value less issuance costs and will accrete to redemption value of $2,000 through "Net Income Attributable to Noncontrolling Interest." The Mobility noncontrolling interests are considered Level 3 under the Fair Value Measurement and Disclosures framework (see Note 12) and included in "Redeemable Noncontrolling Interest" on the consolidated balance sheets.

A holder of the Mobility noncontrolling interests may put the interests to Mobility II on or after the earliest of certain events or each June 15 and December 15, beginning on June 15, 2028. Mobility II may redeem the interests on each March 15 and September 15, beginning on March 15, 2028. The price at which a put option or a redemption option can be exercised is the sum of (a) $1,000 per Mobility noncontrolling interest plus (b) any accrued and unpaid distributions. The redemption price must be paid in cash.

NOTE 17. SALES OF RECEIVABLES

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

The following table sets forth a summary of cash proceeds received, net of remittances paid, from sales of receivables for the years ended December 31:

	2024	2023	2022
Net cash received (paid) from equipment installment receivables program[1]	**$ (1,358)**	$ 648	$ 1,875
Net cash received (paid) from revolving receivables program	**1,147**	1,456	—
Net cash received (paid) from other programs	**—**	(632)	620
Total net cash impact to cash flows from operating activities[2]	**$ (211)**	$ 1,472	$ 2,495

[1] Cash from initial sales of $10,587, $10,980 and $11,129 for the years ended December 31, 2024, 2023 and 2022, respectively.

[2] Net of facility fees.

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

Dollars in millions except per share amounts

Our equipment installment and revolving receivables programs are discussed in detail below. The following table sets forth a summary of the receivables and accounts being serviced at December 31:

	2024		2023	
	Equipment Installment	**Revolving**	Equipment Installment	Revolving
Gross receivables:	**$ 3,504**	**$ 553**	$ 3,714	$ 924
Balance sheet classification				
Accounts receivable				
Notes receivable	**1,817**	**—**	1,695	—
Trade receivables	**237**	**553**	548	924
Other Assets				
Noncurrent notes and trade receivables	**1,450**	**—**	1,471	—
Outstanding portfolio of receivables derecognized from our consolidated balance sheets	**$ 11,909**	**$ 2,770**	$ 12,027	1,500
Cash proceeds received, net of remittances[1]	**8,243**	**2,770**	9,361	1,500

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

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

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

The following table sets forth a summary of equipment installment receivables sold under this program:

	2024	2023	2022
Gross receivables sold[1]	**$ 10,696**	$ 11,104	$ 11,510
Net receivables sold[2]	**10,160**	10,603	11,061
Cash proceeds received	**10,587**	10,980	11,129
Beneficial interests recorded	**—**	—	245
Guarantee obligation recorded	**930**	932	703

[1] Receivables net of promotion credits.

[2] Receivables net of allowance and other reserves.

Beneficial interests, when applicable, and guarantee obligations are initially recorded at estimated fair value and subsequently adjusted for changes in present value of expected cash flows. The estimation of their fair values is based on remaining installment payments expected to be collected and the expected timing and value of device trade-ins. The estimated value of the device trade-ins considers prices offered to us by independent third parties and contemplates changes in value after the launch of a device model. The fair value measurements used for the beneficial interests and the guarantee obligation are considered Level 3 under the Fair Value Measurement and Disclosure framework (see Note 12).

Dollars in millions except per share amounts

The following table presents the previously transferred equipment installment receivables, which we repurchased in exchange for the associated beneficial interests:

	2024	2023	2022
Fair value of repurchased receivables	**$ 3,185**	$ 2,997	$ 3,314
Carrying value of beneficial interests	**3,199**	3,013	3,335
Gain (loss) on repurchases[1]	**$ (14)**	$ (16)	$ (21)

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

At December 31, 2024 and December 31, 2023, our beneficial interests were $3,185 and $2,270, respectively, of which $1,906 and $1,296 are included in "Prepaid and other current assets" on our consolidated balance sheets, with the remainder in "Other Assets." The guarantee obligation at December 31, 2024 and December 31, 2023 was $301 and $385, respectively, of which $150 and $111 are included in "Accounts payable and accrued liabilities" on our consolidated balance sheets, with the remainder in "Other noncurrent liabilities." Our maximum exposure to loss as a result of selling these equipment installment receivables is limited to the total amount of our beneficial interests and guarantee obligation.

Revolving Receivables Program
During 2024, we expanded our revolving agreement to transfer up to $2,770 of certain receivables through our bankruptcy-remote subsidiaries to various financial institutions on a recurring basis in exchange for cash equal to the gross receivables transferred. This agreement is subject to renewal on an annual basis and the transfer limit may be expanded or reduced from time to time. As customers pay their balances, we transfer additional receivables into the program, resulting in our gross receivables sold exceeding net cash flow impacts (e.g., collect and reinvest). The transferred receivables are fully guaranteed by our bankruptcy-remote subsidiaries, which hold additional receivables in the amount of $553 that are pledged as collateral under this agreement. The transfers are recorded at fair value of the proceeds received and obligations assumed less derecognized receivables. Our maximum exposure to loss related to these receivables transferred is limited to the derecognized amount outstanding.

The following table sets forth a summary of the revolving receivables sold:

	2024	2023	2022
Gross receivables sold/cash proceeds received[1]	**$ 21,632**	$ 8,882	$ —
Total collections under revolving agreement	**20,362**	7,382	—
Net cash proceeds received	**$ 1,270**	$ 1,500	$ —
Net receivables sold[2]	**$ 21,039**	$ 8,679	$ —

[1] Includes initial sales of receivables of $1,270, $1,500 and $0 for the years ended December 31, 2024, 2023 and 2022, respectively.

[2] Receivables net of allowance and other reserves.

NOTE 18. TOWER TRANSACTION

In December 2013, we closed our transaction with Crown Castle International Corp. (Crown Castle) in which Crown Castle gained the exclusive rights to lease and operate 9,048 wireless towers and purchased 627 of our wireless towers for $4,827 in cash. The leases have various terms with an average length of approximately 28 years. As the leases expire, Crown Castle will have fixed price purchase options for these towers totaling approximately $4,200, based on their estimated fair market values at the end of the lease terms. We are subleasing space on the towers from Crown Castle over an estimated original term of 20 years, at current market rates, subject to further optional renewals in the future.

We determined that we did not transfer control of the tower assets, which prevented us from achieving sale-leaseback accounting for the transaction, and we accounted for the cash proceeds from Crown Castle as a financing obligation on our consolidated balance sheets. We record interest on the financing obligation using the effective interest method at a rate of approximately 3.9%. The financing obligation is increased by interest expense and estimated future net cash flows generated and retained by Crown Castle from operation of the tower sites, and reduced by our contractual payments. We continue to include the tower assets in "Property, Plant and Equipment – Net" on our consolidated balance sheets and depreciate them accordingly. At December 31, 2024 and 2023, the tower assets had a balance of $608 and $647, respectively. Our depreciation expense for these assets was $39 for each of 2024, 2023 and 2022.

Dollars in millions except per share amounts

Payments made to Crown Castle under this arrangement were $269 for 2024. At December 31, 2024, the future minimum payments under the sublease arrangement are $274 for 2025, $280 for 2026, $285 for 2027, $291 for 2028, $297 for 2029 and $1,389 thereafter.

NOTE 19. TRANSACTIONS WITH DIRECTV

We account for our investment in DIRECTV under the equity method and record our share of DIRECTV earnings as equity in net income of affiliates, with DIRECTV considered a related party. On September 29, 2024, we agreed to sell our interest in DIRECTV to TPG. (See Note 10)

The following table sets forth our share of DIRECTV's earnings included in "Equity in net income of affiliates" and cash distributions received from DIRECTV:

	2024	2023	2022
DIRECTV's earnings included in Equity in net income of affiliates	$ 2,027	$ 1,666	$ 1,808
Distributions classified as operating activities	$ 2,027	$ 1,666	$ 1,808
Distributions classified as investing activities	928	2,049	2,649
Cash distributions received from DIRECTV	$ 2,955	$ 3,715	$ 4,457

For the years ended December 31, 2024, 2023 and 2022, we billed DIRECTV approximately $536, $730 and $1,260 under commercial arrangements and transition service agreements, which were recorded as a reduction to the operations and support expenses incurred.

At December 31, 2024, we had accounts receivable from DIRECTV of $256 and accounts payable to DIRECTV of $17.

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

NOTE 20. FIRSTNET

In 2017, the First Responder Network Authority (FirstNet) selected AT&T to build and manage the first nationwide broadband network dedicated to America's first responders. Under the 25-year agreement, FirstNet provides 20 MHz of valuable telecommunications spectrum and success-based payments of $6,500 to support network buildout, which has been substantially completed. We are required to construct a network that achieves coverage and nationwide interoperability requirements and have a contractual commitment to make sustainability payments of $18,000 over the 25-year contract. These sustainability payments represent our commitment to fund FirstNet's operating expenses and future reinvestments in the network which we own and operate, which we estimate in the $3,000 or less range over the life of the 25-year contract. After FirstNet's operating expenses are paid, we anticipate the remaining amount, expected to be in the $15,000 range, will be reinvested into the network. On January 30, 2024, FirstNet agreed to reinvest up to $6,300 in the network over 10 years, subject to authorization.

During 2024, we submitted $561 in sustainability payments, with future payments under the agreement of $420 for 2025, $896 for 2026, $1,566 for 2027, $1,658 for 2028, $1,474 for 2029 and $10,435 thereafter. Amounts paid to FirstNet, which are not expected to be returned to AT&T to be reinvested into our network, will be expensed in the period paid. In the event FirstNet does not reinvest any funds to construct, operate, improve and maintain this network, our maximum exposure to loss is the total amount of the sustainability payments, which would be reflected in higher expense.

NOTE 21. CONTINGENT LIABILITIES

We are party to numerous lawsuits, regulatory proceedings and other matters arising in the ordinary course of business. In evaluating these matters on an ongoing basis, we take into account amounts already accrued on the balance sheet. In our opinion, although the outcomes of these proceedings are uncertain, they should not have a material adverse effect on our financial position, results of operations or cash flows. See Note 12 for a discussion of collateral and credit-risk contingencies.

We have contractual obligations to purchase certain goods or services from various other parties. Our purchase obligations are expected to be approximately $9,916 in 2025, $10,982 in total for 2026 and 2027, $5,495 in total for 2028 and 2029 and $1,604 in total for years thereafter.

Dollars in millions except per share amounts

NOTE 22. SUPPLIER AND VENDOR FINANCING PROGRAMS

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

At the supplier's election, they can receive payment of AT&T obligations prior to the scheduled due dates, at a discounted price from the third-party financial institution. The discounted price paid to participating suppliers is based on a variable rate that is indexed to the overnight borrowing rate. We agree to pay the financial institution the stated amount generally within 90 days of receipt of the invoice. We do not have pledged assets or other guarantees under our supplier financing program.

Our outstanding payment obligations are included in "Accounts payable and accrued liabilities" on our consolidated balance sheets and are reported as operating or investing (when capitalizable) activities in our statements of cash flows when paid.

The following table presents the change in the supplier financing obligation for the years ended December 31:

		2024		2023
Confirmed obligations outstanding at the beginning of year	**$**	**2,844**	$	2,869
Invoices received		**15,510**		12,496
Invoices paid		**(15,856)**		(12,521)
Confirmed obligations outstanding at the end of year	**$**	**2,498**	$	2,844

Direct Supplier Financing
We also have arrangements with suppliers of handset inventory that allow us to extend the stated payment terms by up to 90 days at an additional cost to us (variable rate extension fee). Direct supplier financing outstanding is included in "Accounts payable and accrued liabilities" on our consolidated balance sheets and is reported as operating activities in our statements of cash flows when paid.

The following table presents the change in the direct supplier financing obligation for the years ended December 31:

		2024		2023
Obligations outstanding at the beginning of year	**$**	**5,442**	$	5,486
Invoices extended		**15,831**		17,376
Invoices paid		**(15,001)**		(17,420)
Obligations outstanding at the end of year	**$**	**6,272**	$	5,442

Vendor Financing
In connection with capital improvements and the acquisition of other productive assets, we negotiate favorable payment terms of 120 days or more (referred to as vendor financing), which are reported as financing activities in our statements of cash flows when paid.

The following table presents the change in the vendor financing obligation for the years ended December 31:

		2024		2023
Obligations outstanding at the beginning of year	**$**	**2,516**	$	5,607
Commitments		**700**		2,651
Payments		**(1,792)**		(5,742)
Obligations outstanding at the end of year[1,2]	**$**	**1,424**	$	2,516

[1] Total vendor financing payables at December 31, 2024 and 2023 were $1,448 and $2,833, respectively, of which $749 and $1,975 are included in "Accounts payable and accrued liabilities."

[2] Includes software licensing arrangements with payment terms of two to five years totaling approximately $850 and $630 at December 31, 2024 and 2023, respectively.

Dollars in millions except per share amounts

NOTE 23. ADDITIONAL FINANCIAL INFORMATION

	December 31,	
Consolidated Balance Sheets	**2024**	2023
Accounts payable and accrued liabilities:		
Accounts payable	**$ 27,433**	$ 27,309
Accrued payroll and commissions	**2,015**	1,698
Current portion of employee benefit obligation	**570**	631
Accrued interest	**2,020**	2,187
Accrued taxes	**1,301**	1,022
Other	**2,318**	3,005
Total accounts payable and accrued liabilities	**$ 35,657**	$ 35,852

Consolidated Statements of Income	**2024**	2023	2022
Advertising expense	**$ 2,505**	$ 2,576	$ 2,462
Interest income	**$ 212**	$ 303	$ 143
Interest expense incurred	**$ 7,120**	$ 7,578	$ 7,402
Capitalized interest – capital expenditures	**(162)**	(179)	(174)
Capitalized interest – spectrum[1]	**(199)**	(695)	(1,120)
Total interest expense	**$ 6,759**	$ 6,704	$ 6,108

[1] Included in "Acquisitions, net of cash acquired" in our consolidated statements of cash flows.

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

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

	December 31,			
Cash and Cash Equivalents and Restricted Cash	**2024**	2023	2022	2021
Cash and cash equivalents from continuing operations	**$ 3,298**	$ 6,722	$ 3,701	$ 19,223
Cash and cash equivalents from discontinued operations	**—**	—	—	1,946
Restricted cash in Prepaid and other current assets	**1**	2	1	3
Restricted cash in Other Assets	**107**	109	91	144
Cash and cash equivalents and restricted cash	**$ 3,406**	$ 6,833	$ 3,793	$ 21,316

Dollars in millions except per share amounts

The following tables summarize certain cash flow activities from continuing operations:

Consolidated Statements of Cash Flows	**2024**	2023	2022
Cash paid (received) during the year for:			
Interest	**$ 7,132**	$ 7,370	$ 7,772
Income taxes, net of refunds[1]	**2,456**	1,599	592

[1] Total cash income taxes paid, net of refunds, by AT&T was $2,456, $1,599 and $696 for 2024, 2023 and 2022, respectively.

Purchase of property and equipment	**$ 20,101**	$ 17,674	$ 19,452
Interest during construction - capital expenditures[1]	**162**	179	174
Total Capital expenditures	**$ 20,263**	$ 17,853	$ 19,626

Business acquisitions	**$ —**	$ —	$ —
Spectrum acquisitions	**181**	2,247	9,080
Interest during construction - spectrum[1]	**199**	695	1,120
Total Acquisitions, net of cash acquired	**$ 380**	$ 2,942	$ 10,200

[1] Total capitalized interest was $361, $874 and $1,294 for 2024, 2023 and 2022, respectively.

Labor Contracts As of December 31, 2024, we employed approximately 140,990 persons. Approximately 43% of our employees are represented by the Communications Workers of America (CWA), the International Brotherhood of Electrical Workers (IBEW) or other unions. After expiration of collective bargaining agreements, work stoppages or labor disruptions may occur in the absence of new contracts or other agreements being reached. The main contract set to expire in 2025 covers approximately 9,000 employees in Arkansas, Kansas, Missouri, Oklahoma and Texas and is set to expire in April.

NOTE 24. DISCONTINUED OPERATIONS

Upon the separation and distribution, the WarnerMedia business met the criteria for discontinued operations. For discontinued operations, we also evaluated transactions that were components of AT&T's single plan of a strategic shift, including dispositions that previously did not individually meet the criteria due to materiality, and have determined discontinued operations to be comprised of WarnerMedia, Vrio, Xandr and Playdemic.

The following is a summary of operating results included in income (loss) from discontinued operations for the years ended:

	2024	2023	2022
Revenues	**$ —**	$ —	$ 9,454
Operating Expenses			
Cost of revenues	**—**	—	5,481
Selling, general and administrative	**—**	—	2,791
Depreciation and amortization	**—**	—	1,172
Total operating expenses	**—**	—	9,444
Interest expense	**—**	—	131
Equity in net income (loss) of affiliates	**—**	—	(27)
Other income (expense) – net	**—**	—	(87)
Total other income (expense)	**—**	—	(245)
Net loss before income taxes	**—**	—	(235)
Income tax expense (benefit)	**—**	—	(54)
Net loss from discontinued operations	**$ —**	$ —	$ (181)

In preparation for close of the separation and distribution, on April 7, 2022, Spinco drew $10,000 on its $10,000 term loan credit agreement (Spinco Term Loan), which conveyed to WBD. Total debt conveyed was approximately $41,600, which included $1,600 of existing WarnerMedia debt, $30,000 of Spinco senior notes issued in March 2022 and the $10,000 Spinco Term Loan. WarnerMedia cash transfer to Discovery was approximately $2,660.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

During our two most recent fiscal years, there has been no change in the independent accountant engaged as the principal accountant to audit our financial statements, and the independent accountant has not expressed reliance on other independent accountants in its reports during such time period.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

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

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

Internal Control Over Financial Reporting

a. Management's Annual Report on Internal Control over Financial Reporting
The management of AT&T is responsible for establishing and maintaining adequate internal control over financial reporting. AT&T's internal control system was designed to provide reasonable assurance as to the integrity and reliability of the published financial statements. AT&T management assessed the effectiveness of the company's internal control over financial reporting as of December 31, 2024. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control – Integrated Framework (2013 framework). Based on its assessment, AT&T management believes that, as of December 31, 2024, the Company's internal control over financial reporting is effective based on those criteria.

b. Attestation Report of the Independent Registered Public Accounting Firm
The independent registered public accounting firm that audited the financial statements included in the Annual Report containing the disclosure required by this Item, Ernst & Young LLP, has issued an attestation report on the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

a. There is no information that was required to be disclosed in a report on Form 8-K during the fourth quarter of 2024 but was not reported.

b. In the quarter ended December 31, 2024, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated a plan for the purchase or sale of our securities intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or a non-Rule 10b5-1 trading arrangement for the purchase or sale of our securities, within the meaning of Item 408 of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information regarding executive officers required by Item 401 of Regulation S-K is furnished in a separate disclosure at the end of Part I of this report entitled "Information about our Executive Officers." Information regarding directors required by Item 401 of Regulation S-K is incorporated herein by reference pursuant to General Instruction G(3) from the registrant's 2025 definitive proxy statement (Proxy Statement) under the heading "Management Proposal Item No. 1. Election of Directors."

Information required by Item 405 of Regulation S-K is incorporated herein by reference pursuant to General Instruction G(3) from the registrant's Proxy Statement under the heading "Delinquent Section 16(a) Reports."

The registrant has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The members of the committee are Messrs. Luczo and McCallister, and Mses. Mayer and Taylor. The additional information required by Item 407(d)(5) of Regulation S-K is incorporated herein by reference pursuant to General Instruction G(3) from the registrant's Proxy Statement under the heading "Audit Committee."

The registrant has adopted a code of ethics entitled "Code of Ethics" that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer, or controller or persons performing similar functions. The additional information required by Item 406 of Regulation S-K is provided in this report under the heading "General" under Part I, Item 1. Business.

Information required by Item 408(b) of Regulation S-K is incorporated herein by reference pursuant to General Instruction G(3) from the registrant's Proxy Statement under the heading "Insider Trading Policy."

ITEM 11. EXECUTIVE COMPENSATION

Information required by this Item is incorporated herein by reference pursuant to General Instruction G(3) from the registrant's Proxy Statement under the headings "Director Compensation," "2024 Director Compensation Table," "CEO Pay Ratio," "Pay Versus Performance," and the pages beginning with the heading "Compensation Discussion and Analysis" and ending with, and including, the pages under the heading "Potential Payments upon Change in Control."

Information required by Item 407(e)(5) of Regulation S-K is included in the registrant's Proxy Statement under the heading "Compensation Committee Report" and is incorporated herein by reference pursuant to General Instruction G(3) and shall be deemed furnished in this Annual Report on Form 10-K and will not be deemed incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required by Item 201(d) of Regulation S-K is included in the registrant's Proxy Statement under the heading "Equity Compensation Plan Information," which is incorporated herein by reference pursuant to General Instruction G(3). Information required by Item 403 of Regulation S-K is included in the registrant's Proxy Statement under the heading "Common Stock Ownership," which is incorporated herein by reference pursuant to General Instruction G(3).

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by Item 404 of Regulation S-K is included in the registrant's Proxy Statement under the heading "Related Person Transactions," which is incorporated herein by reference pursuant to General Instruction G(3). Information required by Item 407(a) of Regulation S-K is included in the registrant's Proxy Statement under the heading "Director Independence," which is incorporated herein by reference pursuant to General Instruction G(3).

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information required by this Item is included in the registrant's Proxy Statement under the heading "Principal Accountant Fees and Services," which is incorporated herein by reference pursuant to General Instruction G(3).

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as a part of the report:

Financial statement schedules other than those listed above have been omitted because the required information is contained in the financial statements and notes thereto, or because such schedules are not required or applicable.

(3) Exhibits:

Exhibits identified in parentheses below, on file with the SEC, are incorporated herein by reference as exhibits hereto. Unless otherwise indicated, all exhibits so incorporated are from File No. 001-8610.

Exhibit Number	
2-a	Agreement and Plan of Merger, dated as of May 17, 2021, by and among AT&T Inc., Magallanes, Inc., and Discovery, Inc. (Exhibit 2.1 to Form 8-K filed on May 20, 2021)*
2-b	Separation and Distribution Agreement, dated as of May 17, 2021, by and among AT&T Inc., Magallanes, Inc., and Discovery, Inc. (Exhibit 2.2 to Form 8-K filed on May 20, 2021)*
2-c	Securities Purchase Agreement, dated September 29, 2024, by and among AT&T Services, Inc., AT&T Diversified MVPD Holdings LLC, AT&T MVPD Holdings LLC, Merlin Parent 2024, Inc., TPG Partners IX, L.P. and DIRECTV Entertainment Holdings LLC (Exhibit 2.1 to Form 10-Q for the period ending September 30, 2024)*
3-a	Restated Certificate of Incorporation, filed with the Secretary of State of Delaware on December 13, 2013 (Exhibit 3.1 to Form 8-K filed on December 16, 2013)
3-b	Bylaws (Exhibit 3.1 to Form 8-K filed on February 2, 2023)
3-c	Certificate of Designations with respect to Series A Preferred Stock (Exhibit 3.1 to Form 8-K filed on December 12, 2019)
3-d	Certificate of Designations with respect to Series B Preferred Stock (Exhibit 3.1 to Form 8-K filed on February 18, 2020)

3-e	Certificate of Designations with respect to Series C Preferred Stock (Exhibit 3.2 to Form 8-K filed on February 18, 2020)
4-a	No instrument which defines the rights of holders of long-term debt of the registrant and all of its consolidated subsidiaries is filed herewith pursuant to Regulation S-K, Item 601(b)(4)(iii)(A), except for the instruments referred to in 4-b, 4-c, 4-d, 4-e, 4-f below. Pursuant to this regulation, the registrant hereby agrees to furnish a copy of any such instrument not filed herewith to the SEC upon request.
4-b	Guaranty of certain obligations of Pacific Bell Telephone Co. and Southwestern Bell Telephone Co. (Exhibit 4-c to Form 10-K for the period ending December 31, 2011)
4-c	Guaranty of certain obligations of Ameritech Capital Funding Corp., Indiana Bell Telephone Co. Inc., Michigan Bell Telephone Co., Pacific Bell Telephone Co., Southwestern Bell Telephone Company, Illinois Bell Telephone Company, The Ohio Bell Telephone Company, The Southern New England Telephone Company, Southern New England Telecommunications Corporation, and Wisconsin Bell, Inc. (Exhibit 4-d to Form 10-K for the period ending December 31, 2011)
4-d	Guarantee of certain obligations of AT&T Corp. (Exhibit 4-e to Form 10-K for the period ending December 31, 2011)
4-e	Indenture, dated as of May 15, 2013, between AT&T Inc. and The Bank of New York Mellon Trust Company, N.A., as Trustee (Exhibit 4.1 to Form 8-K filed on May 15, 2013)
4-f	Indenture dated as of November 1, 1994 between SBC Communications Inc. and The Bank of New York, as Trustee (Exhibit 4-h to Form 10-K for the period ending December 31, 2013)
4-g	Deposit Agreement, dated December 12, 2019, among the AT&T Inc., Computershare Inc. and Computershare Trust Company, N.A., collectively, as depositary, and the holders from time to time of the depository receipts described therein (Exhibit 4.3 to Form 8-K filed December 12, 2019)
4-h	Deposit Agreement, dated February 18, 2020, among the Company, Computershare Inc. and Computershare Trust Company, N.A., collectively, as depositary, and the holders from time to time of the depositary receipts described therein (Exhibit 4.3 to Form 8-K filed February 18, 2020)
4-i	Description of AT&T's Securities Registered Under Section 12 of the Exchange Act
10-a	2018 Incentive Plan (Exhibit 10-a to Form 10-K for the period ending December 31, 2017)**
10-b	2016 Incentive Plan (Exhibit 10-a to Form 10-Q for the period ending March 31, 2016)**
10-c	Resolution Regarding John Stankey (Exhibit 10-b to Form 10-Q for the period ending September 30, 2017)**
10-d	2011 Incentive Plan (Exhibit 10-a to Form 10-Q for the period ending September 30, 2015)**
10-e	Short Term Incentive Plan**
10-f	Supplemental Life Insurance Plan**
10-g	Supplemental Retirement Income Plan (Exhibit 10-e to Form 10-K for the period ending December 31, 2013)**
10-h	2005 Supplemental Employee Retirement Plan (Exhibit 10-g to Form 10-K for the period ending December 31, 2021)**
10-i	Salary and Incentive Award Deferral Plan (Exhibit 10-k to Form 10-K for the period ending December 31, 2011)**
10-j	Stock Savings Plan (Exhibit 10-l to Form 10-K for the period ending December 31, 2011)**
10-k	Stock Purchase and Deferral Plan as amended May 16, 2024 (Exhibit 10.2 to Form 10-Q for the period ending June 30, 2024)**
10-l	Cash Deferral Plan as amended May 16, 2024 (Exhibit 10.1 to Form 10-Q for the period ending June 30, 2024)**
10-m	Master Trust Agreement for AT&T Inc. Deferred Compensation Plans and Other Executive Benefit Plans and subsequent amendments dated August 1, 1995 and November 1, 1999 (Exhibit 10-dd to Form 10-K for the period ending December 31, 2009)**
10-n	Officer Disability Plan**
10-o	AT&T Inc. Health Plan (Exhibit 10.3 to Form 10-Q for the period ending June 30, 2024)**
10-p	Pension Benefit Makeup Plan No.1 (Exhibit 10-n to Form 10-K for the period ending December 31, 2016)**
10-q	AT&T Inc. Equity Retention and Hedging Policy as amended March 24, 2022 (Exhibit 10.2 to Form 10-Q for the period ending March 31, 2022)
10-r	Administrative Plan (Exhibit 10.1 to Form 10-Q for the period ending September 30, 2023)**
10-s	AT&T Inc. Non-Employee Director Stock and Deferral Plan (Exhibit 10-s to Form 10-K for the period ending December 31, 2022) **

10-t	AT&T Inc. Non-Employee Director Stock Purchase Plan (Exhibit 10-t to Form 10-K for the period ending December 31, 2013)**
10-u	AT&T Inc. Board of Directors Communications Concession Program (Exhibit 10-u to Form 10-K for the period ending December 31, 2022)**
10-v	Form of Indemnity Agreement between AT&T Inc. and its directors and officers (Exhibit 10-v to Form 10-K for the period ending December 31, 2023)**
10-w	AT&T Executive Physical Program (Exhibit 10.4 to Form 10-Q for the period ending June 30, 2023)**
10-x	Attorney Fee Payment Agreement for John Stankey (Exhibit 10.1 to Form 8-K filed on July 3, 2018)**
10-y	$12,000,000,000 Amended and Restated Credit Agreement, dated as of November 18, 2022, among AT&T Inc., the lenders named therein and Citibank, N.A., as agent (Exhibit 10.1 to Form 8-K filed on November 18, 2022)
10-z	Third Amended and Restated Limited Liability Company Agreement of NCWPCS MPL Holdings, LLC (Exhibit 10.1 to Form 10-Q for the period ending September 30, 2024)*
10-aa	AT&T Inc. Change in Control Severance Plan**
10-bb	Agreement of Contribution and Subscription, dated February 25, 2021 (Exhibit 10.1 to Form 8-K filed on February 25, 2021)
10-cc	Employee Matters Agreement by and among AT&T Inc., Magallanes, Inc., and Discovery, Inc. dated as of May 17, 2021 (Exhibit 10.3 to Form 8-K filed on May 20, 2021)
10-dd	Tax Matters Agreement between AT&T Inc., Magallanes, Inc., and Discovery, Inc. dated as of May 17, 2021 (Exhibit 10.4 to Form 8-K filed on May 20, 2021)
10-ee	Amended and Restated Limited Liability Company Agreement of DIRECTV Entertainment Holdings LLC, dated as of July 31, 2021 (Exhibit 10.1 to Form 8-K filed on August 2, 2021)
10-ff	Amendment No.1 to Amended and Restated Limited Liability Company Agreement of DIRECTV Entertainment Holdings LLC, dated as of December 20, 2024
10-gg	Relocation Program Plan (Exhibit 10.2 to Form 10-Q for the period ending September 30, 2021)**
10-hh	Third Amended and Restated Limited Liability Company Agreement of AT&T Fiber Investment, LLC**
10-ii	Fourth Amended and Restated Limited Liability Company Agreement of AT&T Fiber Investment, LLC*
19	Insider Trading Policy
21	Subsidiaries of AT&T Inc.
23	Consent of Ernst & Young LLP
24	Powers of Attorney
31	Rule 13a-14(a)/15d-14(a) Certifications
31.1	Certification of Principal Executive Officer
31.2	Certification of Principal Financial Officer
32	Section 1350 Certification
97	AT&T Inc. Clawback Policy (Exhibit 97 to Form 10-K for the period ending December 31, 2023)
99	Supplemental Interim Financial Information
101	The consolidated financial statements from the Company's Form 10-K for the year ended December 31, 2024, as filed with the SEC on February 12, 2025, formatted in Inline XBRL: (i) Consolidated Statements of Cash Flows, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Balance Sheets, and (v) Notes to Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Certain schedules (or similar attachments) have been omitted pursuant to Item 601(a)(5) or Item 601(b)(2) of Regulation S-K. The registrant agrees to furnish copies of such schedules (or similar attachments) to the U.S. Securities and Exchange Commission upon request.
** Management contracts and compensatory plans and arrangements required to be filed as exhibits pursuant to Item 15(b) of this report.

We will furnish to stockholders upon request, and without charge, a copy of the Annual Report to Stockholders and the Proxy Statement, portions of which are incorporated by reference in the Form 10-K. We will furnish any other exhibit at cost.

ITEM 16. FORM 10-K SUMMARY

None.

SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS

Allowance for Credit Losses

COL. A	COL. B	COL. C			COL. D	COL. E
		Additions				
		(1)	(2)	(3)		
	Balance at Beginning of Period	Charged to Costs and Expenses (a)	Charged to Other Accounts	Acquisitions	Deductions (b)	Balance at End of Period (c)
Year 2024	**$ 756**	**1,969**	**—**	**—**	**2,172**	**$ 553**
Year 2023	$ 1,011	1,969	—	—	2,224	$ 756
Year 2022	$ 1,163	1,865	—	—	2,017	$ 1,011

(a) Includes amounts previously written off which were credited directly to this account when recovered.
Excludes direct charges and credits to expense for nontrade receivables in the consolidated statements of income.
(b) Amounts written off as uncollectible.
(c) Includes balances applicable to trade receivables, loans, contract assets and other assets subject to credit loss measurement (see Note 1).

Allowance for Deferred Tax Assets

COL. A	COL. B	COL. C			COL. D	COL. E
		Additions				
		(1)	(2)	(3)		
	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts	Acquisitions	Deductions	Balance at End of Period
Year 2024	**$ 4,656**	**(318)**	**—**	**—**	**— $**	**4,338**
Year 2023	$ 4,175	481	—	—	— $	4,656
Year 2022	$ 4,343	(168)	—	—	— $	4,175

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 12th day of February, 2025.

AT&T INC.

/s/ Pascal Desroches

Pascal Desroches

Senior Executive Vice President

and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Principal Executive Officer:

John T. Stankey*
Chief Executive Officer
and President

Principal Financial Officer:

Pascal Desroches
Senior Executive Vice President
and Chief Financial Officer

/s/ Pascal Desroches

Pascal Desroches, as attorney-in-fact

and on his own behalf as Principal

Financial Officer

Principal Accounting Officer:

Sabrina Sanders
Senior Vice President, Chief
Accounting Officer and Controller

/s/ Sabrina Sanders

February 12, 2025

Directors:

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

* by power of attorney

DESCRIPTION OF SECURITIES OF AT&T INC. REGISTERED UNDER SECTION 12 OF THE EXCHANGE ACT AS OF DECEMBER 31, 2024
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DESCRIPTION OF THE COMPANY'S COMMON STOCK

The following summary of AT&T Inc.'s ("AT&T") common stock is based on and qualified by the Company's Restated Certificate of Incorporation and Bylaws as of December 31, 2024. For a complete description of the terms and provisions of the Company's equity securities, including its common stock, refer to the Restated Certificate of Incorporation and the Bylaws, both of which are filed as exhibits to AT&T's Annual Report on Form 10-K for the year ended December 31, 2024. Throughout this exhibit, references to "we," "our," "us" and "the Company" refer to AT&T.

General

Our authorized share capital consists of 14,010,000,000 shares, of which 14,000,000,000 are common shares having a par value of $1.00 per share and 10,000,000 are shares of preferred stock, par value $1.00 per share. As of December 31, 2024, 7,175,895,450 shares of common stock were outstanding and 138,000 shares of preferred stock were outstanding.

Our common stock is listed on the New York Stock Exchange under the symbol "T".

The transfer agent for the common stock is Computershare Trust Company, N.A., P.O. Box 505005, Louisville, Kentucky 40233.

We typically do not issue physical stock certificates. Instead, we record evidence of stock ownership solely on our corporate records. However, we will issue a physical stock certificate if a stockholder so requests.

Holders of common stock do not have any conversion, redemption, preemptive or cumulative voting rights. In the event of our dissolution, liquidation or winding-up, common stockholders share ratably in any assets remaining after all creditors are paid in full, including holders of our debt securities and after the liquidation preference of holders of preferred stock has been satisfied.

Some of the provisions of our Restated Certificate of Incorporation and our Bylaws may tend to deter any potential unfriendly tender offers or other efforts to obtain control of us. At the same time, these provisions will tend to assure continuity of management and corporate policies and to induce any persons seeking control or a business combination with us to negotiate on terms acceptable to our then-elected board of directors.

Dividends

Common stockholders are entitled to participate equally in dividends when dividends are declared by our board of directors out of funds legally available for dividends.

Voting Rights

Each holder of common stock is entitled to one vote for each share for all matters voted on by common stockholders.

Election of Directors

Holders of common stock may not cumulate their votes in the election of directors. In an election of directors, each director must be elected by the vote of the majority of the votes cast with respect to that director's election. If a nominee for director is not elected and the nominee is an incumbent director, such incumbent director must promptly tender his or her resignation to the board of directors, subject to acceptance by the board of directors. The Corporate Governance and Policy Committee of the board of directors (the "Corporate Governance and Policy Committee") will make a recommendation to the board of directors as to whether to accept or reject the tendered resignation, or whether other action should be taken. The board of directors will act on the tendered resignation, taking into account the Corporate Governance and Policy Committee's recommendation, and publicly disclose (by a press release, a filing with the Securities and Exchange Commission 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 certification of election results. The Corporate 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 incumbent director who tenders his or her resignation following such failure to be elected will not participate in the recommendation of the Corporate Governance and Policy Committee or the decision of the board of directors with respect to his or her resignation.

If the number of persons properly nominated for election as directors as of the date that is 10 days before the record date for the meeting at which such vote is to be held exceeds the number of directors to be elected, then the directors shall be elected by a plurality of the votes cast.

For purposes of the election of directors, a majority of votes cast shall mean that the number of shares voted "for" the election of a director exceeds the number of votes cast "against" the election of such director.

Other Matters

Except with respect to the election of directors as described above, all other matters are determined by a majority of the votes cast, unless otherwise required by law or the certificate of incorporation for the action proposed.

For these purposes, a majority of votes cast shall mean that the number of shares voted "for" a matter exceeds the number of votes cast "against" such matter.

Quorum

At least 40% of the shares entitled to vote at the meeting must be present in person or by proxy, in order to constitute a quorum.

Board of Directors

Our Bylaws provide that all directors are required to stand for re-election every year. At any meeting of our board of directors, a majority of the total number of the directors constitutes a quorum.

Action without Stockholder Meeting

Our Restated Certificate of Incorporation also requires that stockholders representing at least two-thirds of the total number of shares outstanding and entitled to vote thereon must sign a written consent for any action without a meeting of the stockholders.

Advance Notice Bylaws

Our Bylaws establish advance notice procedures with regard to stockholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our stockholders. These procedures provide that notice of such stockholder proposals must be timely given in writing to the Secretary of AT&T prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at our principal executive offices not less than 90 days nor more than 120 days prior to the anniversary date of the annual meeting for the preceding year. The notice must contain certain information, representations and agreements specified in the Bylaws.

Proxy Access

Our Bylaws permit any stockholder or group of up to twenty stockholders who have maintained continuous qualifying ownership of 3% or more of our outstanding common stock for at least the previous three years to include up to a specified number of director nominees in our proxy materials for an annual meeting of stockholders. The maximum number of stockholder nominees permitted under the proxy access provisions of our Bylaws shall be the greater of two or 20% of the total number of directors of AT&T on the last day a notice of nomination may be submitted.

Notice of a nomination pursuant to the proxy access provisions of our Bylaws must be submitted to the Secretary of AT&T at our principal executive office no earlier than 150 days and no later than 120 days before the anniversary of the date that we mailed our proxy statement for the previous year's annual meeting of stockholders. The notice must contain certain information, representations and agreements specified in our Bylaws.

Section 203 of the General Corporation Law of the State of Delaware

We are also subject to Section 203 of the General Corporation Law of the State of Delaware. Section 203 prohibits us from engaging in any business combination (as defined in Section 203) with an "interested stockholder" for a period of three years subsequent to the date on which the stockholder became an interested stockholder unless:

- prior to such date, our board of directors approves either the business combination or the transaction in which the stockholder became an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owns at least 85% of the outstanding voting stock (with certain exclusions); or
- the business combination is approved by our board of directors and authorized by a vote (and not by written consent) of at least 66 2/3% of the outstanding voting stock not owned by the interested stockholder.

For purposes of Section 203, an "interested stockholder" is defined as an entity or person beneficially owning 15% or more of our outstanding voting stock, based on voting power, and any entity or person affiliated with or controlling or controlled by such an entity or person.

A "business combination" includes mergers, asset sales and other transactions resulting in financial benefit to a stockholder. Section 203 could prohibit or delay mergers or other takeover or change of control attempts with respect to us and, accordingly, may discourage attempts that might result in a premium over the market price for the shares held by stockholders.

Such provisions may have the effect of deterring hostile takeovers or delaying changes in control of management or us.

DESCRIPTION OF THE DEPOSITARY SHARES AND 5.000% PERPETUAL PREFERRED STOCK, SERIES A

The following summary of AT&T's above referenced securities is based on and qualified by the pertinent sections of our Restated Certificate of Incorporation, including the Certificate of Designations creating the 5.000% Perpetual Preferred Stock, Series A (the "Series A"). For a complete description of the terms and provisions of the depositary shares and the Series A, please refer to our Restated Certificate of Incorporation, which is filed as an exhibit to AT&T's Annual Report on Form 10-K for the year ended December 31, 2024 and to the Certificate of Designations, which is filed an exhibit to a Form 8-A filed with the Securities and Exchange Commission on December 12, 2019.

References to the "holders" of the Series A shall mean Computershare Inc. and Computershare Trust Company, N.A., (the "Depositary"). References to "holders" of depositary shares mean those who own depositary shares registered in their own names, on the books that we or the Depositary maintain for this purpose, and not indirect holders who own beneficial interests in depositary shares registered in street name or issued in book-entry form through the Depositary Trust Company ("DTC"). Holders of the depositary shares are entitled through the Depositary to exercise their proportional rights and preferences of the Series A, as described under "Description of the Depositary Shares."

DESCRIPTION OF THE 5.000% PERPETUAL PREFERRED STOCK, SERIES A

General

Under our Restated Certificate of Incorporation, we have the authority to issue up to 10,000,000 shares of preferred stock, par value $1.00 per share. Our board of directors (or a duly authorized committee of the board) is authorized without further stockholder action to cause the issuance of shares of preferred stock, including the Series A. The Series A represents a single series of our authorized preferred stock.

We have issued 48,000 shares of the Series A, which remains the amount outstanding, subject to our ability to reopen and issue additional shares and/or increase or decrease the number of designated shares of Series A as described below. The shares of Series A are fully paid and nonassessable and are not convertible into, or exchangeable for, shares of our common stock or any other class or series of our other securities and are not subject to any sinking fund or any other obligation of us for their repurchase or retirement. The shares of Series A have a "stated amount" per share of $25,000 and are held solely by the Depositary as described under "Description of the Depositary Shares" below.

The number of designated shares of Series A may from time to time be increased (but not in excess of the total number of shares of preferred stock authorized under our Restated Certificate of Incorporation, less shares of any other series of preferred stock designated at the time of such increase) or decreased (but not below the number of shares of Series A then outstanding) by resolution of the board (or a duly authorized committee of the board), without the vote or consent of the holders of the Series A. Shares of Series A that are redeemed, purchased or otherwise acquired by us will be cancelled and shall revert to authorized but unissued shares of preferred stock undesignated as to series. We have the authority to issue fractional shares of Series A.

Ranking

With respect to the payment of dividends and distributions of assets upon any liquidation, dissolution or winding up, the Series A ranks:

- senior to our common stock and any class or series of our stock that ranks junior to the Series A in the payment of dividends or in the distribution of assets upon our liquidation, dissolution or winding up (including our common stock, "junior stock");
- senior to or on a parity with each other series of our preferred stock we may issue (except for any senior series that may be issued upon the requisite vote or consent of the holders of at least two thirds of the shares of the Series A at the time outstanding and entitled to vote, voting together with any other series of preferred stock that would be adversely affected by such issuance substantially in the same manner and entitled to vote as a single class in proportion to their respective stated amounts) with respect to the payment of dividends and distributions of assets upon any liquidation, dissolution or winding up of the Company; and
- junior to all existing and future indebtedness and other non-equity claims on us.

Dividends

Holders of Series A shall be entitled to receive, when, as and if declared by our board (or a duly authorized committee of the board), but only out of funds legally available therefor, cumulative cash dividends at the annual rate of 5.000% of the stated amount per share, and no more, payable quarterly in arrears on the 1st day of each February, May, August and November, respectively, in each year, beginning on February 1, 2020 (each, a "dividend payment date"), with respect to the dividend period (or portion thereof) ending on the day preceding such respective dividend payment date, to holders of record on the 15th calendar day before such dividend payment date or such other record date not more than 60 nor less than 10 days preceding such dividend payment date fixed for that purpose by our board (or a duly authorized committee of the board) in advance of payment of each particular dividend. The amount of the dividend per share of Series A for each dividend period (or portion thereof) is calculated on the basis of a 360-day year consisting of twelve 30-day months. If any dividend payment date is not a business day, the applicable dividend will be paid on the first business day following that day without adjustment. We will not pay interest or any sum of money instead of interest on any dividend payment that may be in arrears on the Series A.

"Dividend period" means each period commencing on (and including) a dividend payment date and continuing to (but not including) the next succeeding dividend payment date, except that the first dividend period for the initial issuance of shares of Series A shall commence on (and include) the original issue date.

A “business day” means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions in The City of New York are not authorized or obligated by law, regulation or executive order to close.

Restrictions on Dividends, Redemption and Repurchases

So long as any share of Series A remains outstanding, unless full accrued dividends on all outstanding shares of Series A through and including the most recently completed dividend period have been paid or declared and a sum sufficient for the payment thereof has been set aside for payment:

(i) no dividend may be declared or paid or set aside for payment on any junior stock, other than a dividend payable solely in stock that ranks junior to the Series A in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company; and

(ii) no monies may be paid or made available for a sinking fund for the redemption or retirement of junior stock, nor shall any shares of junior stock be purchased, redeemed or otherwise acquired for consideration by us, directly or indirectly, other than:

- as a result of (x) a reclassification of junior stock, or (y) the exchange or conversion of one share of junior stock for or into another share of stock that ranks junior to the Series A in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company; or
- through the use of the proceeds of a substantially contemporaneous sale of other shares of stock that ranks junior to the Series A in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company; or
- purchases, redemptions or other acquisitions of shares of junior stock in connection with any employment contract, benefit plan, or other similar arrangement with or for the benefit of employees, officers, directors or consultants.

“Accrued dividends” means, with respect to shares of Series A, an amount computed at the annual dividend rate for Series A from, as to each share, the date of issuance of such share to and including the date to which such dividends are to be accrued (whether or not such dividends have been declared), less the aggregate amount of all dividends previously paid on such share.

If our board (or a duly authorized committee of the board) elects to declare only partial instead of full dividends for a dividend payment date and related dividend period on the shares of Series A or any class or series of our stock that ranks on a parity with Series A in the payment of dividends (“dividend parity stock”), then to the extent permitted by the terms of the Series A and each outstanding series of dividend parity stock such partial dividends shall be declared on shares of Series A and dividend parity stock, and dividends so declared shall be paid, as to any such dividend payment date and related dividend period in amounts such that the ratio of the partial dividends declared and paid on each such series to full dividends on each such series is the same. As used in this paragraph, “full dividends” means, as to the Series A and any dividend parity stock that bears dividends on a cumulative basis, the amount of dividends that would need to be declared and paid to bring the Series A and such dividend parity stock current in dividends, including undeclared dividends for past dividend periods (that is, for Series A, full accrued dividends). To the extent a dividend period with respect to the Series A or any series of dividend parity stock (in either case, the “first series”) coincides with more than one dividend period with respect to another series as applicable (in either case, a “second series”), for purposes of the immediately preceding sentence our board (or a duly authorized committee of the board) may, to the extent permitted by the terms of each affected series, treat such dividend period for the first series as two or more consecutive dividend periods, none of which coincides with more than one dividend period with respect to the second series, or may treat such dividend period(s) with respect to any dividend parity stock and dividend period(s) with respect to the Series A for purposes of the immediately preceding sentence in any other manner that it deems to be fair and equitable in order to achieve ratable payments of dividends on such dividend parity stock and the Series A.

Subject to the foregoing, and not otherwise, such dividends (payable in cash, stock or otherwise) as may be determined by our board (or a duly authorized committee of the board) may be declared and paid on any junior stock from time to time out of any funds legally available therefor, and the shares of Series A shall not be entitled to participate in any such dividend.

Optional Redemption

The Series A is perpetual and has no maturity date. We may, at our option, redeem the shares of Series A:

(i) in whole or in part, at any time on or after December 12, 2024, at a cash redemption price equal to the stated amount (*i.e.*, $25,000 per share of Series A) (equivalent to $25.00 per depositary share), plus (except as otherwise provided herein) an amount equal to all accrued and unpaid dividends thereon (whether or not declared), to, but not including, the date fixed for redemption; or

(ii) in whole but not in part at any time within 90 days after the conclusion of any review or appeal process instituted by us following the occurrence of a ratings event at a cash redemption price equal to $25,500 per share of Series A (equivalent to $25.50 per depositary share), plus (except as otherwise provided herein) an amount equal to all accrued and unpaid dividends thereon (whether or not declared) to, but not including, the date fixed for redemption.

"Ratings event" means that any nationally recognized statistical rating organization as defined in Section 3(a)(62) of the Exchange Act or in any successor provision thereto, that then publishes a rating for us (a "rating agency") amends, clarifies or changes the criteria it uses to assign equity credit to securities such as the Series A, which amendment, clarification or change results in:

(i) the shortening of the length of time the Series A is assigned a particular level of equity credit by that rating agency as compared to the length of time they would have been assigned that level of equity credit by that rating agency or its predecessor on the initial issuance of the Series A; or

(ii) the lowering of the equity credit (including up to a lesser amount) assigned to the Series A by that rating agency as compared to the equity credit assigned by that rating agency or its predecessor on the initial issuance of the Series A.

The redemption price for any shares of Series A shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to us or our agent, if the shares of Series A are issued in certificated form. Any accrued but unpaid dividends payable on a redemption date that occurs subsequent to the applicable record date for a dividend period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such record date relating to the applicable dividend payment date.

In case of any redemption of only part of the shares of Series A at the time outstanding, the shares to be redeemed shall be selected either *pro rata* from the holders of record of Series A in proportion to the number of shares of Series A held by such holders or by lot. Subject to the provisions hereof, our board (or a duly authorized committee of the board) shall have full power and authority to prescribe the terms and conditions on which shares of Series A shall be redeemed from time to time. If we shall have issued certificates for the Series A and fewer than all shares represented by any certificates are redeemed, new certificates shall be issued representing the unredeemed shares without charge to the holders thereof.

Redemption Procedures

A notice of every redemption of shares of Series A shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on our books. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this paragraph shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series A designated for redemption shall not affect the validity of the

proceedings for the redemption of any other shares of Series A. Notwithstanding the foregoing, if the Series A or any depositary shares representing interests in the Series A are issued in book-entry form through The Depository Trust Company or any other similar facility, the Depositary Trust Company or such other facility will provide notice of redemption by any authorized method to holders of record of the applicable Series A or depositary shares representing interests in the Series A not less than 30, nor more than 60, days prior to the date fixed for redemption of the Series A and related depositary shares.

Each notice of redemption given to a holder shall state:

- the redemption date;
- the number of shares of the Series A to be redeemed and, if less than all shares of the Series A held by such holder are to be redeemed, the number of shares to be redeemed from such holder;
- the redemption price;
- the place or places where certificates for such shares are to be surrendered for payment of the redemption price; and
- that dividends will cease to accrue on the redemption date.

If notice of redemption has been duly given, and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by us, separate and apart from our other funds, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available for that purpose, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation in the case that the shares of Series A are issued in certificated form, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption, without interest. Any funds unclaimed at the end of two years from the redemption date, to the extent permitted by law, shall be released from the trust so established and may be commingled with our other funds, and after that time the holders of the shares so called for redemption shall look only to us for payment of the redemption price of such shares.

The Series A is not subject to any mandatory redemption, sinking fund or other similar provisions. Holders of Series A do not have the right to require redemption of any shares of Series A.

Liquidation Right

In the event of any liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, before any distribution or payment out of our assets may be made to or set aside for the holders of any junior stock, holders of Series A will be entitled to receive out of our assets legally available for distribution to our stockholders an amount equal to the stated amount per share, together with an amount equal to all accrued dividends to the date of payment whether or not earned or declared (the "liquidation preference").

If our assets are not sufficient to pay the liquidation preference in full to all holders of Series A and all holders of any class or series of our stock that ranks on a parity with Series A in the distribution of assets on liquidation, dissolution or winding up of the Company (the "liquidation preference parity stock"), the amounts paid to the holders of Series A and to the holders of all liquidation preference parity stock shall be *pro rata* in accordance with the respective aggregate liquidation preferences of Series A and all such liquidation preference parity stock. In any such distribution, the "liquidation preference" of any holder of our stock other than the Series A means the amount otherwise payable to such holder in such distribution (assuming no limitation on our assets available for such distribution), including an amount equal to any declared but unpaid dividends in the case of any holder of stock on which dividends accrue on a noncumulative basis and, in the case of any holder of stock on which dividends accrue on a cumulative basis, an amount equal to any unpaid, accrued, cumulative dividends, whether or not earned or declared, as applicable. If the liquidation preference has been paid in full to all holders of Series A and all holders of any liquidation preference parity stock, the holders of junior stock will be entitled to receive all of our remaining assets according to their respective rights and preferences.

For purposes of the liquidation rights, the merger, consolidation or other business combination of us with or into any other corporation, including a transaction in which the holders of Series A receive cash, securities or property for their shares, or the sale, conveyance, lease, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of our assets, shall not constitute a liquidation, dissolution or winding up of the Company.

Voting Rights

Except as indicated below or otherwise required by law, the holders of the Series A do not have any voting rights.

Right to Elect Two Directors on Nonpayment Events. If and whenever dividends payable on Series A have not been declared and paid in an aggregate amount equal to full dividends for at least six quarterly dividend periods or their equivalent (whether or not consecutive) (a "nonpayment event"), the number of directors then constituting our board shall be automatically increased by two and the holders of Series A, together with the holders of any and all other series of outstanding voting preferred stock then entitled to vote for additional directors, voting together as a single class in proportion to their respective stated amounts, shall be entitled to elect the two additional directors (the "preferred stock directors"); *provided* that our board shall at no time include more than two preferred stock directors (including, for purposes of this limitation, all directors that the holders of any series of voting preferred stock are entitled to elect pursuant to like voting rights).

"Voting preferred stock" means any other class or series of preferred stock that ranks equally with the Series A as to the payment of dividends and as to the distribution of assets upon liquidation, dissolution or winding up of the affairs of the Company and upon which like voting rights have been conferred and are exercisable.

In the event that the holders of Series A and such other holders of voting preferred stock shall be entitled to vote for the election of the preferred stock directors following a nonpayment event, such directors shall be initially elected following such nonpayment event only at a special meeting called at the request of the holders of record of at least 20% of (i) the stated amount of the Series A and (ii) each other series of voting preferred stock then outstanding (unless such request for a special meeting is received less than 90 days before the date fixed for the next annual or special meeting of our stockholders, in which event such election shall be held only at such next annual or special meeting of stockholders), and at each subsequent annual meeting of our stockholders. Such request to call a special meeting for the initial election of the preferred stock directors after a nonpayment event shall be made by written notice, signed by the requisite holders of Series A or voting preferred stock, and delivered to our Secretary in such manner as provided for in the certificate of designations creating the Series A, or as may otherwise be required or permitted by applicable law. If our Secretary fails to call a special meeting for the election of the preferred stock directors within 20 days of receiving proper notice, any holder of Series A may call such a meeting at our expense solely for the election of the preferred stock directors, and for this purpose and no other (unless provided otherwise by applicable law) such Series A holder shall have access to our stock ledger.

At each meeting of stockholders at which holders of the Series A and such other holders of voting preferred stock are entitled to vote for the election of the preferred stock directors, the holders of record of 40% of the total number of the Series A and voting preferred stock (determined on a series by series basis) entitled to vote at the meeting, present in person or by proxy, will constitute a quorum for the transaction of business. Each preferred stock director will be elected by a vote of the majority of the votes cast with respect to that preferred stock director's election.

When (i) accrued dividends have been paid in full on the Series A after a nonpayment event, and (ii) the rights of holders of any voting preferred stock to participate in electing the preferred stock directors shall have ceased, the right of holders of the Series A to participate in the election of preferred stock directors shall cease (but subject always to the revesting of such voting rights in the case of any future nonpayment event), the terms of office of all the preferred stock directors shall immediately terminate, and the number of directors constituting our board shall automatically be reduced accordingly.

Any preferred stock director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of Series A and voting preferred stock, when they have the voting rights described above (voting together as a single class in proportion to their respective stated amounts). The preferred stock directors elected at any such special meeting shall hold office until the next annual meeting of the stockholders if such office shall not have previously terminated as above provided. In case any vacancy shall occur among the preferred stock directors, a successor shall be elected by our board to serve until the next annual meeting of the stockholders on the nomination of the then remaining preferred stock director or, if no preferred stock director remains in office, by the vote of the holders of record of a majority of the outstanding shares of Series A and such voting preferred stock for which dividends have not been paid, voting as a single class in proportion to their respective stated amounts. The preferred stock directors shall each be entitled to one vote per director on any matter that shall come before our board for a vote.

Other Voting Rights

So long as any shares of the Series A are outstanding, in addition to any other vote or consent of stockholders required by law or by our Restated Certificate of Incorporation, the vote or consent of the holders of at least two-thirds of the shares of Series A at the time outstanding, voting together with any other series of preferred stock that would be adversely affected in substantially the same manner and entitled to vote as a single class in proportion to their respective stated amounts (to the exclusion of all other series of preferred stock), given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, will be necessary for effecting or validating:

- **Amendment of Restated Certificate of Incorporation or Bylaws**. Any amendment, alteration or repeal of any provision of our Restated Certificate of Incorporation or Bylaws that would alter or change the voting powers, preferences or special rights of the Series A so as to affect them adversely; *provided*, *however*, that the amendment of the Restated Certificate of Incorporation so as to authorize or create, or to increase the authorized amount of, any class or series of stock that does not rank senior to the Series A in either the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Company shall not be deemed to affect adversely the voting powers, preferences or special rights of the Series A;
- **Authorization of Senior Stock**. Any amendment or alteration of the certificate of incorporation to authorize or create, or increase the authorized amount of, any shares of any class or series or any securities convertible into shares of any class or series of our capital stock ranking prior to Series A in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Company; or
- **Share Exchanges, Reclassifications, Mergers and Consolidations and Other Transactions**. Any consummation of (x) a binding share exchange or reclassification involving the Series A or (y) a merger or consolidation of the Company with another entity (whether or not a corporation), unless in each case (A) the shares of Series A remain outstanding or, in the case of any such merger or consolidation with respect to which we are not the surviving or resulting entity, the shares of Series A are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent and such surviving or resulting entity or ultimate parent, as the case may be, is organized under the laws of the United States or a state thereof, and (B) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and restrictions and limitations thereof, of the Series A immediately prior to such consummation, taken as a whole.

To the fullest extent permitted by law, without the consent of the holders of the Series A, so long as such action does not adversely affect the special rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series A, we may amend, alter, supplement or repeal any terms of the Series A contained in our Restated Certificate of Incorporation or the certificate of designations for the following purposes:

(i) to cure any ambiguity, omission, inconsistency or mistake in any such instrument; or

(ii) to make any provision with respect to matters or questions relating to the Series A that is not inconsistent with the provisions of the certificate of designations.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which the vote would otherwise be required shall be effected, all outstanding shares of the Series A have been redeemed or called for redemption on proper notice and sufficient funds have been set aside by us for the benefit of the holders of the Series A to effect the redemption, unless in the case of a vote or consent required to authorize senior stock if the shares of Series A are being redeemed with the proceeds from the sale of the stock to be authorized.

Under current provisions of the Delaware General Corporation Law, the holders of issued and outstanding preferred stock are entitled to vote as a class, with the consent of the majority of the class being required to approve an amendment to our Restated Certificate of Incorporation if the amendment would increase or decrease the aggregate number of authorized shares of such class or increase or decrease the par value of the shares of such class.

No Preemptive and Conversion Rights

Holders of the Series A do not have any preemptive rights. The Series A is not convertible into or exchangeable for property or shares of any other series or class of our capital stock.

Additional Classes or Series of Stock

We have the right to create and issue additional classes or series of stock ranking equally with or junior to the Series A as to dividends and distribution of assets upon our liquidation, dissolution, or winding up without the consent of the holders of the Series A, or the holders of the related depositary shares.

Transfer Agent and Registrar

Computershare Trust Company, N.A. is the transfer agent and registrar for the Series A as of the original issue date. We may terminate such appointment and may appoint a successor transfer agent and/or registrar at any time and from time to time, provided that we will use our best efforts to ensure that there is, at all relevant times when the Series A is outstanding, a person or entity appointed and serving as transfer agent and/or registrar. The transfer agent and/or registrar may be a person or entity affiliated with us.

DESCRIPTION OF THE DEPOSITARY SHARES

General

We have issued fractional interests in shares of the Series A in the form of depositary shares. Each depositary share represents a 1/1,000th ownership interest in a share of the Series A and is evidenced by a depositary receipt.

The Series A represented by depositary shares has been deposited under a deposit agreement among us, Computershare Inc. and Computershare Trust Company, N.A., as the Depositary, and the holders from time to time of the depositary receipts evidencing the depositary shares. Subject to the terms of the deposit agreement, each holder of a depositary share is entitled, through the Depositary, in proportion to the applicable fraction of a share of the Series A represented by such depositary shares, to all the rights and preferences of the Series A represented thereby (including dividend, voting, redemption and liquidation rights).

The depositary shares are listed on the NYSE under the symbol “T PRA”.

Dividends and Other Distributions

Each dividend on a depositary share will be in an amount equal to 1/1,000th of the dividend declared on the related share of the Series A.

The Depositary distributes any cash dividends or other cash distributions received in respect of the deposited Series A to the record holders of depositary shares relating to the underlying Series A in proportion to the number of depositary shares held by each holder on the relevant record date. The Depositary distributes any property received by it other than cash to the record holders of depositary shares entitled to those distributions in proportion to the number of depositary shares held by each such holder, unless it determines that the distribution cannot be made proportionally among those holders or that it is not feasible to make such distribution. In that event, the Depositary may, with our approval, sell such property received by it and distribute the net proceeds from the sale to the holders of the depositary shares entitled to such distribution in proportion to the number of depositary shares they hold.

Record dates for the payment of dividends and other matters relating to the depositary shares are the same as the corresponding record dates for the Series A.

The amounts distributed to holders of depositary shares are reduced by any amounts required to be withheld by the Depositary or by us on account of taxes or other governmental charges.

Redemption of Depositary Shares

If we redeem the Series A represented by the depositary shares, in whole or in part, a corresponding number of depositary shares will be redeemed from the proceeds received by the Depositary resulting from the redemption of the Series A held by the Depositary. The redemption price per depositary share will be equal to 1/1,000th of the redemption price per share payable with respect to the Series A, plus an amount equal to any dividends thereon that, pursuant to the provisions of the Certificate of Designations, are payable upon redemption. Whenever we redeem shares of the Series A held by the Depositary, the Depositary will redeem, as of the same redemption date, the number of depositary shares representing shares of the Series A so redeemed.

In case of any redemption of less than all of the outstanding depositary shares, the depositary shares to be redeemed will be selected by the Depositary either *pro rata* or by lot. In any such case, we will redeem depositary shares only in increments of 1,000 depositary shares and any integral multiple thereof.

The Depositary will provide notice of redemption by any authorized method to holders of the depositary shares not less than 30 and not more than 60 days prior to the date fixed for redemption of the Series A and the related depositary shares.

After the date fixed for redemption, the depositary shares called for redemption will no longer be deemed to be outstanding, and all rights of the holders of those shares will cease, except the right to receive the amount payable and any other property to which the holders were entitled upon the redemption. To receive this amount or other property, the holders must surrender the depositary receipts evidencing their depositary shares to the depositary. Any funds that we deposit with the Depositary for any depositary shares that the holders fail to redeem will be returned to us after a period of two years from the date we deposit the funds.

Voting the Shares

Because each depositary share represents a 1/1,000th interest in a share of the Series A, holders of depositary shares are entitled to a 1/1,000th of a vote per depositary share under those limited circumstances in which holders of the Series A are entitled to a vote, as described above in “Description of the 5.000% Perpetual Preferred Stock, Series A-Voting Rights.”

When the depositary receives notice of any meeting at which the holders of the Series A are entitled to vote, the Depositary will mail (or otherwise transmit by an authorized method) the information contained in the notice to the record holders of the depositary shares relating to the Series.

Each record holder of the depositary shares on the record date, which will be the same date as the record date for the Series A, may instruct the Depositary to vote the amount of the Series A represented by the holder's depositary shares. Although each depositary share is entitled to 1/1,000th of a vote, the Depositary can only vote whole shares of Series A. To the extent possible, the Depositary will vote the amount of the Series A represented by depositary shares in accordance with the instructions it receives. We will agree to take all reasonable actions that the Depositary determines are necessary to enable the Depositary to vote as instructed. If the Depositary does not receive specific instructions from the holders of any depositary shares representing the Series A, it will not vote the amount of the Series A represented by such depositary shares.

Form of the Depositary Shares

The depositary shares are issued in book-entry form through DTC. The Series A is issued in registered form to the Depositary.

DESCRIPTION OF THE DEPOSITARY SHARES AND 4.750% PERPETUAL PREFERRED STOCK, SERIES C

The following summary of AT&T's above referenced securities is based on and qualified by the pertinent sections of our Restated Certificate of Incorporation, including the Certificate of Designations creating the 4.750% Perpetual Preferred Stock, Series C (the "Series C"). For a complete description of the terms and provisions of the depositary shares and the Series C, please refer to our Restated Certificate of Incorporation, which is filed as an exhibit to AT&T's Annual Report on Form 10-K for the year ended December 31, 2024 and to the Certificate of Designations, which is filed an exhibit to a Form 8-A filed with the Securities and Exchange Commission on February 18, 2020.

References to the "holders" of the Series C shall mean Computershare Inc. and Computershare Trust Company, N.A., (the "Depositary"). References to "holders" of depositary shares mean those who own depositary shares registered in their own names, on the books that we or the Depositary maintain for this purpose, and not indirect holders who own beneficial interests in depositary shares registered in street name or issued in book-entry form through the Depositary Trust Company ("DTC"). Holders of the depositary shares are entitled through the Depositary to exercise their proportional rights and preferences of the Series C, as described under "Description of the Depositary Shares."

DESCRIPTION OF THE 4.750% PERPETUAL PREFERRED STOCK, SERIES C

General

Under our Restated Certificate of Incorporation, we have the authority to issue up to 10,000,000 shares of preferred stock, par value $1.00 per share. Our board of directors (or a duly authorized committee of the board) is authorized without further stockholder action to cause the issuance of shares of preferred stock, including the Series C. The Series C represents a single series of our authorized preferred stock.

We have issued 70,000 shares of the Series C, which remains the amount outstanding, subject to our ability to reopen and issue additional shares and/or increase or decrease the number of designated shares of Series C as described below. The shares of Series C are fully paid and nonassessable and are not convertible into, or exchangeable for, shares of our common stock or any other class or series of our other securities and are not subject

to any sinking fund or any other obligation of us for their repurchase or retirement. The shares of Series C have a "stated amount" per share of $25,000 and are held solely by the Depositary as described under "Description of the Depositary Shares" below.

The number of designated shares of Series C may from time to time be increased (but not in excess of the total number of shares of preferred stock authorized under our Restated Certificate of Incorporation, less shares of any other series of preferred stock designated at the time of such increase) or decreased (but not below the number of shares of Series C then outstanding) by resolution of the board (or a duly authorized committee of the board), without the vote or consent of the holders of the Series C. Shares of Series C that are redeemed, purchased or otherwise acquired by us will be cancelled and shall revert to authorized but unissued shares of preferred stock undesignated as to series. We have the authority to issue fractional shares of Series C.

Ranking

With respect to the payment of dividends and distributions of assets upon any liquidation, dissolution or winding up, the Series C ranks:

- senior to our common stock and any class or series of our stock that ranks junior to the Series C in the payment of dividends or in the distribution of assets upon our liquidation, dissolution or winding up (including our common stock, "junior stock");
- senior to or on a parity with each other series of our preferred stock we have issued or may issue (except for any senior series that may be issued upon the requisite vote or consent of the holders of at least two thirds of the shares of the Series C at the time outstanding and entitled to vote, voting together with any other series of preferred stock that would be adversely affected by such issuance substantially in the same manner and entitled to vote as a single class in proportion to their respective stated amounts) with respect to the payment of dividends and distributions of assets upon any liquidation, dissolution or winding up of the Company; and
- junior to all existing and future indebtedness and other non-equity claims on us.

Dividends

Holders of Series C shall be entitled to receive, when, as and if declared by our board (or a duly authorized committee of the board), but only out of funds legally available therefor, cumulative cash dividends at the annual rate of 4.750% of the stated amount per share, and no more, payable quarterly in arrears on the 1st day of each February, May, August and November, respectively, in each year, beginning on May 1, 2020 (each, a "dividend payment date"), with respect to the dividend period (or portion thereof) ending on the day preceding such respective dividend payment date, to holders of record on the 10th day of the month before such dividend payment date or such other record date not more than 60 nor less than 10 days preceding such dividend payment date fixed for that purpose by our board (or a duly authorized committee of the board) in advance of payment of each particular dividend. The amount of the dividend per share of Series C for each dividend period (or portion thereof) is calculated on the basis of a 360-day year consisting of twelve 30-day months. If any dividend payment date is not a business day, the applicable dividend will be paid on the first business day following that day without adjustment. We will not pay interest or any sum of money instead of interest on any dividend payment that may be in arrears on the Series C.

"Dividend period" means each period commencing on (and including) a dividend payment date and continuing to (but not including) the next succeeding dividend payment date, except that the first dividend period for the initial issuance of shares of Series C shall commence on (and include) the original issue date.

A "business day" means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions in The City of New York are not authorized or obligated by law, regulation or executive order to close.

Restrictions on Dividends, Redemption and Repurchases

So long as any share of Series C remains outstanding, unless full accrued dividends on all outstanding shares of Series C through and including the most recently completed dividend period have been paid or declared and a sum sufficient for the payment thereof has been set aside for payment:

(i) no dividend may be declared or paid or set aside for payment on any junior stock, other than a dividend payable solely in stock that ranks junior to the Series C in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company; and

(ii) no monies may be paid or made available for a sinking fund for the redemption or retirement of junior stock, nor shall any shares of junior stock be purchased, redeemed or otherwise acquired for consideration by us, directly or indirectly, other than:

- as a result of (x) a reclassification of junior stock, or (y) the exchange or conversion of one share of junior stock for or into another share of stock that ranks junior to the Series C in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company; or
- through the use of the proceeds of a substantially contemporaneous sale of other shares of stock that ranks junior to the Series C in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company; or
- purchases, redemptions or other acquisitions of shares of junior stock in connection with any employment contract, benefit plan, or other similar arrangement with or for the benefit of employees, officers, directors or consultants.

“Accrued dividends” means, with respect to shares of Series C, an amount computed at the annual dividend rate for Series C from, as to each share, the date of issuance of such share to and including the date to which such dividends are to be accrued (whether or not such dividends have been declared), less the aggregate amount of all dividends previously paid on such share.

If our board (or a duly authorized committee of the board) elects to declare only partial instead of full dividends for a dividend payment date and related dividend period on the shares of Series C or any class or series of our stock that ranks on a parity with Series C in the payment of dividends (“dividend parity stock”), then to the extent permitted by the terms of the Series C and each outstanding series of dividend parity stock such partial dividends shall be declared on shares of Series C and dividend parity stock, and dividends so declared shall be paid, as to any such dividend payment date and related dividend period in amounts such that the ratio of the partial dividends declared and paid on each such series to full dividends on each such series is the same. As used in this paragraph, “full dividends” means, as to the Series C and any dividend parity stock that bears dividends on a cumulative basis, the amount of dividends that would need to be declared and paid to bring the Series C and such dividend parity stock current in dividends, including undeclared dividends for past dividend periods (that is, for Series C, full accrued dividends). To the extent a dividend period with respect to the Series C or any series of dividend parity stock (in either case, the “first series”) coincides with more than one dividend period with respect to another series as applicable (in either case, a “second series”), for purposes of the immediately preceding sentence our board (or a duly authorized committee of the board) may, to the extent permitted by the terms of each affected series, treat such dividend period for the first series as two or more consecutive dividend periods, none of which coincides with more than one dividend period with respect to the second series, or may treat such dividend period(s) with respect to any dividend parity stock and dividend period(s) with respect to the Series C for purposes of the immediately preceding sentence in any other manner that it deems to be fair and equitable in order to achieve ratable payments of dividends on such dividend parity stock and the Series C.

Subject to the foregoing, and not otherwise, such dividends (payable in cash, stock or otherwise) as may be determined by our board (or a duly authorized committee of the board) may be declared and paid on any junior stock

from time to time out of any funds legally available therefor, and the shares of Series C shall not be entitled to participate in any such dividend.

Optional Redemption

The Series C is perpetual and has no maturity date. We may, at our option, redeem the shares of Series C:

(i) in whole or in part, at any time on or after February 18, 2025, at a cash redemption price equal to the stated amount (*i.e.*, $25,000 per share of Series C) (equivalent to $25.00 per depositary share), plus (except as otherwise provided herein) an amount equal to all accrued and unpaid dividends thereon (whether or not declared), to, but not including, the date fixed for redemption; or

(ii) in whole but not in part at any time within 90 days after the conclusion of any review or appeal process instituted by us following the occurrence of a ratings event at a cash redemption price equal to $25,500 per share of Series C (equivalent to $25.50 per depositary share), plus (except as otherwise provided herein) an amount equal to all accrued and unpaid dividends thereon (whether or not declared) to, but not including, the date fixed for redemption.

"Ratings event" means that any nationally recognized statistical rating organization as defined in Section 3(a)(62) of the Exchange Act or in any successor provision thereto, that then publishes a rating for us (a "rating agency") amends, clarifies or changes the criteria it uses to assign equity credit to securities such as the Series C, which amendment, clarification or change results in:

(i) the shortening of the length of time the Series C is assigned a particular level of equity credit by that rating agency as compared to the length of time they would have been assigned that level of equity credit by that rating agency or its predecessor on the initial issuance of the Series C; or

(ii) the lowering of the equity credit (including up to a lesser amount) assigned to the Series C by that rating agency as compared to the equity credit assigned by that rating agency or its predecessor on the initial issuance of the Series C.

The redemption price for any shares of Series C shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to us or our agent, if the shares of Series C are issued in certificated form. Any accrued but unpaid dividends payable on a redemption date that occurs subsequent to the applicable record date for a dividend period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such record date relating to the applicable dividend payment date.

In case of any redemption of only part of the shares of Series C at the time outstanding, the shares to be redeemed shall be selected either *pro rata* from the holders of record of Series C in proportion to the number of shares of Series C held by such holders or by lot. Subject to the provisions hereof, our board (or a duly authorized committee of the board) shall have full power and authority to prescribe the terms and conditions on which shares of Series C shall be redeemed from time to time. If we shall have issued certificates for the Series C and fewer than all shares represented by any certificates are redeemed, new certificates shall be issued representing the unredeemed shares without charge to the holders thereof.

Redemption Procedures

A notice of every redemption of shares of Series C shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on our books. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this paragraph shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series C designated for redemption shall not affect the validity of the

proceedings for the redemption of any other shares of Series C. Notwithstanding the foregoing, if the Series C or any depositary shares representing interests in the Series C are issued in book-entry form through The Depository Trust Company or any other similar facility, the Depositary Trust Company or such other facility will provide notice of redemption by any authorized method to holders of record of the applicable Series C or depositary shares representing interests in the Series C not less than 30, nor more than 60, days prior to the date fixed for redemption of the Series C and related depositary shares.

Each notice of redemption given to a holder shall state:

- the redemption date;
- the number of shares of the Series C to be redeemed and, if less than all shares of the Series C held by such holder are to be redeemed, the number of shares to be redeemed from such holder;
- the redemption price;
- the place or places where certificates for such shares are to be surrendered for payment of the redemption price; and
- that dividends will cease to accrue on the redemption date.

If notice of redemption has been duly given, and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by us, separate and apart from our other funds, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available for that purpose, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation in the case that the shares of Series C are issued in certificated form, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption, without interest. Any funds unclaimed at the end of two years from the redemption date, to the extent permitted by law, shall be released from the trust so established and may be commingled with our other funds, and after that time the holders of the shares so called for redemption shall look only to us for payment of the redemption price of such shares.

The Series C is not subject to any mandatory redemption, sinking fund or other similar provisions. Holders of Series C do not have the right to require redemption of any shares of Series C.

Liquidation Right

In the event of any liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, before any distribution or payment out of our assets may be made to or set aside for the holders of any junior stock, holders of Series C will be entitled to receive out of our assets legally available for distribution to our stockholders an amount equal to the stated amount per share, together with an amount equal to all accrued dividends to the date of payment whether or not earned or declared (the “liquidation preference”).

If our assets are not sufficient to pay the liquidation preference in full to all holders of Series C and all holders of any class or series of our stock that ranks on a parity with Series C in the distribution of assets on liquidation, dissolution or winding up of the Company (the “liquidation preference parity stock”), the amounts paid to the holders of Series C and to the holders of all liquidation preference parity stock shall be *pro rata* in accordance with the respective aggregate liquidation preferences of Series C and all such liquidation preference parity stock. In any such distribution, the “liquidation preference” of any holder of our stock other than the Series C means the amount otherwise payable to such holder in such distribution (assuming no limitation on our assets available for such distribution), including an amount equal to any declared but unpaid dividends in the case of any holder of stock on which dividends accrue on a noncumulative basis and, in the case of any holder of stock on which dividends accrue on a cumulative basis, an amount equal to any unpaid, accrued, cumulative dividends, whether or not earned or declared, as applicable. If the liquidation preference has been paid in full to all holders of Series C and all holders

of any liquidation preference parity stock, the holders of junior stock will be entitled to receive all of our remaining assets according to their respective rights and preferences.

For purposes of the liquidation rights, the merger, consolidation or other business combination of us with or into any other corporation, including a transaction in which the holders of Series C receive cash, securities or property for their shares, or the sale, conveyance, lease, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of our assets, shall not constitute a liquidation, dissolution or winding up of the Company.

Voting Rights

Except as indicated below or otherwise required by law, the holders of the Series C do not have any voting rights.

Right to Elect Two Directors on Nonpayment Events. If and whenever dividends payable on Series C have not been declared and paid in an aggregate amount equal to full dividends for at least six quarterly dividend periods or their equivalent (whether or not consecutive) (a "nonpayment event"), the number of directors then constituting our board shall be automatically increased by two and the holders of Series C, together with the holders of any and all other series of outstanding voting preferred stock then entitled to vote for additional directors, voting together as a single class in proportion to their respective stated amounts, shall be entitled to elect the two additional directors (the "preferred stock directors"); *provided* that our board shall at no time include more than two preferred stock directors (including, for purposes of this limitation, all directors that the holders of any series of voting preferred stock are entitled to elect pursuant to like voting rights).

"Voting preferred stock" means any other class or series of preferred stock that ranks equally with the Series C as to the payment of dividends and as to the distribution of assets upon liquidation, dissolution or winding up of the affairs of the Company and upon which like voting rights have been conferred and are exercisable.

In the event that the holders of Series C and such other holders of voting preferred stock shall be entitled to vote for the election of the preferred stock directors following a nonpayment event, such directors shall be initially elected following such nonpayment event only at a special meeting called at the request of the holders of record of at least 20% of (i) the stated amount of the Series C and (ii) each other series of voting preferred stock then outstanding (unless such request for a special meeting is received less than 90 days before the date fixed for the next annual or special meeting of our stockholders, in which event such election shall be held only at such next annual or special meeting of stockholders), and at each subsequent annual meeting of our stockholders. Such request to call a special meeting for the initial election of the preferred stock directors after a nonpayment event shall be made by written notice, signed by the requisite holders of Series C or voting preferred stock, and delivered to our Secretary in such manner as provided for in the certificate of designations creating the Series C, or as may otherwise be required or permitted by applicable law. If our Secretary fails to call a special meeting for the election of the preferred stock directors within 20 days of receiving proper notice, any holder of Series C may call such a meeting at our expense solely for the election of the preferred stock directors, and for this purpose and no other (unless provided otherwise by applicable law) such Series C holder shall have access to our stock ledger.

At each meeting of stockholders at which holders of the Series C and such other holders of voting preferred stock are entitled to vote for the election of the preferred stock directors, the holders of record of 40% of the total number of the Series C and voting preferred stock (determined on a series by series basis) entitled to vote at the meeting, present in person or by proxy, will constitute a quorum for the transaction of business. Each preferred stock director will be elected by a vote of the majority of the votes cast with respect to that preferred stock director's election.

When (i) accrued dividends have been paid in full on the Series C after a nonpayment event, and (ii) the rights of holders of any voting preferred stock to participate in electing the preferred stock directors shall have ceased, the right of holders of the Series C to participate in the election of preferred stock directors shall cease (but subject always to the revesting of such voting rights in the case of any future nonpayment event), the terms of office

of all the preferred stock directors shall immediately terminate, and the number of directors constituting our board shall automatically be reduced accordingly.

Any preferred stock director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of Series C and voting preferred stock, when they have the voting rights described above (voting together as a single class in proportion to their respective stated amounts). The preferred stock directors elected at any such special meeting shall hold office until the next annual meeting of the stockholders if such office shall not have previously terminated as above provided. In case any vacancy shall occur among the preferred stock directors, a successor shall be elected by our board to serve until the next annual meeting of the stockholders on the nomination of the then remaining preferred stock director or, if no preferred stock director remains in office, by the vote of the holders of record of a majority of the outstanding shares of Series C and such voting preferred stock for which dividends have not been paid, voting as a single class in proportion to their respective stated amounts. The preferred stock directors shall each be entitled to one vote per director on any matter that shall come before our board for a vote.

Other Voting Rights

So long as any shares of the Series C are outstanding, in addition to any other vote or consent of stockholders required by law or by our Restated Certificate of Incorporation, the vote or consent of the holders of at least two-thirds of the shares of Series C at the time outstanding, voting together with any other series of preferred stock that would be adversely affected in substantially the same manner and entitled to vote as a single class in proportion to their respective stated amounts (to the exclusion of all other series of preferred stock), given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, will be necessary for effecting or validating:

- **Amendment of Restated Certificate of Incorporation or Bylaws**. Any amendment, alteration or repeal of any provision of our Restated Certificate of Incorporation or Bylaws that would alter or change the voting powers, preferences or special rights of the Series C so as to affect them adversely; *provided*, *however*, that the amendment of the Restated Certificate of Incorporation so as to authorize or create, or to increase the authorized amount of, any class or series of stock that does not rank senior to the Series C in either the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Company shall not be deemed to affect adversely the voting powers, preferences or special rights of the Series C;
- **Authorization of Senior Stock**. Any amendment or alteration of the certificate of incorporation to authorize or create, or increase the authorized amount of, any shares of any class or series or any securities convertible into shares of any class or series of our capital stock ranking prior to Series C in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Company; or
- **Share Exchanges, Reclassifications, Mergers and Consolidations and Other Transactions**. Any consummation of (x) a binding share exchange or reclassification involving the Series C or (y) a merger or consolidation of the Company with another entity (whether or not a corporation), unless in each case (A) the shares of Series C remain outstanding or, in the case of any such merger or consolidation with respect to which we are not the surviving or resulting entity, the shares of Series C are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent and such surviving or resulting entity or ultimate parent, as the case may be, is organized under the laws of the United States or a state thereof, and (B) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and

restrictions and limitations thereof, of the Series C immediately prior to such consummation, taken as a whole.

To the fullest extent permitted by law, without the consent of the holders of the Series C, so long as such action does not adversely affect the special rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series C, we may amend, alter, supplement or repeal any terms of the Series C contained in our Restated Certificate of Incorporation or the certificate of designations for the following purposes:

(i) to cure any ambiguity, omission, inconsistency or mistake in any such instrument; or
(ii) to make any provision with respect to matters or questions relating to the Series C that is not inconsistent with the provisions of the certificate of designations.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which the vote would otherwise be required shall be effected, all outstanding shares of the Series C have been redeemed or called for redemption on proper notice and sufficient funds have been set aside by us for the benefit of the holders of the Series C to effect the redemption, unless in the case of a vote or consent required to authorize senior stock if the shares of Series C are being redeemed with the proceeds from the sale of the stock to be authorized.

Under current provisions of the Delaware General Corporation Law, the holders of issued and outstanding preferred stock are entitled to vote as a class, with the consent of the majority of the class being required to approve an amendment to our Restated Certificate of Incorporation if the amendment would increase or decrease the aggregate number of authorized shares of such class or increase or decrease the par value of the shares of such class.

No Preemptive and Conversion Rights

Holders of the Series C do not have any preemptive rights. The Series C is not convertible into or exchangeable for property or shares of any other series or class of our capital stock.

Additional Classes or Series of Stock

We have the right to create and issue additional classes or series of stock ranking equally with or junior to the Series C as to dividends and distribution of assets upon our liquidation, dissolution, or winding up without the consent of the holders of the Series C, or the holders of the related depositary shares.

Transfer Agent and Registrar

Computershare Trust Company, N.A. is the transfer agent and registrar for the Series C as of the original issue date. We may terminate such appointment and may appoint a successor transfer agent and/or registrar at any time and from time to time, provided that we will use our best efforts to ensure that there is, at all relevant times when the Series C is outstanding, a person or entity appointed and serving as transfer agent and/or registrar. The transfer agent and/or registrar may be a person or entity affiliated with us.

DESCRIPTION OF THE DEPOSITARY SHARES

General

We have issued fractional interests in shares of the Series C in the form of depositary shares. Each depositary share represents a 1/1,000th ownership interest in a share of the Series C and is evidenced by a depositary receipt.

The Series C represented by depositary shares has been deposited under a deposit agreement among us, Computershare Inc. and Computershare Trust Company, N.A., as the Depositary, and the holders from time to time of the depositary receipts evidencing the depositary shares. Subject to the terms of the deposit agreement, each holder of a depositary share is entitled, through the Depositary, in proportion to the applicable fraction of a share of

the Series C represented by such depositary shares, to all the rights and preferences of the Series C represented thereby (including dividend, voting, redemption and liquidation rights).

The depositary shares are listed on the NYSE under the symbol “T PRAC”.

Dividends and Other Distributions

Each dividend on a depositary share will be in an amount equal to 1/1,000th of the dividend declared on the related share of the Series C.

The Depositary distributes any cash dividends or other cash distributions received in respect of the deposited Series C to the record holders of depositary shares relating to the underlying Series C in proportion to the number of depositary shares held by each holder on the relevant record date. The Depositary distributes any property received by it other than cash to the record holders of depositary shares entitled to those distributions in proportion to the number of depositary shares held by each such holder, unless it determines that the distribution cannot be made proportionally among those holders or that it is not feasible to make such distribution. In that event, the Depositary may, with our approval, sell such property received by it and distribute the net proceeds from the sale to the holders of the depositary shares entitled to such distribution in proportion to the number of depositary shares they hold.

Record dates for the payment of dividends and other matters relating to the depositary shares are the same as the corresponding record dates for the Series C.

The amounts distributed to holders of depositary shares are reduced by any amounts required to be withheld by the Depositary or by us on account of taxes or other governmental charges.

Redemption of Depositary Shares

If we redeem the Series C represented by the depositary shares, in whole or in part, a corresponding number of depositary shares will be redeemed from the proceeds received by the Depositary resulting from the redemption of the Series C held by the Depositary. The redemption price per depositary share will be equal to 1/1,000th of the redemption price per share payable with respect to the Series C, plus an amount equal to any dividends thereon that, pursuant to the provisions of the Certificate of Designations, are payable upon redemption. Whenever we redeem shares of the Series C held by the Depositary, the Depositary will redeem, as of the same redemption date, the number of depositary shares representing shares of the Series C so redeemed.

In case of any redemption of less than all of the outstanding depositary shares, the depositary shares to be redeemed will be selected by the Depositary either *pro rata* or by lot. In any such case, we will redeem depositary shares only in increments of 1,000 depositary shares and any integral multiple thereof.

The Depositary will provide notice of redemption by any authorized method to holders of the depositary shares not less than 30 and not more than 60 days prior to the date fixed for redemption of the Series C and the related depositary shares.

After the date fixed for redemption, the depositary shares called for redemption will no longer be deemed to be outstanding, and all rights of the holders of those shares will cease, except the right to receive the amount payable and any other property to which the holders were entitled upon the redemption. To receive this amount or other property, the holders must surrender the depositary receipts evidencing their depositary shares to the depositary. Any funds that we deposit with the Depositary for any depositary shares that the holders fail to redeem will be returned to us after a period of two years from the date we deposit the funds.

Voting the Shares

Because each depositary share represents a 1/1,000th interest in a share of the Series C, holders of depositary shares are entitled to a 1/1,000th of a vote per depositary share under those limited circumstances in

which holders of the Series C are entitled to a vote, as described above in "Description of the 4.750% Perpetual Preferred Stock, Series C-Voting Rights."

When the depositary receives notice of any meeting at which the holders of the Series C are entitled to vote, the Depositary will mail (or otherwise transmit by an authorized method) the information contained in the notice to the record holders of the depositary shares relating to the Series.

Each record holder of the depositary shares on the record date, which will be the same date as the record date for the Series C, may instruct the Depositary to vote the amount of the Series C represented by the holder's depositary shares. Although each depositary share is entitled to 1/1,000th of a vote, the Depositary can only vote whole shares of Series C. To the extent possible, the Depositary will vote the amount of the Series C represented by depositary shares in accordance with the instructions it receives. We will agree to take all reasonable actions that the Depositary determines are necessary to enable the Depositary to vote as instructed. If the Depositary does not receive specific instructions from the holders of any depositary shares representing the Series C, it will not vote the amount of the Series C represented by such depositary shares.

Form of the Depositary Shares

The depositary shares are issued in book-entry form through DTC. The Series C is issued in registered form to the Depositary.

DESCRIPTION OF THE 3.550% GLOBAL NOTES DUE 2032

The following summary of AT&T's above referenced debt securities is based on and qualified by the indenture, dated as of November 1, 1994, with The Bank of New York Mellon acting as trustee (the "Indenture") and the 3.550% Global Notes due 2032 (the "Notes"). For a complete description of the terms and provisions of the Notes, please refer to the Indenture, which is filed as an exhibit to AT&T's Annual Report on Form 10-K for the year ended December 31, 2024 and to the form of Notes, which is filed as an exhibit to the Form 8-A filed with the Securities and Exchange Commission on December 17, 2012.

General

The Notes:

- were issued in an aggregate initial principal amount of €1,000,000,000 and an additional aggregate principal amount of €400,000,000 was subsequently issued such that €1,400,000,000 remains the amount outstanding, subject to our ability to issue additional Notes which may be of the same series as the Notes as described under "- Further Issues";
- mature on December 17, 2032;
- bear interest at the rate of 3.550% per annum, payable annually in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The Notes are unsecured and unsubordinated obligations and rank *pari passu* with all other indebtedness issued under our Indenture. The Notes constitutes a separate series under the Indenture. The Notes are issued in fully registered form only and in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. Principal and interest payments on the Notes are payable by us in euro. Payments of principal, interest and additional amounts, if any, in respect of the Notes will be made to Euroclear System, Clearstream Banking S.A. or such nominee or common depositary, as the case may be, as registered holder thereof.

For purposes of the Notes, a business day means a business day in the City of New York and London.

Interest

The Notes bear interest at the rate of 3.550% per annum.

We pay interest on the Notes annually in arrears on December 17, commencing on December 17, 2013, to the persons in whose names the Notes are registered at the close of business on the December 1 preceding the interest payment date.

The Notes will mature on December 17, 2032.

Interest on the Notes is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the Notes, to but excluding the next scheduled interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

Optional Redemption

At any time prior to the applicable Par Call Date (as set forth in the table below), the Notes will be redeemable, as a whole or in part, at our option, at any time and from time to time on at least 30 days', but not more than 60 days', prior notice mailed to the registered address of each holder of the Notes of such series to be redeemed. The redemption price will be equal to the greater of (1) 100% of the principal amount of the Notes of such series to be redeemed or (2) the sum of the present values of the Remaining Scheduled Payments (as defined below) discounted to the redemption date, on an annual basis (ACTUAL/ACTUAL (ICMA)), at a rate equal to the Treasury Rate (as defined below) plus a number of basis points equal to the applicable Make-Whole Spread (as set forth in the table below). In either case, accrued interest will be payable to the redemption date. At any time on or after the applicable Par Call Date (as set forth in the table below), we have the option to redeem the Notes, as a whole or in part, on at least 30 days', but not more than 60 days', prior notice mailed to the registered address of each holder of the Notes of such series to be redeemed, at a redemption price equal to 100% of the principal amount of such series of Notes to be redeemed. Accrued interest will be payable to the redemption date.

Series	**Par Call Date**	**Make-Whole Spread**
3.550% 2032 Notes	September 17, 2032	25 bps

"*Treasury Rate*" means the price, expressed as a percentage (rounded to three decimal places, 0.0005 being rounded upwards), at which the gross redemption yield on the Notes of the applicable series, if they were to be purchased at such price on the third dealing day prior to the date fixed for redemption, would be equal to the gross redemption yield on such dealing day of the Reference Bond (as defined below) on the basis of the middle market price of the Reference Bond prevailing at 11:00 a.m. (London time) on such dealing day as determined by either the Company or an investment bank appointed by the Company.

"*Reference Bond*" means, in relation to any Treasury Rate calculation, a German government bond whose maturity is closest to the maturity of the Notes of the applicable series, or if the Company or an investment bank appointed by the Company considers that such similar bond is not in issue, such other German government bond as the Company or an investment bank appointed by the Company may, with the advice of three brokers of, and/or market makers in, German government bonds selected by the Company or an investment bank appointed by the Company, determine to be appropriate for determining such Treasury Rate.

"*Remaining Scheduled Payments*" means, with respect to each Note of a series to be redeemed, the remaining scheduled payments of principal of and interest on such Note that would be due after the related redemption date but for the redemption. If that redemption date is not an interest payment date with respect to the
applicable series of Notes, the amount of the next succeeding scheduled interest payment on the Notes will be reduced by the amount of interest accrued on the Notes to the redemption date.

On and after the redemption date, interest will cease to accrue on the Notes or any portion of the Notes called for redemption unless we default in the payment of the redemption price and accrued interest. On or before the redemption date, we will deposit with a paying agent or the trustee money sufficient to pay the redemption price of and accrued interest on the Notes to be redeemed on that date.

In the case of any partial redemption, selection of the Notes to be redeemed will be made by the trustee by lot or by such other method as the trustee in its sole discretion deems to be fair and appropriate.

Redemption for Taxation Reasons

If (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined below under "Interpretation"), or any change in the official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after December 11, 2012, on the next Interest Payment Date we would be required to pay additional amounts as provided or referred to below under "- Payment Without Withholding" and (b) the requirement cannot be avoided by our taking reasonable measures available to us, we may at our option, having given not less than 30 nor more than 60 days' notice to the holders of the Notes (which notice shall be irrevocable), redeem all, but not a portion of, the Notes at any time at their principal amount together with interest accrued to, but excluding, the date of redemption provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which we would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, we shall deliver to the trustee a certificate signed by two of our executive officers stating that the requirement referred to in (a) above will apply on the next Interest Payment Date and setting forth a statement of facts showing that the conditions precedent to the right of AT&T so to redeem have occurred, cannot be avoided by us taking reasonable measures available to us and an opinion of independent legal advisers of recognized international standing to the effect that AT&T has or will become obliged to pay such additional amounts as a result of the change or amendment, in each case to be held by the trustee and made available for viewing at the offices of the trustee on request by any holder of the Notes.

Payment Without Withholding

All payments in respect of the Notes by or on behalf of AT&T shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("Taxes") imposed, collected, withheld, assessed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, we will pay such additional amounts to a holder who is a United States Alien (as defined below) as may be necessary in order that the net amounts received by the holder after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction; except that no such additional amounts shall be payable in relation to any payment in respect of any Note:

(a) where such withholding or deduction would not have been so imposed but for:

(i) in the case of payment by AT&T, the existence of any present or former connection between the holder of the Note (or between a fiduciary, settlor, shareholder, beneficiary or member of the holder of the Note, if such holder is an estate, a trust, a corporation or a partnership) and the United States, including, without limitation, such holder (or such fiduciary, settlor, shareholder, beneficiary or member) being or having been a citizen or resident or treated as a resident thereof, or being or having been engaged in trade or business or presence therein, or having or having had a permanent establishment therein;

(ii) in the case of payment by AT&T, the present or former status of the holder of the Note as a personal holding company, a foreign personal holding company, a passive foreign investment company, or a controlled foreign corporation for United States federal income tax purposes or a corporation which accumulates earnings to avoid United States federal income tax;

(iii) in the case of payment by AT&T, the past or present or future status of the holder of the Note as the actual or constructive owner of 10% or more of either the total combined voting power of all classes of stock of AT&T entitled to vote if AT&T was treated as a corporation, or the capital or profits interest in AT&T, if AT&T is treated as a partnership for United States federal income tax purposes or as a bank receiving interest described in Section 881(c) (3) (A) of the Internal Revenue Code of 1986, as amended; or

(iv) the failure by the holder of the Note to comply with any certification, identification or other reporting requirements concerning the nationality, residence, identity or connection with the United States (in the case of payment by AT&T) of such holder, if compliance is required by statute or by regulation as a precondition to exemption from such withholding or deduction;

(b) in the case of payment by AT&T to any United States Alien, if such person is a fiduciary or partnership or other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the bearer of such Note. As used herein, "United States Alien" means any person who, for United States federal income tax purposes, is a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a non-resident alien individual or a non-resident alien fiduciary of a foreign estate or trust;

(c) to the extent that the withholding or deduction is as a result of the imposition of any gift, inheritance, estate, sales, transfer, personal property or any similar tax, assessment or other governmental charge;

(d) to, or to a third party on behalf of, a holder who is liable for the Taxes in respect of the Notes by reason of his having any or some present or former connection, including but not limited to fiscal residency, fiscal deemed residency and substantial interest shareholdings, with the Relevant Jurisdiction, other than the mere holding of the Notes;

(e) presented for payment more than 30 days after the Relevant Date except to the extent that a holder would have been entitled to additional amounts on presenting the relevant Notes for payment on the last day of the period of 30 days assuming that day to have been an Interest Payment Date;

(f) any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal or of interest on any Notes, if such payment can be made without withholding by any other paying agent;

(g) any tax, assessment or governmental charge that is imposed or withheld solely because the beneficial owner or any other person failed to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of our Notes, if compliance is required by statute, by regulation of the United States Treasury Department or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such tax, assessment or other governmental charge;

(h) any tax, assessment or governmental charge that is imposed or withheld solely because of a change in law, regulation, or administrative or judicial interpretation that becomes effective after the day on which the payment becomes due or is duly provided for, whichever occurs later; or

(i) any combination of (a), (b), (c), (d), (e), (f), (g) or (h).

Interpretation

As used in this description:

(a) “Relevant Date” means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the trustee on or before the due date, it means the date which is seven days after the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the holders of Notes by us; and

(b) “Relevant Jurisdiction” means the State of Delaware and the United States or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which we become subject in respect of payments made by it of principal and interest on the Notes.

Additional Amounts

Any reference in the terms of the Notes of each series to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this provision.

Further Issues

We may from time to time, without notice to or the consent of the holders of the Notes, create and issue further notes ranking equally and ratably with the Notes in all respects, or in all respects except for the payment of interest accruing prior to the issue date or except for the first payment of interest following the issue date of those further notes. Any further notes will have the same terms as to status, redemption or otherwise as the Notes. Any further notes shall be issued pursuant to a resolution of our board of directors, a supplement to the Indenture, or under an officers’ certificate pursuant to the Indenture.

Governing Law

The Notes will be governed by and interpreted in accordance with the laws of the State of New York.

Special Situations Covered by Our Indenture

Mergers and Similar Transactions

We are generally permitted to consolidate or merge with another company. We are also permitted to sell substantially all of our assets to another company, or to buy substantially all of the assets of another company. However, we may not take any of these actions unless all the following conditions are met:

- Where we merge out of existence or sell our assets, the company we merge into or sell to may not be organized under the laws of a foreign country. It must be a corporation organized under the laws of the United States, any State thereof, or the District of Columbia.
- The company we merge into or sell to must agree to be legally responsible for our debt securities.
- The merger, sale of assets or other transaction must not cause a default on the securities, and we must not already be in default, unless the merger or other transaction would cure the default. For purposes of this no-default test, a default would include an event of default that has occurred and not been cured, as described below under “- Default and Related Matters - Events of Default - What Is an Event of Default?” A default for this purpose would also include any event that would be an event of default if the requirements for giving us default notice or our default having to exist for a specific period of time were disregarded.

Modification and Waiver of Holders' Contractual Rights

Under certain circumstances, we can make changes to the Indenture and the securities (including the Notes). Some types of changes require the approval of each security holder affected, some require approval by a majority vote, and some changes do not require any approval at all.

Changes Requiring Approval of Holders. First, there are changes that cannot be made to the securities without specific approval of holders. The following is a list of those types of changes:

- to reduce the percentage of holders of securities who must consent to a waiver or amendment of the Indenture;
- to reduce the rate of interest on any security or change the time for payment of interest;
- to reduce the principal due on any security or change the fixed maturity of any security;
- to waive a default in the payment of principal or interest on any security;
- to change the currency of payment on a security;
- in the case of convertible or exchangeable securities, to make changes to conversion or exchange rights that would be adverse to the interests of holders;
- to change the right of holders to waive an existing default by majority vote;
- to reduce the amount of principal or interest payable to holders following a default or change any conversion or exchange rights, or impair the right of holders to sue for payment; and
- to make any change to this list of changes that requires specific approval of holders.

Changes Requiring a Majority Vote. The second type of change to the Indenture and the securities is the kind that requires a vote in favor by security holders owning a majority of the principal amount of the particular series affected. Most changes fall into this category, except for clarifying changes and certain other changes that would not adversely affect holders of the securities. The same vote would be required for us to obtain a waiver of an existing default. However, we cannot obtain a waiver of a payment default unless we obtain each holder's individual consent to the waiver.

Changes Not Requiring Approval of Holders. The third type of change does not require any vote by holders of securities. This type includes, among others, clarifications of ambiguous contract terms and other changes that would not materially adversely affect holders of the securities.

Further Details Concerning Voting. When taking a vote, we will use the following rules to decide how much principal amount to attribute to a security:

- For securities denominated in one or more foreign currencies or currency units, we will use the U.S. dollar equivalent determined on the date of original issuance of these securities.

Securities will not be considered outstanding, and therefore not eligible to vote, if we have deposited or set aside in trust for the applicable holders money for their payment or redemption. A security does not cease to be outstanding because we or an affiliate of us is holding the security.

We will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding securities that are entitled to vote or take other action under the Indenture. However, the Indenture does not oblige us to fix any record date at all. If we set a record date for a vote or other action to be taken by holders of a particular series, that vote or action may be taken only by persons who are holders of outstanding securities of that series on the record date and must be taken within 90 days following the record date.

Holders who hold in "street name" and other indirect holders, including holders of any securities issued as global securities, should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the Indenture or the securities or request a waiver.

Discharge of Our Obligations

We can fully discharge ourselves from any payment or other obligations on the securities of any series if we make a deposit for the applicable holders with the trustee and certain other conditions are met. The deposit must be held in trust for the benefit of all direct holders of the securities and must be a combination of money and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the securities on their various due dates.

However, we cannot discharge ourselves from the obligations under any convertible or exchangeable securities, unless we provide for it in the terms of these securities.

If we accomplish full discharge, as described above, holders will have to rely solely on the trust deposit for repayment of the securities. Holders could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever become bankrupt or insolvent.

We will indemnify the trustee and holders against any tax, fee or other charge imposed on the U.S. government obligations we deposited with the trustee or against the principal and interest received on these obligations.

Liens on Assets

The Indenture does not restrict us from pledging or otherwise encumbering any of our assets and those of our subsidiaries.

Default and Related Matters

Ranking Compared to Other Creditors

The securities are not secured by any of our property or assets. Accordingly, ownership of securities means each holder is one of our unsecured creditors. The securities are not subordinated to any of our other debt obligations and therefore they rank equally with all our other unsecured and unsubordinated indebtedness. However, the trustee has a right to receive payment for its administrative services prior to any payment to security holders after a default.

Events of Default

Holders will have special rights if an event of default occurs and is not cured, as described later in this subsection.

What Is an Event of Default? The term "event of default" with respect to any series of securities means any of the following:

- We fail to make any interest payment on the securities of such series when it is due, and we do not cure this default within 90 days.
- We fail to make any payment of principal when it is due at the maturity of such series of securities or upon redemption.
- We fail to comply with any of our other agreements regarding a particular series of securities or with a supplemental indenture, and after we have been notified of the default by the trustee or holders of 25% in principal amount of the series, we do not cure the default within 90 days.
- We file for bankruptcy, or other events in bankruptcy, insolvency or reorganization occur.

Remedies if an Event of Default Occurs

Holders and the trustee will have the following remedies if an event of default occurs:

Acceleration. If an event of default has occurred and has not been cured or waived, then the trustee or the holders of 25% in principal amount of the securities of the affected series may declare the entire principal amount of and any accrued interest on all the securities of that series to be due and immediately payable. An acceleration of maturity may be cancelled by the holders of at least a majority in principal amount of the securities of the affected series, if all events of default have been cured or waived.

Special Duties of Trustee. If an event of default occurs, the trustee will have some special duties. In that situation, the trustee will be obligated to use those of its rights and powers under the Indenture, and to use the same degree of care and skill in doing so, that a prudent person would use in that situation in conducting his or her own affairs.

Other Remedies of Trustee. If an event of default occurs, the trustee is authorized to pursue any available remedy to collect defaulted principal and interest and to enforce other provisions of the securities and the Indenture, including bringing a lawsuit.

Majority Holders May Direct the Trustee to Take Actions to Protect Their Interests. The trustee is not required to take any action under the Indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability. This is called an "indemnity". If the trustee is provided with an indemnity reasonably satisfactory to it, the holders of a majority in principal amount of the relevant series of debt securities may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. These majority holders may also direct the trustee in performing any other action under the Indenture.

Individual Actions Holders May Take if the Trustee Fails to Act. Before a holder bypasses the trustee and brings such holder's own lawsuit or other formal legal action or take other steps to enforce such holder's rights or protect such holder's interests relating to the securities, the following must occur:

- Such holder must give the trustee written notice that an event of default has occurred and remains uncured.
- The holders of 25% in principal amount of all outstanding securities of the relevant series must make a written request that the trustee take action because of the default, and must offer indemnity reasonably satisfactory to the trustee against the cost and other liabilities of taking that action.
- The trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity.
- During the 60-day period, the holders of a majority in principal amount of the securities of that series do not give the trustee a direction inconsistent with the request.

However, a holder is entitled at any time to bring an individual lawsuit for the payment of the money due on such holder's security on or after its due date.

Waiver of Default

The holders of a majority in principal amount of the relevant series of debt securities may waive a default for all the relevant series of debt securities. If this happens, the default will be treated as if it had not occurred. No one can waive a payment default on a holder's debt security, however, without such holder's individual approval.

We Will Give the Trustee Information About Defaults Annually

Every year we will give to the trustee a written statement of one of our officers certifying that to the best of his or her knowledge we are in compliance with the Indenture and all the securities under it, or else specifying any default.

The trustee may withhold from holders notice of any uncured default, except for payment defaults, if it determines that withholding notice is in holders' interest.

Holders who hold in "street name" and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to make or cancel a declaration of acceleration.

Regarding the Trustee

The Bank of New York Mellon is the trustee under the Indenture. In addition, affiliates of The Bank of New York Mellon may perform various commercial banking and investment banking services for us and our subsidiaries from time to time in the ordinary course of business.

DESCRIPTION OF THE 3.500% GLOBAL NOTES DUE 2025 AND THE 3.375% GLOBAL NOTES DUE 2034

The following summary of AT&T's above referenced debt securities is based on and qualified by the indenture, dated as of May 15, 2013, with The Bank of New York Mellon Trust Company, N.A., acting as trustee (the "Indenture") and the 3.500% Global Notes due 2025 (the "2025 Notes") and the 3.375% Global Notes due 2034 (the "2034 Notes" and, together with the 2025 Notes, the "Notes"). For a complete description of the terms and provisions of the Notes, please refer to the Indenture, which is filed as an exhibit to AT&T's Annual Report on Form 10-K for the year ended December 31, 2024 and to the forms of Notes, which are filed as exhibits to the Form 8-As filed with the Securities and Exchange Commission on November 13, 2013 and June 11, 2014.

General

The 2025 Notes:

- were issued in an aggregate initial principal amount of €1,000,000,000, which remains the amount outstanding, subject to our ability to issue additional 2025 Notes which may be of the same series as the 2025 Notes as described under "- Further Issues";
- mature on December 17, 2025;
- bear interest at the rate of 3.500% per annum, payable annually in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The 2034 Notes:

- were issued in an aggregate initial principal amount of €500,000,000, which remains the amount outstanding, subject to our ability to issue additional 2034 Notes which may be of the same series as the 2034 Notes as described under "- Further Issues";
- mature on March 15, 2034;
- bear interest at the rate of 3.375% per annum, payable annually in arrears;

- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The Notes are unsecured and unsubordinated obligations and rank *pari passu* with all other indebtedness issued under our Indenture. Each series of Notes constitutes a separate series under the Indenture. The Notes are issued in fully registered form only and in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. Principal and interest payments on the Notes are payable by us in euro. Payments of principal, interest and additional amounts, if any, in respect of the Notes will be made to Euroclear System, Clearstream Banking S.A. or such nominee or common depositary, as the case may be, as registered holder thereof. Under the terms of the Indenture, if the euro ceases to exist when payments on the Notes are due under any circumstances, AT&T may supplement the Indenture to allow for payment in U.S. dollars. The principal and interest payable in U.S. dollars on a Note at maturity, or upon redemption, will be paid by wire transfer of immediately available funds against presentation of a Note at the office of the paying agent.

For purposes of the Notes, a business day means a business day in the City of New York and London.

Interest

The 2025 Notes bear interest at the rate of 3.500% per annum and the 2034 Notes bear interest at the rate of 3.375% per annum.

We pay interest on the 2025 Notes annually in arrears on December 17, commencing on December 17, 2014, to the persons in whose names the 2025 Notes are registered at the close of business on the December 1 preceding the interest payment date. We pay interest on the 2034 Notes annually in arrears on March 15, commencing on March 15, 2015, to the persons in whose names the 2034 Notes are registered at the close of business on the business day preceding the interest payment date.

The 2025 Notes will mature on December 17, 2025 and the 2034 Notes will mature on March 15, 2034.

Interest on the Notes is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the Notes, to but excluding the next scheduled interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

Optional Redemption

At any time prior to the applicable Par Call Date (as set forth in the table below), the Notes will be redeemable, as a whole or in part, at our option, at any time and from time to time on at least 30 days', but not more than 60 days', prior notice mailed to the registered address of each holder of the Notes of such series to be redeemed. The redemption price will be equal to the greater of (1) 100% of the principal amount of the Notes of such series to be redeemed or (2) the sum of the present values of the Remaining Scheduled Payments (as defined below) discounted to the redemption date, on an annual basis (ACTUAL/ACTUAL (ICMA)), at a rate equal to the Treasury Rate (as defined below) plus a number of basis points equal to the applicable Make-Whole Spread (as set forth in the table below). In either case, accrued interest will be payable to the redemption date. At any time on or after the applicable Par Call Date (as set forth in the table below), we have the option to redeem the Notes, as a whole or in part, at our option, at any time and from time to time, on at least 30 days', but not more than 60 days', prior notice mailed to the registered address of each holder of the Notes of such series to be redeemed, at a redemption price equal to 100% of the principal amount of such series of Notes to be redeemed. Accrued interest will be payable to the redemption date.

Series	Par Call Date	Make-Whole Spread
2025 Notes	September 17, 2025	30 bps
2034 Notes	December 15, 2033	20 bps

"*Treasury Rate*" means the price, expressed as a percentage (rounded to three decimal places, 0.0005 being rounded upwards), at which the gross redemption yield on the Notes of the applicable series, if they were to be purchased at such price on the third dealing day prior to the date fixed for redemption, would be equal to the gross redemption yield on such dealing day of the Reference Bond (as defined below) on the basis of the middle market price of the Reference Bond prevailing at 11:00 a.m. (London time) on such dealing day as determined by the Company or an investment bank appointed by the Company.

"*Reference Bond*" means, in relation to any Treasury Rate calculation, a German government bond whose maturity is closest to the maturity of the Notes of the applicable series, or if the Company or an investment bank appointed by the Company considers that such similar bond is not in issue, such other German government bond as the Company or an investment bank appointed by the Company, with the advice of three brokers of, and/or market makers in, German government bonds selected by the Company or an investment bank appointed by the Company, determine to be appropriate for determining such Treasury Rate.

"*Remaining Scheduled Payments*" means, with respect to each Note of a series to be redeemed, the remaining scheduled payments of principal of and interest on such Note that would be due after the related redemption date but for the redemption. If that redemption date is not an interest payment date with respect to the applicable series of Notes, the amount of the next succeeding scheduled interest payment on the Notes will be reduced by the amount of interest accrued on the Notes to the redemption date.

On and after the redemption date, interest will cease to accrue on the Notes or any portion of the Notes called for redemption unless we default in the payment of the redemption price and accrued interest. On or before the redemption date, we will deposit with a paying agent or the trustee money sufficient to pay the redemption price of and accrued interest on the Notes to be redeemed on that date.

In the case of any partial redemption, selection of the Notes of a series to be redeemed will be made by the trustee by lot or by such other method as the trustee in its sole discretion deems to be fair and appropriate.

Redemption for Taxation Reasons

If (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined below under "Interpretation"), or any change in the official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after November 5, 2013 with respect to the 2025 Notes and after June 4, 2014 with respect to the 2034 Notes, on the next Interest Payment Date we would be required to pay additional amounts as provided or referred to below under "- Payment Without Withholding" and (b) the requirement cannot be avoided by our taking reasonable measures available to us, we may at our option, having given not less than 30 nor more than 60 days' notice to the holders of the Notes (which notice shall be irrevocable), redeem all, but not a portion of, the Notes at any time at their principal amount together with interest accrued to, but excluding, the date of redemption provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which we would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, we shall deliver to the trustee a certificate signed by two of our executive officers stating that the requirement referred to in (a) above will apply on the next Interest Payment Date and setting forth a statement of facts showing that the conditions precedent to the right of AT&T so to redeem have occurred, cannot be avoided by us taking reasonable measures available to us and an opinion of independent legal advisers of recognized international standing to the effect that AT&T has or will become obliged to pay such additional amounts as a result of the change or amendment, in each case to be held by the trustee and made available for viewing at the offices of the trustee on request by any holder of the Notes.

Payment Without Withholding

All payments in respect of the Notes by or on behalf of AT&T shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("Taxes") imposed, collected, withheld, assessed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, we will pay such additional amounts to a holder who is a United States Alien (as defined below) as may be necessary in order that the net amounts received by the holder after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction; except that no such additional amounts shall be payable in relation to any payment in respect of any Note:

(a) where such withholding or deduction would not have been so imposed but for:

(i) in the case of payment by AT&T, the existence of any present or former connection between the holder of the Note (or between a fiduciary, settlor, shareholder, beneficiary or member of the holder of the Note, if such holder is an estate, a trust, a corporation or a partnership) and the United States, including, without limitation, such holder (or such fiduciary, settlor, shareholder, beneficiary or member) being or having been a citizen or resident or treated as a resident thereof, or being or having been engaged in trade or business or presence therein, or having or having had a permanent establishment therein;

(ii) in the case of payment by AT&T, the present or former status of the holder of the Note as a personal holding company, a foreign personal holding company, a passive foreign investment company, or a controlled foreign corporation for United States federal income tax purposes or a corporation which accumulates earnings to avoid United States federal income tax;

(iii) in the case of payment by AT&T, the past or present or future status of the holder of the Note as the actual or constructive owner of 10% or more of either the total combined voting power of all classes of stock of AT&T entitled to vote if AT&T was treated as a corporation, or the capital or profits interest in AT&T, if AT&T is treated as a partnership for United States federal income tax purposes or as a bank receiving interest described in Section 881(c) (3) (A) of the Internal Revenue Code of 1986, as amended; or

(iv) the failure by the holder of the Note to comply with any certification, identification or other reporting requirements concerning the nationality, residence, identity or connection with the United States (in the case of payment by AT&T) of such holder, if compliance is required by statute or by regulation as a precondition to exemption from such withholding or deduction;

(b) in the case of payment by AT&T to any United States Alien, if such person is a fiduciary or partnership or other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the bearer of such Note. As used herein, "United States Alien" means any person who, for United States federal income tax purposes, is a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a non-resident alien individual or a non-resident alien fiduciary of a foreign estate or trust;

(c) to the extent that the withholding or deduction is as a result of the imposition of any gift, inheritance, estate, sales, transfer, personal property or any similar tax, assessment or other governmental charge;

(d) to, or to a third party on behalf of, a holder who is liable for the Taxes in respect of the Notes by reason of his having any or some present or former connection, including but not limited to fiscal residency, fiscal deemed residency and substantial interest shareholdings, with the Relevant Jurisdiction, other than the mere holding of the Notes;

(e) presented for payment more than 30 days after the Relevant Date except to the extent that a holder would have been entitled to additional amounts on presenting the relevant Notes for payment on the last day of the period of 30 days assuming that day to have been an Interest Payment Date;

(f) any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal or of interest on any Notes, if such payment can be made without withholding by any other paying agent;

(g) any tax, assessment or governmental charge that is imposed or withheld solely because the beneficial owner or any other person failed to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of our Notes, if compliance is required by statute, by regulation of the United States Treasury Department or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such tax, assessment or other governmental charge;

(h) any tax, assessment or governmental charge that is imposed or withheld solely because of a change in law, regulation, or administrative or judicial interpretation that becomes effective after the day on which the payment becomes due or is duly provided for, whichever occurs later; or

(i) any combination of (a), (b), (c), (d), (e), (f), (g) or (h).

Interpretation

As used in this description:

(a) "Relevant Date" means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the trustee on or before the due date, it means the date which is seven days after the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the holders of Notes by us; and

(b) "Relevant Jurisdiction" means the State of Delaware and the United States or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which we become subject in respect of payments made by it of principal and interest on the Notes.

Additional Amounts

Any reference in the terms of the Notes to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this provision.

Further Issues

We may from time to time, without notice to or the consent of the holders of the Notes, create and issue further notes ranking equally and ratably with such series of Notes in all respects, or in all respects except for the payment of interest accruing prior to the issue date or except for the first payment of interest following the issue date of those further notes. Any further notes will have the same terms as to status, redemption or otherwise as the Notes. Any further notes shall be issued pursuant to a resolution of our board of directors, a supplement to the Indenture, or under an officers' certificate pursuant to the Indenture.

Governing Law

The Notes will be governed by and interpreted in accordance with the laws of the State of New York.

Special Situations Covered by Our Indenture

Mergers and Similar Transactions

We are generally permitted to consolidate or merge with another company. We are also permitted to sell substantially all of our assets to another company. However, we may not take any of these actions unless all the following conditions are met:

- Where we merge out of existence or sell our assets, the company we merge into or sell to may not be organized under the laws of a foreign country. It must be a corporation organized under the laws of the United States, any State thereof, or the District of Columbia.
- The company we merge into or sell to must agree to be legally responsible for our debt securities.
- The merger, sale of assets or other transaction must not cause a default on the securities, and we must not already be in default, unless the merger or other transaction would cure the default. For purposes of this no-default test, a default would include an event of default that has occurred and not been cured, as described below under "- Default and Related Matters - Events of Default - What Is an Event of Default?" A default for this purpose would also include any event that would be an event of default if the requirements for giving us default notice or our default having to exist for a specific period of time were disregarded.

Further, we may buy substantially all of the assets of another company without complying with any of the foregoing conditions.

Modification and Waiver of Holders' Contractual Rights

Under certain circumstances, we can make changes to the Indenture and the securities (including the Notes). Some types of changes require the approval of each security holder affected, some require approval by a majority vote, and some changes do not require any approval at all.

Changes Requiring Approval of Holders. First, there are changes that cannot be made to the securities without specific approval of holders. The following is a list of those types of changes:

- to reduce the percentage of holders of securities who must consent to a waiver or amendment of the Indenture;
- to reduce the rate of interest on any security or change the time for payment of interest;
- to reduce the principal due on any security or change the fixed maturity of any security;
- to waive a default in the payment of principal or interest on any security;
- to change the currency of payment on a security, unless the security provides for payment in a currency that ceases to exist;
- in the case of convertible or exchangeable securities, to make changes to conversion or exchange rights that would be adverse to the interests of holders;
- to change the right of holders to waive an existing default by majority vote;
- to reduce the amount of principal or interest payable to holders following a default or change any conversion or exchange rights, or impair the right of holders to sue for payment; and
- to make any change to this list of changes that requires specific approval of holders.

Changes Requiring a Majority Vote. The second type of change to the Indenture and the securities is the kind that requires a vote in favor by security holders owning a majority of the principal amount of the particular series affected. Most changes fall into this category, except as set forth in the following paragraph. The same vote

would be required for us to obtain a waiver of an existing default. However, we cannot obtain a waiver of a payment default unless we obtain each holder's individual consent to the waiver.

Changes Not Requiring Approval of Holders. The third type of change does not require any vote by holders of securities. This type includes, among others, clarifications of ambiguous contract terms, changes to make securities payable in U.S. dollars (if the stated denomination ceases to exist) and other changes that would not materially adversely affect holders of the securities.

Further Details Concerning Voting. When taking a vote, we will use the following rules to decide how much principal amount to attribute to a security:

- For securities denominated in one or more foreign currencies or currency units, we will use the U.S. dollar equivalent determined on the date of original issuance of these securities.

Securities will not be considered outstanding, and therefore not eligible to vote, if we have deposited or set aside in trust for the applicable holders money for their payment or redemption. A security does not cease to be outstanding because we or an affiliate of us is holding the security.

We will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding securities that are entitled to vote or take other action under the Indenture. However, the Indenture does not oblige us to fix any record date at all. If we set a record date for a vote or other action to be taken by holders of a particular series, that vote or action may be taken only by persons who are holders of outstanding securities of that series on the record date and must be taken within 90 days following the record date.

Holders who hold in "street name" and other indirect holders, including holders of any securities issued as global securities, should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the Indenture or the securities or request a waiver.

Discharge of Our Obligations

We can fully discharge ourselves from any payment or other obligations on the securities of any series if we make a deposit for the applicable holders with the trustee and certain other conditions are met. The deposit must be held in trust for the benefit of all direct holders of the securities and must be a combination of money and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the securities on their various due dates.

However, we cannot discharge ourselves from the obligations under any convertible or exchangeable securities, unless we provide for it in the terms of these securities.

If we accomplish full discharge, as described above, holders will have to rely solely on the trust deposit for repayment of the securities. Holders could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever become bankrupt or insolvent.

We will indemnify the trustee and holders against any tax, fee or other charge imposed on the U.S. government obligations we deposited with the trustee or against the principal and interest received on these obligations.

Liens on Assets

The Indenture does not restrict us from pledging or otherwise encumbering any of our assets and those of our subsidiaries.

Default and Related Matters

Ranking Compared to Other Creditors

The securities are not secured by any of our property or assets. Accordingly, ownership of securities means each holder is one of our unsecured creditors. The securities are not subordinated to any of our other debt obligations and therefore they rank equally with all our other unsecured and unsubordinated indebtedness. However, the trustee has a right to receive payment for its administrative services prior to any payment to security holders after a default.

Events of Default

Holders will have special rights if an event of default occurs and is not cured, as described later in this subsection.

What Is an Event of Default? The term "event of default" with respect to any series of securities means any of the following:

- We fail to make any interest payment on the securities of such series when it is due, and we do not cure this default within 90 days.
- We fail to make any payment of principal when it is due at the maturity of such series of securities or upon redemption.
- We fail to comply with any of our other agreements regarding a particular series of securities or with a supplemental indenture, and after we have been notified of the default by the trustee or holders of 25% in principal amount of the series, we do not cure the default within 90 days.
- We file for bankruptcy, or other events in bankruptcy, insolvency or reorganization occur.

Remedies if an Event of Default Occurs

Holders and the trustee will have the following remedies if an event of default occurs:

Acceleration. If an event of default has occurred and has not been cured or waived, then the trustee or the holders of 25% in principal amount of the securities of the affected series may declare the entire principal amount of and any accrued interest on all the securities of that series to be due and immediately payable. An acceleration of maturity may be cancelled by the holders of at least a majority in principal amount of the securities of the affected series, if all events of default have been cured or waived.

Special Duties of Trustee. If an event of default occurs, the trustee will have some special duties. In that situation, the trustee will be obligated to use those of its rights and powers under the Indenture, and to use the same degree of care and skill in doing so, that a prudent person would use in that situation in conducting his or her own affairs.

Other Remedies of Trustee. If an event of default occurs, the trustee is authorized to pursue any available remedy to collect defaulted principal and interest and to enforce other provisions of the securities and the Indenture, including bringing a lawsuit.

Majority Holders May Direct the Trustee to Take Actions to Protect Their Interests. The trustee is not required to take any action under the Indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability. This is called an "indemnity". If the trustee is provided with an indemnity reasonably satisfactory to it, the holders of a majority in principal amount of the relevant series of debt securities may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. These majority holders may also direct the trustee in performing any other action under the Indenture.

Individual Actions Holders May Take if the Trustee Fails to Act. Before a holder bypasses the trustee and bring such holder's own lawsuit or other formal legal action or take other steps to enforce such holder's rights or protect such holder's interests relating to the securities, the following must occur:

- Such holder must give the trustee written notice that an event of default has occurred and remains uncured.
- The holders of 25% in principal amount of all outstanding securities of the relevant series must make a written request that the trustee take action because of the default, and must offer indemnity reasonably satisfactory to the trustee against the cost and other liabilities of taking that action.
- The trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity.
- During the 60-day period, the holders of a majority in principal amount of the securities of that series do not give the trustee a direction inconsistent with the request.

However, a holder is entitled at any time to bring an individual lawsuit for the payment of the money due on such holder's security on or after its due date.

Waiver of Default

The holders of a majority in principal amount of the relevant series of debt securities may waive a default for all the relevant series of debt securities. If this happens, the default will be treated as if it had not occurred. No one can waive a payment default on a holder's debt security, however, without such holder's individual approval.

We Will Give the Trustee Information About Defaults Annually

Every year we will give to the trustee a written statement of one of our officers certifying that to the best of his or her knowledge we are in compliance with the Indenture and all the securities under it, or else specifying any default.

The trustee may withhold from holders notice of any uncured default, except for payment defaults, if it determines that withholding notice is in holders' interest.

Holders who hold in "street name" and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to make or cancel a declaration of acceleration.

Regarding the Trustee

The Bank of New York Mellon Trust Company, N.A. is the trustee under the Indenture. In addition, affiliates of The Bank of New York Mellon Trust Company, N.A. may perform various commercial banking and investment banking services for us and our subsidiaries from time to time in the ordinary course of business.

DESCRIPTION OF THE 1.800% GLOBAL NOTES DUE 2026, THE 2.350% GLOBAL NOTES DUE 2029, THE 2.600% GLOBAL NOTES DUE 2029, THE 2.450% GLOBAL NOTES DUE 2035 AND THE 3.150% GLOBAL NOTES DUE 2036

The following summary of AT&T's above referenced debt securities is based on and qualified by the indenture, dated as of May 15, 2013, with The Bank of New York Mellon Trust Company, N.A., acting as trustee (the "Indenture") and the 1.800% Global Notes due 2026 (the "1.800% 2026 Notes"), the 2.350% Global Notes due

2029 (the "2.350% 2029 Notes"), the 2.600% Global Notes due 2029 (the "2.600% 2029 Notes"), the 2.450% Global Notes due 2035 (the 2035 Notes") and the 3.150% Global Notes due 2036 (the "2036 Notes" and, together with the 1.800% 2026 Notes, the 2.350% 2029 Notes, the 2.600% 2029 Notes and the 2035 Notes, the "Notes"). For a complete description of the terms and provisions of the Notes, please refer to the Indenture, which is filed as an exhibit to AT&T's Annual Report on Form 10-K for the year ended December 31, 2024 and to the forms of Notes, which are filed as exhibits to the Form 8-As filed with the Securities and Exchange Commission on December 2, 2014, March 9, 2015, June 21, 2017 and December 19, 2018.

General

The 1.800% 2026 Notes:

- were issued in an aggregate initial principal amount of €1,489,219,000, which remains the amount outstanding, subject to our ability to issue additional 1.800% 2026 Notes which may be of the same series as the 1.800% 2026 Notes as described under "- Further Issues";
- mature on September 5, 2026;
- bear interest at the rate of 1.800% per annum, payable annually in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The 2.350% 2029 Notes:

- were issued in an aggregate initial principal amount of €1,260,469,000, which remains the amount outstanding, subject to our ability to issue additional 2.350% 2029 Notes which may be of the same series as the 2.350% 2029 Notes as described under "- Further Issues";
- mature on September 5, 2029;
- bear interest at the rate of 2.350% per annum, payable annually in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The 2.600% 2029 Notes:

- were issued in an aggregate initial principal amount of €800,000,000, which remains the amount outstanding, subject to our ability to issue additional 2.600% 2029 Notes which may be of the same series as the 2.600% 2029 Notes as described under "- Further Issues";
- mature on December 17, 2029;
- bear interest at the rate of 2.600% per annum, payable annually in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The 2035 Notes:

- were issued in an aggregate initial principal amount of €1,250,000,000, which remains the amount outstanding, subject to our ability to issue additional 2035 Notes which may be of the same series as the 2035 Notes as described under "- Further Issues";
- mature on March 15, 2035;
- bear interest at the rate of 2.450% per annum, payable annually in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The 2036 Notes:

- were issued in an aggregate initial principal amount of €1,750,000,000, which remains the amount outstanding, subject to our ability to issue additional 2036 Notes which may be of the same series as the 2036 Notes as described under "- Further Issues";
- mature on September 4, 2036;
- bear interest at the rate of 3.150% per annum, payable annually in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The Notes are unsecured and unsubordinated obligations and rank *pari passu* with all other indebtedness issued under our Indenture. Each series of Notes constitutes a separate series under the Indenture. The Notes are issued in fully registered form only and in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. Principal and interest payments on the Notes are payable by us in euro. Payments of principal, interest and additional amounts, if any, in respect of the Notes will be made to Euroclear System, Clearstream Banking S.A. or such nominee or common depositary, as the case may be, as registered holder thereof. Under the terms of the Indenture, if the euro ceases to exist when payments on the Notes are due under any circumstances, AT&T may supplement the Indenture to allow for payment in U.S. dollars. The principal and interest payable in U.S. dollars on a Note at maturity, or upon redemption, will be paid by wire transfer of immediately available funds against presentation of a Note at the office of the paying agent.

For purposes of the 1.800% 2026 Notes, 2.350% 2029 Notes, 2.600% 2029 Notes and the 2036 Notes, a business day means any day other than a Saturday or Sunday and that, in the City of New York or the City of London, is not a day on which banking institutions are generally authorized or obligated by law to close, and is a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) System, or any successor thereto, operates.

For purposes of the 2035 Notes, a business day means a business day in the City of New York and London.

Interest

The interest rate per annum, annual interest payment date, date of commencement of interest payment and the maturity date of each series of Notes are set forth in the table below. We pay interest on the Notes annually in arrears to the persons in whose names the Notes are registered at the close of business on the business day preceding the respective interest payment date.

Series	Interest Rate	Interest Payment Date	Commencement of Interest Payment	Maturity Date
1.800% 2026 Notes	1.800%	September 4*	September 4, 2019	September 5, 2026
2.350% 2029 Notes	2.350%	September 4*	September 4, 2019	September 5, 2029
2.600% 2029 Notes	2.600%	December 17	December 17, 2015	December 17, 2029
2035 Notes	2.450%	March 15	March 15, 2016	March 15, 2035
2036 Notes	3.150%	September 4	September 4, 2017	September 4, 2036

* We will also pay interest on this series of Notes on its maturity date in an amount calculated for the one day period since the last annual interest payment date.

Interest on the Notes is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the Notes, to but excluding the next scheduled interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

Optional Redemption

Each series of Notes may be redeemed at any time prior to the applicable Par Call Date (as set forth in the table below), as a whole or in part, at our option, at any time and from time to time on at least 30 days', but not more than 60 days', prior notice sent to the registered address of each holder of the Notes of such series to be redeemed. The redemption price will be calculated by us and will be equal to the greater of (1) 100% of the principal amount of the Notes of such series to be redeemed or (2) the sum of the present values of the Remaining Scheduled Payments (as defined below) discounted to the redemption date, on an annual basis (ACTUAL/ACTUAL (ICMA)), at a rate equal to the Treasury Rate (as defined below) plus a number of basis points equal to the applicable Make-Whole Spread (as set forth in the table below). In the case of each of clauses (1) and (2), accrued interest will be payable to the redemption date. Each series of Notes may be redeemed at any time on or after the applicable Par Call Date, as a whole or in part, at our option, at any time and from time to time, on at least 30 days', but not more than 60 days', prior notice sent to the registered address of each holder of the Notes of such series, at a redemption price equal to 100% of the principal amount of such series of Notes to be redeemed. Accrued interest will be payable to the redemption date. We will calculate the redemption price in connection with any redemption hereunder.

Series	Par Call Date	Make-Whole Spread
1.800% 2026 Notes	June 4, 2026	25 bps
2.350% 2029 Notes	June 4, 2029	35 bps
2.600% 2029 Notes	September 17, 2029	25 bps
2035 Notes	December 15, 2034	25 bps
2036 Notes	June 4, 2036	35 bps

"*Treasury Rate*" means the price, expressed as a percentage (and, with respect to the 2.600% 2029 Notes, rounded to three decimal places, 0.0005 being rounded upwards), at which the gross redemption yield on the Notes of the applicable series, if they were to be purchased at such price on the third dealing day prior to the date fixed for redemption, would be equal to the gross redemption yield on such dealing day of the applicable Reference Bond (as defined below) on the basis of the middle market price of the Reference Bond prevailing at 11:00 a.m. (London time) on such dealing day as determined by the Company or an investment bank appointed by the Company.

"*Reference Bond*" means, in relation to any Treasury Rate calculation, a German government bond whose maturity is closest to the maturity of the Notes of the applicable series, or if the Company or an investment bank

appointed by the Company considers that such similar bond is not in issue, such other German government bond as the Company or an investment bank appointed by the Company, with the advice of three brokers of, and/or market makers in, German government bonds selected by the Company or an investment bank appointed by the Company, determine to be appropriate for determining such Treasury Rate.

"*Remaining Scheduled Payments*" means, with respect to each Note of a series to be redeemed, the remaining scheduled payments of principal of and interest on such Note that would be due after the related redemption date but for the redemption. If that redemption date is not an interest payment date with respect to the applicable series of Notes, the amount of the next succeeding scheduled interest payment on the Notes will be reduced by the amount of interest accrued on the Notes to, but not including, the redemption date.

On and after the redemption date, interest will cease to accrue on the Notes or any portion of the Notes called for redemption unless we default in the payment of the redemption price and accrued interest. On or before the redemption date, we will deposit with a paying agent or the trustee money sufficient to pay the redemption price of and accrued interest on the Notes to be redeemed on that date.

In the case of any partial redemption, selection of the Notes of a series to be redeemed will be made by the trustee by lot or (i) with respect to the 1.800% 2026 Notes, 2.350% 2029 Notes and 2036 Notes, pursuant to applicable depositary procedures and (ii) with respect to the 2.600% 2029 Notes and 2035 Notes, by such other method as the trustee in its sole discretion deems to be fair and appropriate.

Payment of Additional Amounts

We will, subject to the exceptions and limitations set forth below, pay as additional interest on the Notes such additional amounts as are necessary so that the net payment by us or our paying agent of the principal of and interest on the Notes to a person that is a United States Alien, after deduction for any present or future tax, assessment or governmental charge of the United States or a political subdivision or taxing authority thereof or therein, imposed by withholding with respect to the payment, will not be less than the amount that would have been payable in respect of the Notes had no withholding or deduction been required. As used herein, "United States Alien" means any person who, for United States federal income tax purposes, is a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a non-resident alien individual or a non-resident alien fiduciary of a foreign estate or trust.

Our obligation to pay additional amounts shall not apply:

(1) to any tax, assessment or governmental charge that is imposed or withheld solely because the beneficial owner, or a fiduciary, settlor, beneficiary or member of the beneficial owner if the beneficial owner is an estate, trust or partnership, or a person holding a power over an estate or trust administered by a fiduciary holder:

(a) is or was present or engaged in a trade or business in the United States, has or had a permanent establishment in the United States, or has any other present or former connection with the United States or any political subdivision or taxing authority thereof or therein;

(b) is or was a citizen or resident or is or was treated as a resident of the United States;

(c) is or was a foreign or domestic personal holding company, a passive foreign investment company or a controlled foreign corporation with respect to the United States or is or was a corporation that has accumulated earnings to avoid United States federal income tax;

(d) is or was a bank receiving interest described in Section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended (the "Code"); or

(e) is or was an actual or constructive owner of 10% or more of the total combined voting power of all classes of stock of AT&T entitled to vote;

(2) to any holder that is not the sole beneficial owner of the Notes, or a portion thereof, or that is a fiduciary or partnership, but only to the extent that the beneficial owner, a beneficiary or settlor with respect to the fiduciary, or a member of the partnership would not have been entitled to the payment of an additional amount had such beneficial owner, beneficiary, settlor or member received directly its beneficial or distributive share of the payment;

(3) to any tax, assessment or governmental charge that is imposed or withheld solely because the beneficial owner or any other person failed to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of the Notes, if compliance is required by statute, by regulation of the United States Treasury Department or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such tax, assessment or other governmental charge;

(4) to any tax, assessment or governmental charge that is imposed other than by deduction or withholding by AT&T or a paying agent from the payment;

(5) to any tax, assessment or governmental charge that is imposed or withheld solely because of a change in law, regulation, or administrative or judicial interpretation that is announced or becomes effective after the day on which the payment becomes due or is duly provided for, whichever occurs later;

(6) to an estate, inheritance, gift, sales, excise, transfer, wealth or personal property tax or any similar tax, assessment or governmental charge;

(7) to any tax, assessment or other governmental charge any paying agent (which term may include us) must withhold from any payment of principal of or interest on any Note, if such payment can be made without such withholding by any other paying agent; or

(8) in the case of any combination of the above items.

In addition, any amounts to be paid on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and no additional amounts will be required to be paid on account of any such deduction or withholding.

The Notes are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation applicable. Except as specifically provided under this heading "-Payment of Additional Amounts" and under the heading "-Redemption Upon a Tax Event," we do not have to make any payment with respect to any tax, assessment or governmental charge imposed by any government or a political subdivision or taxing authority.

Any reference in the terms of the Notes of each series to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this provision.

Redemption Upon a Tax Event

If (a) we become or will become obligated to pay additional amounts with respect to any Notes as described herein under the heading "-Payment of Additional Amounts" as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of the United States (or any political subdivision or taxing authority thereof or therein), or any change in, or amendments to, any official position regarding the application or interpretation of such laws, regulations or rulings, which change or amendment is announced or becomes effective, on or after the date set forth in the table below with respect to the relevant series of Notes or (b) a taxing authority of

the United States takes an action on or after the date set forth in the table below with respect to the relevant series of Notes, whether or not with respect to us or any of our affiliates, that results in a substantial probability that we will or may be required to pay such additional amounts, then we may, at our option, redeem, as a whole, but not in part, the Notes on any interest payment date on not less than 30 nor more than 60 calendar days' prior notice, at a redemption price equal to 100% of their principal amount, together with interest accrued thereon to, but not including, the date fixed for redemption. No redemption pursuant to (b) above may be made unless we shall have received an opinion of independent counsel to the effect that an act taken by a taxing authority of the United States results in a substantial probability that we will or may be required to pay the additional amounts described herein under the heading "-Payment of Additional Amounts" and we shall have delivered to the trustee a certificate, signed by a duly authorized officer, stating that based on such opinion we are entitled to redeem the Notes pursuant to their terms.

Series	**Relevant Date of Taxation Change**
1.800% 2026 Notes	February 15, 2018
2.350% 2029 Notes	February 15, 2018
2.600% 2029 Notes	November 20, 2014
2035 Notes	February 23, 2015
2036 Notes	June 7, 2017

Further Issues

We may from time to time, without notice to or the consent of the holders of any series of the Notes, create and issue further notes ranking equally and ratably with such series in all respects, or in all respects except for the payment of interest accruing prior to the issue date or except for the first payment of interest following the issue date of those further notes. Any further notes will have the same terms as to status, redemption or otherwise as, and will be fungible for United States federal income tax purposes with, the Notes of the applicable series. Any further notes shall be issued pursuant to a resolution of our board of directors, a supplement to the Indenture, or under an officers' certificate pursuant to the Indenture.

Governing Law

The Notes will be governed by and interpreted in accordance with the laws of the State of New York.

Special Situations Covered by Our Indenture

Mergers and Similar Transactions

We are generally permitted to consolidate or merge with another company. We are also permitted to sell substantially all of our assets to another company. However, we may not take any of these actions unless all the following conditions are met:

- Where we merge out of existence or sell our assets, the company we merge into or sell to may not be organized under the laws of a foreign country. It must be a corporation organized under the laws of the United States, any State thereof, or the District of Columbia.
- The company we merge into or sell to must agree to be legally responsible for our debt securities.
- The merger, sale of assets or other transaction must not cause a default on the securities, and we must not already be in default, unless the merger or other transaction would cure the default. For purposes of this no-default test, a default would include an event of default that has occurred and not been cured, as described below under "- Default and Related Matters - Events of Default - What Is an Event of Default?" A default for this purpose would also include any event that would be an event of default if

the requirements for giving us default notice or our default having to exist for a specific period of time were disregarded.

Further, we may buy substantially all of the assets of another company without complying with any of the foregoing conditions.

Modification and Waiver of Holders' Contractual Rights

Under certain circumstances, we can make changes to the Indenture and the securities (including the Notes). Some types of changes require the approval of each security holder affected, some require approval by a majority vote, and some changes do not require any approval at all.

Changes Requiring Approval of Holders. First, there are changes that cannot be made to the securities without specific approval of holders. The following is a list of those types of changes:

- to reduce the percentage of holders of securities who must consent to a waiver or amendment of the Indenture;
- to reduce the rate of interest on any security or change the time for payment of interest;
- to reduce the principal due on any security or change the fixed maturity of any security;
- to waive a default in the payment of principal or interest on any security;
- to change the currency of payment on a security, unless the security provides for payment in a currency that ceases to exist;
- in the case of convertible or exchangeable securities, to make changes to conversion or exchange rights that would be adverse to the interests of holders;
- to change the right of holders to waive an existing default by majority vote;
- to reduce the amount of principal or interest payable to holders following a default or change any conversion or exchange rights, or impair the right of holders to sue for payment; and
- to make any change to this list of changes that requires specific approval of holders.

Changes Requiring a Majority Vote. The second type of change to the Indenture and the securities is the kind that requires a vote in favor by security holders owning a majority of the principal amount of the particular series affected. Most changes fall into this category, except as set forth in the following paragraph. The same vote would be required for us to obtain a waiver of an existing default. However, we cannot obtain a waiver of a payment default unless we obtain each holder's individual consent to the waiver.

Changes Not Requiring Approval of Holders. The third type of change does not require any vote by holders of securities. This type includes, among others, clarifications of ambiguous contract terms, changes to make securities payable in U.S. dollars (if the stated denomination ceases to exist) and other changes that would not materially adversely affect holders of the securities.

Further Details Concerning Voting. When taking a vote, we will use the following rules to decide how much principal amount to attribute to a security:

- For securities denominated in one or more foreign currencies or currency units, we will use the U.S. dollar equivalent determined on the date of original issuance of these securities.

Securities will not be considered outstanding, and therefore not eligible to vote, if we have deposited or set aside in trust for the applicable holders money for their payment or redemption. A security does not cease to be outstanding because we or an affiliate of us is holding the security.

We will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding securities that are entitled to vote or take other action under the Indenture. However, the Indenture does not oblige us to fix any record date at all. If we set a record date for a vote or other action to be taken by holders of a particular series, that vote or action may be taken only by persons who are holders of outstanding securities of that series on the record date and must be taken within 90 days following the record date.

Holders who hold in "street name" and other indirect holders, including holders of any securities issued as global securities, should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the Indenture or the securities or request a waiver.

Discharge of Our Obligations

We can fully discharge ourselves from any payment or other obligations on the securities of any series if we make a deposit for the applicable holders with the trustee and certain other conditions are met. The deposit must be held in trust for the benefit of all direct holders of the securities and must be a combination of money and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the securities on their various due dates.

However, we cannot discharge ourselves from the obligations under any convertible or exchangeable securities, unless we provide for it in the terms of these securities.

If we accomplish full discharge, as described above, holders will have to rely solely on the trust deposit for repayment of the securities. Holders could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever become bankrupt or insolvent.

We will indemnify the trustee and holders against any tax, fee or other charge imposed on the U.S. government obligations we deposited with the trustee or against the principal and interest received on these obligations.

Liens on Assets

The Indenture does not restrict us from pledging or otherwise encumbering any of our assets and those of our subsidiaries.

Default and Related Matters

Ranking Compared to Other Creditors

The securities are not secured by any of our property or assets. Accordingly, ownership of securities means each holder is one of our unsecured creditors. The securities are not subordinated to any of our other debt obligations and therefore they rank equally with all our other unsecured and unsubordinated indebtedness. However, the trustee has a right to receive payment for its administrative services prior to any payment to security holders after a default.

Events of Default

Holders will have special rights if an event of default occurs and is not cured, as described later in this subsection.

What Is an Event of Default? The term "event of default" with respect to any series of securities means any of the following:

- We fail to make any interest payment on the securities of such series when it is due, and we do not cure this default within 90 days.
- We fail to make any payment of principal when it is due at the maturity of such series of securities or upon redemption.
- We fail to comply with any of our other agreements regarding a particular series of securities or with a supplemental indenture, and after we have been notified of the default by the trustee or holders of 25% in principal amount of the series, we do not cure the default within 90 days.
- We file for bankruptcy, or other events in bankruptcy, insolvency or reorganization occur.

Remedies if an Event of Default Occurs

Holders and the trustee will have the following remedies if an event of default occurs:

Acceleration. If an event of default has occurred and has not been cured or waived, then the trustee or the holders of 25% in principal amount of the securities of the affected series may declare the entire principal amount of and any accrued interest on all the securities of that series to be due and immediately payable. An acceleration of maturity may be cancelled by the holders of at least a majority in principal amount of the securities of the affected series, if all events of default have been cured or waived.

Special Duties of Trustee. If an event of default occurs, the trustee will have some special duties. In that situation, the trustee will be obligated to use those of its rights and powers under the Indenture, and to use the same degree of care and skill in doing so, that a prudent person would use in that situation in conducting his or her own affairs.

Other Remedies of Trustee. If an event of default occurs, the trustee is authorized to pursue any available remedy to collect defaulted principal and interest and to enforce other provisions of the securities and the Indenture, including bringing a lawsuit.

Majority Holders May Direct the Trustee to Take Actions to Protect Their Interests. The trustee is not required to take any action under the Indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability. This is called an "indemnity". If the trustee is provided with an indemnity reasonably satisfactory to it, the holders of a majority in principal amount of the relevant series of debt securities may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. These majority holders may also direct the trustee in performing any other action under the Indenture.

Individual Actions Holders May Take if the Trustee Fails to Act. Before a holder bypasses the trustee and brings such holder's own lawsuit or other formal legal action or take other steps to enforce such holder's rights or protect such holder's interests relating to the securities, the following must occur:

- Such holder must give the trustee written notice that an event of default has occurred and remains uncured.
- The holders of 25% in principal amount of all outstanding securities of the relevant series must make a written request that the trustee take action because of the default, and must offer indemnity reasonably satisfactory to the trustee against the cost and other liabilities of taking that action.
- The trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity.
- During the 60-day period, the holders of a majority in principal amount of the securities of that series do not give the trustee a direction inconsistent with the request.

However, a holder is entitled at any time to bring an individual lawsuit for the payment of the money due on such holder's security on or after its due date.

Waiver of Default

The holders of a majority in principal amount of the relevant series of debt securities may waive a default for all the relevant series of debt securities. If this happens, the default will be treated as if it had not occurred. No one can waive a payment default on a holder's debt security, however, without such holder's individual approval.

We Will Give the Trustee Information About Defaults Annually

Every year we will give to the trustee a written statement of one of our officers certifying that to the best of his or her knowledge we are in compliance with the Indenture and all the securities under it, or else specifying any default.

The trustee may withhold from holders notice of any uncured default, except for payment defaults, if it determines that withholding notice is in holders' interest.

Holders who hold in "street name" and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to make or cancel a declaration of acceleration.

Regarding the Trustee

The Bank of New York Mellon Trust Company, N.A. is the trustee under the Indenture. In addition, affiliates of The Bank of New York Mellon Trust Company, N.A. may perform various commercial banking and investment banking services for us and our subsidiaries from time to time in the ordinary course of business.

DESCRIPTION OF THE 0.250% GLOBAL NOTES DUE 2026, THE 1.600% GLOBAL NOTES DUE 2028, THE 0.800% GLOBAL NOTES DUE 2030, THE 2.050% GLOBAL NOTES DUE 2032, THE 2.600% GLOBAL NOTES DUE 2038 AND THE 1.800% GLOBAL NOTES DUE 2039

The following summary of AT&T's above referenced debt securities is based on and qualified by the indenture, dated as of May 15, 2013, with The Bank of New York Mellon Trust Company, N.A., acting as trustee (the "Indenture") and the 0.250% Global Notes due 2026 (the "0.250% 2026 Notes"), the 1.600% Global Notes due 2028 (the "2028 Notes"), the 0.800% Global Notes due 2030 (the "2030 Notes"), the 2.050% Global Notes due 2032 (the "2.050% 2032 Notes"), the 2.600% Global Notes due 2038 (the "2038 Notes") and the 1.800% Global Notes due 2039 (the "2039 Notes" and, together with the 0.250% 2026 Notes, the 2028 Notes, the 2030 Notes, the 2.050% 2032 Notes and the 2038 Notes, the "Notes"). For a complete description of the terms and provisions of the Notes, please refer to the Indenture, which is filed as an exhibit to AT&T's Annual Report on Form 10-K for the year ended December 31, 2024 and to the forms of Notes, which are filed as exhibits to the Form 8-As filed with the Securities and Exchange Commission on September 11, 2019 and May 27, 2020.

General

The 0.250% 2026 Notes:

- were issued in an aggregate initial principal amount of €1,000,000,000, which remains the amount outstanding, subject to our ability to issue additional 0.250% 2026 Notes which may be of the same series as the 0.250% 2026 Notes as described under "- Further Issues";
- mature on March 4, 2026;
- bear interest at the rate of 0.250% per annum, payable annually in arrears;
- are repayable at par at maturity;

- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The 2028 Notes:

- were issued in an aggregate initial principal amount of €1,750,000,000, which remains the amount outstanding, subject to our ability to issue additional 2028 Notes which may be of the same series as the 2028 Notes as described under "- Further Issues";
- mature on May 19, 2028;
- bear interest at the rate of 1.600% per annum, payable annually in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The 2030 Notes:

- were issued in an aggregate initial principal amount of €1,250,000,000, which remains the amount outstanding, subject to our ability to issue additional 2030 Notes which may be of the same series as the 2030 Notes as described under "- Further Issues";
- mature on March 4, 2030;
- bear interest at the rate of 0.800% per annum, payable annually in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The 2.050% 2032 Notes:

- were issued in an aggregate initial principal amount of €750,000,000, which remains the amount outstanding, subject to our ability to issue additional 2.050% 2032 Notes which may be of the same series as the 2.050% 2032 Notes as described under "- Further Issues";
- mature on May 19, 2032;
- bear interest at the rate of 2.050% per annum, payable annually in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The 2038 Notes:

- were issued in an aggregate initial principal amount of €500,000,000, which remains the amount outstanding, subject to our ability to issue additional 2038 Notes which may be of the same series as the 2038 Notes as described under "- Further Issues";
- mature on May 19, 2038;
- bear interest at the rate of 2.600% per annum, payable annually in arrears;

- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The 2039 Notes:

- were issued in an aggregate initial principal amount of €750,000,000, which remains the amount outstanding, subject to our ability to issue additional 2039 Notes which may be of the same series as the 2039 Notes as described under "- Further Issues";
- mature on September 14, 2039;
- bear interest at the rate of 1.800% per annum, payable annually in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The Notes are unsecured and unsubordinated obligations and rank *pari passu* with all other indebtedness issued under our Indenture. Each series of Notes constitutes a separate series under the Indenture. The Notes are issued in fully registered form only and in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. Principal and interest payments on the Notes are payable by us in euro. Payments of principal, interest and additional amounts, if any, in respect of the Notes will be made to Euroclear System, Clearstream Banking S.A. or such nominee or common depositary, as the case may be, as registered holder thereof. Under the terms of the Indenture, if the euro ceases to exist when payments on the Notes are due under any circumstances, AT&T may supplement the Indenture to allow for payment in U.S. dollars. The principal and interest payable in U.S. dollars on a Note at maturity, or upon redemption, will be paid by wire transfer of immediately available funds against presentation of a Note at the office of the paying agent.

For purposes of the Notes, a business day means any day that is not a Saturday or Sunday and that, in the City of New York or the City of London, is not a day on which banking institutions are generally authorized or obligated by law to close.

Interest

The 0.250% 2026 Notes bear interest at the rate of 0.250% per annum, the 2028 Notes bear interest at the rate of 1.600% per annum, the 2030 Notes bear interest at the rate of 0.800% per annum, the 2.050% 2032 Notes bear interest at the rate of 2.050% per annum, the 2038 Notes bear interest at the rate of 2.600% per annum and the 2039 Notes bear interest at the rate of 1.800% per annum.

We pay interest on the 0.250% 2026 Notes and the 2030 Notes annually in arrears on each March 4, commencing on March 4, 2020, to the persons in whose names the 0.250% 2026 Notes and the 2030 Notes are registered at the close of business on the business day preceding the interest payment date. We pay interest on the 2028 Notes, the 2.050% 2032 Notes and the 2038 Notes annually in arrears on each May 19, commencing on May 19, 2021, to the persons in whose names the 2028 Notes, the 2.050% 2032 Notes and the 2038 Notes are registered at the close of business on the business day preceding the interest payment date. We pay interest on the 2039 Notes annually in arrears on each September 14, commencing on September 14, 2020, to the persons in whose names the 2039 Notes are registered at the close of business on the business day preceding the interest payment date.

The 0.250% 2026 Notes will mature on March 4, 2026, the 2028 Notes will mature on May 19, 2028, the 2030 Notes will mature on March 4, 2030, the 2.050% 2032 Notes will mature on May 19, 2032, the 2038 Notes will mature on May 19, 2038 and the 2039 Notes will mature on September 14, 2039.

Interest on the Notes will be computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the Notes (or September 11, 2019 with respect to the 0.250% 2026 Notes, the 2030 Notes and 2039 Notes and May 27, 2020 with respect to the 2028 Notes, the 2.050% 2032 Notes and the 2038 Notes, if no interest has been paid on the Notes), to but excluding the next scheduled interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

Because the first payment of interest on the 2039 Notes is more than one year from the issue date of the 2039 Notes, the 2039 Notes will be treated for U.S. federal income tax purposes as issued with original issue discount ("OID") in an amount equal to the excess of the principal amount and interest payments on the 2039 Notes over the issue price for the 2039 Notes. Accordingly, United States holders of the 2039 Notes will generally be required to accrue such OID for U.S. tax purposes on a constant yield basis over the term of the 2039 Notes even if the holder is otherwise subject to the cash basis method of tax accounting. Such holders, however, will generally not be required to include the stated interest payments on the 2039 Notes in income for U.S. tax purposes.

Optional Redemption

At any time prior to the applicable Par Call Date (as set forth in the table below), (i) the 0.250% 2026 Notes, the 2030 Notes and the 2039 Notes may be redeemed, as a whole or in part, at our option, at any time and from time to time, on at least 30 days', but not more than 60 days', prior notice sent to the registered address of each holder of the Notes of such series to be redeemed, and (ii) the 2028 Notes, the 2.050% 2032 Notes and the 2038 Notes may be redeemed, as a whole or in part, at our option, at any time and from time to time, on at least 10 days', but not more than 40 days', prior notice sent to the registered address of each holder of the Notes of such series to be redeemed. In each case, the redemption price will be calculated by us and will be equal to the greater of (1) 100% of the principal amount of the Notes of such series to be redeemed or (2) the sum of the present values of the Remaining Scheduled Payments (as defined below) discounted to the redemption date, on an annual basis (ACTUAL/ACTUAL (ICMA)), at a rate equal to the Treasury Rate (as defined below) plus a number of basis points equal to the applicable Make-Whole Spread (as set forth in the table below). In the case of each of clauses (1) and (2), accrued interest will be payable to the redemption date. At any time on or after the applicable Par Call Date (as set forth in the table below), (i) the 0.250% 2026 Notes, the 2030 Notes and the 2039 Notes may be redeemed, as a whole or in part, at our option, at any time and from time to time, on at least 30 days', but not more than 60 days', prior notice sent to the registered address of each holder of the Notes of such series to be redeemed, and (ii) the 2028 Notes, the 2.050% 2032 Notes and the 2038 Notes may be redeemed, as a whole or in part, at our option, at any time and from time to time, on at least 10 days', but not more than 40 days', prior notice sent to the registered address of each holder of the Notes of such series to be redeemed, in each case, at a redemption price equal to 100% of the principal amount of such series of Notes to be redeemed. Accrued interest will be payable to the redemption date.

Series	**Par Call Date**	**Make-Whole Spread**
0.250% 2026 Notes	February 4, 2026	20 bps
2028 Notes	February 19, 2028	35 bps
2030 Notes	December 4, 2029	25 bps
2.050% 2032 Notes	February 19, 2032	40 bps
2038 Notes	November 19, 2037	45 bps
2039 Notes	March 14, 2039	35 bps

"*Treasury Rate*" means the price, expressed as a percentage, at which the gross redemption yield on the Notes of the applicable series, if they were to be purchased at such price on the third dealing day prior to the date fixed for redemption, would be equal to the gross redemption yield on such dealing day of the applicable Reference Bond (as defined below) on the basis of the middle market price of the Reference Bond prevailing at 11:00 a.m. (London time) on such dealing day as determined by the Company or an investment bank appointed by the Company.

"*Reference Bond*" means, in relation to any Treasury Rate calculation, a German government bond whose maturity is closest to the maturity of the Notes of the applicable series, or if the Company or an investment bank appointed by the Company considers that such similar bond is not in issue, such other German government bond as the Company or an investment bank appointed by the Company, with the advice of three brokers of, and/or market makers in, German government bonds selected by the Company or an investment bank appointed by the Company, determine to be appropriate for determining such Treasury Rate.

"*Remaining Scheduled Payments*" means, with respect to each Note of a series to be redeemed, the remaining scheduled payments of principal and interest on such Note that, but for the redemption, would be due after the related redemption date through the applicable Par Call Date, assuming the applicable series of Notes matured on the Par Call Date (not including any portion of payments of interest accrued as of the redemption date). If that redemption date is not an interest payment date with respect to the applicable series of Notes, the amount of the next succeeding scheduled interest payment on the Notes will be reduced by the amount of interest accrued on the Notes to the redemption date.

On and after the redemption date, interest will cease to accrue on the Notes or any portion of the Notes called for redemption unless we default in the payment of the redemption price and accrued interest. On or before the redemption date, we will deposit with our paying agent or the trustee money sufficient to pay the redemption price of and accrued interest on the Notes to be redeemed on that date.

In the case of any partial redemption, selection of the Notes of a series to be redeemed will be made by the trustee by lot or pursuant to applicable depositary procedures.

Payment of Additional Amounts

We will, subject to the exceptions and limitations set forth below, pay as additional interest on the Notes such additional amounts as are necessary so that the net payment by us or our paying agent of the principal of and interest on the Notes to a person that is a United States Alien, after deduction for any present or future tax, assessment or governmental charge of the United States or a political subdivision or taxing authority thereof or therein, imposed by withholding with respect to the payment, will not be less than the amount that would have been payable in respect of the Notes had no withholding or deduction been required. As used herein, "United States Alien" means any person who, for United States federal income tax purposes, is a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a non-resident alien individual or a non-resident alien fiduciary of a foreign estate or trust.

Our obligation to pay additional amounts shall not apply:

(1) to any tax, assessment or governmental charge that is imposed or withheld solely because the beneficial owner, or a fiduciary, settlor, beneficiary or member of the beneficial owner if the beneficial owner is an estate, trust or partnership, or a person holding a power over an estate or trust administered by a fiduciary holder:

(a) is or was present or engaged in a trade or business in the United States, has or had a permanent establishment in the United States, or has any other present or former connection with the United States or any political subdivision or taxing authority thereof or therein;

(b) is or was a citizen or resident or is or was treated as a resident of the United States;

(c) is or was a foreign or domestic personal holding company, a passive foreign investment company or a controlled foreign corporation with respect to the United States or is or was a corporation that has accumulated earnings to avoid United States federal income tax;

(d) is or was a bank receiving interest described in Section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended (the "Code"); or

(e) is or was an actual or constructive owner of 10% or more of the total combined voting power of all classes of stock of AT&T entitled to vote;

(2) to any holder that is not the sole beneficial owner of the Notes, or a portion thereof, or that is a fiduciary or partnership, but only to the extent that the beneficial owner, a beneficiary or settlor with respect to the fiduciary, or a member of the partnership would not have been entitled to the payment of an additional amount had such beneficial owner, beneficiary, settlor or member received directly its beneficial or distributive share of the payment;

(3) to any tax, assessment or governmental charge that is imposed or withheld solely because the beneficial owner or any other person failed to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of the Notes, if compliance is required by statute, by regulation of the United States Treasury Department or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such tax, assessment or other governmental charge;

(4) to any tax, assessment or governmental charge that is imposed other than by deduction or withholding by AT&T or a paying agent from the payment;

(5) to any tax, assessment or governmental charge that is imposed or withheld solely because of a change in law, regulation, or administrative or judicial interpretation that is announced or becomes effective after the day on which the payment becomes due or is duly provided for, whichever occurs later;

(6) to an estate, inheritance, gift, sales, excise, transfer, wealth or personal property tax or any similar tax, assessment or governmental charge;

(7) to any tax, assessment or other governmental charge any paying agent (which term may include us) must withhold from any payment of principal of or interest on any Note, if such payment can be made without such withholding by any other paying agent; or

(8) in the case of any combination of the above items.

In addition, any amounts to be paid on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and no additional amounts will be required to be paid on account of any such deduction or withholding.

The Notes are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation applicable. Except as specifically provided under this heading "- Payment of Additional Amounts" and under the heading "- Redemption Upon a Tax Event," we do not have to make any payment with respect to any tax, assessment or governmental charge imposed by any government or a political subdivision or taxing authority.

Any reference in the terms of the Notes of each series to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this provision.

Redemption Upon a Tax Event

If (a) we become or will become obligated to pay additional amounts with respect to any Notes as described herein under the heading "- Payment of Additional Amounts" as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of the United States (or any political subdivision or taxing authority thereof or therein), or any change in, or amendments to, any official position regarding the application or interpretation of such laws, regulations or rulings, which change or amendment is announced or becomes effective, on or after the date set forth in the table below with respect to the relevant series of Notes or (b) a

taxing authority of the United States takes an action on or after the date set forth in the table below with respect to the relevant series of Notes, whether or not with respect to us or any of our affiliates, that results in a substantial probability that we will or may be required to pay such additional amounts, then we may, at our option, redeem, as a whole, but not in part, the Notes on any interest payment date on not less than 30 nor more than 60 calendar days' prior notice with respect to the 0.250% 2026 Notes, the 2030 Notes, and the 2039 Notes and not less than 10 nor more than 40 calendar days' prior notice with respect to the 2028 Notes, the 2.050% 2032 Notes and the 2038 Notes, at a redemption price equal to 100% of their principal amount, together with interest accrued thereon to the date fixed for redemption. No redemption pursuant to (b) above may be made unless we shall have received an opinion of independent counsel to the effect that an act taken by a taxing authority of the United States results in a substantial probability that we will or may be required to pay the additional amounts described herein under the heading "- Payment of Additional Amounts" and we shall have delivered to the trustee a certificate, signed by a duly authorized officer, stating that based on such opinion we are entitled to redeem the Notes pursuant to their terms.

Series	**Relevant Date of Taxation Change**
0.250% 2026 Notes	September 4, 2019
2028 Notes	May 19, 2020
2030 Notes	September 4, 2019
2.050% 2032 Notes	May 19, 2020
2038 Notes	May 19, 2020
2039 Notes	September 4, 2019

Further Issues

We may from time to time, without notice to or the consent of the holders of any series of the Notes, create and issue further notes ranking equally and ratably with such series in all respects, or in all respects except for the payment of interest accruing prior to the issue date or except for the first payment of interest following the issue date of those further notes. Any further notes will have the same terms as to status, redemption or otherwise as, and will be fungible for United States federal income tax purposes with, the Notes of the applicable series. Any further notes shall be issued pursuant to a resolution of our board of directors, a supplement to the Indenture, or under an officers' certificate pursuant to the Indenture.

Governing Law

The Notes will be governed by and interpreted in accordance with the laws of the State of New York.

Special Situations Covered by Our Indenture

Mergers and Similar Transactions

We are generally permitted to consolidate or merge with another company. We are also permitted to sell substantially all of our assets to another company. However, we may not take any of these actions unless all the following conditions are met:

- Where we merge out of existence or sell our assets, the company we merge into or sell to may not be organized under the laws of a foreign country. It must be a corporation organized under the laws of the United States, any State thereof, or the District of Columbia.
- The company we merge into or sell to must agree to be legally responsible for our debt securities.
- The merger, sale of assets or other transaction must not cause a default on the securities, and we must not already be in default, unless the merger or other transaction would cure the default. For purposes of

this no-default test, a default would include an event of default that has occurred and not been cured, as described below under "- Default and Related Matters - Events of Default - What Is an Event of Default?" A default for this purpose would also include any event that would be an event of default if the requirements for giving us default notice or our default having to exist for a specific period of time were disregarded.

Further, we may buy substantially all of the assets of another company without complying with any of the foregoing conditions.

Modification and Waiver of Holders' Contractual Rights

Under certain circumstances, we can make changes to the Indenture and the securities (including the Notes). Some types of changes require the approval of each security holder affected, some require approval by a majority vote, and some changes do not require any approval at all.

Changes Requiring Approval of Holders. First, there are changes that cannot be made to the securities without specific approval of holders. The following is a list of those types of changes:

- to reduce the percentage of holders of securities who must consent to a waiver or amendment of the Indenture;
- to reduce the rate of interest on any security or change the time for payment of interest;
- to reduce the principal due on any security or change the fixed maturity of any security;
- to waive a default in the payment of principal or interest on any security;
- to change the currency of payment on a security, unless the security provides for payment in a currency that ceases to exist;
- in the case of convertible or exchangeable securities, to make changes to conversion or exchange rights that would be adverse to the interests of holders;
- to change the right of holders to waive an existing default by majority vote;
- to reduce the amount of principal or interest payable to holders following a default or change any conversion or exchange rights, or impair the right of holders to sue for payment; and
- to make any change to this list of changes that requires specific approval of holders.

Changes Requiring a Majority Vote. The second type of change to the Indenture and the securities is the kind that requires a vote in favor by security holders owning a majority of the principal amount of the particular series affected. Most changes fall into this category, except as set forth in the following paragraph. The same vote would be required for us to obtain a waiver of an existing default. However, we cannot obtain a waiver of a payment default unless we obtain each holder's individual consent to the waiver.

Changes Not Requiring Approval of Holders. The third type of change does not require any vote by holders of securities. This type includes, among others, clarifications of ambiguous contract terms, changes to make securities payable in U.S. dollars (if the stated denomination ceases to exist) and other changes that would not materially adversely affect holders of the securities.

Further Details Concerning Voting. When taking a vote, we will use the following rules to decide how much principal amount to attribute to a security:

- For securities denominated in one or more foreign currencies or currency units, we will use the U.S. dollar equivalent determined on the date of original issuance of these securities.

Securities will not be considered outstanding, and therefore not eligible to vote, if we have deposited or set aside in trust for the applicable holders money for their payment or redemption. A security does not cease to be outstanding because we or an affiliate of us is holding the security.

We will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding securities that are entitled to vote or take other action under the Indenture. However, the Indenture does not oblige us to fix any record date at all. If we set a record date for a vote or other action to be taken by holders of a particular series, that vote or action may be taken only by persons who are holders of outstanding securities of that series on the record date and must be taken within 90 days following the record date.

Holders who hold in "street name" and other indirect holders, including holders of any securities issued as global securities, should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the Indenture or the securities or request a waiver.

Discharge of Our Obligations

We can fully discharge ourselves from any payment or other obligations on the securities of any series if we make a deposit for the applicable holders with the trustee and certain other conditions are met. The deposit must be held in trust for the benefit of all direct holders of the securities and must be a combination of money and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the securities on their various due dates.

However, we cannot discharge ourselves from the obligations under any convertible or exchangeable securities, unless we provide for it in the terms of these securities.

If we accomplish full discharge, as described above, holders will have to rely solely on the trust deposit for repayment of the securities. Holders could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever become bankrupt or insolvent.

We will indemnify the trustee and holders against any tax, fee or other charge imposed on the U.S. government obligations we deposited with the trustee or against the principal and interest received on these obligations.

Liens on Assets

The Indenture does not restrict us from pledging or otherwise encumbering any of our assets and those of our subsidiaries.

Default and Related Matters

Ranking Compared to Other Creditors

The securities are not secured by any of our property or assets. Accordingly, ownership of securities means each holder is one of our unsecured creditors. The securities are not subordinated to any of our other debt obligations and therefore they rank equally with all our other unsecured and unsubordinated indebtedness. However, the trustee has a right to receive payment for its administrative services prior to any payment to security holders after a default.

Events of Default

Holders will have special rights if an event of default occurs and is not cured, as described later in this subsection.

What Is an Event of Default? The term "event of default" with respect to any series of securities means any of the following:

- We fail to make any interest payment on the securities of such series when it is due, and we do not cure this default within 90 days.
- We fail to make any payment of principal when it is due at the maturity of such series of securities or upon redemption.
- We fail to comply with any of our other agreements regarding a particular series of securities or with a supplemental indenture, and after we have been notified of the default by the trustee or holders of 25% in principal amount of the series, we do not cure the default within 90 days.
- We file for bankruptcy, or other events in bankruptcy, insolvency or reorganization occur.

Remedies if an Event of Default Occurs

Holders and the trustee will have the following remedies if an event of default occurs:

Acceleration. If an event of default has occurred and has not been cured or waived, then the trustee or the holders of 25% in principal amount of the securities of the affected series may declare the entire principal amount of and any accrued interest on all the securities of that series to be due and immediately payable. An acceleration of maturity may be cancelled by the holders of at least a majority in principal amount of the securities of the affected series, if all events of default have been cured or waived.

Special Duties of Trustee. If an event of default occurs, the trustee will have some special duties. In that situation, the trustee will be obligated to use those of its rights and powers under the Indenture, and to use the same degree of care and skill in doing so, that a prudent person would use in that situation in conducting his or her own affairs.

Other Remedies of Trustee. If an event of default occurs, the trustee is authorized to pursue any available remedy to collect defaulted principal and interest and to enforce other provisions of the securities and the Indenture, including bringing a lawsuit.

Majority Holders May Direct the Trustee to Take Actions to Protect Their Interests. The trustee is not required to take any action under the Indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability. This is called an "indemnity". If the trustee is provided with an indemnity reasonably satisfactory to it, the holders of a majority in principal amount of the relevant series of debt securities may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. These majority holders may also direct the trustee in performing any other action under the Indenture.

Individual Actions Holders May Take if the Trustee Fails to Act. Before a holder bypasses the trustee and brings such holder's own lawsuit or other formal legal action or take other steps to enforce such holder's rights or protect such holder's interests relating to the securities, the following must occur:

- Such holder must give the trustee written notice that an event of default has occurred and remains uncured.
- The holders of 25% in principal amount of all outstanding securities of the relevant series must make a written request that the trustee take action because of the default, and must offer indemnity reasonably satisfactory to the trustee against the cost and other liabilities of taking that action.
- The trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity.

- During the 60-day period, the holders of a majority in principal amount of the securities of that series do not give the trustee a direction inconsistent with the request.

However, a holder is entitled at any time to bring an individual lawsuit for the payment of the money due on such holder's security on or after its due date.

Waiver of Default

The holders of a majority in principal amount of the relevant series of debt securities may waive a default for all the relevant series of debt securities. If this happens, the default will be treated as if it had not occurred. No one can waive a payment default on a holder's debt security, however, without such holder's individual approval.

We Will Give the Trustee Information About Defaults Annually

Every year we will give to the trustee a written statement of one of our officers certifying that to the best of his or her knowledge we are in compliance with the Indenture and all the securities under it, or else specifying any default.

The trustee may withhold from holders notice of any uncured default, except for payment defaults, if it determines that withholding notice is in holders' interest.

Holders who hold in "street name" and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to make or cancel a declaration of acceleration.

Regarding the Trustee

The Bank of New York Mellon Trust Company, N.A. is the trustee under the Indenture. In addition, affiliates of The Bank of New York Mellon Trust Company, N.A. may perform various commercial banking and investment banking services for us and our subsidiaries from time to time in the ordinary course of business.

DESCRIPTION OF THE 4.000% GLOBAL NOTES DUE 2049, THE 4.250% GLOBAL NOTES DUE 2050 AND THE 3.750% GLOBAL NOTES DUE 2050

The following summary of AT&T's above referenced debt securities is based on and qualified by the indenture, dated as of May 15, 2013, with The Bank of New York Mellon Trust Company, N.A., acting as trustee (the "Indenture") and the 4.000% Global Notes due 2049 (the "2049 Notes"), the 4.250% Global Notes due 2050 (the "4.250% 2050 Notes") and the 3.750% Global Notes due 2050 (the "3.750% 2050 Notes" and, together with the 2049 Notes and the 4.250% 2050 Notes, the "Notes"). For a complete description of the terms and provisions of the Notes, please refer to the Indenture, which is filed as an exhibit to AT&T's Annual Report on Form 10-K for the year ended December 31, 2024 and to the forms of Notes, which are filed as exhibits to the Form 8-As filed with the Securities and Exchange Commission on February 27, 2020, December 12, 2019 and June 24, 2020.

General

The 2049 Notes:

- were issued in an aggregate initial principal amount of $2,995,000,000, which remains the amount outstanding, subject to our ability to issue additional 2049 Notes which may be of the same series as the 2049 Notes as described under "- Further Issues";

- mature on June 1, 2049;
- bear interest at the rate of 4.000% per annum, payable semiannually in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The 4.250% 2050 Notes:

- were issued in an aggregate initial principal amount of $1,265,000,000, which remains the amount outstanding, subject to our ability to issue additional 4.250% 2050 Notes which may be of the same series as the 4.250% 2050 Notes as described under "- Further Issues";
- mature on March 1, 2050;
- bear interest at the rate of 4.250% per annum, payable semiannually in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The 3.750% 2050 Notes:

- were issued in an aggregate initial principal amount of $1,050,000,000, which remains the amount outstanding, subject to our ability to issue additional 3.750% 2050 Notes which may be of the same series as the 3.750% 2050 Notes as described under "- Further Issues";
- mature on September 1, 2050;
- bear interest at the rate of 3.750% per annum, payable semiannually in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The Notes are unsecured and unsubordinated obligations and rank pari passu with all other indebtedness issued under our Indenture. Each series of Notes constitutes a separate series under the Indenture. The Notes are issued in fully registered form only and in minimum denominations of $100,000 and integral multiples of $1,000 thereafter. Principal and interest payments on the Notes registered in the name of the depositary or its nominee will be made to the depositary or its nominee, as the case may be, as the registered owner.

For purposes of the Notes, a business day means a business day in The City of New York and Taipei, Taiwan.

Interest

The 2049 Notes bear interest at the rate of 4.000% per annum, the 4.250% 2050 Notes bear interest at the rate of 4.250% per annum and the 3.750% 2050 Notes bear interest at the rate of 3.750% per annum.

We pay interest on the 2049 Notes in arrears on each June 1 and December 1, commencing on June 1, 2020, to the persons in whose names the 2049 Notes are registered at the close of business on the fifteenth day preceding the interest payment date. We pay interest on the 4.250% 2050 Notes in arrears on each March 1 and September 1, commencing on March 1, 2020, to the persons in whose names the 4.250% 2050 Notes are registered

at the close of business on the fifteenth day preceding the interest payment date. We pay interest on the 3.750% 2050 Notes in arrears on each March 1 and September 1, commencing on September 1, 2020, to the persons in whose names the 3.750% 2050 Notes are registered at the close of business on the fifteenth day preceding the interest payment date.

The 2049 Notes will mature on June 1, 2049, the 4.250% 2050 Notes will mature on March 1, 2050 and the 3.750% 2050 Notes will mature on September 1, 2050.

Interest on the Notes is computed on the basis of the number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the Notes, to but excluding the next scheduled interest payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months). This payment convention is referred to as 30/360.

Optional Redemption

We have the option to redeem all, but not less than all, of each series of the Notes then outstanding on the applicable Redemption Date (as set forth in the table below). In addition, on the first Redemption Date on which we opt to redeem any series of the Notes, we also have the option to instead only redeem 50% of the aggregate principal amount of such series of Notes then outstanding. If we opt to redeem 50% of the aggregate principal amount of a series of the Notes then outstanding on a Redemption Date, any remaining Notes of such series can be redeemed at our option on a future Redemption Date in whole but not in part. Any redemption described in this paragraph must be on not less than 10 nor more than 40 days' notice and will be at a redemption price equal to 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest to the date of redemption. We will calculate the redemption price in connection with any redemption hereunder.

Series	**Redemption Date**
2049 Notes	Each June 1 on or after June 1, 2025
4.250% 2050 Notes	Each March 1 on or after March 1, 2025
3.750% 2050 Notes	Each September 1 on or after September 1, 2025

On and after the redemption date, interest will cease to accrue on the Notes or the portion of the Notes called for redemption unless we default in the payment of the redemption price and accrued interest. On or before the redemption date, we will deposit with our paying agent or the trustee money sufficient to pay the redemption price of and accrued interest on the Notes to be redeemed on that date.

If less than all of any series of the Notes are to be redeemed, the Notes to be redeemed shall be selected pro rata or in accordance with applicable depositary procedures.

Payment of Additional Amounts

We will, subject to the exceptions and limitations set forth below, pay as additional interest on the Notes such additional amounts as are necessary so that the net payment by us or our paying agent of the principal of and interest on the Notes to a person that is a United States Alien, after deduction for any present or future tax, assessment or governmental charge of the United States or a political subdivision or taxing authority thereof or therein, imposed by withholding with respect to the payment, will not be less than the amount that would have been payable in respect of the Notes had no withholding or deduction been required. As used herein, "United States Alien" means any person who, for United States federal income tax purposes, is a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary of a foreign estate or trust, or a foreign partnership one or

more of the members of which is, for United States federal income tax purposes, a foreign corporation, a non-resident alien individual or a non-resident alien fiduciary of a foreign estate or trust.

Our obligation to pay additional amounts shall not apply:

(1) to any tax, assessment or governmental charge that is imposed or withheld solely because the beneficial owner, or a fiduciary, settlor, beneficiary or member of the beneficial owner if the beneficial owner is an estate, trust or partnership, or a person holding a power over an estate or trust administered by a fiduciary holder:

(a) is or was present or engaged in a trade or business in the United States, has or had a permanent establishment in the United States, or has any other present or former connection with the United States or any political subdivision or taxing authority thereof or therein;

(b) is or was a citizen or resident or is or was treated as a resident of the United States;

(c) is or was a foreign or domestic personal holding company, a passive foreign investment company or a controlled foreign corporation with respect to the United States or is or was a corporation that has accumulated earnings to avoid United States federal income tax;

(d) is or was a bank receiving interest described in Section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended (the "Code"); or

(e) is or was an actual or constructive owner of 10% or more of the total combined voting power of all classes of stock of AT&T entitled to vote;

(2) to any holder that is not the sole beneficial owner of the Notes, or a portion thereof, or that is a fiduciary or partnership, but only to the extent that the beneficial owner, a beneficiary or settlor with respect
to the fiduciary, or a member of the partnership would not have been entitled to the payment of an additional amount had such beneficial owner, beneficiary, settlor or member received directly its beneficial or distributive share of the payment;

(3) to any tax, assessment or governmental charge that is imposed or withheld solely because the beneficial owner or any other person failed to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of the Notes, if compliance is required by statute, by regulation of the United States Treasury Department or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such tax, assessment or other governmental charge;

(4) to any tax, assessment or governmental charge that is imposed other than by deduction or withholding by AT&T or a paying agent from the payment;

(5) to any tax, assessment or governmental charge that is imposed or withheld solely because of a change in law, regulation, or administrative or judicial interpretation that is announced or becomes effective after the day on which the payment becomes due or is duly provided for, whichever occurs later;

(6) to an estate, inheritance, gift, sales, excise, transfer, wealth or personal property tax or any similar tax, assessment or governmental charge;

(7) to any tax, assessment or other governmental charge any paying agent (which term may include us) must withhold from any payment of principal of or interest on any Note, if such payment can be made without such withholding by any other paying agent; or

(8) in the case of any combination of the above items.

In addition, any amounts to be paid on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and no additional amounts will be required to be paid on account of any such deduction or withholding.

The Notes are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation applicable. Except as specifically provided under this heading "-Payment of Additional Amounts" and under the heading "-Redemption Upon a Tax Event," we do not have to make any payment with respect to any tax, assessment or governmental charge imposed by any government or a political subdivision or taxing authority.

Any reference in the terms of the Notes of each series to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this provision.

Redemption Upon a Tax Event

If (a) we become or will become obligated to pay additional amounts with respect to any Notes as described herein under the heading "-Payment of Additional Amounts" as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of the United States (or any political subdivision or taxing authority thereof or therein), or any change in, or amendments to, any official position regarding the application or interpretation of such laws, regulations or rulings, which change or amendment is announced or becomes effective, on or after the date set forth in the table below with respect to the relevant series of Notes or (b) a taxing authority of the United States takes an action on or after the date set forth in the table below with respect to the relevant series of Notes, whether or not with respect to us or any of our affiliates, that results in a substantial probability that we will or may be required to pay such additional amounts, then we may, at our option, redeem, as a whole, but not in part, the Notes on any interest payment date on not less than 10 nor more than 40 calendar days' prior notice, at a redemption price equal to 100% of their principal amount, together with interest accrued thereon to the date fixed for redemption. No redemption pursuant to (b) above may be made unless we shall have received an opinion of independent counsel to the effect that an act taken by a taxing authority of the United States results in a substantial probability that we will or may be required to pay the additional amounts described herein under the heading "-Payment of Additional Amounts" and we shall have delivered to the trustee a certificate, signed by a duly authorized officer, stating that based on such opinion we are entitled to redeem the Notes pursuant to their terms.

Series	**Relevant Date of Taxation Change**
2049 Notes	February 13, 2020
4.250% 2050 Notes	December 12, 2019
3.750% 2050 Notes	June 16, 2020

Further Issues

We may from time to time, without notice to or the consent of the holders of any series of the Notes, create and issue further notes ranking equally and ratably with such Notes in all respects, or in all respects except for the payment of interest accruing prior to the issue date or except for the first payment of interest following the issue date of those further notes. Any further notes will have the same terms as to status, redemption or otherwise, and, to the extent permitted by applicable authorities in the Republic of China and subject to the receipt of all necessary regulatory and listing approvals from such authorities, including but not limited to the Taipei Exchange and the Taiwan Securities Association, will be fungible for United States federal income tax purposes with, the Notes of the applicable series. Any further notes shall be issued pursuant to a resolution of our board of directors, a supplement to the Indenture, or under an officers' certificate pursuant to the Indenture.

Notices

Notices to holders of the Notes will be given only to the depositary, in accordance with its applicable policies as in effect from time to time.

Prescription Period

Any money that we deposit with the trustee or any paying agent for the payment of principal or any interest on a Note that remains unclaimed for two years after the date upon which the principal and interest are due and payable will be repaid to us upon our request unless otherwise required by mandatory provisions of any applicable unclaimed property law. After that time, unless otherwise required by mandatory provisions of any unclaimed property law, the holder of the Note will be able to seek any payment to which that holder may be entitled to collect only from us.

Governing Law

The Notes are governed by and interpreted in accordance with the laws of the State of New York.

Special Situations Covered by Our Indenture

Mergers and Similar Transactions

We are generally permitted to consolidate or merge with another company. We are also permitted to sell substantially all of our assets to another company. However, we may not take any of these actions unless all the following conditions are met:

- Where we merge out of existence or sell our assets, the company we merge into or sell to may not be organized under the laws of a foreign country. It must be a corporation organized under the laws of the United States, any State thereof, or the District of Columbia.
- The company we merge into or sell to must agree to be legally responsible for our debt securities.
- The merger, sale of assets or other transaction must not cause a default on the securities, and we must not already be in default, unless the merger or other transaction would cure the default. For purposes of this no-default test, a default would include an event of default that has occurred and not been cured, as described below under "- Default and Related Matters - Events of Default - What Is an Event of Default?" A default for this purpose would also include any event that would be an event of default if the requirements for giving us default notice or our default having to exist for a specific period of time were disregarded.

Further, we may buy substantially all of the assets of another company without complying with any of the foregoing conditions.

Modification and Waiver of Holders' Contractual Rights

Under certain circumstances, we can make changes to the Indenture and the securities (including the Notes). Some types of changes require the approval of each security holder affected, some require approval by a majority vote, and some changes do not require any approval at all.

Changes Requiring Approval of Holders. First, there are changes that cannot be made to the securities without specific approval of holders. The following is a list of those types of changes:

- to reduce the percentage of holders of securities who must consent to a waiver or amendment of the Indenture;
- to reduce the rate of interest on any security or change the time for payment of interest;
- to reduce the principal due on any security or change the fixed maturity of any security;
- to waive a default in the payment of principal or interest on any security;
- to change the currency of payment on a security, unless the security provides for payment in a currency that ceases to exist;
- in the case of convertible or exchangeable securities, to make changes to conversion or exchange rights that would be adverse to the interests of holders;
- to change the right of holders to waive an existing default by majority vote;
- to reduce the amount of principal or interest payable to holders following a default or change any conversion or exchange rights, or impair the right of holders to sue for payment; and
- to make any change to this list of changes that requires specific approval of holders.

Changes Requiring a Majority Vote. The second type of change to the Indenture and the securities is the kind that requires a vote in favor by security holders owning a majority of the principal amount of the particular series affected. Most changes fall into this category, except as set forth in the following paragraph. The same vote would be required for us to obtain a waiver of an existing default. However, we cannot obtain a waiver of a payment default unless we obtain each holder's individual consent to the waiver.

Changes Not Requiring Approval of Holders. The third type of change does not require any vote by holders of securities. This type includes, among others, clarifications of ambiguous contract terms, changes to make securities payable in U.S. dollars (if the stated denomination ceases to exist) and other changes that would not materially adversely affect holders of the securities.

Further Details Concerning Voting. When taking a vote, we will use the following rules to decide how much principal amount to attribute to a security:

- For securities denominated in one or more foreign currencies or currency units, we will use the U.S. dollar equivalent determined on the date of original issuance of these securities.

Securities will not be considered outstanding, and therefore not eligible to vote, if we have deposited or set aside in trust for the applicable holders money for their payment or redemption. A security does not cease to be outstanding because we or an affiliate of us is holding the security.

We will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding securities that are entitled to vote or take other action under the Indenture. However, the Indenture does not oblige us to fix any record date at all. If we set a record date for a vote or other action to be taken by holders of a particular series, that vote or action may be taken only by persons who are holders of outstanding securities of that series on the record date and must be taken within 90 days following the record date.

Holders who hold in "street name" and other indirect holders, including holders of any securities issued as global securities, should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the Indenture or the securities or request a waiver.

Discharge of Our Obligations

We can fully discharge ourselves from any payment or other obligations on the securities of any series if we make a deposit for the applicable holders with the trustee and certain other conditions are met. The deposit must be held in trust for the benefit of all direct holders of the securities and must be a combination of money and U.S.

government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the securities on their various due dates.

However, we cannot discharge ourselves from the obligations under any convertible or exchangeable securities, unless we provide for it in the terms of these securities.

If we accomplish full discharge, as described above, holders will have to rely solely on the trust deposit for repayment of the securities. Holders could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever become bankrupt or insolvent.

We will indemnify the trustee and holders against any tax, fee or other charge imposed on the U.S. government obligations we deposited with the trustee or against the principal and interest received on these obligations.

Liens on Assets

The Indenture does not restrict us from pledging or otherwise encumbering any of our assets and those of our subsidiaries.

Default and Related Matters

Ranking Compared to Other Creditors

The securities are not secured by any of our property or assets. Accordingly, ownership of securities means each holder is one of our unsecured creditors. The securities are not subordinated to any of our other debt obligations and therefore they rank equally with all our other unsecured and unsubordinated indebtedness. However, the trustee has a right to receive payment for its administrative services prior to any payment to security holders after a default.

Events of Default

Holders will have special rights if an event of default occurs and is not cured, as described later in this subsection.

What Is an Event of Default? The term "event of default" with respect to any series of securities means any of the following:

- We fail to make any interest payment on the securities of such series when it is due, and we do not cure this default within 90 days.
- We fail to make any payment of principal when it is due at the maturity of such series of securities or upon redemption.
- We fail to comply with any of our other agreements regarding a particular series of securities or with a supplemental indenture, and after we have been notified of the default by the trustee or holders of 25% in principal amount of the series, we do not cure the default within 90 days.
- We file for bankruptcy, or other events in bankruptcy, insolvency or reorganization occur.

Remedies if an Event of Default Occurs

Holders and the trustee will have the following remedies if an event of default occurs:

Acceleration. If an event of default has occurred and has not been cured or waived, then the trustee or the holders of 25% in principal amount of the securities of the affected series may declare the entire principal amount of

and any accrued interest on all the securities of that series to be due and immediately payable. An acceleration of maturity may be cancelled by the holders of at least a majority in principal amount of the securities of the affected series, if all events of default have been cured or waived.

Special Duties of Trustee. If an event of default occurs, the trustee will have some special duties. In that situation, the trustee will be obligated to use those of its rights and powers under the Indenture, and to use the same degree of care and skill in doing so, that a prudent person would use in that situation in conducting his or her own affairs.

Other Remedies of Trustee. If an event of default occurs, the trustee is authorized to pursue any available remedy to collect defaulted principal and interest and to enforce other provisions of the securities and the Indenture, including bringing a lawsuit.

Majority Holders May Direct the Trustee to Take Actions to Protect Their Interests. The trustee is not required to take any action under the Indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability. This is called an "indemnity". If the trustee is provided with an indemnity reasonably satisfactory to it, the holders of a majority in principal amount of the relevant series of debt securities may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. These majority holders may also direct the trustee in performing any other action under the Indenture.

Individual Actions Holders May Take if the Trustee Fails to Act. Before a holder bypasses the trustee and brings such holder's own lawsuit or other formal legal action or take other steps to enforce such holder's rights or protect such holder's interests relating to the securities, the following must occur:

- Such holder must give the trustee written notice that an event of default has occurred and remains uncured.
- The holders of 25% in principal amount of all outstanding securities of the relevant series must make a written request that the trustee take action because of the default, and must offer indemnity reasonably satisfactory to the trustee against the cost and other liabilities of taking that action.
- The trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity.
- During the 60-day period, the holders of a majority in principal amount of the securities of that series do not give the trustee a direction inconsistent with the request.

However, a holder is entitled at any time to bring an individual lawsuit for the payment of the money due on such holder's security on or after its due date.

Waiver of Default

The holders of a majority in principal amount of the relevant series of debt securities may waive a default for all the relevant series of debt securities. If this happens, the default will be treated as if it had not occurred. No one can waive a payment default on a holder's debt security, however, without such holder's individual approval.

We Will Give the Trustee Information About Defaults Annually

Every year we will give to the trustee a written statement of one of our officers certifying that to the best of his or her knowledge we are in compliance with the Indenture and all the securities under it, or else specifying any default.

The trustee may withhold from holders notice of any uncured default, except for payment defaults, if it determines that withholding notice is in holders' interest.

Holders who hold in "street name" and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to make or cancel a declaration of acceleration.

Regarding the Trustee

The Bank of New York Mellon Trust Company, N.A. is the trustee under the Indenture. In addition, affiliates of The Bank of New York Mellon Trust Company, N.A. may perform various commercial banking and investment banking services for us and our subsidiaries from time to time in the ordinary course of business.

DESCRIPTION OF THE 5.350% GLOBAL NOTES DUE 2066 AND THE 5.625% GLOBAL NOTES DUE 2067

The following summary of AT&T's above referenced debt securities is based on and qualified by the indenture, dated as of May 15, 2013, with The Bank of New York Mellon Trust Company, N.A., acting as trustee (the "Indenture") and the 5.350% Global Notes due 2066 (the "2066 Notes") and 5.625% Global Notes due 2067 (the "2067 Notes" and, together with the 2066 Notes, the "Notes"). For a complete description of the terms and provisions of the Notes, please refer to the Indenture, which is filed as an exhibit to AT&T's Annual Report on Form 10-K for the year ended December 31, 2024 and to the forms of Notes, which are filed as exhibits to the Form 8-As filed with the Securities and Exchange Commission on October 27, 2017 and August 1, 2018.

General

The 2066 Notes:

- were issued in an aggregate initial principal amount of $1,322,500,000, which remains the amount outstanding, subject to our ability to issue additional 2066 Notes which may be of the same series as the 2066 Notes as described under "- Further Issues";
- mature on November 1, 2066;
- bear interest at the rate of 5.350% per annum, payable quarterly in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The 2067 Notes:

- were issued in an aggregate initial principal amount of $825,000,000, which remains the amount outstanding, subject to our ability to issue additional 2067 Notes which may be of the same series as the 2067 Notes as described under "- Further Issues";
- mature on August 1, 2067;
- bear interest at the rate of 5.625% per annum, payable quarterly in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The Notes are unsecured and unsubordinated obligations and rank pari passu with all other indebtedness issued under our Indenture. Each series of Notes constitutes a separate series under the Indenture. The Notes are issued in fully registered form only and in minimum denominations of $25 and integral multiples of $25 thereafter. Principal and interest payments on the Notes registered in the name of the depositary or its nominee will be made to the depositary or its nominee, as the case may be, as the registered owner of the global notes.

For purposes of the Notes, a business day means a business day in the City of New York.

Interest

The 2066 Notes bear interest at the rate of 5.350% per annum and the 2067 Notes bear interest at the rate of 5.625% per annum.

We pay interest on the 2066 Notes and the 2067 Notes in arrears on each February 1, May 1, August 1 and November 1, commencing on February 1, 2018 with respect to the 2066 Notes and commencing on November 1, 2018 with respect to the 2067 Notes, to the persons in whose names the Notes are registered at the close of business on the fifteenth day preceding the respective interest payment date.

The 2066 Notes will mature on November 1, 2066 and the 2067 Notes will mature on August 1, 2067.

Optional Redemption

We may, at our option, redeem the 2066 Notes, in whole or in part, at any time and from time to time on or after November 1, 2022, and redeem the 2067 Notes, in whole or in part, at any time and from time to time on or after August 1, 2023, in each case, on at least 30 days', but not more than 60 days', prior notice mailed (or otherwise transmitted in accordance with The Depository Trust Company ("DTC") procedures) to the registered address of each holder of the Notes to be redeemed. The redemption price will be equal to 100% of the principal amount of the Notes to be redeemed plus accrued but unpaid interest to, but excluding, the redemption date.

On and after the redemption date, interest will cease to accrue on the Notes or any portion of the Notes called for redemption, unless we default in the payment of the redemption price and accrued interest. On or before the redemption date, we will deposit with our paying agent or the trustee money sufficient to pay the redemption price of and accrued interest on the Notes to be redeemed on that date. In the case of any partial redemption, selection of the Notes of a series to be redeemed will be made in accordance with applicable procedures of DTC.

Payment of Additional Amounts

We will, subject to the exceptions and limitations set forth below, pay as additional interest on the Notes such additional amounts as are necessary so that the net payment by us or our paying agent of the principal of and interest on the Notes to a person that is a United States Alien, after deduction for any present or future tax, assessment or governmental charge of the United States or a political subdivision or taxing authority thereof or therein, imposed by withholding with respect to the payment, will not be less than the amount that would have been payable in respect of the Notes had no withholding or deduction been required. As used herein, "United States Alien" means any person who, for United States federal income tax purposes, is a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a non-resident alien individual or a non-resident alien fiduciary of a foreign estate or trust.

Our obligation to pay additional amounts shall not apply:

(1) to any tax, assessment or governmental charge that is imposed or withheld solely because the beneficial owner, or a fiduciary, settlor, beneficiary or member of the beneficial owner if the beneficial owner is an estate, trust or partnership, or a person holding a power over an estate or trust administered by a fiduciary holder:

(a) is or was present or engaged in a trade or business in the United States, has or had a permanent establishment in the United States, or has any other present or former connection with the United States or any political subdivision or taxing authority thereof or therein;

(b) is or was a citizen or resident or is or was treated as a resident of the United States;

(c) is or was a foreign or domestic personal holding company, a passive foreign investment company or a controlled foreign corporation with respect to the United States or is or was a corporation that has accumulated earnings to avoid United States federal income tax;

(d) is or was a bank receiving interest described in Section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended (the "Code"); or

(e) is or was an actual or constructive owner of 10% or more of the total combined voting power of all classes of stock of AT&T entitled to vote;

(2) to any holder that is not the sole beneficial owner of the Notes, or a portion thereof, or that is a fiduciary or partnership, but only to the extent that the beneficial owner, a beneficiary or settlor with respect to the fiduciary, or a member of the partnership would not have been entitled to the payment of an additional amount had such beneficial owner, beneficiary, settlor or member received directly its beneficial or distributive share of the payment;

(3) to any tax, assessment or governmental charge that is imposed or withheld solely because the beneficial owner or any other person failed to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of the Notes, if compliance is required by statute, by regulation of the United States Treasury Department or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such tax, assessment or other governmental charge;

(4) to any tax, assessment or governmental charge that is imposed other than by deduction or withholding by AT&T or a paying agent from the payment;

(5) to any tax, assessment or governmental charge that is imposed or withheld solely because of a change in law, regulation, or administrative or judicial interpretation that is announced or becomes effective after the day on which the payment becomes due or is duly provided for, whichever occurs later;

(6) to an estate, inheritance, gift, sales, excise, transfer, wealth or personal property tax or any similar tax, assessment or governmental charge;

(7) to any tax, assessment or other governmental charge any paying agent (which term may include us) must withhold from any payment of principal of or interest on any Note, if such payment can be made without such withholding by any other paying agent; or

(8) in the case of any combination of the above items.

In addition, any amounts to be paid on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and no additional amounts will be required to be paid on account of any such deduction or withholding.

The Notes are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation applicable. Except as specifically provided under this heading "- Payment of Additional Amounts"

and under the heading "- Redemption Upon a Tax Event," we do not have to make any payment with respect to any tax, assessment or governmental charge imposed by any government or a political subdivision or taxing authority.

Any reference in the terms of the Notes of each series to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this provision.

Redemption Upon a Tax Event

If (a) we become or will become obligated to pay additional amounts with respect to any Notes as described herein under the heading "- Payment of Additional Amounts" as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of the United States (or any political subdivision or taxing authority thereof or therein), or any change in, or amendments to, any official position regarding the application or interpretation of such laws, regulations or rulings, which change or amendment is announced or becomes effective, on or after October 25, 2017 with respect to the 2066 Notes or on or after July 25, 2018 with respect to the 2067 Notes or (b) a taxing authority of the United States takes an action on or after October 25, 2017 with respect to the 2066 Notes or on or after July 25, 2018 with respect to the 2067 Notes, whether or not with respect to us or any of our affiliates, that results in a substantial probability that we will or may be required to pay such additional amounts, then we may, at our option, redeem, as a whole, but not in part, the applicable series of Notes on any interest payment date on not less than 30 nor more than 60 calendar days' prior notice, at a redemption price equal to 100% of their principal amount, together with interest accrued thereon to the date fixed for redemption. No redemption pursuant to (b) above may be made unless we shall have received an opinion of independent counsel to the effect that an act taken by a taxing authority of the United States results in a substantial probability that we will or may be required to pay the additional amounts described herein under the heading "- Payment of Additional Amounts" and we shall have delivered to the trustee a certificate, signed by a duly authorized officer, stating that based on such opinion we are entitled to redeem the Notes pursuant to their terms.

Further Issues

We may from time to time, without notice to or the consent of the holders of any series of the Notes, create and issue further notes ranking equally and ratably with such series in all respects, or in all respects except for the payment of interest accruing prior to the issue date or except for the first payment of interest following the issue date of those further notes. Any further notes will have the same terms as to status, redemption or otherwise as, and will be fungible for United States federal income tax purposes with, the Notes of the applicable series. Any further notes shall be issued pursuant to a resolution of our board of directors, a supplement to the Indenture, or under an officers' certificate pursuant to the Indenture.

Notices

Notices to holders of the Notes will be given only to the depositary, in accordance with its applicable policies as in effect from time to time.

Prescription Period

Any money that we deposit with the trustee or any paying agent for the payment of principal or any interest on any global note of any series that remains unclaimed for two years after the date upon which the principal and interest are due and payable will be repaid to us upon our request unless otherwise required by mandatory provisions of any applicable unclaimed property law. After that time, unless otherwise required by mandatory provisions of any unclaimed property law, the holder of the global note will be able to seek any payment to which that holder may be entitled to collect only from us.

Governing Law

The Notes will be governed by and interpreted in accordance with the laws of the State of New York.

Special Situations Covered by Our Indenture

Mergers and Similar Transactions

We are generally permitted to consolidate or merge with another company. We are also permitted to sell substantially all of our assets to another company. However, we may not take any of these actions unless all the following conditions are met:

- Where we merge out of existence or sell our assets, the company we merge into or sell to may not be organized under the laws of a foreign country. It must be a corporation organized under the laws of the United States, any State thereof, or the District of Columbia.
- The company we merge into or sell to must agree to be legally responsible for our debt securities.
- The merger, sale of assets or other transaction must not cause a default on the securities, and we must not already be in default, unless the merger or other transaction would cure the default. For purposes of this no-default test, a default would include an event of default that has occurred and not been cured, as described below under "- Default and Related Matters - Events of Default - What Is an Event of Default?" A default for this purpose would also include any event that would be an event of default if the requirements for giving us default notice or our default having to exist for a specific period of time were disregarded.

Further, we may buy substantially all of the assets of another company without complying with any of the foregoing conditions.

Modification and Waiver of Holders' Contractual Rights

Under certain circumstances, we can make changes to the Indenture and the securities (including the Notes). Some types of changes require the approval of each security holder affected, some require approval by a majority vote, and some changes do not require any approval at all.

Changes Requiring Approval of Holders. First, there are changes that cannot be made to the securities without specific approval of holders. The following is a list of those types of changes:

- to reduce the percentage of holders of securities who must consent to a waiver or amendment of the Indenture;
- to reduce the rate of interest on any security or change the time for payment of interest;
- to reduce the principal due on any security or change the fixed maturity of any security;
- to waive a default in the payment of principal or interest on any security;
- to change the currency of payment on a security, unless the security provides for payment in a currency that ceases to exist;
- in the case of convertible or exchangeable securities, to make changes to conversion or exchange rights that would be adverse to the interests of holders;
- to change the right of holders to waive an existing default by majority vote;
- to reduce the amount of principal or interest payable to holders following a default or change any conversion or exchange rights, or impair the right of holders to sue for payment; and
- to make any change to this list of changes that requires specific approval of holders.

Changes Requiring a Majority Vote. The second type of change to the Indenture and the securities is the kind that requires a vote in favor by security holders owning a majority of the principal amount of the particular series affected. Most changes fall into this category, except as set forth in the following paragraph. The same vote

would be required for us to obtain a waiver of an existing default. However, we cannot obtain a waiver of a payment default unless we obtain each holder's individual consent to the waiver.

Changes Not Requiring Approval of Holders. The third type of change does not require any vote by holders of securities. This type includes, among others, clarifications of ambiguous contract terms, changes to make securities payable in U.S. dollars (if the stated denomination ceases to exist) and other changes that would not materially adversely affect holders of the securities.

Further Details Concerning Voting. When taking a vote, we will use the following rules to decide how much principal amount to attribute to a security:

- For securities denominated in one or more foreign currencies or currency units, we will use the U.S. dollar equivalent determined on the date of original issuance of these securities.

Securities will not be considered outstanding, and therefore not eligible to vote, if we have deposited or set aside in trust for the applicable holders money for their payment or redemption. A security does not cease to be outstanding because we or an affiliate of us is holding the security.

We will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding securities that are entitled to vote or take other action under the Indenture. However, the Indenture does not oblige us to fix any record date at all. If we set a record date for a vote or other action to be taken by holders of a particular series, that vote or action may be taken only by persons who are holders of outstanding securities of that series on the record date and must be taken within 90 days following the record date.

Holders who hold in "street name" and other indirect holders, including holders of any securities issued as global securities, should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the Indenture or the securities or request a waiver.

Discharge of Our Obligations

We can fully discharge ourselves from any payment or other obligations on the securities of any series if we make a deposit for the applicable holders with the trustee and certain other conditions are met. The deposit must be held in trust for the benefit of all direct holders of the securities and must be a combination of money and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the securities on their various due dates.

However, we cannot discharge ourselves from the obligations under any convertible or exchangeable securities, unless we provide for it in the terms of these securities.

If we accomplish full discharge, as described above, holders will have to rely solely on the trust deposit for repayment of the securities. Holders could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever become bankrupt or insolvent.

We will indemnify the trustee and holders against any tax, fee or other charge imposed on the U.S. government obligations we deposited with the trustee or against the principal and interest received on these obligations.

Liens on Assets

The Indenture does not restrict us from pledging or otherwise encumbering any of our assets and those of our subsidiaries.

Default and Related Matters

Ranking Compared to Other Creditors

The securities are not secured by any of our property or assets. Accordingly, ownership of securities means each holder is one of our unsecured creditors. The securities are not subordinated to any of our other debt obligations and therefore they rank equally with all our other unsecured and unsubordinated indebtedness. However, the trustee has a right to receive payment for its administrative services prior to any payment to security holders after a default.

Events of Default

Holders will have special rights if an event of default occurs and is not cured, as described later in this subsection.

What Is an Event of Default? The term "event of default" with respect to any series of securities means any of the following:

- We fail to make any interest payment on the securities of such series when it is due, and we do not cure this default within 90 days.
- We fail to make any payment of principal when it is due at the maturity of such series of securities or upon redemption.
- We fail to comply with any of our other agreements regarding a particular series of securities or with a supplemental indenture, and after we have been notified of the default by the trustee or holders of 25% in principal amount of the series, we do not cure the default within 90 days.
- We file for bankruptcy, or other events in bankruptcy, insolvency or reorganization occur.

Remedies if an Event of Default Occurs

Holders and the trustee will have the following remedies if an event of default occurs:

Acceleration. If an event of default has occurred and has not been cured or waived, then the trustee or the holders of 25% in principal amount of the securities of the affected series may declare the entire principal amount of and any accrued interest on all the securities of that series to be due and immediately payable. An acceleration of maturity may be cancelled by the holders of at least a majority in principal amount of the securities of the affected series, if all events of default have been cured or waived.

Special Duties of Trustee. If an event of default occurs, the trustee will have some special duties. In that situation, the trustee will be obligated to use those of its rights and powers under the Indenture, and to use the same degree of care and skill in doing so, that a prudent person would use in that situation in conducting his or her own affairs.

Other Remedies of Trustee. If an event of default occurs, the trustee is authorized to pursue any available remedy to collect defaulted principal and interest and to enforce other provisions of the securities and the Indenture, including bringing a lawsuit.

Majority Holders May Direct the Trustee to Take Actions to Protect Their Interests. The trustee is not required to take any action under the Indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability. This is called an "indemnity". If the trustee is provided with an indemnity reasonably satisfactory to it, the holders of a majority in principal amount of the relevant series of debt securities may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. These majority holders may also direct the trustee in performing any other action under the Indenture.

Individual Actions Holders May Take if the Trustee Fails to Act. Before a holder bypasses the trustee and brings such holder's own lawsuit or other formal legal action or take other steps to enforce such holder's rights or protect such holder's interests relating to the securities, the following must occur:

- Such holder must give the trustee written notice that an event of default has occurred and remains uncured.
- The holders of 25% in principal amount of all outstanding securities of the relevant series must make a written request that the trustee take action because of the default, and must offer indemnity reasonably satisfactory to the trustee against the cost and other liabilities of taking that action.
- The trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity.
- During the 60-day period, the holders of a majority in principal amount of the securities of that series do not give the trustee a direction inconsistent with the request.

However, a holder is entitled at any time to bring an individual lawsuit for the payment of the money due on such holder's security on or after its due date.

Waiver of Default

The holders of a majority in principal amount of the relevant series of debt securities may waive a default for all the relevant series of debt securities. If this happens, the default will be treated as if it had not occurred. No one can waive a payment default on a holder's debt security, however, without such holder's individual approval.

We Will Give the Trustee Information About Defaults Annually

Every year we will give to the trustee a written statement of one of our officers certifying that to the best of his or her knowledge we are in compliance with the Indenture and all the securities under it, or else specifying any default.

The trustee may withhold from holders notice of any uncured default, except for payment defaults, if it determines that withholding notice is in holders' interest.

Holders who hold in "street name" and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to make or cancel a declaration of acceleration.

Regarding the Trustee

The Bank of New York Mellon Trust Company, N.A. is the trustee under the Indenture. In addition, affiliates of The Bank of New York Mellon Trust Company, N.A. may perform various commercial banking and investment banking services for us and our subsidiaries from time to time in the ordinary course of business.

DESCRIPTION OF THE 7.000% GLOBAL NOTES DUE 2040 AND THE 4.875% GLOBAL NOTES DUE 2044

The following summary of AT&T's above referenced debt securities is based on and qualified by the indenture, dated as of November 1, 1994, with The Bank of New York Mellon, acting as trustee (the "Indenture") and the 7.000% Global Notes due 2040 (the "2040 Notes") and the 4.875% Global Notes due 2044 (the "2044 Notes" and, together with the 2040 Notes, the "Notes"). For a complete description of the terms and provisions of the Notes, please refer to the Indenture, which is filed as an exhibit to AT&T's Annual Report on Form 10-K for the

year ended December 31, 2024 and to the forms of Notes, which are filed as exhibits to the Form 8-As filed with the Securities and Exchange Commission on May 1, 2009 and May 30, 2012.

General

The 2040 Notes:

- were issued in an aggregate initial principal amount of £1,100,000,000, which remains the amount outstanding, subject to our ability to issue additional 2040 Notes which may be of the same series as the 2040 Notes as described under "- Further Issues";
- mature on April 30, 2040;
- bear interest at the rate of 7.000% per annum, payable annually in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The 2044 Notes:

- were issued in an aggregate initial principal amount of £1,250,000,000, which remains the amount outstanding, subject to our ability to issue additional 2044 Notes which may be of the same series as the 2044 Notes as described under "- Further Issues";
- mature on June 1, 2044;
- bear interest at the rate of 4.875% per annum, payable annually in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The Notes are unsecured and unsubordinated obligations and rank *pari passu* with all other indebtedness issued under our Indenture. Each series of Notes constitutes a separate series under the Indenture. The Notes are issued in fully registered form only and (i) with respect to the 2040 Notes, in minimum denominations of £50,000 and integral multiples of £50,000 thereafter and (ii) with respect to the 2044 Notes, in minimum denominations of £100,000 and integral multiples of £1,000 in excess thereof. Principal and interest payments of the Notes are payable by us in pound sterling. Payments of principal, interest and additional amounts, if any, in respect of the Notes will be made to the Depository Trust Company, Euroclear System, Clearstream Banking S.A. or such nominee or common depositary, as the case may be, as registered holder thereof.

For purposes of the 2040 Notes, a business day means any day other than a Saturday or Sunday or a day on which banking institutions in the City of New York or the City of London are authorized or required by law or executive order to close.

For purposes of the 2044 Notes, a business day means a business day in the City of New York and London.

Interest

The 2040 Notes bear interest at the rate of 7.000% per annum and the 2044 Notes bear interest at the rate of 4.875% per annum.

We pay interest on the 2040 Notes annually in arrears on April 30, commencing on April 30, 2010, to the persons in whose names our 2040 Notes are registered at the close of business on the April 15 preceding each interest payment date. We pay interest on the 2044 Notes annually in arrears on June 1, commencing on June 1, 2013, to the persons in whose names the 2044 Notes are registered at the close of business on the May 15 preceding the interest payment date.

The 2040 Notes mature on April 30, 2040 and the 2044 Notes will mature on June 1, 2044.

Interest on the Notes is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the Notes, to but excluding the next scheduled interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

Optional Redemption of the Notes

The Notes of each series will be redeemable, as a whole or in part, at our option, at any time and from time to time on at least 30 days', but not more than 60 days', prior notice mailed to the registered address of each holder of the Notes of that series. The redemption price will be equal to the greater of (1) 100% of the principal amount of the Notes of that series to be redeemed or (2) the sum of the present values of the Remaining Scheduled Payments (as defined below) discounted to the redemption date, on an annual basis (actual/actual (ICMA)), at a rate equal to the Treasury Rate (as defined below) and 25 basis points for each series of the Notes. In either case, accrued interest will be payable to the redemption date.

"*Treasury Rate*" means the price, expressed as a percentage (rounded to three decimal places, 0.0005 being rounded upwards), at which the gross redemption yield (as calculated by the trustee) on the Notes of the applicable series, if they were to be purchased at such price on the third dealing day prior to the date fixed for redemption, would be equal to the gross redemption yield on such dealing day of the Reference Bond (as defined below) on the basis of the middle market price of the Reference Bond prevailing at 11:00 a.m. (London time) on such dealing day as determined by the trustee.

"*Reference Bond*" means, in relation to any Treasury Rate calculation, at the discretion of the trustee, a United Kingdom government bond whose maturity is closest to the maturity of the Notes of the applicable series, or if the trustee in its discretion considers that such similar bond is not in issue, such other United Kingdom government bond as the trustee may, with the advice of three brokers of, and/or market makers in, United Kingdom government bonds selected by the trustee, determine to be appropriate for determining the Treasury Rate.

"*Remaining Scheduled Payments*" means, with respect to each Note of a series to be redeemed, the remaining scheduled payments of principal of and interest on the Note that would be due after the related redemption date but for the redemption. If that redemption date is not an interest payment date with respect to the applicable series of Notes, the amount of the next succeeding scheduled interest payment on the Notes will be reduced by the amount of interest accrued on the Notes to the redemption date.

On and after the redemption date, interest will cease to accrue on the Notes or any portion of the Notes called for redemption unless we default in the payment of the redemption price and accrued interest. On or before the redemption date, we will deposit with a paying agent or the trustee money sufficient to pay the redemption price of and accrued interest on the Notes to be redeemed on that date.

In the case of any partial redemption, selection of the Notes of a series will be made by the trustee by lot or by such other method as the trustee in its sole discretion deems to be fair and appropriate.

Redemption for Taxation Reasons

If (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined below under "Interpretation"), or any change in the official interpretation of the laws or regulations of a

Relevant Jurisdiction, which change or amendment becomes effective after April 24, 2009 with respect to the 2040 Notes and May 22, 2012 with respect to the 2044 Notes, on the next Interest Payment Date we would be required to pay additional amounts as provided or referred to below under "- Payment Without Withholding" and (b) the requirement cannot be avoided by our taking reasonable measures available to us, we may at our option, having given not less than 30 nor more than 60 days' notice to the holders of Notes of each applicable series (which notice shall be irrevocable), redeem all, but not a portion of, the applicable series of Notes at any time at their principal amount together with interest accrued to, but excluding, the date of redemption provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which we would be obliged to pay such additional amounts were a payment in respect of the applicable series of Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, we shall deliver to the trustee a certificate signed by two of our executive officers stating that the requirement referred to in (a) above will apply on the next Interest Payment Date and setting forth a statement of facts showing that the conditions precedent to the right of AT&T so to redeem have occurred, cannot be avoided by us taking reasonable measures available to us and an opinion of independent legal advisers of recognized international standing to the effect that AT&T has or will become obliged to pay such additional amounts as a result of the change or amendment, in each case to be held by the trustee and made available for viewing at the offices of the trustee on request by any holder of each applicable series of Notes.

Payment Without Withholding

All payments in respect of the Notes by or on behalf of AT&T shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("Taxes") imposed, collected, withheld, assessed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, we will pay such additional amounts to a holder who is a United States Alien (as defined below) as may be necessary in order that the net amounts received by the holder after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of each applicable series of the Notes in the absence of the withholding or deduction; except that no such additional amounts shall be payable in relation to any payment in respect of any
Note:

(a) where such withholding or deduction would not have been so imposed but for:

(i) in the case of payment by AT&T, the existence of any present or former connection between the holder of the Note (or between a fiduciary, settlor, shareholder, beneficiary or member of the holder of the Note, if such holder is an estate, a trust, a corporation or a partnership) and the United States, including, without limitation, such holder (or such fiduciary, settlor, shareholder, beneficiary or member) being or having been a citizen or resident or treated as a resident thereof, or being or having been engaged in trade or business or presence therein, or having or having had a permanent establishment therein;

(ii) in the case of payment by AT&T, the present or former status of the holder of the Note as a personal holding company, a foreign personal holding company, a passive foreign investment company, or a controlled foreign corporation for United States federal income tax purposes or a corporation which accumulates earnings to avoid United States federal income tax;

(iii) in the case of payment by AT&T, the past or present or future status of the holder of the Note as the actual or constructive owner of 10% or more of either the total combined voting power of all classes of stock of AT&T entitled to vote if AT&T was treated as a corporation, or the capital or profits interest in AT&T, if AT&T is treated as a partnership for United States federal income tax purposes or as a bank receiving interest described in Section 881(c) (3) (A) of the Internal Revenue Code of 1986, as amended; or

(iv) the failure by the holder of the Note to comply with any certification, identification or other reporting requirements concerning the nationality, residence, identity or connection with the United States (in the case of payment by AT&T) of such holder, if compliance is required by statute or by regulation as a precondition to exemption from such withholding or deduction;

(b) in the case of payment by AT&T to any United States Alien, if such person is a fiduciary or partnership or other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the bearer of such Note. As used herein, "United States Alien" means any person who, for United States federal income tax purposes, is a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a non-resident alien individual or a non-resident alien fiduciary of a foreign estate or trust;

(c) to the extent that the withholding or deduction is as a result of the imposition of any gift, inheritance, estate, sales, transfer, personal property or any similar tax, assessment or other governmental charge;

(d) to, or to a third party on behalf of, a holder who is liable for the Taxes in respect of the Notes by reason of his having any or some present or former connection, including but not limited to fiscal residency, fiscal deemed residency and substantial interest shareholdings, with the Relevant Jurisdiction, other than the mere holding of the Notes;

(e) presented for payment more than 30 days after the Relevant Date except to the extent that a holder would have been entitled to additional amounts on presenting the relevant Notes for payment on the last day of the period of 30 days assuming that day to have been an Interest Payment Date;

(f) any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal or of interest on any Notes, if such payment can be made without withholding by any other paying agent;

(g) any tax, assessment or governmental charge that is imposed or withheld solely because the beneficial owner or any other person failed to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of our Notes, if compliance is required by statute, by regulation of the United States Treasury Department or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such tax, assessment or other governmental charge;

(h) any tax, assessment or governmental charge that is imposed or withheld solely because of a change in law, regulation, or administrative or judicial interpretation that becomes effective after the day on which the payment becomes due or is duly provided for, whichever occurs later; or

(i) any combination of (a), (b), (c), (d), (e), (f), (g) or (h).

Interpretation

As used in this description:

(a) "Relevant Date" means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the trustee on or before the due date, it means the date which is seven days after the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the holders of Notes by us; and

(b) "Relevant Jurisdiction" means the State of Delaware and the United States or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which we become subject in respect of payments made by it of principal and interest on the Notes.

Additional Amounts

Any reference in the terms of the Notes to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this provision.

Further Issues

We may from time to time, without notice to or the consent of the holders of any series of the Notes, create and issue further notes ranking equally and ratably with such series in all respects, or in all respects except for the payment of interest accruing prior to the issue date or except for the first payment of interest following the issue date of those further notes. Any further notes will have the same terms as to status, redemption or otherwise as the Notes of the applicable series. Any further notes shall be issued pursuant to a resolution of our board of directors, a supplement to the Indenture, or under an officers' certificate pursuant to the Indenture.

Governing Law

The Notes will be governed by and interpreted in accordance with the laws of the State of New York.

Special Situations Covered by Our Indenture

Mergers and Similar Transactions

We are generally permitted to consolidate or merge with another company. We are also permitted to sell substantially all of our assets to another company, or to buy substantially all of the assets of another company. However, we may not take any of these actions unless all the following conditions are met:

- Where we merge out of existence or sell our assets, the company we merge into or sell to may not be organized under the laws of a foreign country. It must be a corporation organized under the laws of the United States, any State thereof, or the District of Columbia.
- The company we merge into or sell to must agree to be legally responsible for our debt securities.
- The merger, sale of assets or other transaction must not cause a default on the securities, and we must not already be in default, unless the merger or other transaction would cure the default. For purposes of this no-default test, a default would include an event of default that has occurred and not been cured, as described below under "- Default and Related Matters - Events of Default - What Is an Event of Default?" A default for this purpose would also include any event that would be an event of default if the requirements for giving us default notice or our default having to exist for a specific period of time were disregarded.

Modification and Waiver of Holders' Contractual Rights

Under certain circumstances, we can make changes to the Indenture and the securities (including the Notes). Some types of changes require the approval of each security holder affected, some require approval by a majority vote, and some changes do not require any approval at all.

Changes Requiring Approval of Holders. First, there are changes that cannot be made to the securities without specific approval of holders. The following is a list of those types of changes:

- to reduce the percentage of holders of securities who must consent to a waiver or amendment of the Indenture;
- to reduce the rate of interest on any security or change the time for payment of interest;
- to reduce the principal due on any security or change the fixed maturity of any security;
- to waive a default in the payment of principal or interest on any security;

- to change the currency of payment on a security;
- in the case of convertible or exchangeable securities, to make changes to conversion or exchange rights that would be adverse to the interests of holders;
- to change the right of holders to waive an existing default by majority vote;
- to reduce the amount of principal or interest payable to holders following a default or change any conversion or exchange rights, or impair the right of holders to sue for payment; and
- to make any change to this list of changes that requires specific approval of holders.

Changes Requiring a Majority Vote. The second type of change to the Indenture and the securities is the kind that requires a vote in favor by security holders owning a majority of the principal amount of the particular series affected. Most changes fall into this category, except for clarifying changes and certain other changes that would not adversely affect holders of the securities. The same vote would be required for us to obtain a waiver of an existing default. However, we cannot obtain a waiver of a payment default unless we obtain each holder's individual consent to the waiver.

Changes Not Requiring Approval of Holders. The third type of change does not require any vote by holders of securities. This type includes, among others, clarifications of ambiguous contract terms and other changes that would not materially adversely affect holders of the securities.

Further Details Concerning Voting. When taking a vote, we will use the following rules to decide how much principal amount to attribute to a security:

- For securities denominated in one or more foreign currencies or currency units, we will use the U.S. dollar equivalent determined on the date of original issuance of these securities.

Securities will not be considered outstanding, and therefore not eligible to vote, if we have deposited or set aside in trust for the applicable holders money for their payment or redemption. A security does not cease to be outstanding because we or an affiliate of us is holding the security.

We will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding securities that are entitled to vote or take other action under the Indenture. However, the Indenture does not oblige us to fix any record date at all. If we set a record date for a vote or other action to be taken by holders of a particular series, that vote or action may be taken only by persons who are holders of outstanding securities of that series on the record date and must be taken within 90 days following the record date.

Holders who hold in "street name" and other indirect holders, including holders of any securities issued as global securities, should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the Indenture or the securities or request a waiver.

Discharge of Our Obligations

We can fully discharge ourselves from any payment or other obligations on the securities of any series if we make a deposit for the applicable holders with the trustee and certain other conditions are met. The deposit must be held in trust for the benefit of all direct holders of the securities and must be a combination of money and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the securities on their various due dates.

However, we cannot discharge ourselves from the obligations under any convertible or exchangeable securities, unless we provide for it in the terms of these securities.

If we accomplish full discharge, as described above, holders will have to rely solely on the trust deposit for repayment of the securities. Holders could not look to us for repayment in the unlikely event of any shortfall.

Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever become bankrupt or insolvent.

We will indemnify the trustee and holders against any tax, fee or other charge imposed on the U.S. government obligations we deposited with the trustee or against the principal and interest received on these obligations.

Liens on Assets

The Indenture does not restrict us from pledging or otherwise encumbering any of our assets and those of our subsidiaries.

Default and Related Matters

Ranking Compared to Other Creditors

The securities are not secured by any of our property or assets. Accordingly, ownership of securities means each holder is one of our unsecured creditors. The securities are not subordinated to any of our other debt obligations and therefore they rank equally with all our other unsecured and unsubordinated indebtedness. However, the trustee has a right to receive payment for its administrative services prior to any payment to security holders after a default.

Events of Default

Holders will have special rights if an event of default occurs and is not cured, as described later in this subsection.

What Is an Event of Default? The term "event of default" with respect to any series of securities means any of the following:

- We fail to make any interest payment on the securities of such series when it is due, and we do not cure this default within 90 days.
- We fail to make any payment of principal when it is due at the maturity of such series of securities or upon redemption.
- We fail to comply with any of our other agreements regarding a particular series of securities or with a supplemental indenture, and after we have been notified of the default by the trustee or holders of 25% in principal amount of the series, we do not cure the default within 90 days.
- We file for bankruptcy, or other events in bankruptcy, insolvency or reorganization occur.

Remedies if an Event of Default Occurs

Holders and the trustee will have the following remedies if an event of default occurs:

Acceleration. If an event of default has occurred and has not been cured or waived, then the trustee or the holders of 25% in principal amount of the securities of the affected series may declare the entire principal amount of and any accrued interest on all the securities of that series to be due and immediately payable. An acceleration of maturity may be cancelled by the holders of at least a majority in principal amount of the securities of the affected series, if all events of default have been cured or waived.

Special Duties of Trustee. If an event of default occurs, the trustee will have some special duties. In that situation, the trustee will be obligated to use those of its rights and powers under the Indenture, and to use the same degree of care and skill in doing so, that a prudent person would use in that situation in conducting his or her own affairs.

Other Remedies of Trustee. If an event of default occurs, the trustee is authorized to pursue any available remedy to collect defaulted principal and interest and to enforce other provisions of the securities and the Indenture, including bringing a lawsuit.

Majority Holders May Direct the Trustee to Take Actions to Protect Their Interests. The trustee is not required to take any action under the Indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability. This is called an "indemnity". If the trustee is provided with an indemnity reasonably satisfactory to it, the holders of a majority in principal amount of the relevant series of debt securities may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. These majority holders may also direct the trustee in performing any other action under the Indenture.

Individual Actions Holders May Take if the Trustee Fails to Act. Before a holder bypasses the trustee and bring such holder's own lawsuit or other formal legal action or take other steps to enforce such holder's rights or protect such holder's interests relating to the securities, the following must occur:

- Such holder must give the trustee written notice that an event of default has occurred and remains uncured.
- The holders of 25% in principal amount of all outstanding securities of the relevant series must make a written request that the trustee take action because of the default, and must offer indemnity reasonably satisfactory to the trustee against the cost and other liabilities of taking that action.
- The trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity.
- During the 60-day period, the holders of a majority in principal amount of the securities of that series do not give the trustee a direction inconsistent with the request.

However, a holder is entitled at any time to bring an individual lawsuit for the payment of the money due on such holder's security on or after its due date.

Waiver of Default

The holders of a majority in principal amount of the relevant series of debt securities may waive a default for all the relevant series of debt securities. If this happens, the default will be treated as if it had not occurred. No one can waive a payment default on a holder's debt security, however, without such holder's individual approval.

We Will Give the Trustee Information About Defaults Annually

Every year we will give to the trustee a written statement of one of our officers certifying that to the best of his or her knowledge we are in compliance with the Indenture and all the securities under it, or else specifying any default.

The trustee may withhold from holders notice of any uncured default, except for payment defaults, if it determines that withholding notice is in holders' interest.

Holders who hold in "street name" and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to make or cancel a declaration of acceleration.

Regarding the Trustee

The Bank of New York Mellon is the trustee under the Indenture. In addition, affiliates of The Bank of New York Mellon may perform various commercial banking and investment banking services for us and our subsidiaries from time to time in the ordinary course of business.

DESCRIPTION OF THE 4.250% GLOBAL NOTES DUE 2043

The following summary of AT&T's above referenced debt securities is based on and qualified by the indenture, dated as of May 15, 2013, with The Bank of New York Mellon Trust Company, N.A., acting as trustee (the "Indenture") and the 4.250% Global Notes due 2043 (the "Notes"). For a complete description of the terms and provisions of the Notes, please refer to the Indenture, which is filed as an exhibit to AT&T's Annual Report on Form 10-K for the year ended December 31, 2024 and to the form of Notes, which is filed as an exhibit to the Form 8-A filed with the Securities and Exchange Commission on May 15, 2013.

General

The Notes:

- were issued in an aggregate initial principal amount of £1,000,000,000, which remains the amount outstanding, subject to our ability to issue additional Notes which may be of the same series as the Notes as described under "- Further Issues";
- mature on June 1, 2043;
- bear interest at the rate of 4.250% per annum, payable annually in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The Notes are unsecured and unsubordinated obligations and rank *pari passu* with all other indebtedness issued under our Indenture. The Notes constitute a single series under the Indenture. The Notes are issued in fully registered form only and in minimum denominations of £100,000 and integral multiples of £1,000 in excess thereof. Principal and interest payments on the Notes are payable by us in pound sterling. Payments of principal, interest and additional amounts, if any, in respect of the Notes will be made to Euroclear System, Clearstream Banking S.A. or such nominee or common depositary, as the case may be, as registered holder thereof. Under the terms of the Indenture, if the pound sterling ceases to exist when payments on the Notes are due under any circumstances, AT&T may supplement the Indenture to allow for payment in U.S. dollars. The principal and interest payable in U.S. dollars on a Note at maturity, or upon redemption, will be paid by wire transfer of immediately available funds against presentation of a Note at the office of the paying agent.

For purposes of the Notes, a business day means a business day in the City of New York and London.

Interest

The Notes bear interest at the rate of 4.250% per annum.

We pay interest on the Notes annually in arrears on June 1, commencing on June 1, 2014, to the persons in whose names the Notes are registered at the close of business on the May 15 preceding the interest payment date.

The Notes will mature on June 1, 2043.

Interest on the Notes is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the Notes, to but excluding the next scheduled interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

Optional Redemption

At any time prior to December 1, 2042, the Notes will be redeemable, as a whole or in part, at our option, at any time and from time to time on at least 30 days', but not more than 60 days', prior notice mailed to the registered address of each holder of the Notes. The redemption price will be equal to the greater of (1) 100% of the principal amount of the Notes to be redeemed or (2) the sum of the present values of the Remaining Scheduled Payments (as defined below) discounted to the redemption date, on an annual basis (ACTUAL/ACTUAL (ICMA)), at a rate equal to the Treasury Rate (as defined below) and 20 basis points for the Notes. In either case, accrued interest will be payable to the redemption date. At any time on or after December 1, 2042, we have the option to redeem the Notes, as a whole or in part, on at least 30 days', but not more than 60 days', prior notice mailed to the registered address of each holder of the Notes at a redemption price equal to 100% of the principal amount of the Notes to be redeemed. Accrued interest will be payable to the redemption date.

"*Treasury Rate*" means the price, expressed as a percentage (rounded to three decimal places, 0.0005 being rounded upwards), at which the gross redemption yield on the Notes, if they were to be purchased at such price on the third dealing day prior to the date fixed for redemption, would be equal to the gross redemption yield on such dealing day of the Reference Bond (as defined below) on the basis of the middle market price of the Reference Bond prevailing at 11:00 a.m. (London time) on such dealing day as determined by the Company or an investment bank appointed by the Company.

"*Reference Bond*" means, in relation to any Treasury Rate calculation, a United Kingdom government bond whose maturity is closest to the maturity of the Notes, or if the Company or an investment bank appointed by the Company considers that such similar bond is not in issue, such other United Kingdom government bond as the Company or an investment bank appointed by the Company, with the advice of three brokers of, and/or market makers in, United Kingdom government bonds selected by the Company or an investment bank appointed by the Company, determine to be appropriate for determining such Treasury Rate.

"*Remaining Scheduled Payments*" means, with respect to each Note to be redeemed, the remaining scheduled payments of principal of and interest on the Note that would be due after the related redemption date but for the redemption. If that redemption date is not an interest payment date with respect to a Note, the amount of the next succeeding scheduled interest payment on the Note will be reduced by the amount of interest accrued on the Note to the redemption date.

On and after the redemption date, interest will cease to accrue on the Notes or any portion of the Notes called for redemption unless we default in the payment of the redemption price and accrued interest. On or before the redemption date, we will deposit with a paying agent or the trustee money sufficient to pay the redemption price of and accrued interest on the Notes to be redeemed on that date.

In the case of any partial redemption, selection of the Notes will be made by the trustee by lot or by such other method as the trustee in its sole discretion deems to be fair and appropriate.

Redemption for Taxation Reasons

If (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined below under "Interpretation"), or any change in the official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after May 8, 2013, on the next Interest Payment Date we would be required to pay additional amounts as provided or referred to below under "- Payment Without Withholding" and (b) the requirement cannot be avoided by our taking reasonable measures available to us, we may at our option, having given not less than 30 nor more than 60 days' notice to the holders of Notes (which

notice shall be irrevocable), redeem all, but not a portion of, the Notes at any time at their principal amount together with interest accrued to, but excluding, the date of redemption provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which we would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, we shall deliver to the trustee a certificate signed by two of our executive officers stating that the requirement referred to in (a) above will apply on the next Interest Payment Date and setting forth a statement of facts showing that the conditions precedent to the right of AT&T so to redeem have occurred, cannot be avoided by us taking reasonable measures available to us and an opinion of independent legal advisers of recognized international standing to the effect that AT&T has or will become obliged to pay such additional amounts as a result of the change or amendment, in each case to be held by the trustee and made available for viewing at the offices of the trustee on request by any holder of the Notes.

Payment Without Withholding

All payments in respect of the Notes by or on behalf of AT&T shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("Taxes") imposed, collected, withheld, assessed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, we will pay such additional amounts to a holder who is a United States Alien (as defined below) as may be necessary in order that the net amounts received by the holder after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction; except that no such additional amounts shall be payable in relation to any payment in respect of any Note:

(a) where such withholding or deduction would not have been so imposed but for:

(i) in the case of payment by AT&T, the existence of any present or former connection between the holder of the Note (or between a fiduciary, settlor, shareholder, beneficiary or member of the holder of the Note, if such holder is an estate, a trust, a corporation or a partnership) and the United States, including, without limitation, such holder (or such fiduciary, settlor, shareholder, beneficiary or member) being or having been a citizen or resident or treated as a resident thereof, or being or having been engaged in trade or business or presence therein, or having or having had a permanent establishment therein;

(ii) in the case of payment by AT&T, the present or former status of the holder of the Note as a personal holding company, a foreign personal holding company, a passive foreign investment company, or a controlled foreign corporation for United States federal income tax purposes or a corporation which accumulates earnings to avoid United States federal income tax;

(iii) in the case of payment by AT&T, the past or present or future status of the holder of the Note as the actual or constructive owner of 10% or more of either the total combined voting power of all classes of stock of AT&T entitled to vote if AT&T was treated as a corporation, or the capital or profits interest in AT&T, if AT&T is treated as a partnership for United States federal income tax purposes or as a bank receiving interest described in Section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended; or

(iv) the failure by the holder of the Note to comply with any certification, identification or other reporting requirements concerning the nationality, residence, identity or connection with the United States (in the case of payment by AT&T) of such holder, if compliance is required by statute or by regulation as a precondition to exemption from such withholding or deduction;

(b) in the case of payment by AT&T to any United States Alien, if such person is a fiduciary or partnership or other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the bearer of such Note. As used herein, "United States Alien" means any person who, for United States federal income tax purposes, is a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary of a foreign estate or trust, or a foreign

partnership one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a non-resident alien individual or a non-resident alien fiduciary of a foreign estate or trust;

(c) to the extent that the withholding or deduction is as a result of the imposition of any gift, inheritance, estate, sales, transfer, personal property or any similar tax, assessment or other governmental charge;

(d) to, or to a third party on behalf of, a holder who is liable for the Taxes in respect of the Notes by reason of his having any or some present or former connection, including but not limited to fiscal residency, fiscal deemed residency and substantial interest shareholdings, with the Relevant Jurisdiction, other than the mere holding of the Notes;

(e) presented for payment more than 30 days after the Relevant Date except to the extent that a holder would have been entitled to additional amounts on presenting the relevant Notes for payment on the last day of the period of 30 days assuming that day to have been an Interest Payment Date;

(f) any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal or of interest on any Notes, if such payment can be made without withholding by any other paying agent;

(g) any tax, assessment or governmental charge that is imposed or withheld solely because the beneficial owner or any other person failed to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of our Notes, if compliance is required by statute, by regulation of the United States Treasury Department or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such tax, assessment or other governmental charge;

(h) any tax, assessment or governmental charge that is imposed or withheld solely because of a change in law, regulation, or administrative or judicial interpretation that becomes effective after the day on which the payment becomes due or is duly provided for, whichever occurs later; or

(i) any combination of (a), (b), (c), (d), (e), (f), (g) or (h).

Interpretation

As used in this description:

(a) “Relevant Date” means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the trustee on or before the due date, it means the date which is seven days after the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the holders of Notes by us; and

(b) “Relevant Jurisdiction” means the State of Delaware and the United States or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which we become subject in respect of payments made by it of principal and interest on the Notes.

Additional Amounts

Any reference in the terms of the Notes to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this provision.

Further Issues

We may from time to time, without notice to or the consent of the holders of the Notes, create and issue further notes ranking equally and ratably with such Notes in all respects, or in all respects except for the payment of

interest accruing prior to the issue date or except for the first payment of interest following the issue date of those further notes. Any further notes will have the same terms as to status, redemption or otherwise as the Notes. Any further notes shall be issued pursuant to a resolution of our board of directors, a supplement to the Indenture, or under an officers' certificate pursuant to the Indenture.

Governing Law

The Notes will be governed by and interpreted in accordance with the laws of the State of New York.

Special Situations Covered by Our Indenture

Mergers and Similar Transactions

We are generally permitted to consolidate or merge with another company. We are also permitted to sell substantially all of our assets to another company. However, we may not take any of these actions unless all the following conditions are met:

- Where we merge out of existence or sell our assets, the company we merge into or sell to may not be organized under the laws of a foreign country. It must be a corporation organized under the laws of the United States, any State thereof, or the District of Columbia.
- The company we merge into or sell to must agree to be legally responsible for our debt securities.
- The merger, sale of assets or other transaction must not cause a default on the securities, and we must not already be in default, unless the merger or other transaction would cure the default. For purposes of this no-default test, a default would include an event of default that has occurred and not been cured, as described below under "- Default and Related Matters - Events of Default - What Is an Event of Default?" A default for this purpose would also include any event that would be an event of default if the requirements for giving us default notice or our default having to exist for a specific period of time were disregarded.

Further, we may buy substantially all of the assets of another company without complying with any of the foregoing conditions.

Modification and Waiver of Holders' Contractual Rights

Under certain circumstances, we can make changes to the Indenture and the securities (including the Notes). Some types of changes require the approval of each security holder affected, some require approval by a majority vote, and some changes do not require any approval at all.

Changes Requiring Approval of Holders. First, there are changes that cannot be made to the securities without specific approval of holders. The following is a list of those types of changes:

- to reduce the percentage of holders of securities who must consent to a waiver or amendment of the Indenture;
- to reduce the rate of interest on any security or change the time for payment of interest;
- to reduce the principal due on any security or change the fixed maturity of any security;
- to waive a default in the payment of principal or interest on any security;
- to change the currency of payment on a security, unless the security provides for payment in a currency that ceases to exist;
- in the case of convertible or exchangeable securities, to make changes to conversion or exchange rights that would be adverse to the interests of holders;

- to change the right of holders to waive an existing default by majority vote;
- to reduce the amount of principal or interest payable to holders following a default or change any conversion or exchange rights, or impair the right of holders to sue for payment; and
- to make any change to this list of changes that requires specific approval of holders.

Changes Requiring a Majority Vote. The second type of change to the Indenture and the securities is the kind that requires a vote in favor by security holders owning a majority of the principal amount of the particular series affected. Most changes fall into this category, except as set forth in the following paragraph. The same vote would be required for us to obtain a waiver of an existing default. However, we cannot obtain a waiver of a payment default unless we obtain each holder's individual consent to the waiver.

Changes Not Requiring Approval of Holders. The third type of change does not require any vote by holders of securities. This type includes, among others, clarifications of ambiguous contract terms, changes to make securities payable in U.S. dollars (if the stated denomination ceases to exist) and other changes that would not materially adversely affect holders of the securities.

Further Details Concerning Voting. When taking a vote, we will use the following rules to decide how much principal amount to attribute to a security:

- For securities denominated in one or more foreign currencies or currency units, we will use the U.S. dollar equivalent determined on the date of original issuance of these securities.

Securities will not be considered outstanding, and therefore not eligible to vote, if we have deposited or set aside in trust for the applicable holders money for their payment or redemption. A security does not cease to be outstanding because we or an affiliate of us is holding the security.

We will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding securities that are entitled to vote or take other action under the Indenture. However, the Indenture does not oblige us to fix any record date at all. If we set a record date for a vote or other action to be taken by holders of a particular series, that vote or action may be taken only by persons who are holders of outstanding securities of that series on the record date and must be taken within 90 days following the record date.

Holders who hold in "street name" and other indirect holders, including holders of any securities issued as global securities, should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the Indenture or the securities or request a waiver.

Discharge of Our Obligations

We can fully discharge ourselves from any payment or other obligations on the securities of any series if we make a deposit for the applicable holders with the trustee and certain other conditions are met. The deposit must be held in trust for the benefit of all direct holders of the securities and must be a combination of money and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the securities on their various due dates.

However, we cannot discharge ourselves from the obligations under any convertible or exchangeable securities, unless we provide for it in the terms of these securities.

If we accomplish full discharge, as described above, holders will have to rely solely on the trust deposit for repayment of the securities. Holders could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever become bankrupt or insolvent.

We will indemnify the trustee and holders against any tax, fee or other charge imposed on the U.S. government obligations we deposited with the trustee or against the principal and interest received on these obligations.

Liens on Assets

The Indenture does not restrict us from pledging or otherwise encumbering any of our assets and those of our subsidiaries.

Default and Related Matters

Ranking Compared to Other Creditors

The securities are not secured by any of our property or assets. Accordingly, ownership of securities means each holder is one of our unsecured creditors. The securities are not subordinated to any of our other debt obligations and therefore they rank equally with all our other unsecured and unsubordinated indebtedness. However, the trustee has a right to receive payment for its administrative services prior to any payment to security holders after a default.

Events of Default

Holders will have special rights if an event of default occurs and is not cured, as described later in this subsection.

What Is an Event of Default? The term "event of default" with respect to any series of securities means any of the following:

- We fail to make any interest payment on the securities of such series when it is due, and we do not cure this default within 90 days.
- We fail to make any payment of principal when it is due at the maturity of such series of securities or upon redemption.
- We fail to comply with any of our other agreements regarding a particular series of securities or with a supplemental indenture, and after we have been notified of the default by the trustee or holders of 25% in principal amount of the series, we do not cure the default within 90 days.
- We file for bankruptcy, or other events in bankruptcy, insolvency or reorganization occur.

Remedies if an Event of Default Occurs

Holders and the trustee will have the following remedies if an event of default occurs:

Acceleration. If an event of default has occurred and has not been cured or waived, then the trustee or the holders of 25% in principal amount of the securities of the affected series may declare the entire principal amount of and any accrued interest on all the securities of that series to be due and immediately payable. An acceleration of maturity may be cancelled by the holders of at least a majority in principal amount of the securities of the affected series, if all events of default have been cured or waived.

Special Duties of Trustee. If an event of default occurs, the trustee will have some special duties. In that situation, the trustee will be obligated to use those of its rights and powers under the Indenture, and to use the same degree of care and skill in doing so, that a prudent person would use in that situation in conducting his or her own affairs.

Other Remedies of Trustee. If an event of default occurs, the trustee is authorized to pursue any available remedy to collect defaulted principal and interest and to enforce other provisions of the securities and the Indenture, including bringing a lawsuit.

Majority Holders May Direct the Trustee to Take Actions to Protect Their Interests. The trustee is not required to take any action under the Indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability. This is called an "indemnity". If the trustee is provided with an indemnity reasonably satisfactory to it, the holders of a majority in principal amount of the relevant series of debt securities may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. These majority holders may also direct the trustee in performing any other action under the Indenture.

Individual Actions Holders May Take if the Trustee Fails to Act. Before a holder bypasses the trustee and brings such holder's own lawsuit or other formal legal action or take other steps to enforce such holder's rights or protect such holder's interests relating to the securities, the following must occur:

- Such holder must give the trustee written notice that an event of default has occurred and remains uncured.
- The holders of 25% in principal amount of all outstanding securities of the relevant series must make a written request that the trustee take action because of the default, and must offer indemnity reasonably satisfactory to the trustee against the cost and other liabilities of taking that action.
- The trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity.
- During the 60-day period, the holders of a majority in principal amount of the securities of that series do not give the trustee a direction inconsistent with the request.

However, a holder is entitled at any time to bring an individual lawsuit for the payment of the money due on such holder's security on or after its due date.

Waiver of Default

The holders of a majority in principal amount of the relevant series of debt securities may waive a default for all the relevant series of debt securities. If this happens, the default will be treated as if it had not occurred. No one can waive a payment default on a holder's debt security, however, without such holder's individual approval.

We Will Give the Trustee Information About Defaults Annually

Every year we will give to the trustee a written statement of one of our officers certifying that to the best of his or her knowledge we are in compliance with the Indenture and all the securities under it, or else specifying any default.

The trustee may withhold from holders notice of any uncured default, except for payment defaults, if it determines that withholding notice is in holders' interest.

Holders who hold in "street name" and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to make or cancel a declaration of acceleration.

Regarding the Trustee

The Bank of New York Mellon Trust Company, N.A. is the trustee under the Indenture. In addition, affiliates of The Bank of New York Mellon Trust Company, N.A. may perform various commercial banking and investment banking services for us and our subsidiaries from time to time in the ordinary course of business.

DESCRIPTION OF THE 2.900% GLOBAL NOTES DUE 2026, THE 4.375% GLOBAL NOTES DUE 2029 AND THE 5.200% GLOBAL NOTES DUE 2033

The following summary of AT&T's above referenced debt securities is based on and qualified by the indenture, dated as of May 15, 2013, with The Bank of New York Mellon Trust Company, N.A., acting as trustee (the "Indenture") and the 2.900% Global Notes due 2026 (the "2.900% 2026 Notes"), the 4.375% Global Notes due 2029 (the "4.375% 2029 Notes") and the 5.200% Global Notes due 2033 (the "2033 Notes" and, together with the 2.900% 2026 Notes and the 4.375% 2029 Notes, the "Notes"). For a complete description of the terms and provisions of the Notes, please refer to the Indenture, which is filed as an exhibit to AT&T's Annual Report on Form 10-K for the year ended December 31, 2024 and to the forms of Notes, which are filed as exhibits to the Form 8-As filed with the Securities and Exchange Commission on March 24, 2016 and September 11, 2018.

General

The 2.900% 2026 Notes:

- were issued in an aggregate initial principal amount of £750,000,000, which remains the amount outstanding, subject to our ability to issue additional 2.900% 2026 Notes which may be of the same series as the 2.900% 2026 Notes as described under "- Further Issues";
- mature on December 4, 2026;
- bear interest at the rate of 2.900% per annum, payable annually in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The 4.375% 2029 Notes:

- were issued in an aggregate initial principal amount of £745,000,000, which remains the amount outstanding, subject to our ability to issue additional 4.375% 2029 Notes which may be of the same series as the 4.375% 2029 Notes as described under "- Further Issues";
- mature on September 14, 2029;
- bear interest at the rate of 4.375% per annum, payable annually in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The 2033 Notes:

- were issued in an aggregate initial principal amount of £342,361,000, which remains the amount outstanding, subject to our ability to issue additional 2033 Notes which may be of the same series as the 2033 Notes as described under "- Further Issues";
- mature on November 18, 2033;
- bear interest at the rate of 5.200% per annum, payable annually in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The Notes are unsecured and unsubordinated obligations and rank *pari passu* with all other indebtedness issued under our Indenture. Each series of Notes constitutes a separate series under the Indenture. The Notes are issued in fully registered form only and in minimum denominations of £100,000 and integral multiples of £1,000 in excess thereof. Principal and interest payments on the Notes are payable by us in pound sterling. Payments of principal, interest and additional amounts, if any, in respect of the Notes will be made to Euroclear System, Clearstream Banking S.A. or such nominee or common depositary, as the case may be, as registered holder thereof. Under the terms of the Indenture, if the pound sterling ceases to exist when payments on the Notes are due under any circumstances, AT&T may supplement the Indenture to allow for payment in U.S. dollars. The principal and interest payable in U.S. dollars on a Note at maturity, or upon redemption, will be paid by wire transfer of immediately available funds against presentation of a Note at the office of the paying agent.

For purposes of the 2.900% 2026 Notes, a business day means a business day in the City of New York or the City of London.

For purposes of the 4.375% 2029 Notes and 2033 Notes, a business day means any day other than a Saturday or Sunday and that, in the City of New York or London, is not a day on which banking institutions are generally authorized or obligated by law to close, and is a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) System, or any successor thereto, operates.

Interest

The 2.900% 2026 Notes bear interest at the rate of 2.900% per annum, the 4.375% 2029 Notes bear interest at the rate of 4.375% per annum and the 2033 Notes bear interest at the rate of 5.200% per annum.

We pay interest on the 2.900% 2026 Notes annually in arrears on each December 4, commencing on December 4, 2018, to the persons in whose names the 2.900% 2026 Notes are registered at the close of business on the business day preceding the interest payment date. We pay interest on the 4.375% 2029 Notes annually in arrears on September 14, commencing on September 14, 2016, to the persons in whose names the 4.375% 2029 Notes are registered at the close of business on the business day preceding the interest payment date. We pay interest on the 2033 Notes annually in arrears on November 18, commencing on November 18, 2016, to the persons in whose names our 2033 Notes are registered at the close of business on the business day preceding the interest payment date.

The 2.900% 2026 Notes will mature on December 4, 2026, the 4.375% 2029 Notes will mature on September 14, 2029 and the 2033 Notes will mature on November 18, 2033.

Interest on the Notes is computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the Notes, to but excluding the next scheduled interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

Optional Redemption

At any time prior to September 4, 2026, the 2.900% 2026 Notes may be redeemed, as a whole or in part, at our option, at any time and from time to time on at least 30 days', but not more than 60 days', prior notice sent to the registered address of each holder of the Notes to be redeemed. The redemption price will be calculated by us and will be equal to the greater of (1) 100% of the principal amount of the Notes to be redeemed or (2) the sum of the present values of the Remaining Scheduled Payments (as defined below) discounted to the redemption date, on an annual basis (ACTUAL/ACTUAL (ICMA)), at a rate equal to the Treasury Rate (as defined below) plus 25 basis points. In either case, accrued but unpaid interest will be payable to the redemption date. At any time on or after September 4, 2026, the Notes may be redeemed, as a whole or in part, at our option, at any time and from time to time on at least 30 days', but not more than 60 days', prior notice sent to the registered address of each holder of the Notes, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed. Accrued but unpaid interest will be payable to the redemption date.

The 4.375% 2029 Notes and the 2033 Notes may be redeemed as a whole or in part, at our option, at any time and from time to time on at least 30 days', but not more than 60 days', prior notice mailed to the registered address of each holder of the applicable series of Notes. The redemption price will be equal to the greater of (1) 100% of the principal amount of the applicable series of Notes to be redeemed or (2) the sum of the present values of the Remaining Scheduled Payments (as defined below) discounted to the redemption date, on an annual basis (ACTUAL/ACTUAL (ICMA)), at a rate equal to the Treasury Rate (as defined below) plus, for the 4.375% 2029 Notes, 35 basis points, and for the 2033 Notes, 25 basis points. In either case, accrued but unpaid interest will be payable to the redemption date. We will calculate the redemption price in connection with any redemption hereunder.

"*Treasury Rate*" means the price, expressed as a percentage (and, with respect to the 4.375% 2029 Notes and the 2033 Notes, rounded to three decimal places, 0.0005 being rounded upwards), at which the gross redemption yield on the Notes of the applicable series, if they were to be purchased at such price on the third dealing day prior to the date fixed for redemption, would be equal to the gross redemption yield on such dealing day of the Reference Bond (as defined below) on the basis of the middle market price of the Reference Bond prevailing at 11:00 a.m. (London time) on such dealing day as determined by the Company or an investment bank appointed by the Company.

"*Reference Bond*" means, in relation to any Treasury Rate calculation, a United Kingdom government bond whose maturity is closest to the maturity of the Notes of the applicable series, or if the Company or an investment bank appointed by the Company considers that such similar bond is not in issue, such other United Kingdom government bond as the Company or an investment bank appointed by the Company, with the advice of three brokers of, and/or market makers in, United Kingdom government bonds selected by the Company or an investment bank appointed by the Company, determine to be appropriate for determining such Treasury Rate.

"*Remaining Scheduled Payments*" means, with respect to each Note of a series to be redeemed, the remaining scheduled payments of principal of and interest on the Note that would be due after the related redemption date but for the redemption. If that redemption date is not an interest payment date with respect to the applicable series of Notes, the amount of the next succeeding scheduled interest payment on the Notes will be reduced by the amount of interest accrued on the Notes to the redemption date.

On and after the redemption date, interest will cease to accrue on the Notes or any portion of the Notes called for redemption unless we default in the payment of the redemption price and accrued interest. On or before the redemption date, we will deposit with a paying agent or the trustee money sufficient to pay the redemption price of and accrued interest on the Notes to be redeemed on that date.

In the case of any partial redemption, selection of the Notes of a series to be redeemed will be made by the trustee by lot or, with respect to the 2.900% 2026 Notes, pursuant to applicable depositary procedures and, with respect to the 4.375% 2029 Notes and the 2033 Notes, by such other method as the trustee in its sole discretion deems to be fair and appropriate.

Payment of Additional Amounts

We will, subject to the exceptions and limitations set forth below, pay as additional interest on the Notes such additional amounts as are necessary so that the net payment by us or our paying agent of the principal of and interest on the Notes to a person that is a United States Alien, after deduction for any present or future tax, assessment or governmental charge of the United States or a political subdivision or taxing authority thereof or therein, imposed by withholding with respect to the payment, will not be less than the amount that would have been payable in respect of the Notes had no withholding or deduction been required. As used herein, "United States Alien" means any person who, for United States federal income tax purposes, is a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a non-resident alien individual or a non-resident alien fiduciary of a foreign estate or trust.

Our obligation to pay additional amounts shall not apply:

(1) to any tax, assessment or governmental charge that is imposed or withheld solely because the beneficial owner, or a fiduciary, settlor, beneficiary or member of the beneficial owner if the beneficial owner is an estate, trust or partnership, or a person holding a power over an estate or trust administered by a fiduciary holder:

(a) is or was present or engaged in a trade or business in the United States, has or had a permanent establishment in the United States, or has any other present or former connection with the United States or any political subdivision or taxing authority thereof or therein;

(b) is or was a citizen or resident or is or was treated as a resident of the United States;

(c) is or was a foreign or domestic personal holding company, a passive foreign investment company or a controlled foreign corporation with respect to the United States or is or was a corporation that has accumulated earnings to avoid United States federal income tax;

(d) is or was a bank receiving interest described in Section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended (the "Code"); or

(e) is or was an actual or constructive owner of 10% or more of the total combined voting power of all classes of stock of AT&T entitled to vote;

(2) to any holder that is not the sole beneficial owner of the Notes, or a portion thereof, or that is a fiduciary or partnership, but only to the extent that the beneficial owner, a beneficiary or settlor with respect to the fiduciary, or a member of the partnership would not have been entitled to the payment of an additional amount had such beneficial owner, beneficiary, settlor or member received directly its beneficial or distributive share of the payment;

(3) to any tax, assessment or governmental charge that is imposed or withheld solely because the beneficial owner or any other person failed to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of the Notes, if compliance is required by statute, by regulation of the United States Treasury Department or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such tax, assessment or other governmental charge;

(4) to any tax, assessment or governmental charge that is imposed other than by deduction or withholding by AT&T or a paying agent from the payment;

(5) to any tax, assessment or governmental charge that is imposed or withheld solely because of a change in law, regulation, or administrative or judicial interpretation that is announced or becomes effective after the day on which the payment becomes due or is duly provided for, whichever occurs later;

(6) to an estate, inheritance, gift, sales, excise, transfer, wealth or personal property tax or any similar tax, assessment or governmental charge;

(7) to any tax, assessment or other governmental charge any paying agent (which term may include us) must withhold from any payment of principal of or interest on any Note, if such payment can be made without such withholding by any other paying agent; or

(8) in the case of any combination of the above items.

In addition, any amounts to be paid on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and no additional amounts will be required to be paid on account of any such deduction or withholding.

The Notes are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation applicable. Except as specifically provided under this heading "-Payment of Additional Amounts" and under the heading "-Redemption Upon a Tax Event," we do not have to make any payment with respect to any tax, assessment or governmental charge imposed by any government or a political subdivision or taxing authority.

Any reference in the terms of the Notes of each series to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this provision.

Redemption Upon a Tax Event

If (a) we become or will become obligated to pay additional amounts with respect to any Notes as described herein under the heading "-Payment of Additional Amounts" as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of the United States (or any political subdivision or taxing authority thereof or therein), or any change in, or amendments to, any official position regarding the application or interpretation of such laws, regulations or rulings, which change or amendment is announced or becomes effective, on or after March 21, 2016 with respect to the 4.375% 2029 Notes and the 2033 Notes and September 6, 2018 with respect to the 2.900% 2026 Notes or (b) a taxing authority of the United States takes an action on or after March 21, 2016 with respect to the 4.375% 2029 Notes and the 2033 Notes and September 6, 2018 with respect to the 2.900% 2026 Notes, whether or not with respect to us or any of our affiliates, that results in a substantial probability that we will or may be required to pay such additional amounts, then we may, at our option, redeem, as a whole, but not in part, the applicable series of Notes on any interest payment date on not less than 30 nor more than 60 calendar days' prior notice, at a redemption price equal to 100% of their principal amount, together with interest accrued thereon to the date fixed for redemption. No redemption pursuant to (b) above may be made unless we shall have received an opinion of independent counsel to the effect that an act taken by a taxing authority of the United States results in a substantial probability that we will or may be required to pay the additional amounts described herein under the heading "-Payment of Additional Amounts" and we shall have delivered to the trustee a certificate, signed by a duly authorized officer, stating that based on such opinion we are entitled to redeem the Notes pursuant to their terms.

Further Issues

We may from time to time, without notice to or the consent of the holders of any series of the Notes, create and issue further notes ranking equally and ratably with such series in all respects, or in all respects except for the payment of interest accruing prior to the issue date or except for the first payment of interest following the issue date of those further notes. Any further notes will have the same terms as to status, redemption or otherwise as, and will be fungible for United States federal income tax purposes with, the Notes of the applicable series. Any further notes shall be issued pursuant to a resolution of our board of directors, a supplement to the Indenture, or under an officers' certificate pursuant to the Indenture.

Governing Law

The Notes will be governed by and interpreted in accordance with the laws of the State of New York.

Special Situations Covered by Our Indenture

Mergers and Similar Transactions

We are generally permitted to consolidate or merge with another company. We are also permitted to sell substantially all of our assets to another company. However, we may not take any of these actions unless all the following conditions are met:

- Where we merge out of existence or sell our assets, the company we merge into or sell to may not be organized under the laws of a foreign country. It must be a corporation organized under the laws of the United States, any State thereof, or the District of Columbia.
- The company we merge into or sell to must agree to be legally responsible for our debt securities.
- The merger, sale of assets or other transaction must not cause a default on the securities, and we must not already be in default, unless the merger or other transaction would cure the default. For purposes of this no-default test, a default would include an event of default that has occurred and not been cured, as described below under "- Default and Related Matters - Events of Default - What Is an Event of Default?" A default for this purpose would also include any event that would be an event of default if the requirements for giving us default notice or our default having to exist for a specific period of time were disregarded.

Further, we may buy substantially all of the assets of another company without complying with any of the foregoing conditions.

Modification and Waiver of Holders' Contractual Rights

Under certain circumstances, we can make changes to the Indenture and the securities (including the Notes). Some types of changes require the approval of each security holder affected, some require approval by a majority vote, and some changes do not require any approval at all.

Changes Requiring Approval of Holders. First, there are changes that cannot be made to the securities without specific approval of holders. The following is a list of those types of changes:

- to reduce the percentage of holders of securities who must consent to a waiver or amendment of the Indenture;
- to reduce the rate of interest on any security or change the time for payment of interest;
- to reduce the principal due on any security or change the fixed maturity of any security;
- to waive a default in the payment of principal or interest on any security;
- to change the currency of payment on a security, unless the security provides for payment in a currency that ceases to exist;
- in the case of convertible or exchangeable securities, to make changes to conversion or exchange rights that would be adverse to the interests of holders;
- to change the right of holders to waive an existing default by majority vote;
- to reduce the amount of principal or interest payable to holders following a default or change any conversion or exchange rights, or impair the right of holders to sue for payment; and
- to make any change to this list of changes that requires specific approval of holders.

Changes Requiring a Majority Vote. The second type of change to the Indenture and the securities is the kind that requires a vote in favor by security holders owning a majority of the principal amount of the particular series affected. Most changes fall into this category, except as set forth in the following paragraph. The same vote

would be required for us to obtain a waiver of an existing default. However, we cannot obtain a waiver of a payment default unless we obtain each holder's individual consent to the waiver.

Changes Not Requiring Approval of Holders. The third type of change does not require any vote by holders of securities. This type includes, among others, clarifications of ambiguous contract terms, changes to make securities payable in U.S. dollars (if the stated denomination ceases to exist) and other changes that would not materially adversely affect holders of the securities.

Further Details Concerning Voting. When taking a vote, we will use the following rules to decide how much principal amount to attribute to a security:

- For securities denominated in one or more foreign currencies or currency units, we will use the U.S. dollar equivalent determined on the date of original issuance of these securities.

Securities will not be considered outstanding, and therefore not eligible to vote, if we have deposited or set aside in trust for the applicable holders money for their payment or redemption. A security does not cease to be outstanding because we or an affiliate of us is holding the security.

We will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding securities that are entitled to vote or take other action under the Indenture. However, the Indenture does not oblige us to fix any record date at all. If we set a record date for a vote or other action to be taken by holders of a particular series, that vote or action may be taken only by persons who are holders of outstanding securities of that series on the record date and must be taken within 90 days following the record date.

Holders who hold in "street name" and other indirect holders, including holders of any securities issued as global securities, should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the Indenture or the securities or request a waiver.

Discharge of Our Obligations

We can fully discharge ourselves from any payment or other obligations on the securities of any series if we make a deposit for the applicable holders with the trustee and certain other conditions are met. The deposit must be held in trust for the benefit of all direct holders of the securities and must be a combination of money and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the securities on their various due dates.

However, we cannot discharge ourselves from the obligations under any convertible or exchangeable securities, unless we provide for it in the terms of these securities.

If we accomplish full discharge, as described above, holders will have to rely solely on the trust deposit for repayment of the securities. Holders could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever become bankrupt or insolvent.

We will indemnify the trustee and holders against any tax, fee or other charge imposed on the U.S. government obligations we deposited with the trustee or against the principal and interest received on these obligations.

Liens on Assets

The Indenture does not restrict us from pledging or otherwise encumbering any of our assets and those of our subsidiaries.

Default and Related Matters

Ranking Compared to Other Creditors

The securities are not secured by any of our property or assets. Accordingly, ownership of securities means each holder is one of our unsecured creditors. The securities are not subordinated to any of our other debt obligations and therefore they rank equally with all our other unsecured and unsubordinated indebtedness. However, the trustee has a right to receive payment for its administrative services prior to any payment to security holders after a default.

Events of Default

Holders will have special rights if an event of default occurs and is not cured, as described later in this subsection.

What Is an Event of Default? The term "event of default" with respect to any series of securities means any of the following:

- We fail to make any interest payment on the securities of such series when it is due, and we do not cure this default within 90 days.
- We fail to make any payment of principal when it is due at the maturity of such series of securities or upon redemption.
- We fail to comply with any of our other agreements regarding a particular series of securities or with a supplemental indenture, and after we have been notified of the default by the trustee or holders of 25% in principal amount of the series, we do not cure the default within 90 days.
- We file for bankruptcy, or other events in bankruptcy, insolvency or reorganization occur.

Remedies if an Event of Default Occurs

Holders and the trustee will have the following remedies if an event of default occurs:

Acceleration. If an event of default has occurred and has not been cured or waived, then the trustee or the holders of 25% in principal amount of the securities of the affected series may declare the entire principal amount of and any accrued interest on all the securities of that series to be due and immediately payable. An acceleration of maturity may be cancelled by the holders of at least a majority in principal amount of the securities of the affected series, if all events of default have been cured or waived.

Special Duties of Trustee. If an event of default occurs, the trustee will have some special duties. In that situation, the trustee will be obligated to use those of its rights and powers under the Indenture, and to use the same degree of care and skill in doing so, that a prudent person would use in that situation in conducting his or her own affairs.

Other Remedies of Trustee. If an event of default occurs, the trustee is authorized to pursue any available remedy to collect defaulted principal and interest and to enforce other provisions of the securities and the Indenture, including bringing a lawsuit.

Majority Holders May Direct the Trustee to Take Actions to Protect Their Interests. The trustee is not required to take any action under the Indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability. This is called an "indemnity". If the trustee is provided with an indemnity reasonably satisfactory to it, the holders of a majority in principal amount of the relevant series of debt securities may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. These majority holders may also direct the trustee in performing any other action under the Indenture.

Individual Actions Holders May Take if the Trustee Fails to Act. Before a holder bypasses the trustee and brings such holder's own lawsuit or other formal legal action or take other steps to enforce such holder's rights or protect such holder's interests relating to the securities, the following must occur:

- Such holder must give the trustee written notice that an event of default has occurred and remains uncured.
- The holders of 25% in principal amount of all outstanding securities of the relevant series must make a written request that the trustee take action because of the default, and must offer indemnity reasonably satisfactory to the Trustee against the cost and other liabilities of taking that action.
- The trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity.
- During the 60-day period, the holders of a majority in principal amount of the securities of that series do not give the trustee a direction inconsistent with the request.

However, a holder is entitled at any time to bring an individual lawsuit for the payment of the money due on such holder's security on or after its due date.

Waiver of Default

The holders of a majority in principal amount of the relevant series of debt securities may waive a default for all the relevant series of debt securities. If this happens, the default will be treated as if it had not occurred. No one can waive a payment default on a holder's debt security, however, without such holder's individual approval.

We Will Give the Trustee Information About Defaults Annually

Every year we will give to the trustee a written statement of one of our officers certifying that to the best of his or her knowledge we are in compliance with the Indenture and all the securities under it, or else specifying any default.

The trustee may withhold from holders notice of any uncured default, except for payment defaults, if it determines that withholding notice is in holders' interest.

Holders who hold in "street name" and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to make or cancel a declaration of acceleration.

Regarding the Trustee

The Bank of New York Mellon Trust Company, N.A. is the trustee under the Indenture. In addition, affiliates of The Bank of New York Mellon Trust Company, N.A. may perform various commercial banking and investment banking services for us and our subsidiaries from time to time in the ordinary course of business.

DESCRIPTION OF THE FLOATING RATE GLOBAL NOTES DUE 2025, THE 3.550% GLOBAL NOTES DUE 2025, THE 3.950% GLOBAL NOTES DUE 2031 AND THE 4.300% GLOBAL NOTES DUE 2034

The following summary of AT&T's above referenced debt securities is based on and qualified by the indenture, dated as of May 15, 2013, with The Bank of New York Mellon Trust Company, N.A., acting as trustee (the "Indenture") and the Floating Rate Global Notes due 2025 (the "Floating Rate Notes"), the 3.550% Global Notes due 2025 (the "3.550% 2025 Notes"), the 3.950% Global Notes due 2031 (the "3.950% 2031 Notes"), and the 4.300% Global Notes due 2034 (the "4.300% 2034 Notes" and, together with the Floating Rate Notes, 3.550% 2025

Notes, the 3.950% 2031 Notes and the 4.300% 2034 Notes, the "Notes"). For a complete description of the terms and provisions of the Notes, please refer to the Indenture, which is filed as an exhibit to AT&T's Annual Report on Form 10-K for the year ended December 31, 2024 and to the forms of Notes, which are filed as exhibits to the Form 8-As filed with the Securities and Exchange Commission on March 6, 2023 and May 18, 2023.

General

The Floating Rate Notes:

- were issued in an aggregate initial principal amount of €1,250,000,000, which remains outstanding, subject to our ability to issue additional Floating Rate Notes which may be of the same series as the Floating Rate Notes as described under "-Further Issues";
- mature on March 6, 2025;
- bear interest at the applicable interest rate on the Floating Rate Notes in effect for each day of the Floating Rate Interest Period (as defined below) equal to the Applicable EURIBOR Rate plus 40 basis points (0.400%), payable quarterly in arrears;
- are repayable at par at maturity;
- are redeemable by us in connection with certain tax events as described below under "-Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The 3.550% 2025 Notes:

- were issued in an aggregate initial principal amount of €1,000,000,000, which remains outstanding, subject to our ability to issue additional 3.550% 2025 Notes which may be of the same series as the 3.550% 2025 Notes as described under "-Further Issues";
- mature on November 18, 2025;
- bear interest at the rate of 3.550% per annum, payable annually in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The 3.950% 2031 Notes:

- were issued in an aggregate initial principal amount of €1,000,000,000, which remains outstanding, subject to our ability to issue additional 3.950% 2031 Notes which may be of the same series as the 3.950% 2031 Notes as described under "-Further Issues";
- mature on April 30, 2031;
- bear interest at the rate of 3.950% per annum, payable annually in arrears;
- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The 4.300% 2034 Notes:

- were issued in an aggregate initial principal amount of €1,250,000,000, which remains outstanding, subject to our ability to issue additional 4.300% 2034 Notes which may be of the same series as the 4.300% 2034 Notes as described under "-Further Issues";
- mature on November 18, 2034;
- bear interest at the rate of 4.300% per annum, payable annually in arrears;

- are repayable at par at maturity;
- are redeemable by us at the time described below under "- Optional Redemption" and in connection with certain tax events as described below under "- Redemption Upon a Tax Event"; and
- are not subject to any sinking fund.

The Notes are unsecured and unsubordinated obligations and rank *pari passu* with all other indebtedness issued under our Indenture. Each series of Notes constitutes a separate series under the Indenture. The Notes are issued in fully registered form only and in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. Principal and interest payments on the Notes are payable by us in euro. Payments of principal, interest and additional amounts, if any, in respect of the Notes will be made to Euroclear System, Clearstream Banking S.A. or such nominee or common depositary, as the case may be, as registered holder thereof.

For purposes of the Notes, a business day" means any day that is not a Saturday or Sunday and that in the City of New York or the City of London, is not a day on which banking institutions are generally authorized or obligated by law to close, and is a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) System, or any successor thereto, operates.

Interest

The Floating Rate Notes:

The Floating Rate Notes will bear interest from March 6, 2023 at a floating rate determined in the manner provided below, payable on March 6, June 6, September 6 and December 6 of each year (each such day, a "Floating Rate Interest Payment Date"), commencing on June 6, 2023, to the persons in whose names the Floating Rate Notes were registered at the close of business on the 15th day preceding the respective interest payment date, subject to certain exceptions. The per annum interest rate on the Floating Rate Notes in effect for each day of a Floating Rate Interest Period is equal to the Applicable EURIBOR Rate plus 40 basis points (0.400%). The interest rate for each Floating Rate Interest Period will be set on March 6, June 6, September 6 and December 6 of each year, and was set for the initial Floating Rate Interest Period on March 6, 2023 (each such date, a "Floating Rate Interest Reset Date") until the principal on the Floating Rate Notes is paid or made available for payment (the "Floating Rate Principal Payment Date"). If any Floating Rate Interest Reset Date (other than the initial Floating Rate Interest Reset Date occurring on March 6, 2023) and Floating Rate Interest Payment Date would otherwise be a day that is not a EURIBOR business day, other than the interest payment date that is also the date of maturity, such Floating Rate Interest Reset Date and Floating Rate Interest Payment Date shall be the next succeeding EURIBOR business day, unless the next succeeding EURIBOR business day is in the next succeeding calendar month, in which case such Floating Rate Interest Reset Date and Floating Rate Interest Payment Date shall be the immediately preceding EURIBOR business day; and provided further, that if the date of maturity is not a EURIBOR business day, payment of principal and interest will be made on the next succeeding business day and no interest will accrue for the period from and after such date of maturity.

"EURIBOR business day" means any day that is not a Saturday or Sunday and that, in the City of New York or the City of London, is not a day on which banking institutions are generally authorized or obligated by law to close, and is a day on which the TARGET System, or any successor thereto, operates.

"Floating Rate Interest Period" shall mean the period from and including a Floating Rate Interest Reset Date to but excluding the next succeeding Floating Rate Interest Reset Date and, in the case of the last such period, from and including the Floating Rate Interest Reset Date immediately preceding the maturity date or Floating Rate Principal Payment Date, as the case may be, to but not including such maturity date or Floating Rate Principal Payment Date, as the case may be. If the Floating Rate Principal Payment Date or maturity date is not a EURIBOR business day, then the principal amount of the Floating Rate Notes plus accrued and unpaid interest thereon shall be paid on the next succeeding EURIBOR business day and no interest shall accrue for the maturity date, Floating Rate Principal Payment Date or any day thereafter.

The “Applicable EURIBOR Rate” shall mean the rate determined in accordance with the following provisions:

(1) Two prior TARGET days on which dealings in deposits in euros are transacted in the euro-zone interbank market preceding each Floating Rate Interest Reset Date (each such date, an “Interest Determination Date”), The Bank of New York Mellon Trust Company, N.A. (the “Calculation Agent”), as agent for AT&T, will determine the Applicable EURIBOR Rate which shall be the rate for deposits in euro having a maturity of three months commencing on the first day of the applicable interest period that appears on the Bloomberg Screen BBAM Page as of 11:00 a.m., Brussels time, on such Interest Determination Date. “Bloomberg Screen BBAM Page” means the display designated on page “BBAM” on Bloomberg (or such other page as may replace the “BBAM” page on that service or any successor service for the purpose of displaying euro-zone interbank offered rates for euro-denominated deposits of major banks). If the Applicable EURIBOR Rate on such Interest Determination Date does not appear on the Bloomberg Screen BBAM Page, the Applicable EURIBOR Rate will be determined as described in (2) below.

(2) With respect to an Interest Determination Date for which the Applicable EURIBOR Rate does not appear on the Bloomberg Screen BBAM Page as specified in (1) above, the Applicable EURIBOR Rate will be determined on the basis of the rates at which deposits in euro are offered by four major banks in the euro-zone interbank market selected by AT&T (the “Reference Banks”) at approximately 11:00 a.m., Brussels time, on such Interest Determination Date to prime banks in the euro-zone interbank market having a maturity of three months, and in a principal amount equal to an amount of not less than €1,000,000 that is representative for a single transaction in such market at such time. AT&T or its designee will request the principal euro-zone office of each of such Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, the Applicable EURIBOR Rate on such Interest Determination Date will be the arithmetic mean (rounded upwards) of such quotations. If fewer than two quotations are provided, the Applicable EURIBOR Rate on such Interest Determination Date will be the arithmetic mean (rounded upwards) of the rates quoted by three major banks in the euro-zone selected by AT&T at approximately 11:00 a.m., Brussels time, on such Interest Determination Date for loans in euro to leading European banks, having a maturity of three months, and in a principal amount equal to an amount of not less than €1,000,000 that is representative for a single transaction in such market at such time; provided, however, that if the banks so selected as aforesaid by AT&T are not quoting as mentioned in this sentence, the relevant interest rate for the Floating Rate Interest Period commencing on the Floating Rate Interest Reset Date following such Interest Determination Date will be the interest rate in effect on such Interest Determination Date (i.e., the same as the rate determined for the immediately preceding Floating Rate Interest Reset Date).

The amount of interest for each day that the Floating Rate Notes are outstanding (the “Daily Interest Amount”) will be calculated by dividing the interest rate in effect for such day by 360 and multiplying the result by the principal amount of the Floating Rate Notes (known as the “Actual/360” day count). The amount of interest to be paid on the Floating Rate Notes for any Floating Rate Interest Period will be calculated by adding the Daily Interest Amounts for each day in such Floating Rate Interest Period.

The interest rate and amount of interest to be paid on the Floating Rate Notes for each Floating Rate Interest Period will be determined by the Calculation Agent. The interest rate will in no event be lower than zero or higher than the maximum rate permitted by New York law as the same may be modified by United States law of general application. The Calculation Agent will, upon the request of any holder of the Floating Rate Notes, provide the interest rate then in effect with respect to the Floating Rate Notes. All calculations made by the Calculation Agent shall in the absence of manifest error be conclusive for all purposes and binding on AT&T and the holders of the Floating Rate Notes. So long as the Applicable EURIBOR Rate is required to be determined with respect to the Floating Rate Notes, there will at all times be a Calculation Agent. In the event that any then acting Calculation Agent shall be unable or unwilling to act, or that such Calculation Agent shall fail to duly establish the Applicable EURIBOR Rate for any Floating Rate Interest Period, or that AT&T proposes to remove such Calculation Agent, AT&T shall appoint itself or another person which is a bank, trust company, investment banking firm or other financial institution to act as the Calculation Agent.

The 3.550% 2025 Notes, 3.950% 2031 Notes and 4.300% 2034 Notes (collectively, the "Fixed Rate Notes"):

The 3.550% 2025 Notes bear interest at the rate of 3.550% per annum, the 3.950% 2031 Notes bear interest at the rate of 3.950% per annum and the 4.300% 2034 Notes bear interest at the rate of 4.300% per annum.

We pay interest on (i) the 3.550% 2025 Notes and the 4.300% 2034 Notes annually in arrears on each November 18, commencing on November 18, 2023, and (ii) the 3.950% 2031 Notes annually in arrears on each April 30, commencing on April 30, 2024, in each case to the persons in whose names the Fixed Rate Notes are registered at the close of business on the business day preceding the interest payment date. The 3.550% 2025 Notes will mature on November 18, 2025, the 3.950% 2031 Notes will mature on April 30, 2031 and the 4.300% 2034 Notes will mature on November 18, 2034.

Interest on the Fixed Rate Notes will be computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the Fixed Rate Notes (or May 18, 2023, if no interest has been paid on the Fixed Rate Notes), to but excluding the next scheduled interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

Optional Redemption

Each series of Fixed Rate Notes may be redeemed at any time prior to the applicable Par Call Date (as set forth in the table below), as a whole or in part, at our option, at any time and from time to time on at least 5 days', but not more than 40 days', prior notice sent to the registered address of each holder of the Fixed Rate Notes of such series to be redeemed. The redemption price will be calculated by us and will be equal to the greater of (1) 100% of the principal amount of the Fixed Rate Notes of such series to be redeemed or (2) the sum of the present values of the Remaining Scheduled Payments (as defined below) discounted to the redemption date, on an annual basis (ACTUAL/ACTUAL (ICMA)), at a rate equal to the sum of the Treasury Rate (as defined below) plus a number of basis points equal to the applicable Make-Whole Spread (as set forth in the table below). In the case of each of clauses (1) and (2), accrued but unpaid interest will be payable to, but excluding, the redemption date. At any time on or after the applicable Par Call Date (as set forth in the table below), the Fixed Rate Notes may be redeemed, as a whole or in part, at our option, at any time and from time to time, on at least 5 days', but not more than 40 days', prior notice sent to the registered address of each holder of the Fixed Rate Notes of such series to be redeemed, at a redemption price equal to 100% of the principal amount of such series of Fixed Rate Notes to be redeemed. Accrued but unpaid interest will be payable to, but excluding, the redemption date.

Series	**Par Call Date**	**Make-Whole Spread**
3.550% 2025 Notes	October 18, 2025	20 bps
3.950% 2031 Notes	January 30, 2031	30 bps
4.300% 2034 Notes	August 18, 2034	35 bps

"Treasury Rate" means the price, expressed as a percentage, at which the gross redemption yield on the Fixed Rate Notes of the applicable series, if they were to be purchased at such price on the third dealing day prior to the date fixed for redemption, would be equal to the gross redemption yield on such dealing day of the applicable Reference Bond (as defined below) on the basis of the middle market price of the Reference Bond prevailing at 11:00 a.m. (London time) on such dealing day as determined by us or an investment bank appointed by us.

"Reference Bond" means, in relation to any Treasury Rate calculation, a German government bond whose maturity is closest to the maturity of the Fixed Rate Notes of the applicable series, or if we or an investment bank appointed by us considers that such similar bond is not in issue, such other German government bond as we or an investment bank appointed by us, with the advice of three brokers of, and/or market makers in, German government bonds selected by us or an investment bank appointed by us, determine to be appropriate for determining such Treasury Rate.

"Remaining Scheduled Payments" means, with respect to each Fixed Rate Note of a series to be redeemed, the remaining scheduled payments of principal and interest on such Fixed Rate Note that, but for the redemption, would be due after the related redemption date through to the applicable Par Call Date, assuming the applicable series of Fixed Rate Notes matured on the Par Call Date (not including any portion of payments of interest accrued as of the redemption date). If that redemption date is not an interest payment date with respect to the applicable series of Fixed Rate Notes, the amount of the next succeeding scheduled interest payment on the Fixed Rate Notes will be reduced by the amount of interest accrued on the Fixed Rate Notes to the redemption date.

On and after the redemption date, interest will cease to accrue on the Fixed Rate Notes or any portion of the Fixed Rate Notes called for redemption unless we default in the payment of the redemption price and accrued interest. On or before the redemption date, we will deposit with our paying agent or the trustee money sufficient to pay the redemption price of and accrued interest on the Fixed Rate Notes to be redeemed on that date.

Any redemption or notice may, at our discretion, be subject to one or more conditions precedent and, at our discretion, the redemption date may be delayed until such time as any or all such conditions precedent included at our discretion shall be satisfied (or waived by us) or the redemption date may not occur and such notice may be rescinded if all such conditions precedent included at our discretion shall not have been satisfied (or waived by us).

In the case of any partial redemption, selection of the Fixed Rate Notes of a series to be redeemed will be made by the trustee by lot or pursuant to applicable depositary procedures.

Payment of Additional Amounts

We will, subject to the exceptions and limitations set forth below, pay as additional interest on the Notes such additional amounts as are necessary so that the net payment by us or our paying agent of the principal of and interest on the Notes to a person that is a United States Alien, after deduction for any present or future tax, assessment or governmental charge of the United States or a political subdivision or taxing authority thereof or therein, imposed by withholding with respect to the payment, will not be less than the amount that would have been payable in respect of the Notes had no withholding or deduction been required. As used herein, "United States Alien" means any person who, for United States federal income tax purposes, is a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a non-resident alien individual or a non-resident alien fiduciary of a foreign estate or trust.

Our obligation to pay additional amounts shall not apply:

(1) to any tax, assessment or governmental charge that is imposed or withheld solely because the beneficial owner, or a fiduciary, settlor, beneficiary or member of the beneficial owner if the beneficial owner is an estate, trust or partnership, or a person holding a power over an estate or trust administered by a fiduciary holder:

(a) is or was present or engaged in a trade or business in the United States, has or had a permanent establishment in the United States, or has any other present or former connection with the United States or any political subdivision or taxing authority thereof or therein;

(b) is or was a citizen or resident or is or was treated as a resident of the United States;

(c) is or was a foreign or domestic personal holding company, a passive foreign investment company or a controlled foreign corporation with respect to the United States or is or was a corporation that has accumulated earnings to avoid United States federal income tax;

(d) is or was a bank receiving interest described in Section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended (the "Code"); or

(e) is or was an actual or constructive owner of 10% or more of the total combined voting power of all classes of stock of AT&T entitled to vote;

(2) to any holder that is not the sole beneficial owner of the Notes, or a portion thereof, or that is a fiduciary or partnership, but only to the extent that the beneficial owner, a beneficiary or settlor with respect to the fiduciary, or a member of the partnership would not have been entitled to the payment of an additional amount had such beneficial owner, beneficiary, settlor or member received directly its beneficial or distributive share of the payment;

(3) to any tax, assessment or governmental charge that is imposed or withheld solely because the beneficial owner or any other person failed to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of the Notes, if compliance is required by statute, by regulation of the United States Treasury Department or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such tax, assessment or other governmental charge;

(4) to any tax, assessment or governmental charge that is imposed other than by deduction or withholding by AT&T or a paying agent from the payment;

(5) to any tax, assessment or governmental charge that is imposed or withheld solely because of a change in law, regulation, or administrative or judicial interpretation that is announced or becomes effective after the day on which the payment becomes due or is duly provided for, whichever occurs later;

(6) to an estate, inheritance, gift, sales, excise, transfer, wealth or personal property tax or any similar tax, assessment or governmental charge;

(7) to any tax, assessment or other governmental charge any paying agent (which term may include us) must withhold from any payment of principal of or interest on any Note, if such payment can be made without such withholding by any other paying agent; or

(8) in the case of any combination of the above items.

In addition, any amounts to be paid on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and no additional amounts will be required to be paid on account of any such deduction or withholding.

The Notes are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation applicable. Except as specifically provided under this heading "—Payment of Additional Amounts" and under the heading "—Redemption Upon a Tax Event," we do not have to make any payment with respect to any tax, assessment or governmental charge imposed by any government or a political subdivision or taxing authority.

Any reference in the terms of the Notes of each series to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this provision.

Redemption Upon a Tax Event

If (a) we become or will become obligated to pay additional amounts with respect to any Notes as described herein under the heading "—Payment of Additional Amounts" as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of the United States (or any political subdivision or taxing authority thereof or therein), or any change in, or amendments to, any official position regarding the application or interpretation of such laws, regulations or rulings, which change or amendment is announced or becomes effective, on or after February 27, 2023, in the case of the Floating Rate Notes, or May 11, 2023, in the case of the Fixed Rate Notes, or (b) a taxing authority of the United States takes an action on or after February 27, 2023, in the case of the Floating Rate Notes, or May 11, 2023, in the case of the Fixed Rate Notes, whether or not with respect to us or any of our affiliates, that results in a substantial probability that we will or may be required to pay such additional amounts, then we may, at our option, redeem, as a whole, but not in part, the applicable series of Notes on any interest payment date on not less than 10, in the case of the Floating Rate Notes, or 5, in the case of the

Fixed Rate Notes, nor more than 40 calendar days' (for all Notes) prior notice, at a redemption price equal to 100% of their principal amount, together with interest accrued thereon to, but excluding, the date fixed for redemption. No redemption pursuant to (b) above may be made unless we shall have received an opinion of independent counsel to the effect that an act taken by a taxing authority of the United States results in a substantial probability that we will or may be required to pay the additional amounts described herein under the heading "—Payment of Additional Amounts" and we shall have delivered to the trustee a certificate, signed by a duly authorized officer, stating that based on such opinion we are entitled to redeem the Notes pursuant to their terms.

Further Issues

We may from time to time, without notice to or the consent of the holders of a series of the Notes, create and issue further notes ranking equally and ratably with such series in all respects, or in all respects except for the payment of interest accruing prior to the issue date or except for the first payment of interest following the issue date of those further notes. Any further notes will have the same terms as to status, redemption or otherwise as, and will be fungible for United States federal income tax purposes with, the Notes of the applicable series. Any further notes shall be issued pursuant to a resolution of our board of directors, a supplement to the Indenture, or under an officers' certificate pursuant to the Indenture.

Governing Law

The Notes will be governed by and constructed in accordance with the laws of the State of New York.

Special Situations Covered by Our Indenture

Mergers and Similar Transactions

We are generally permitted to consolidate or merge with another company. We are also permitted to sell substantially all of our assets to another company. However, we may not take any of these actions unless all the following conditions are met:

- Where we merge out of existence or sell our assets, the company we merge into or sell to may not be organized under the laws of a foreign country. It must be a corporation organized under the laws of the United States, any State thereof, or the District of Columbia.
- The company we merge into or sell to must agree to be legally responsible for our debt securities.
- The merger, sale of assets or other transaction must not cause a default on the securities, and we must not already be in default, unless the merger or other transaction would cure the default. For purposes of this no-default test, a default would include an event of default that has occurred and not been cured, as described below under "— Default and Related Matters — Events of Default — What Is an Event of Default?" A default for this purpose would also include any event that would be an event of default if the requirements for giving us default notice or our default having to exist for a specific period of time were disregarded.

Further, we may buy substantially all of the assets of another company without complying with any of the foregoing conditions.

Modification and Waiver of Your Contractual Rights

Under certain circumstances, we can make changes to the indentures and the securities. Some types of changes require the approval of each security holder affected, some require approval by a majority vote, and some changes do not require any approval at all.

Changes Requiring Your Approval. First, there are changes that cannot be made to your securities without your specific approval. The following is a list of those types of changes:

- to reduce the percentage of holders of securities who must consent to a waiver or amendment of the applicable indenture;
- to reduce the rate of interest on any security or change the time for payment of interest;
- to reduce the principal due on any security or change the fixed maturity of any security;
- to waive a default in the payment of principal or interest on any security;
- to change the currency of payment on a security, unless the security provides for payment in a currency that ceases to exist;
- in the case of convertible or exchangeable securities, to make changes to your conversion or exchange rights that would be adverse to your interests;
- to change the right of holders to waive an existing default by majority vote;
- to reduce the amount of principal or interest payable to you following a default or change your conversion or exchange rights, or impair your right to sue for payment;
- to make any change to this list of changes that requires your specific approval; and
- to modify any of the provisions of the subordinated indenture in a manner that adversely affects the superior position of the holders of senior indebtedness then outstanding.

Changes Requiring a Majority Vote. The second type of change to the indentures and the securities is the kind that requires a vote in favor by security holders owning a majority of the principal amount of the particular series affected. Most changes fall into this category, except as set forth in the following paragraph. The same vote would be required for us to obtain a waiver of an existing default. However, we cannot obtain a waiver of a payment default unless we obtain your individual consent to the waiver.

Changes Not Requiring Your Approval. The third type of change does not require any vote by holders of securities. This type includes, among others, clarifications of ambiguous contract terms, changes to make securities payable in U.S. dollars (if the stated denomination ceases to exist) and other changes that would not materially adversely affect holders of the securities.

Further Details Concerning Voting. When taking a vote, we will use the following rules to decide how much principal amount to attribute to a security:

- For original issue discount securities, we will use the principal amount that would be due and payable on the voting date if the maturity of the securities were accelerated to that date because of a default.
- For securities denominated in one or more foreign currencies or currency units, we will use the U.S. dollar equivalent determined on the date of original issuance of these securities.

Securities will not be considered outstanding, and therefore not eligible to vote, if we have deposited or set aside in trust for you money for their payment or redemption. A security does not cease to be outstanding because we or an affiliate of us is holding the security.

We will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding securities that are entitled to vote or take other action under the indentures. However, the indentures do not oblige us to fix any record date at all. If we set a record date for a vote or other action to be taken by holders of a particular series, that vote or action may be taken only by persons who are holders of outstanding securities of that series on the record date and must be taken within 90 days following the record date.

Holders who hold in "street name" and other indirect holders, including holders of any securities issued as global securities, should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the indentures or the securities or request a waiver.

Discharge of Our Obligations

We can fully discharge ourselves from any payment or other obligations on the securities of any series if we make a deposit for you with the trustee and certain other conditions are met. The deposit must be held in trust for your benefit and the benefit of all other direct holders of the securities and must be a combination of money and U.S.

government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the securities on their various due dates.

However, we cannot discharge ourselves from the obligations under any convertible or exchangeable securities, unless we provide for it in the terms of these securities.

If we accomplish full discharge, as described above, you will have to rely solely on the trust deposit for repayment of the securities. Holders could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever become bankrupt or insolvent.

We will indemnify the trustee and you against any tax, fee or other charge imposed on the U.S. government obligations we deposited with the trustee or against the principal and interest received on these obligations.

Liens on Assets

The indentures do not restrict us from pledging or otherwise encumbering any of our assets and those of our subsidiaries.

Default and Related Matters

Ranking Compared to Other Creditors

The securities are not secured by any of our property or assets. Accordingly, your ownership of securities means you are one of our unsecured creditors. The securities are not subordinated to any of our other debt obligations and therefore they rank equally with all our other unsecured and unsubordinated indebtedness. However, the trustee under each indenture has a right to receive payment for its administrative services prior to any payment to security holders after a default.

Events of Default

Holders will have special rights if an event of default occurs and is not cured, as described later in this subsection.

What Is an Event of Default? The term "event of default" with respect to any series of securities means any of the following:

- We fail to make any interest payment on a security when it is due, and we do not cure this default within 90 days.
- We fail to make any payment of principal when it is due at the maturity of any security or upon redemption.
- We fail to comply with any of our other agreements regarding a particular series of securities or with a supplemental indenture, and after we have been notified of the default by the trustee or holders of 25% in principal amount of the series, we do not cure the default within 90 days.
- We file for bankruptcy, or other events in bankruptcy, insolvency or reorganization occur.
- Any other event of default described in the prospectus supplement occurs.

Remedies if an Event of Default Occurs

Holders and the trustee will have the following remedies if an event of default occurs:

Acceleration. If an event of default has occurred and has not been cured or waived, then the trustee or the holders of 25% in principal amount of the securities of the affected series may declare the entire principal amount of and any accrued interest on all the securities of that series to be due and immediately payable. An acceleration of maturity may be cancelled by the holders of at least a majority in principal amount of the securities of the affected series, if all events of default have been cured or waived.

Special Duties of Trustee. If an event of default occurs, the trustee will have some special duties. In that situation, the trustee will be obligated to use those of its rights and powers under the applicable indenture, and to use the same degree of care and skill in doing so, that a prudent person would use in that situation in conducting his or her own affairs.

Other Remedies of Trustee. If an event of default occurs, the trustee is authorized to pursue any available remedy to collect defaulted principal and interest and to enforce other provisions of the securities and the applicable indenture, including bringing a lawsuit.

Majority Holders May Direct the Trustee to Take Actions to Protect Their Interests. The trustee is not required to take any action under the applicable indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability. This is called an "indemnity". If the trustee is provided with an indemnity reasonably satisfactory to it, the holders of a majority in principal amount of the relevant series of debt securities may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. These majority holders may also direct the trustee in performing any other action under the applicable indenture.

Individual Actions You May Take if the Trustee Fails to Act. Before a holder bypasses the trustee and brings such holder's own lawsuit or other formal legal action or takes other steps to enforce such holder's rights or protect such holder's interests relating to the securities, the following must occur:

- Such holder must give the trustee written notice that an event of default has occurred and remains uncured.
- The holders of 25% in principal amount of all outstanding securities of the relevant series must make a written request that the trustee take action because of the default, and must offer indemnity reasonably satisfactory to the trustee against the cost and other liabilities of taking that action.
- The trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity.
- During the 60-day period, the holders of a majority in principal amount of the securities of that series do not give the trustee a direction inconsistent with the request.

However, a holder is entitled at any time to bring an individual lawsuit for the payment of the money due on such holder's security on or after its due date.

Waiver of Default

The holders of a majority in principal amount of the relevant series of debt securities may waive a default for all the relevant series of debt securities. If this happens, the default will be treated as if it had not occurred. No one can waive a payment default on a holder's debt security, however, without such holder's individual approval.

We Will Give the Trustee Information About Defaults Annually

Every year we will give to the trustee a written statement of one of our officers certifying that to the best of his or her knowledge we are in compliance with the indentures and all the securities under it, or else specifying any default.

The trustee may withhold from you notice of any uncured default, except for payment defaults, if it determines that withholding notice is in your interest.

Holders who hold in "street name" and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to make or cancel a declaration of acceleration.

Regarding the Trustee

The Bank of New York Mellon Trust Company, N.A. is the trustee under the Indenture. In addition, affiliates of The Bank of New York Mellon Trust Company, N.A. may perform various commercial banking and investment banking services for us and our subsidiaries from time to time in the ordinary course of business.

AT&T INC.
CHANGE IN CONTROL SEVERANCE PLAN

Effective January 1, 2025

Article 1 - Purpose

The purpose of the AT&T Inc. Change in Control Severance Plan (the "**Plan**") is to foster the continuous employment of key management personnel of the Company and its Subsidiaries and to reinforce and encourage their continued attention and dedication to their duties in the face of potentially disturbing circumstances arising from the possibility of a Change in Control (as defined in Article 2) of the Company, although no such change is now apparent or contemplated.

Article 2 - Definitions

As used in this Plan, the following terms shall have the respective meanings set forth below, and, when the meaning is intended, the initial letter of the word is capitalized:

"**Base Salary**" means the Participant's annual rate of base salary in effect immediately prior to the occurrence of the circumstance giving rise to the Participant's Termination of Employment, or, if greater, the Participant's annual rate of base salary in effect immediately prior to the Change in Control.

"**Board**" means the Board of Directors of the Company and, after a Change in Control, the "board of directors" of the Ultimate Parent (as defined below under Change in Control).

"**Bonus Amount**" means a Participant's target annual bonus for the fiscal year in which the Change in Control occurs or in which Participant's Date of Termination occurs, whichever is greater; provided that, if a target annual bonus has not been established for the applicable fiscal year, then the target annual bonus established for the preceding fiscal year shall be substituted in lieu thereof.

"**Cause**" means (i) the willful and continued failure by a Participant to substantially perform his or her duties with the Company and its Subsidiaries (other than any such failure resulting from his or her incapacity due to physical or mental impairment, or any such actual or anticipated failure after the issuance of a notice of termination by him or her for Good Reason) after a written demand for substantial performance is delivered to the Participant by the Company which demand specifically identifies the manner in which the Company believes that he or she has not substantially performed his or her duties, or (ii) the willful engaging by a Participant in conduct which is demonstrably and materially injurious to the Company or any Subsidiary, monetarily or otherwise. For purposes of this definition, no act, or failure to act, on a Participant's part shall be deemed "willful" unless done, or omitted to be done, by the Participant not in good faith and without reasonable belief that his or her action or omission was in the best interest of the Company and its Subsidiaries. Notwithstanding the foregoing, a Participant shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to him or her a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of

the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice to the Participant and an opportunity for him or her, together with counsel, to be heard before the Board), finding that in the good faith opinion of the Board the Participant was guilty of the conduct set forth above in clauses (i) or (ii) of the first sentence of this definition and specifying the particulars thereof in detail.

"**Change in Control**" shall be deemed to have occurred if (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a corporation owned directly or indirectly by the shareowners of the Company in substantially the same proportions as their ownership of stock of the Company, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing twenty percent (20%) or more of the total voting power represented by the Company's then outstanding voting securities, or (ii) during any period of two (2) consecutive years, individuals who at the beginning of such period constitute the Board of Directors and any new Director whose election by the Board of Directors or nomination for election by the Company's shareowners was approved by a vote of at least two-thirds (2/3) of the Directors then still in office who either were Directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof, or (iii) the consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation (such post-merger surviving entity the "**Ultimate Parent**"), or the shareowners of the Company approve 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.

"**Committee**" means the Human Resources Committee of the Board.

"**Company**" means AT&T Inc.

"**Date of Termination**" means the date of the Participant's Termination of Employment with the Company and its Subsidiaries as determined under Section 4.1 of the Plan.

"**Disability**" has the meaning ascribed under the relevant Employer's long-term disability plan.

"Employee" means any person employed as an employee by an Employer and paid on an Employer's employee payroll system, excluding persons hired for a fixed maximum term, all as determined by the Employer. For purposes of this Plan, a person on a Leave of Absence who otherwise would be an Employee shall be deemed to be an Employee.

"**Employer**" means the Company or any of its Subsidiaries provided that, if an entity ceases to be a Subsidiary during the Termination Period, such entity shall continue to be an Employer and the Employee shall continue to be a Participant until the second anniversary of the Change in

Control and, notwithstanding any other provision to the contrary, any benefits under the Plan shall be paid or provided by the Company.

"**Exchange Act**" means the Securities Exchange Act of 1934.

"**Executive Officer**" means a person who has been identified by the Company as an executive officer under Rule 3b-7 of the Securities Exchange Act of 1934 prior to a Change in Control.

"**Good Reason**" means, without the Participant's express written consent, the occurrence of any of the following events after a Change in Control: (i) the assignment to the Participant of any duties inconsistent with his or her title(s) or status immediately prior to the Change in Control, or a substantial adverse alteration in the nature or status of his or her responsibilities from those in effect immediately prior to the Change in Control; (ii) a reduction in the Participant's annual base salary, target short-term or long term incentive award opportunity (including any current payments that may be made thereunder, such as the payment of dividend equivalents) as in effect immediately prior to the Change in Control, except for across-the-board salary reductions similarly affecting all officers and Vice Presidents of the Company and its Subsidiaries and all managers in equivalent positions of any person in control of the Company; (iii) the failure to pay to the Participant any portion of his or her current compensation or deferred compensation under any compensation or benefit program within seven (7) days of the date such payment is due; (iv) the failure to continue to provide the Participant with benefits substantially similar to those enjoyed by him or her under the pension, life insurance, medical, health, accident and disability plans, or any fringe benefit material to the Participant that he or she was eligible for at the time of the Change in Control; the direct or indirect material reduction in any of such benefits; or the failure to provide the Participant with the number of paid vacation days to which he or she is entitled on the basis of his or her duration of service with the Company and its Subsidiaries, in accordance with the Employer's normal vacation policy in effect immediately prior to the Change in Control; (v) the failure to obtain a satisfactory agreement from any successor to assume and agree to perform this Plan, as contemplated in Article 7; or (vi) any purported termination of the Participant's employment after a Change in Control which is not effected pursuant to a notice of termination satisfying the requirements of Sections 4.1 and 8.1 (for purposes of this Plan, no such purported termination shall be effective).

An isolated, insubstantial and inadvertent action taken in good faith implicating clauses (i), (iv), (v) or (vi) of this definition which is fully corrected by the Company prior to the Date of Termination specified in the notice of termination shall not constitute Good Reason. A Participant's right to terminate his or her employment for Good Reason shall not be affected by his or her incapacity due to physical or mental impairment. A Participant's continued employment shall not constitute consent to, or a waiver of rights with respect to, any circumstance constituting Good Reason hereunder.

"**Leave of Absence**" shall mean when a Participant is absent from employment with an Employer on a leave of absence, military leave, or sick leave, where the leave is given in order to prevent a break in the continuity of term of employment, and permission for such leave is granted (and not revoked) in conformity with the rules of the Employer that employs the individual, as adopted from time to time and the Employee is reasonably expected to return to service. Except as set forth below, the leave shall not exceed six (6) months for purposes of this

Plan, and the Employee shall incur a Termination of Employment upon cessation of such leave if the Employee does not return to work prior to that time, unless the individual retains a right to reemployment under law or by contract. A twenty-nine (29) month limitation shall apply in lieu of such six (6) month limitation if the leave is due to the Employee being "disabled" (within the meaning of Treasury Regulation §1.409A-3(i)(4)), and the Employee shall incur a Termination of Employment upon cessation of such leave. A Leave of Absence shall not commence or shall be deemed to cease under the Plan where the Employee has incurred a Termination of Employment.

"**Officer Level Employee**" means any Executive Officer and any Employee who is an "officer level" Employee for compensation purposes as shown on the records of the Company and its Subsidiaries.

"**Participant**" means the CEO, each Officer Level Employee who had in effect on September 28, 2006 a Severance Benefits – Change in Control Agreement with the Company, and each other Officer Level Employee or Vice President Level Employee. A person shall cease to be a Participant upon (a) the Participant's Termination of Employment prior to a Potential Change in Control or (b) the Board, the Committee or the CEO determining, in their sole discretion, that the person shall cease to qualify for benefits under this Plan (but any such determination made in respect of a Participant shall be considered an amendment of the Plan adverse to the interests of the affected Participant and is subject to the provisions of Section 8.5). Notwithstanding the foregoing, only the Committee shall have the authority to exclude from participation or take any other action with respect to Executive Officers.

"**Potential Change in Control**" shall be deemed to have occurred if (i) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control or (ii) the Board adopts a resolution to the effect that, for purposes of this Plan, a Potential Change in Control of the Company has occurred.

"**Qualifying Termination**" means a Participant's Termination of Employment during the Termination Period (i) by the Employer other than for Cause or (ii) by the Participant for Good Reason. Termination of Employment on account of death, Disability or Retirement shall not be treated as a Qualifying Termination.

"**Retirement**" means the Participant's mandatory retirement in accordance with the Employer's mandatory retirement age policy, if any, for officers and Vice Presidents as in effect immediately prior to a Change in Control or in accordance with any retirement arrangement established with the Participant's consent with respect to him or her; provided, however, that a Participant's termination for Good Reason shall not constitute Retirement.

"**Specified Employee**" means any Participant who is a "Key Employee" (as defined in Code Section 416(i) without regard to paragraph (5) thereof), as determined by the Company in accordance with its uniform policy with respect to all arrangements subject to Code Section 409A, based upon the twelve (12) month period ending on each December 31st (such twelve (12) month period is referred to below as the "identification period"). All Participants who are determined to be key employees under Code Section 416(i) (without regard to paragraph (5) thereof) during the identification period shall be treated as Specified Employees for purposes of

the Plan during the twelve (12) month period that begins on the first day of the 4th month following the close of such identification period.

"**Subsidiary**" means any corporation, partnership, venture or other entity in which the Company holds, directly or indirectly, a fifty percent (50%) or greater ownership interest. The Committee may, at its sole discretion, designate, on such terms and conditions as the Committee shall determine, any other corporation, partnership, limited liability company, venture or other entity a Subsidiary for purposes of this Plan.

"**Termination of Employment**" means the event where the Participant has a "separation from service," as defined under Section 409A, with the Employer.

"**Termination Period**" means the period of time beginning with a Change in Control and ending on the second anniversary of such Change in Control.

"**Vice President Level Employee**" means any Employee who is a "vice president level" Employee for compensation purposes as shown on the records of the Company and its Subsidiaries.

Article 3 - Effectiveness of the Plan

3.1 This Plan shall be effective as of January 1, 2007. Nothing in this Plan shall be deemed to entitle any Participant to continued employment with any Employer, and if a Participant's employment with any Employer terminates prior to a Change in Control, the Participant shall have no rights under this Plan.

Article 4 - Payments Upon a Qualifying Termination

4.1 Termination of Employment.

(a) ***Notice of Termination.*** Any purported termination of a Participant's employment during the Termination Period by an Employer or by a Participant shall be communicated by written notice of termination to the other party in accordance with this Section 4.1 and Section 8.1 (regarding notices). For purposes of this Plan, a "notice of termination" shall mean a notice which shall indicate the specific termination provision in this Plan relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for the Participant's Termination of Employment under the provision so indicated. The failure by the Participant or the Employer to set forth in such notice any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Participant or the Employer hereunder or preclude the Participant or the Employer from asserting such fact or circumstance in enforcing the Participant's or the Employer's rights hereunder.

(b) ***Date of Termination***. If a Participant has a Qualifying Termination, the Date of Termination shall be the date specified in the notice of termination (which, in the case of a termination other than for Cause or a termination for Good Reason shall not be less than fifteen (15) nor more than sixty (60) days from the date such notice is given). If a Participant's Termination of Employment is for Cause, the Date of Termination shall not be less than thirty (30) days from the date notice is given. In the event of a dispute arising out of the Participant's Termination of Employment, the Date of Termination will be determined in accordance with Section 4.1(c).

(c) ***Disputes Involving Termination.*** If within fifteen (15) days after any notice of termination is given, or, if later, prior to the Date of Termination (as determined without regard to this provision), the party receiving such notice of termination notifies the other party that a dispute exists concerning whether the termination is a Qualifying Termination or for Cause, the Date of Termination for purposes of Section 4.2 hereof shall be the date on which the dispute is finally resolved either by mutual written agreement of the parties, or by a final judgment, order or decree of a court of competent jurisdiction (which is not appealable or with respect to which the time for appeal therefrom has expired and no appeal has been perfected); provided, however, that if the dispute is not resolved prior to the end of the Termination Period, the Termination Period shall be extended so as not to deprive the Participant of the benefits under Section 4.2 in respect of such termination; provided further, that the Date of Termination shall be extended by a notice of dispute only if such notice is given in good faith and the party giving such notice pursues the resolution of such dispute with reasonable diligence.-During the pendency of any such dispute (the "Dispute Period"), subject to Section 6.1, the Employer will continue to pay the Participant his or her full Base Salary in accordance with the Company's payroll practice in effect from time to time (provided that the amount paid in any calendar year shall be equal to the Participant's annual rate of Base Salary or a proportionate fraction thereof with respect to portions of calendar years during the Dispute Period (other than amounts that are required to be paid in a subsequent calendar year pursuant to Section 6.1)). Amounts paid under this provision are in addition to all other amounts due under this Plan and shall not be offset against or reduce any other amounts due under this Plan.

4.2 Severance Payments.

If the Participant has a Qualifying Termination, then subject to Schedule B to the Plan, the Company shall or shall cause the Employer to provide to the Participant:

(a) his or her full base salary through the Date of Termination at the rate in effect at the time notice of termination is given, plus all other amounts to which he or she is entitled under any compensation plan in effect immediately prior to the Change in Control, at the time such payments are due; provided that, subject to the Participant's execution of a Release in the form attached to this Plan as Schedule A (the "**Release**") within forty-five (45) days of the Participant's Date of Termination (and thereafter not revoking such Release); and

(b) subject to the Participant's execution of a Release within forty-five (45) days of the Participant's Date of Termination (and thereafter not revoking such Release), a lump sum cash payment equal to the result of multiplying (i) the sum of (A) the Participant's Base Salary, plus (B) the Participant's Bonus Amount by (ii) 2.99; provided, however, that if the amount of such payment cannot be finally determined on or before such day, the Participant shall be paid an estimate, as determined in good faith by the Company of the minimum amount of such payment and the remainder of such payment (together with interest at the rate provided in section 1274(b)(2)(B) of the Internal Revenue Code of 1986, as amended (the "**Code**")) as soon as the amount thereof can be determined; provided further that, in the event that the amount of the estimated payment exceeds the amount subsequently determined to have been due, such excess shall be reimbursed by the Participant, payable on the fifth (5^{th}) day after demand by the Company (together with interest at the rate provided in section 1274(b)(2)(B) of the Code).

4.3 No Duplication of Benefits. Except as otherwise expressly provided pursuant to this Plan, this Plan shall be construed and administered in a manner which avoids duplication of compensation and benefits which may be provided under any other plan, program, policy, or other arrangement or individual contract. In the event a Participant is covered by any other plan, program, policy, individually negotiated agreement or other arrangement, in effect as of his or her Date of Termination, that may duplicate the payments and benefits provided for in this Article 4, the Company may reduce or eliminate the duplicative benefits provided for under the

Plan but solely to the extent such reduction or elimination does not cause the Participant to be subject to penalty taxes under Section 409A.

4.4 **No Affect on Other Benefits.** This Plan does not abrogate any of the usual entitlements which a Participant has or will have, first, while a regular employee, and subsequently, after termination, and thus, subject to Section 4.3 of this Plan, a Participant shall be entitled to receive all benefits payable to him or her under each and every qualified plan, welfare plan and any other plan or program relating to benefits and deriving from his or her employment with the Company and it Subsidiaries, but solely in accordance with the terms and provisions thereof.

Article 5 – Withholding Taxes

The Company and its Subsidiaries may withhold from all payments due to the Participant (or his beneficiary or estate) hereunder all taxes which, by applicable federal, state, local or other law, are required to be withheld.

Article 6 - Certain Additional Agreements under Section 409A

6.1 **6.1** **Delay of Payment.** In the event that a payment to be made pursuant to Sections 4.1(c) or 4.2(b) or any other amounts under this Plan that constitutes non-qualified deferred compensation under Section 409A of the Code ("**Section 409A**") is to be made to a "Specified Employee," such payment will be delayed for six (6) months after the Date of Termination if required in order to avoid additional tax under Section 409A and paid in a single lump sum on the first business day of the month following the end of such six (6) month period. If a Participant who is a Specified Employee dies within six (6) months following such Termination of Employment, any such delayed payments shall not be further delayed, and shall be immediately payable within forty-five (45) days to his or her estate in accordance with the applicable provisions of this Plan.

6.2 **6.2** **Cash Payments.** Subject to the Participant's execution of a Release within forty-five (45) days of the Participant's Date of Termination (and thereafter not revoking such Release), the Company shall use its best efforts to pay, or shall use its best efforts to cause the Employer to pay, to the Participant the cash lump sum described in Section 4.2(b) to be made, subject to Section 6.1 on the sixtieth (60^{th}) day following the Participant's Date of Termination.

6.3 **6.3** **No Adverse Action.** No Employer will take any action that would expose any payment or benefit to a Participant under this Plan to the additional tax imposed under Section 409A unless (i) the Employer is obligated to take the action under an agreement, plan or arrangement, (ii) a Participant requests the action, (iii) the Employer advises such Participant in writing that the action may result in the imposition of the additional tax and (iv) such Participant subsequently requests the action in a writing that acknowledges that he or she will be responsible for any effect of the action under Section 409A.

Article 7 - Successors; Binding Agreement

7.1 **7.1** The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/

or assets of the Company to unconditionally assume all of the obligations of the Employer hereunder. Failure of the Company to obtain such assumption prior to the effectiveness of any such succession shall constitute Good Reason hereunder and shall entitle the Participants to compensation and other benefits in the same amount and on the same terms as the Participants would be entitled hereunder if they had a Qualifying Termination, except that for purposes of implementing the foregoing, the date on which any succession becomes effective shall be deemed the Date of Termination.

7.2 **7.2** The benefits provided under this Plan shall inure to the benefit of and be enforceable by the Participant's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Participant shall die while any amounts would be payable to the Participant hereunder had the Participant continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Plan to such person or persons appointed in writing by the Participant to receive such amounts or, if no person is so appointed, to the Participant's estate.

Article 8 – Miscellaneous

8.1 **8.1** **Election and Notices**. Notwithstanding anything to the contrary contained in this Plan, all elections and notices of every kind under this Plan shall be made on forms prepared by the Company or its General Counsel, Secretary or Assistant Secretary, or their respective delegates or shall be made in such other manner as permitted or required by the Company or its General Counsel, Secretary or Assistant Secretary, or their respective delegates, including through electronic means, over the Internet or otherwise. An election shall be deemed made when received by the Company (or its designated agent, but only in cases where the designated agent has been appointed for the purpose of receiving such election), which may waive any defects in form.

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

Notice to the Participant shall be deemed given when mailed (or sent by telecopy) to the Participant's work or home address as shown on the records of the Employer or, at the option of the Company, to the Participant's e-mail address as shown on the records of the Employer. It is the Participant's responsibility to ensure that the Participant's addresses are kept up to date on the records of the Employer. In the case of notices affecting multiple Participants, the notices may be given by general distribution at the Participants' work locations.

8.2 **No Mitigation; Resolution of Disputes and Costs.**

(a) In no event shall the Participant be obligated to seek other employment or take other action by way of mitigation of the amounts payable to the Participant under any of the provisions of this Plan and such amounts shall not be reduced whether or not the Participant obtains other employment.

(b) Participants may submit claims for benefits by giving notice to the Company pursuant to Section 8.1. If a Participant believes that he or she has not received coverage or benefits to which he or she is entitled under the Plan, the Participant may notify the Company in writing of a claim for coverage or benefits. If the claim for coverage or benefits is denied in whole or in part, the Company shall notify the applicant in writing of such denial within thirty (30) days (which may be extended to sixty (60) days under special circumstances), with such notice setting forth: (i) the specific reasons for the denial; (ii) the Plan provisions upon which the denial is based; (iii) any additional material or information necessary for the applicant to perfect his or her claim; and (iv) the procedures for requesting a review of the denial. Upon a denial of a claim by the Company, the Participant may: (i) request a review of the denial by the Board or, where review authority has been so delegated, by such other person or entity as may be designated by the Board for this purpose; (ii) review any Plan documents relevant to his or her claim; and (iii) submit issues and comments to the Board or its delegate that are relevant to the review. Any request for review must be made in writing and received by the Board or its delegate within sixty (60) days of the date the applicant received notice of the initial denial, unless special circumstances require an extension of time for processing. The Board or its delegate will make a written ruling on the applicant's request for review setting forth the reasons for the decision and the Plan provisions upon which the denial, if appropriate, is based. This written ruling shall be made within thirty (30) days of the date the Board or its delegate receives the applicant's request for review unless special circumstances require an extension of time for processing, in which case a decision will be rendered as soon as possible, but not later than sixty (60) days after receipt of the request for review. All extensions of time permitted by this Section 8.2 will be permitted at the sole discretion of the Board or its delegate. If the Board does not provide the Participant with written notice of the denial of his or her appeal, the Participant's claim shall be deemed denied.

(c) Notwithstanding anything in this Plan to the contrary, any court, tribunal or arbitration panel that adjudicates any dispute, controversy or claim arising between a Participant and any Employer, or any of their delegates or successors, in respect of a Participant's Qualifying Termination, will apply a de novo standard of review to any determinations made by such person. Such de novo standard shall apply notwithstanding the grant of full discretion hereunder to any such person or characterization of any such decision by such person as final, binding or conclusive on any party.

(d) If any contest or dispute shall arise under this Plan involving a Participant's Termination of Employment or involving the failure or refusal of any Employer to perform fully in accordance with the terms hereof, the Company shall or shall cause the Employer to reimburse the Participant on a current basis for all reasonable legal fees and related expenses, if any, incurred by the Participant at any time from the Effective Date of this Plan through the Participant's remaining lifetime (or, if longer, through the 20th anniversary of the Change in Control) in connection with such contest or dispute (regardless of the result thereof), together

with interest at the rate provided in section 1274(b)(2)(B) of the Code, such interest to accrue thirty (30) days from the date the Company receives the Participant's statement for such fees and expenses through the date of payment thereof, regardless of whether or not the Participant's claim is upheld by a court of competent jurisdiction or an arbitration panel; provided, however, that the Participant shall be required to repay immediately any such amounts to the Employer to the extent that a court or an arbitration panel issues a final and non-appealable order setting forth the determination that the position taken by the Participant was frivolous or advanced by the Participant in bad faith**.** To comply with Section 409A, in no event shall the payments by the Employer under this Section 8.2(d) be made later than the end of the calendar year next following the calendar year in which such fees and expenses were incurred, provided, that the Participant shall have submitted an invoice for such fees and expenses at least ten (10) days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred. The amount of such legal fees and expenses that the Employer is obligated to pay in any given calendar year shall not affect the legal fees and expenses that the Employer is obligated to pay in any other calendar year, and the Participant's right to have the Employer pay such legal fees and expenses may not be liquidated or exchanged for any other benefit.

8.3 **Survival.** The respective obligations and benefits afforded to the Company and the Participant as provided in Articles 4 (to the extent that payments or benefits are owed as a result of a Qualifying Termination that occurs during the term of this Plan), 5, 6, 7 and 8 shall survive the termination of this Plan.

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

8.5 **Amendment and Termination.** The Board or the Committee may amend (and, by amendment, terminate) this Plan at any time; provided, however, that (i) no amendment that reduces or eliminates any benefit or other entitlement of any Participant or that is otherwise adverse to the interests of a Participant (an "**Adverse Amendment**") may take effect prior to the beginning of any calendar year, and any such amendment shall be void and of no effect, unless the Participant was notified of such amendment by September 30 of the prior year, (ii) no Adverse Amendment may be adopted during the period of time beginning on a Potential Change in Control and ending on the earlier of (a) the termination of the agreement that constituted the Potential Change in Control and (b) the second anniversary of the resulting Change in Control, without the Participant's written consent, and (iii) no Adverse Amendment may be adopted during the period commencing on a Change in Control and ending on the second anniversary of the Change in Control without the Participant's written consent. The restrictions on amendments set forth in the prior sentence shall not apply to any amendment adopted within the period specified in clauses (ii) or (iii), above, if the following three conditions are satisfied: (1) the amendments do not take effect until the expiration of the periods, as applicable, set forth in such

clauses, (2) each adversely affected Participant receives written notice of the adoption of such amendments within ten (10) days of such adoption and (3) such written notice is provided at least ninety (90) days prior to such amendments taking effect.

8.6 **Interpretation and Administration.** The Plan shall be administered by the Board. The Board may delegate any of its powers under the Plan to a committee thereof or prior to a Change in Control, to the CEO. Unless otherwise provided in this Plan, actions of the Board or such committee shall be taken by a majority vote of its members. All references to the "Board" herein shall be deemed to be references to such delegate, as appropriate. The Board shall have the authority (i) to exercise all of the powers granted to it under the Plan, (ii) to construe, interpret and implement the Plan, (iii) to prescribe, amend and rescind rules and regulations relating to the Plan, (iv) to make all determinations necessary or advisable in administration of the Plan and (v) to correct any defect, supply any omission and reconcile any inconsistency in the Plan.

8.7 **Type of Plan.** This Plan is intended to be, and shall be interpreted (a) as an unfunded employee welfare plan under Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and Section 2520.104-24 of the Department of Labor Regulations, maintained primarily for the purpose of providing employee welfare benefits, to the extent that it provides welfare benefits, and under Sections 201, 301 and 401 of ERISA, as a plan that is unfunded and maintained primarily for the purpose of providing deferred compensation, to the extent that it provides such compensation, in each case for a select group of management or highly compensated employees and (b) to comply with the requirements of Section 409A of the Code.

8.8 **Nonassignability.** Benefits under the Plan may not be sold, assigned, transferred, pledged, anticipated, mortgaged, or otherwise encumbered, transferred, hypothecated, or conveyed in advance of actual receipt of the amounts, if any, payable hereunder, or any part thereof by the Participant.

Schedule A

RELEASE AND WAIVER

I, _____, hereby fully waive and forever release and discharge Company, AT&T, any and all other subsidiaries of Company and of AT&T, their officers, directors, agents, servants, employees, successors and assigns and any and all employee benefit plans maintained by AT&T or any subsidiary thereof and/or any and all fiduciaries of any such plan from any and all common law and/or statutory claims, causes of action or suits of any kind whatsoever arising from or in connection with my past employment by Company (and any AT&T subsidiary to the extent applicable) and/or my separation therefrom, including but not limited to claims, actions, causes of action or suits of any kind allegedly arising under the Employee Retirement Income Security Act (ERISA), as amended, 29 USC §§ 1001 et seq.; the Rehabilitation Act of 1973, as amended, 29 USC §§ 701 et seq.; the Civil Rights Acts of 1866 and 1870, as amended, 42 USC §§ 1981, 1982 and 1988; the Civil Rights Act of 1871, as amended, 42 USC §§ 1983 and 1985; the Civil Rights Act of 1964, as amended, 42 USC § 2000d et seq.; the Americans With Disabilities Act, as amended, 42 USC §§ 12101 et seq., and the Age Discrimination in Employment Act of 1967 (ADEA), as amended, 29 USC §§ 621 et seq., known and unknown. In addition, I, _____, agree not to file any lawsuit or other claim seeking monetary damage or other relief in any state or federal court or with any administrative agency against any of the aforementioned parties in connection with or relating to any of the aforementioned matters. Provided, however, by executing this Release and Waiver, I, _____, do not waive rights or claims that may arise after the date of execution; provided further, however, this Release and Waiver shall not affect my right to receive or enforce through litigation, any indemnification rights to which I am entitled as a result of my past employment by the Company or contract rights pursuant to the Agreement and Release and Waiver of Claims entered into contemporaneously herewith and, if applicable, any subsidiary of AT&T; and, provided further, this Release and Waiver shall not affect the ordinary distribution of benefits/entitlements, if any, to which I am entitled upon termination from Company; it being understood by me that said benefits/entitlements, if any, will be subject to and provided in accordance with the terms and conditions of their respective governing plan and this Agreement.

Schedule B

Limitation on Payments Under Certain Circumstances

(a) The following terms shall have the meanings set forth below for purposes of this Schedule B to the Plan:

"**Accounting Firm**" shall mean a nationally recognized certified public accounting firm that is selected by the Company for purposes of making the applicable determinations hereunder and is reasonably acceptable to the Participant, which firm shall not, without the Participant's consent, be a firm serving as accountant or auditor for the individual entity or group effecting the Change in Control.

"**Excise Tax**" means the excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

"**Net After-Tax Receipt**" shall mean the present value (as determined in accordance with Sections 280G(b)(2)(A)(ii) and 280G(d)(4) of the Code) of a Payment net of all taxes imposed on the Participant with respect thereto under Sections 1 and 4999 of the Code and under applicable state and local laws, determined by applying the highest marginal rate under Section 1 of the Code and under state and local laws which applied to the Participant's taxable income for the immediately preceding taxable year, or such other rate(s) as the Accounting Firm determined to be likely to apply to the Participant in the relevant tax year(s).

"**Parachute Value**" of a Payment means the present value as of the date of the change in control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a "parachute payment" under Section 280G(b)(2) of the Code, as determined by the Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

"**Payment**" means any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of the Participant, whether paid or payable pursuant to this Plan or otherwise.

"**Plan Payment**" has the meaning set forth in Paragraph (b) of this Schedule B.

"**Safe Harbor Amount**" means (x) 3.0 times the Participant's "base amount," within the meaning of Section 280G(b)(3) of the Code, minus (y) $1.00.

"**Underpayment**" has the meaning set forth in Paragraph (d) of this Schedule B,

(b) Notwithstanding any provision of the Plan to the contrary, in the event an Accounting Firm shall determine that receipt of all Payments would subject the Participant to the

excise tax under Section 4999 of the Code, the Accounting Firm shall determine whether to reduce any of the Payments paid or payable pursuant to this Plan (the "**Plan Payments**") so that the Parachute Value of all Payments, in the aggregate, equals the Safe Harbor Amount. The Plan Payments shall be so reduced only if the Accounting Firm determines that the Participant would have a greater "**Net After-Tax Receipt**" of aggregate Payments if the Plan Payments were so reduced. If the Accounting Firm determines that the Participant would not have a greater "Net After-Tax Receipt" of aggregate Payments if the Plan Payments were so reduced, the Participant shall receive all Plan Payments to which the Participant is entitled hereunder.

(c) If the Accounting Firm determines in accordance with Paragraph (b) of this Schedule B that the aggregate Plan Payments should be reduced so that the Parachute Value of all Payments, in the aggregate, equals the Safe Harbor Amount, the Company shall promptly give the Participant notice to that effect and a copy of the detailed calculation thereof. All determinations made by the Accounting Firm under this Schedule B shall be binding upon the Company and the Participant and shall be made as soon as reasonably practicable and in no event later than fifteen (15) days following the Date of Termination. For purposes of reducing the Plan Payments so that the Parachute Value of all Payments, in the aggregate, equals the Safe Harbor Amount, only amounts payable under this Plan (and no other Payments) shall be reduced. The reduction of the Plan Payments, if applicable, shall be made by reducing the payments and benefits under the following sections in the following order: (1) any Plan Payments under Section 4.1(c), and (2) any Plan Payments under Section 4.2(b).. All fees and expenses of the Accounting Firm shall be borne solely by the Company.

(d) As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that amounts will have been paid or distributed by the Company to or for the benefit of the Participant pursuant to this Plan which should have not been so paid or distributed ("**Overpayment**") or that additional amounts which will have not been paid or distributed by the Company to or for the benefit of the Participant pursuant to this Plan could have been so paid or distributed ("**Underpayment**"), in each case, consistent with the calculation of the Safe Harbor Amount hereunder. In the event that the Accounting Firm, based upon the assertion of the deficiency by the Internal Revenue Service against either the Company or the Participant which the Accounting Firm believes has a high probability of success, determines that an Overpayment has been made, the Participant shall pay promptly (and in no event later than sixty (60) days following the date on which the Overpayment is determined) pay any such Overpayment to the Company together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code; provided, however, that no amount shall be payable by the Participant to the Company if and to the extent such payment would not either reduce the amount on which the Participant is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the Accounting Firm, based upon controlling precedent or substantial authority, determines that the Underpayment has occurred, any such Underpayment shall be paid promptly (and in no event later than sixty (60) days following the date on which the Underpayment is determined) by the Company to or for the benefit of the Participant together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code.

(e) To the extent requested by the Participant, the Company shall cooperate with the Participant in good faith in valuing, and the Accounting Firm shall take into account the value of, services provided or to be provided by the Participant (including without limitation, the Participant's agreeing to refrain from performing services pursuant to a covenant not to compete or similar covenant) before, on or after the date of a change in ownership or control of the Company (within the meaning of Q&A-2(b) of the final regulations under Section 280G of the Code), such Payments in respect of such services may be considered reasonable compensation within the meaning of Q&A-9 and Q&A-40 to Q&A-44 of the final regulations under Section 280G of the Code and/or exempt from the definition of the term "parachute payment" within the meaning of Q&A-2(a) of the final regulations under Section 280G of the Code in accordance with Q&A-5(a) of the final regulations under Section 280G of the Code.

AT&T INC.
SHORT TERM INCENTIVE PLAN

Effective January 1, 2025

The Short Term Incentive Plan ("Plan") is established to provide Executive Officers, Officers, and Senior Managers with short-term incentive compensation based upon the achievement of performance goals.

1. Definitions.

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

Award shall mean an award under this Plan, which shall consist of the Target Award and related payout schedule, together with the associated Performance Goals, Performance Period, and any other terms and conditions, as well as the Key Contributor Award.

AT&T or the Company shall mean AT&T Inc., a Delaware Corporation.

Disability shall mean absence of an Employee from work under the relevant Employer disability plan.

Employee shall mean any person designated as an employee in the payroll and personnel records of an Employer and paid on an Employer's payroll system.

Executive Officer shall mean any Officer who is identified by AT&T as an executive officer under Rule 3b-7 of the Securities Exchange Act of 1934.

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

Leave of Absence shall mean an Employee's absence from employment with an Employer on a formally granted leave of absence (i.e., the absence is with formal permission in order to prevent a break in the continuity of term of employment, which permission is granted (and not revoked) in conformity with the rules of the applicable Employer, as adopted from time to time).

Officer shall mean an Employee who is designated as an officer for compensation purposes on the records of AT&T.

Performance Goals shall mean any financial, service, or other goals applicable to the payment of Target Awards under this Plan.

Performance Period shall mean the time period over which Performance Goals are measured, but in no case shall a Performance Period exceed one (1) year.

Retire or Retirement shall mean the Termination of an Employee's employment with AT&T or any of its subsidiaries on or after attaining one of the following combinations of age and Term of Employment (as determined under the applicable Employer pension plan), as applicable:

Term of Employment	Age
10 years or more	65 or older
20 years or more	55 or older
25 years or more	50 or older
30 years or more	Any age

Notwithstanding the foregoing, "Retire" or "Retirement" for an Employee also refers to the Termination of Employment of an Employee, other than for cause, who has attained age 55 and has completed a 5-year Term of Employment, provided, however, that individuals who first participated in this Plan on or after October 1, 2015, must have completed a 10-year Term of Employment.

Senior Manager shall mean an Employee who is designated as a senior manager for compensation purposes on the records of AT&T.

SEVP-HR shall mean the AT&T's highest ranking Officer (below the Chief Executive Officer (CEO)) who is specifically responsible for human resources matters. Any authority granted to the SEVP-HR shall also be held by the CEO.

Subsidiary shall mean any U.S. corporation in which AT&T owns, directly or indirectly, more than fifty percent (50%) of the total combined voting power of all classes of stock, or any other entity (including, but not limited to, partnerships and joint ventures) in which AT&T owns, directly or indirectly, more than fifty percent (50%) of the combined equity thereof.

Target Award shall mean a specific dollar value or percentage of salary that may be paid based on the 100% achievement of the related Performance Goals.

Termination of Employment, Termination, or a similar reference shall mean the event where the Employee ceases to be an Employee and is no longer employed by an Employer.

2. Administration.

The Human Resources Committee (the "Committee") shall have complete authority over the administration of the Plan and the authority to construe, interpret, and implement the Plan or any Award thereunder, and make factual determinations under the Plan. The CEO and the SEVP-HR, in their sole respective discretions, shall have complete authority to construe, interpret, and implement the provisions of the Plan or any Award

solely with respect to Plan or Award matters delegated to them or to delegate all or part of their authority. All actions and determinations by the Committee, the CEO, the SEVP-HR (each an "Administrator"), or their respective delegates, authorized by this Plan shall be final and binding and shall be afforded the greatest legal deference on review.

3. Establishing, Modifying, or Terminating Awards.

Awards under this Plan shall be established, modified, or terminated as provided in Schedule A – Approval Authorities.

4. Award Terms.

An authorized Administrator establishing an Award, shall determine the terms and conditions of the Award, including any Performance Goals and associated performance exclusions that would be used to determine, in whole or in part, the amount of any payout of an Award. The terms of an Award, including any Performance Goals and associated performance exclusions, may be modified, reduced or cancelled at any time before the Award is finally distributed.

5. Final Award Determination.

Actual performance shall be compared to any predetermined Performance Goals to determine payout of Awards. An authorized Administrator shall then determine the percentage of the Target Award (using the related payout schedule) to be distributed to Employees for the relevant Performance Period as it may determine in its sole and complete discretion.

The final Award to be distributed to an Employee (or former Employee) may be more or less in an authorized Administrator's discretion (including no award) than the percentage of the Target Award determined for such Employee; for example, an authorized Administrator may approve a final Award greater or less than the (prorated, if applicable) performance-adjusted Target Award.

Determination and distribution of all Awards is subject to approval by an authorized Administrator, except as provided herein. All Awards are payable in cash and will be paid within two and one-half (2 ½) months of the end of the Performance Period and in all cases no later than March 15 of the year following the year in which a Performance Period ends.

For purposes of the Stock Purchase and Deferral Plan and the Cash Deferral Plan, the portion of an Award payout that is earned while an Employee is a Senior Manager or an Officer shall be classified as a Short Term Incentive Award. For purposes of other plans, the portion of an Award payout that is earned while an Employee is a Senior Manager or below shall be classified as an Annual Bonus; and the portion earned while an

Employee is an Officer shall be classified as a Short Term Incentive Award. In each case, unless otherwise provided by an authorized Administrator, the Key Contributor Award, if any, paid with respect to a Performance Period shall be classified as either an Annual Bonus or a Short Term Incentive Award, based upon the recipient's management level at the end of the Performance Period.

6. Key Contributor Awards.

An authorized Administrator may provide an additional payment to recipients of Target Awards to recognize and reward outstanding or exceptional achievement. Such a payment shall be called a "Key Contributor Award" or "KCA." The number of Employees within an organization that may receive a KCA may be limited by an authorized Administrator.

7. Award Adjustments.

Unless otherwise provided by an authorized Administrator, an Employee who experiences one of the following events during the Performance Period shall have his/her Award under this Plan automatically adjusted as follows:

When an Award is established after the beginning of the Performance Period	Award shall be prorated based on the time period of active service under the applicable Award terms
Modification of an Award during the Performance Period	Award shall be prorated based on the time period of active service under each applicable set of Award terms
Leave of Absence during the Performance Period	Award shall be prorated to exclude the time period of the leave
Involuntary Termination during the Performance Period	Award shall be prorated to the date of Termination of Employment
Voluntary Termination prior to the end of the performance period (except as provided below)	No Award

Retirement or Termination of Employment due to death or Disability during the performance period	Award shall be prorated to the date of Termination of Employment
Dismissal for cause, even if Retirement eligible, during or after a Performance Period, but prior to Award payout	Award shall be forfeited upon Termination of Employment

The receipt of short-term Disability benefits during the Performance Period shall have no effect on an Award.

8. <u>Other Conditions</u>.

A. No person shall have any claim to be granted an Award under the Plan and there is no obligation for uniformity of treatment of Employees under the Plan. Awards under the Plan may not be assigned or alienated.
B. Neither the Plan nor any action taken hereunder shall be construed as giving to any Employee the right to be retained in the employ of AT&T or any subsidiary thereof.
C. Awards shall be subject to applicable withholding taxes as required by law.
D. The Plan shall be governed by the laws of the State of Texas and applicable Federal law.
E. The AT&T Rules for Employee Beneficiary Designations shall apply to Awards under this Plan.

SUPPLEMENTAL LIFE INSURANCE PLAN

Effective: January 1, 1986

Revisions Effective: January 1, 2025

SUPPLEMENTAL LIFE INSURANCE PLAN

1. Purpose. The purpose of the Supplemental Life Insurance Plan ("Plan") is to allow for provision of additional survivor benefits for Eligible Employees. Effective January 1, 2025, the Plan is closed to new Eligible Employees.

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

Annual Base Salary or Annual Salary or Salary.
"Annual Base Salary" or "Annual Salary" or "Salary" shall mean an Eligible Employee's annual base salary rate determined by AT&T, excluding (1) all differentials regarded as temporary or extra payments and (2) all payments and incentive awards and distributions made either as a long-term award or as a short-term award; and such Salary shall be as before reduction due to any contribution pursuant to any deferred compensation plan or agreement provided by AT&T, including but not limited to compensation deferred in accordance with Section 401(k) of the Internal Revenue Code. Annual Salary or Salary shall mean an annualized amount determined from an Eligible Employee's Annual Base Salary rate.

Beneficiary. "Beneficiary" shall mean any beneficiary or beneficiaries designated by the Eligible Employee pursuant to the AT&T Rules for Employee Beneficiary Designations as may hereafter be amended from time to time ("Rules").

BSLIP Offset. "BSLIP Offset" shall equal the sum of the amounts (1) and (2) described below: an amount of level death benefit that would be paid under the participant's BellSouth Supplemental Life Insurance Plan ("BSLIP") policy(ies) as if the participant had restructured such policy(ies) based on the December 31, 2008 cash value to provide a level death benefit assuming no additional premium payments to the policy(ies), as calculated by the BSLIP administrator during 2008 and communicated to each active officer; or, an amount of level death benefit that would be paid under the participant's Cingular Wireless BLS Executive Transition Supplemental Life Insurance Plan policy(ies) as if the participant had restructured such policy(ies) based on the December 31, 2007 cash value to provide a level death benefit assuming no additional premium payments to the policy(ies), as calculated by the BSLIP administrator during 2008 and communicated to each active officer; and an amount equal to the death benefit provided under the participant's BellSouth Split Dollar Life Insurance Plan policy(ies) as of December 31, 2008 and Cingular Wireless BLS Executive Transition Split Dollar Life Insurance Plan policy(ies) as of December 31, 2007.

This sum is applied as an offset to this Plan as described in Section 4, regardless of whether or not the participant actually restructured his policy or made other decisions regarding such BellSouth and Cingular policy(ies).

BSLIP Retiree Offset. "BSLIP Retiree Offset" shall equal the sum of the amounts (1) and (2) described below: (1) an amount equal to the death benefit provided under the participant's BellSouth Supplemental Life Insurance Plan policy(ies) as if the participant died on December 31, 2008; and (2) an amount equal to the death benefit that was provided under the participant's BellSouth Split Dollar Life Insurance policy(ies) as if the participant died on his BSLIP retirement date. This amount is applied as an offset to this Plan as described in Section 4.

Chairman. "Chairman" shall mean the Chairman of the Board of AT&T Inc.

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

Eligible Employee. "Eligible Employee" shall mean an Officer and any other individual who is participating in the Plan as of September 1, 2005. An employee of a company acquired by AT&T shall not be considered an Eligible Employee unless designated as eligible by the CEO of AT&T Inc. ("CEO"). Notwithstanding the foregoing, the CEO may, from time to time, exclude any Officer or group of Officers from being an "Eligible Employee" under this Plan; provided however, only the Committee shall have the authority to exclude from participation or take any other action with respect to Executive Officers.

ELIP Offset. "ELIP Offset" shall equal an amount of level death benefit that would be paid under the participant's AT&T Supplemental Life Insurance Program ("ELIP") policy as if the participant had restructured his ELIP policy based on the December 31, 2007 cash value to provide a level death benefit assuming no additional premium payments to the policy, as calculated by the ELIP administrator during 2007 and communicated to each active officer participating in ELIP. This amount is applied as an offset to this Plan as described in Section 4, regardless of whether or not the participant actually restructured his policy or made other decisions regarding such ELIP policy.

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

Insurance Contract. "Insurance Contract" shall mean a contract(s) of life insurance insuring the life of the Eligible Employee entered into by AT&T.

Officer. "Officer" shall mean an individual who is designated as an officer of AT&T or of any AT&T subsidiary for compensation purposes on AT&T's records.

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

Retirement. “Retirement” shall mean the termination of an Eligible Employee’s employment with AT&T and any of its subsidiaries, for reasons other than death, on or after the earlier of the following dates:

(1) the date a participant has attained age 55, and,

(a) for an individual who becomes a participant on or after January 1, 2002, has a five (5) year Term of Employment, and

(b) for an individual who is designated as an Officer on or after October 1, 2015, has a ten (10) year Term of Employment, or

(2) the date the Eligible Employee has attained one of the following combinations of (i) age, and (ii) Term of Employment, upon his or her termination of employment on or after April 1, 1997, except as otherwise indicated below:

Term of Employment	Age
25 years or more	50 or older
30 years or more	Any age

With respect to an Eligible Employee who is granted an EMP Service Pension under and pursuant to the provisions of the AT&T Pension Benefit Plan - Nonbargained Program (“ATTPBP”) upon termination of Employment, the term “Retirement” shall include such Eligible Employee’s termination of employment.

Termination Under EPR. In determining whether an Eligible Employee’s termination of employment under the Enhanced Pension and Retirement Program (“EPR”) is a Retirement for purposes of this Plan, five years shall be added to each of age and net credited service (“NCS”). If with such additional age and years of service, (1) an Eligible Employee upon such termination of employment under EPR is Retirement Eligible according to the AT&T Supplemental Retirement Income Plan (“SRIP”) or (2) the Eligible Employee upon such termination of employment under EPR has attained one of the following combinations of age and service,

Actual NCS + 5 Years	Actual Age + 5 Years
10 years or more	65 or older
20 years or more	55 or older
25 years or more	50 or older
30 years or more	Any age

then such termination of employment shall be a Retirement for all purposes under this Plan and the Eligible Employee shall be entitled to the treatment under this Plan afforded in the case of a termination of employment which is a Retirement.

AT&T. “AT&T” shall mean AT&T Inc.

3. Eligibility. Each Eligible Employee shall be eligible to participate in the Plan.

4. Pre-Retirement Benefits and Post-Retirement Benefits.

Basic Death Benefit

While this plan is in effect, the Beneficiary who is designated by the Eligible Employee shall be entitled to receive as a Basic Death Benefit from the proceeds of the Insurance Contract an amount equal to the result of multiplying the Eligible Employee’s Annual Salary rounded to the next higher $1,000 by the following amounts:

Chief Executive Officer or Executive Chairman 2
Other Eligible Employees 1

This amount shall be reduced (but not below zero) by any amount payable under any group term life insurance covering the Eligible Employee which is maintained by AT&T, which amount of group term life insurance will be limited to a maximum of $50,000.

In addition, the Basic Death Benefit will be reduced (but not below zero) by the ELIP Offset amount, BSLIP Offset amount or BSLIP Retiree Offset amount.

Furthermore, any officer who becomes eligible to participate in this Plan on or after the date that an ELIP Offset, BSLIP Offset or BSLIP Retiree Offset has been determined by the ELIP or BSLIP plan administrator, as applicable, will have his Basic Death Benefit reduced accordingly by such offset amount.

The amount of Basic Death Benefit payable hereunder will automatically increase if pay increases.

At Retirement, the pre-retirement benefit converts to a post-retirement benefit. This benefit is equal to one times Salary rounded to the next higher $1,000 (at the time of retirement) and shall be reduced (but not below zero) by any amount payable under any group term life insurance covering the Eligible Employee which is maintained by AT&T, which amount of group term life insurance will be limited to a maximum of $50,000; provided, however, for an executive who first becomes a Plan participant on or after January 1, 1998, this post-retirement death benefit shall be reduced by 10% of its original post-retirement amount each year for five years beginning at the later of the date the Eligible Employee attains age 66 or Retirement.

Optional Supplementary Benefit

Subject to the limitations in the remaining paragraphs in this section describing optional supplementary benefits, each Eligible Employee may also purchase optional supplementary pre-retirement life insurance coverage from AT&T in an amount equal to one times the Eligible Employee’s Annual Salary rounded to the next higher $1,000, and an additional amount of such insurance in an amount equal to another one times such

amount (for a total of two times the Annual Salary rounded to the next higher $1,000), which insurance shall be payable from the proceeds of the Insurance Contract. Each such amount of insurance (“one times salary”) continued until such employee reaches age 65, by continuing to contribute for it, shall entitle the beneficiary under the Insurance Contract to receive an amount from the proceeds of such Insurance Contract equal to one times the Eligible Employee’s final Annual Salary rounded to the next higher $1,000, when such Eligible Employee dies after Retirement.

No ELIP Offset, BSLIP Offset, nor BSLIP Retiree Offset will reduce the amount of Optional Supplementary Benefit for any participant.

To elect this optional supplementary coverage, the Eligible Employee must complete an enrollment form on which he or she specifies the amount of coverage he or she wishes to purchase and authorizes his or her employing company to deduct his or her contributions for coverage from his or her salary.

An Eligible Employee may not elect this coverage while receiving disability benefits under any Company disability benefit plan.

An Eligible Employee must make his or her election to purchase optional supplementary coverage within three calendar months of being declared eligible to participate in the Plan; except any Eligible Employee who was declared an Eligible Employee before October 1, 1997, shall have until December 31, 1997 to enroll for such optional supplementary coverage or to increase such coverage.

The optional supplementary life insurance is effective upon AT&T’s binding of life insurance coverage for the Eligible Employee pursuant to an Insurance Contract.

Effective January 1, 1998, once an Eligible Employee enrolls for optional supplementary coverage, he or she can later decrease or terminate such coverage but never increase or reinstate such coverage.

Regardless of the amount of coverage elected, the amount in force will automatically increase if Salary increases. The cost for this coverage will increase accordingly.

This optional supplementary life insurance is paid for on a contributory basis by those Eligible Employees who enroll in the coverage. The cost of coverage, and therefore, how much an Eligible Employee contributes, depends on age and the amount of coverage and shall be as determined by AT&T. There will be no periodic waiver of premium payments.

In the event of death, the Eligible Employee’s optional supplementary life insurance benefit will be paid to the Eligible Employee’s Beneficiary or Beneficiaries in a lump sum, unless the Salary Continuation Death Benefit form of payment was elected on the Eligible Employee’s enrollment form. The option to elect other than a lump sum payment is limited to an Eligible Employee who became an Eligible Employee on or

before January 1, 1998. If the Eligible Employee has no surviving beneficiaries, the benefit will be paid in a lump sum in accordance with the Rules.

The optional supplementary life insurance coverage hereunder will automatically continue while an Eligible Employee is receiving disability benefits under any AT&T disability benefit plan, provided the Eligible Employee continues his or her contributions.

If an Eligible Employee terminates employment with AT&T or any of its subsidiaries for any reason other than Retirement, this coverage will stop at the end of the month of termination; provided, however, Eligible Employees who are 65 at the time of their termination will continue to have non-contributory unreduced coverage after age 65.

Alternate Death Benefit

Alternate death benefit coverage shall only be available to an Eligible Employee who became an Eligible Employee before January 1, 1998. Such Eligible Employees shall be entitled to elect to receive alternate death benefit life insurance coverage; provided such election is made before January 1, 1998.

Under such coverage, an Eligible Employee's Beneficiary or Beneficiaries will be entitled to receive from the proceeds of the Insurance Contract a payment equal to the Eligible Employee's final Annual Salary upon his or her death. This benefit will not be rounded to the next higher $1,000. The amount of insurance in force will automatically increase if salary increases. Coverage applies to death from any cause, except with respect to an on-the-job accident for which an Eligible Employee is protected while an active employee by any Accident Death Benefit feature of the ATTPBP.

By enrolling in this coverage, an Eligible Employee automatically waives his or her eligibility for any Sickness Death Benefit and Pensioner Death Benefits otherwise payable under the ATTPBP.

The coverage provided by the alternate death benefit life insurance coverage will continue after Retirement.

To elect this coverage, an Eligible Employee must complete an irrevocable enrollment and waiver form.

AT&T pays the full cost of the alternate death benefit life insurance coverage.

The insurance benefit provided under this alternate death benefit life insurance will be paid in a lump sum, unless otherwise elected on the Eligible Employee's enrollment form.

Alternate death benefit coverage ceases upon an Eligible Employee's Termination of Employment other than a Retirement. This alternate death benefit life insurance may not be converted to an individual policy.

Salary Continuation Death Benefit.

The salary continuation death benefit shall only be available under the conditions specified hereunder, to an Eligible Employee who became an Eligible Employee before January 1, 1998.

By a written election filed with AT&T before January 1, 1998, an Eligible Employee may terminate his or her rights to a Basic Death Benefit and/or to Optional Supplementary Coverage (if any) and/or to an Alternate Death Benefit (if any).

If such an election is filed, and the Eligible Employee dies on or after the first day of the calendar year following the year in which such election is filed and prior to the termination of coverage pursuant to Section 7, the Eligible Employee's Beneficiary or Beneficiaries theretofore named shall be paid by AT&T an amount per annum for ten (10) years which amounts, in the aggregate, have a net present value, using an eleven percent (11%) discount rate, equal to one hundred eight-five percent (185%) of the (i) Basic Death Benefit amount and/or (ii) the amount elected as Optional Supplementary coverage (if any) and/or (iii) the amount elected as an Alternate Death Benefit (if any) which would be payable to his or her Beneficiary or Beneficiaries as of the date of the Eligible Employee's death, and no other benefit shall be payable hereunder as either a Basic Death Benefit, Optional Supplementary Coverage or Alternate Death Benefit. Such payment(s) shall commence no later than sixty (60) days following the date of the Eligible Employee's death.

On or after January 1, 1998, an Eligible Employee who has elected death benefits in the form of salary continuation pursuant to this Section may cancel such election and have his or her Beneficiaries receive death benefits as insurance in a lump-sum but, an Eligible Employee who cancels his or her salary continuation election may not thereafter re-elect such option.

Survivor Annuity Equivalent

Additionally, each Eligible Employee who is not eligible for the Immediate Automatic Pre-retirement Survivor Annuity of the ATTPBP (or equivalent thereof) shall be eligible hereunder for a Survivor Annuity Equivalent benefit of one times salary payable to the surviving spouse of such Eligible Employee. Such benefit shall be paid as follows: an amount per annum for ten (10) years shall be paid to the Eligible Employee's surviving spouse which amounts, in the aggregate, shall have a net present value, using an eleven percent (11%) discount rate, equal to one hundred eighty-five percent (185%) of one times the Eligible Employee's salary at the time of his or her death; provided, however, no such Survivor Annuity Equivalent payments will be made on or after the date of death of the surviving spouse. Such payments shall commence no later than sixty (60) days following the date of the Eligible Employee's death.

For the purposes of the Survivor Annuity Equivalent, the Eligible Employee's surviving spouse means a spouse legally married to the Eligible Employee at the time of the Eligible Employee's death.

Eligibility for the Survivor Annuity Equivalent shall automatically cease on the date of termination of the Eligible Employee's employment. If the Eligible Employee becomes totally disabled prior to Retirement, the Eligible Employee shall continue to be eligible for the Survivor Annuity Equivalent until the expiration of disability benefits. If the Eligible Employee is granted a leave of absence, other than for military service of more than four weeks, the Eligible Employee shall continue to be eligible for the Survivor Annuity Equivalent during such leave of absence.

The Eligible Employee shall cease to be eligible for the Survivor Annuity Equivalent at the conclusion of the day immediately preceding the date the Eligible Employee becomes eligible for the Immediate Automatic Pre-retirement Survivor Annuity of the ATTPBP.

5. Incidents of Ownership. AT&T will be the owner and hold all the incidents of ownership in the Insurance Contract, including the right to dividends, if paid. The Eligible Employee may specify in writing to AT&T, the Beneficiary or Beneficiaries and the mode of payment for any death proceeds not in excess of the amounts payable under this Plan. Upon receipt of a written request from the Eligible Employee, AT&T will immediately take such action as shall be necessary to implement such Beneficiary appointment. Any balance of proceeds from the Insurance Contract not paid as either a Basic Death Benefit or otherwise pursuant to the Plan shall be paid to AT&T.

6. Premiums. All premiums due on the Insurance Contract shall be paid by AT&T. However, the Eligible Employee agrees to reimburse AT&T by January 31 following the date of each premium payment in an amount such that, for Federal Income Tax purposes the reimbursement for each year is equal to the amount which would be required to be included in the Eligible Employee's income for Federal Income Tax purposes by reasons of the "economic benefit" of the Insurance Contract provided by AT&T; provided, however, that AT&T, in its sole discretion, may decline to accept any such reimbursement and require the inclusion of such "economic benefit" in the Eligible Employee's income. In its discretion AT&T may deduct the Eligible Employee's portion of the premiums from the Eligible Employee's pay. For purposes of this Plan, the value of the "economic benefit" shall be determined based on the insurers published premium rates available to all standard risks for initial issue one-year term insurance in compliance with Revenue Rulings 66-110 and 67-154 issued by the Internal Revenue Service.

7. Termination of Coverage. An Eligible Employee's coverage under this Plan shall terminate immediately when the Eligible Employee realizes an "Event of Termination" which shall mean any of the following:

(a) Termination of an Eligible Employee's employment with his or her employing company for any reason other than (i) death, (ii) Disability as such term is defined in the SRIP or, for an Eligible Employee whose termination of employment is after December 31, 2004, the 2005 Supplemental Employee Retirement Plan ("SERP"), or (iii) Retirement.

(b) In the case of an Eligible Employee who terminates employment by reason of a disability but who does not realize an Event of Termination because of Section 7a(ii) above, a termination of the Eligible Employee's total Disability that is not accompanied by either a return to employment with his or her employing company or the Eligible Employee's death or Retirement.

(c) Except in the case of an Eligible Employee who has theretofore terminated employment for a reason described in Section 7a(ii) or (iii) above, AT&T elects to terminate the Eligible Employee's coverage under the Plan by a written notice to that effect given to the Eligible Employee. AT&T shall have no right to amend the Plan or terminate the Eligible Employee's coverage under the Plan with respect to an Eligible Employee who has theretofore terminated employment for a reason described in Section 7a(ii) or (iii) above without the written consent of the Eligible Employee.

8. Non-Competition. Eligible Employee acknowledges that AT&T would be unwilling to provide Plan benefits but for the loyalty conditions and covenants set forth in this Section, and that the conditions and covenants herein are a material inducement to AT&T's willingness to sponsor the Plan and to offer Plan benefits to Eligible Employees. Accordingly, as a condition of receiving coverage and any Plan benefits, each Eligible Employee is deemed to agree that he shall not, without obtaining the written consent of the Plan Administrator in advance, participate in activities that constitute engaging in competition with AT&T or engaging in conduct disloyal to AT&T, as those terms are defined in this Section. Further, notwithstanding any other provision of this Plan, all Basic Death Benefits, Alternate Death Benefits, and the premiums paid by the Company therefore, provided under the Plan with respect to an Eligible Employee shall be subject in their entirety to the enforcement provisions of this Section if the Eligible Employee, without the consent of AT&T, participates in an activity that constitutes engaging in competition with AT&T or engaging in conduct disloyal to AT&T, as defined below. The provisions of this Section 8 as in effect immediately before such date shall be applicable to Eligible Employee who retire before January 1, 2010.

(a) Definitions. For purposes of this Section 8 and of the Plan generally:

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

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

(iii) "engaging in conduct disloyal to AT&T" means, while employed by an Employer Business or within two (2) years after the Eligible Employee's termination of employment, (i) soliciting for employment or hire, whether as an employee or as an independent contractor, for any business in competition with an Employer Business, any person employed by AT&T or its affiliates during the one (1) year prior to the Eligible Employee's termination of employment, whether or not acceptance of such position would constitute a breach of

such person's contractual obligations to AT&T and its affiliates; (ii) soliciting, encouraging, or inducing any vendor or supplier with which Eligible Employee had business contact on behalf of any Employer Business during the two (2) years prior to the Eligible Employee's termination of employment, to terminate, discontinue, renegotiate, reduce, or otherwise cease or modify its relationship with AT&T or its affiliate; or (iii) soliciting, encouraging, or inducing any customer or active prospective customer with whom had business contact, whether in person or by other media, on behalf of any Employer Business during the two (2) years prior to the Eligible Employee's termination of employment ("Customer"), to terminate, discontinue, renegotiate, reduce, or otherwise cease or modify its relationship with any Employer Business, or to purchase competing goods or services from a business competing with any Employer Business, or accepting or servicing business from such Customer on behalf of himself or any other business. "Engaging in conduct disloyal to AT&T" also means, disclosing Confidential Information to any third party or using Confidential Information, other than for an Employer Business, or failing to return any Confidential Information to the Employer Business following termination of employment.

(iv) "Confidential Information" shall mean all information belonging to, or otherwise relating to, an Employer Business, which is not generally known, regardless of the manner in which it is stored or conveyed to the Eligible Employee, and which the Employer Business has taken reasonable measures under the circumstances to protect from unauthorized use or disclosure. Confidential Information includes trade secrets as well as other proprietary knowledge, information, know-how, and non-public intellectual property rights, including unpublished or pending patent applications and all related patent rights, formulae, processes, discoveries, improvements, ideas, conceptions, compilations of data, and data, whether or not patentable or copyrightable and whether or not it has been conceived, originated, discovered, or developed in whole or in part by the Eligible Employee. For example, Confidential Information includes, but is not limited to, information concerning the Employer Business' business plans, budgets, operations, products, strategies, marketing, sales, inventions, designs, costs, legal strategies, finances, employees, customers, prospective customers, licensees, or licensors; information received from third parties under confidential conditions; or other valuable financial, commercial, business, technical or marketing information concerning the Employer Business, or any of the products or services made, developed or sold by the Employer Business. Confidential Information does not include information that (i) was generally known to the public at the time of disclosure; (ii) was lawfully received by the Eligible Employee from a third party; (iii) was known to the Eligible Employee prior to receipt from the Employer Business; or (iv) was independently developed by the Eligible

Employee or independent third parties; in each of the foregoing circumstances, this exception applies only if such public knowledge or possession by an independent third party was without breach by the Eligible Employee or any third party of any obligation of confidentiality or non-use, including but not limited to the obligations and restrictions set forth in this Plan.

(b) Forfeiture of Benefits. Basic Death Benefits, Alternate Death Benefits, and all Company paid premiums therefore, shall be forfeited and shall not be provided under this Plan if the Committee determines that, within the time period and without the written consent specified, Eligible Employee has been either engaging in competition with AT&T or engaging in conduct disloyal to AT&T.

(c) Equitable Relief. The parties recognize (i) that any Eligible Employee's breach of any of the covenants in this Section 8 will cause irreparable injury to the Company, and will represent a failure of the consideration under which AT&T (in its capacity as creator and sponsor of the Plan) agreed to provide the Eligible Employee with the opportunity to receive Basic Death Benefits and/or Alternate Death Benefits under the Plan, and (ii) that monetary damages would not provide AT&T with an adequate or complete remedy that would warrant AT&T's continued sponsorship of the Plan and provision of Basic Death Benefits and/or Alternate Death Benefits for all Eligible Employees. Accordingly, in the event of an Eligible Employee's actual or threatened breach of covenants in this Section 8, the Committee, in addition to all other rights and acting as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") on behalf of all Eligible Employees, shall have a fiduciary duty (in order to assure that AT&T receives fair and promised consideration for its continued Plan sponsorship and funding of Basic Death Benefits) to seek an injunction restraining the Eligible Employee from breaching the covenants in this Section 8. In addition, AT&T shall pay for any Plan expenses that the Committee incurs hereunder, and shall be entitled to recover from the Eligible Employee its reasonable attorneys' fees and costs incurred in obtaining such injunctive remedies. To enforce its repayment rights with respect to an Eligible Employee, the Plan shall have a first priority, equitable lien on all Basic Death Benefits, Alternate Death Benefits and/or any Company paid premiums therefore paid pursuant to the Plan (and the value of any coverage for such death benefits) provided pursuant to the Plan with respect to the Eligible Employee. In the event the Committee succeeds in enforcing the terms of this Section through a written settlement with the Eligible Employee or a court order granting an injunction hereunder, the Eligible Employee shall be entitled to collect Basic Death Benefits, Alternate Death Benefits, and/or Company paid premiums therefore, and to receive coverage for such Basic Death Benefits and/or Alternate Death Benefits following the date of the settlement or injunction prospectively, if the Eligible Employee is otherwise entitled to such benefits, net of any fees and costs assessed pursuant hereto (which fees and costs shall be paid to AT&T as a repayment on behalf of the Eligible Employee), provided that the Eligible Employee complies with said settlement or injunction.

(d) Uniform Enforcement. In recognition of AT&T's need for nationally uniform standards for the Plan administration, it is an absolute condition in consideration of any Eligible Employee's coverage for or receipt of payments of Basic Death Benefits under the Plan after January 1, 2010 that each and all of the following conditions apply to all Eligible Employees and to any benefits that are paid or are payable under the Plan:

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

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

(iii) If the Committee determines in its sole discretion either (I) that AT&T or its affiliate that employed the Eligible Employee terminated the Eligible Employee's employment for cause, or (II) that equitable relief enforcing the Eligible Employee's covenants under this Section 8 is either not reasonably available, not ordered by a court of competent jurisdiction, or circumvented because the Eligible Employee has sued in state court, or has otherwise sought remedies not available under ERISA, then in any and all of such instances the Eligible Employee shall not be entitled to collect any Basic Death Benefits, and if any such benefits have been paid to the Eligible Employee, the Eligible Employee or his or her Beneficiaries shall immediately repay to the Plan (which shall be used to pay Plan administrative expenses or Plan benefits) the value of the coverage for all Basic Death Benefits, and any such benefits actually paid, upon written demand from the Committee. Furthermore, the Eligible Employee shall hold AT&T and its affiliates harmless from any loss, expense, or damage that may arise from any of the conduct described in clauses (I) and (II) hereof.

9. Restriction on Assignment. The Eligible Employee may assign all or any part of his or her right, title, claim, interest, benefits and all other incidents of ownership which he or she may have in the Insurance Contract to any other individual or trustee, provided that any such assignment shall be subject to the terms of this Plan; except neither the Eligible Employee nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt the amounts, if any, payable as a Salary Continuation Death Benefit hereunder, which are, and all rights to which are, expressly declared to be unassignable and non-transferable. No part of the amounts payable as a Salary Continuation Death Benefit hereunder shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by the Eligible Employee or any other person, nor be transferable by operation of law in the event of the Eligible Employee's or any other person's bankruptcy or insolvency. Except as provided in this Section 8, no assignment or alienation of any benefits under the Plan will be permitted or recognized.

10. Unsecured General Creditor. Except to the extent of rights with respect to the Insurance Contract in the absence of an election to receive benefits in Salary Continuation Death Benefit form, the Eligible Employee and his or her Beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interest or claims in any property or assets of AT&T, nor shall they be beneficiaries, or have any rights, claims or interests in, any life insurance policies, annuity contracts or the proceeds therefrom owned or which may be acquired by AT&T ("Policies"); such Policies or other assets of AT&T shall not be held under any trust for the benefit of the Eligible Employee, his or her designated beneficiaries, heirs, successors or assigns, or held in any way as collateral security for the fulfilling of the obligations of AT&T under this Agreement; any and all of AT&T's assets and Policies shall be, and remain, the general, unpledged, unrestricted assets of AT&T; AT&T shall have no obligation to acquire any Policies or

any other assets; and AT&T's obligations under this Agreement shall be merely that of an unfunded and unsecured promise of AT&T to pay money in the future.

11. Employment Not Guaranteed. Nothing contained in this Plan nor any action taken hereunder shall be construed as a contract of employment or as giving the Eligible Employee any right to be retained in the employ of any AT&T company.

12. Protective Provisions. The Eligible Employee will cooperate with AT&T by furnishing any and all information requested by AT&T, in order to facilitate the payment of benefits hereunder, taking such physical examinations as AT&T may deem necessary and taking such other relevant action as may be requested by AT&T, in order to facilitate the payment of benefits hereunder. If the Eligible Employee refuses so to cooperate, the Eligible Employee's participation in the Plan shall terminate and AT&T shall have no further obligation to the Eligible Employee or his or her designated Beneficiary hereunder. If the Eligible Employee commits suicide during the two-year period beginning on the date of eligibility under the Plan, or if the Eligible Employee makes any material misstatement of information or nondisclosure of medical history, then no benefits will be payable by reason of this Plan to the Eligible Employee or his or her designated Beneficiary, or in AT&T's sole discretion, benefits may be payable in a reduced amount.

13. Change in Status. In the event of a change in the employment status of an Eligible Employee to a status in which he or she is no longer an Eligible Employee under the Plan, such Eligible Employee shall immediately cease to be eligible for any benefits under this Plan; provided, however, such survivor benefits as would be available to such employee by reason of his or her new status but which do not automatically become effective upon attainment of such new status shall continue to be provided under this Plan until such benefits become effective or until such employee has had reasonable opportunity to effectuate such benefits but has failed to take any requisite action necessary for such benefits to become effective.

14. Named Fiduciary. If this Plan is subject to the Employee Retirement Income Security Act of 1974 (ERISA), AT&T is the "named fiduciary" of the Plan.

15. Applicable Law. This Plan and the rights and obligations hereunder shall be governed by and construed in accordance with the laws of the State of Texas to the extent such law is not preempted by ERISA.

16. Administration of the Plan. The Committee shall be the sole administrator of the Plan and will administer the Plan, interpret, construe and apply its provisions in accordance with its terms. The Committee shall further establish, adopt or revise such rules and regulations as it may deem necessary or advisable for the administration of the Plan. All decisions of the Committee shall be binding.

17. Relation to Prior Plans. This Plan supersedes and replaces prior Senior Management Survivor Benefit, Senior Management Supplementary Life Insurance, and Senior Management Alternate Death Benefit Life Insurance Plans as in effect prior to January 1, 1986, except such plans shall continue to apply to Eligible Employees who retired before January 1, 1986; provided, however, that with respect to those Eligible Employees who retired during calendar year 1986 by reason of the fact of attaining age 65, the Post-Retirement Benefit provided pursuant to the Senior Management Survivor Benefit Plan as in effect prior to January 1, 1986, shall continue to apply and the post-retirement benefit provided under the Basic Death Benefit portion hereof shall not apply.

Effective January 1, 2008, this Plan supersedes and replaces the Cingular Wireless SBC Executive Transition Life Insurance Plan (the “Cingular Plan”), and all policies issued under the Cingular Plan shall be transferred to and governed by the Plan.

18. Amendments and Termination. This Plan may be modified or terminated at any time in accordance with the provisions of AT&T’s Schedule of Authorizations. A modification or Plan termination may affect present and future Eligible Employees; provided, however, that no modification shall be made to this Plan with respect to an Eligible Employee who terminates employment for reason of disability or Retirement), nor shall a termination of the Plan operate so as to be applicable to such an individual, without the written consent of the Eligible Employee.

AMENDMENT NO. 1
TO
AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT
OF
DIRECTV ENTERTAINMENT HOLDINGS LLC

This AMENDMENT NO. 1 (this "Amendment"), dated as of December 20, 2024 (the "Effective Date"), to the Amended and Restated Limited Liability Company Agreement of DIRECTV Entertainment Holdings LLC (the "Company"), dated as of July 31, 2021 (as amended, the "Operating Agreement"), is entered into by and between AT&T MVPD Holdings LLC, a Delaware limited liability company ("AT&T Member"), and TPG VIII Merlin Investment Holdings, L.P., a Delaware limited partnership ("Investor Member", and together with AT&T Member, the "Members"). Capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Operating Agreement, which will remain in full force and effect as amended hereby.

WHEREAS, the Board and the Members desire, as of the Effective Date, to amend the Operating Agreement as set forth below, and the Board and the Members have consented to the amendment of the Operating Agreement pursuant to, and in accordance with, Section 13.2 of the Operating Agreement.

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and undertakings contained herein, and subject to and on the terms and conditions herein set forth, the parties hereto agree as follows:

ARTICLE I

AMENDMENT TO OPERATING AGREEMENT

Section 1.01. Amendment to Section 10.6 of the Operating Agreement. Section 10.6 of the Operating Agreement is hereby deleted in its entirety and replaced with the following paragraph:

"Target Total Leverage Ratio. In determining whether to incur any incremental third party debt, the Debt Committee, if any, or the full Board shall target achieving and maintaining a Total Leverage Ratio of no less than 1.0:1.0 (or, from and after the consummation of the Debt-Financed Distribution (as defined below), 1.5:1.0) and, in the event that the Total Leverage Ratio is less than 1.5:1.0 for two consecutive fiscal quarters, shall seek in good faith third party debt financing for the Company to increase the Total Leverage Ratio such that it is at least 1.0:1.0 (or, from and after the consummation of the Debt-Financed Distribution, 1:5:1.0) to the extent that such third party debt is available to the Company on commercially reasonable terms. In no event shall the Debt Committee, if any, or the full Board cause the Company to incur incremental third party debt that would result in the Total Leverage Ratio exceeding 1.5:1.0 (or, from and after the consummation of the Debt-Financed Distribution, 2.0:1.0). As used herein, "Debt-Financed Distribution" has the meaning ascribed to it in the Securities Purchase Agreement, dated as of September 29, 2024, by and among AT&T

ARTICLE II

MISCELLANEOUS

Section 2.01. Effect of Amendment; Interpretation; General Provisions.

(a) Except as expressly provided herein, the other provisions of the Operating Agreement shall remain unaffected by the terms of this Amendment, shall continue in full force and effect and are confirmed and ratified in all respects.

(b) The parties hereto hereby acknowledge and agree that this Amendment shall be effective as of the Effective Date.

(c) The execution, delivery and performance of this Amendment will not, except as expressly provided herein, constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the parties under, the Operating Agreement or any other document relating to the Operating Agreement.

(d) On and after the date hereof, each reference in the Operating Agreement to "this Agreement," "hereunder," "hereof," "herein" or words of similar import referring to the Operating Agreement, and each reference in any other document relating to the "Amended and Restated Limited Liability Company Agreement of DIRECTV Entertainment Holdings LLC", the "Operating Agreement," the "Agreement," "thereunder," "thereof," or words of similar import referring to the Operating Agreement, shall mean and reference the Operating Agreement as amended hereby.

(e) The provisions of ARTICLE 13 (*Miscellaneous*) of the Operating Agreement are hereby incorporated by reference and shall apply to the parties to this Amendment, *mutatis mutandis*.

Section 2.02. *[Signature Page Immediately Follows]*

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

AT&T MEMBER
AT&T MVPD HOLDINGS LLC

By: /s/ Robert LaGrone
Name: Robert LaGrone
Title: President and Chief Executive Officer

INVESTOR MEMBER

TPG VIII MERLIN INVESTMENT HOLDINGS, L.P.

By: TPG VIII Merlin Investment Holdings GP, LLC
its general partner

By: /s/ Martin Davidson
Name: Martin Davidson
Title: Chief Accounting Officer

THIRD AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

OF

AT&T FIBER INVESTMENT, LLC,

a Delaware Limited Liability Company

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THIRD AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

OF

AT&T FIBER INVESTMENT, LLC

This THIRD AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (this "***Agreement***") of AT&T Fiber Investment, LLC, a Delaware limited liability company (the "***Company***"), is entered into as of April 18, 2023, by and among AT&T Fiber Investment Holdings, LLC, a Delaware limited liability company, as the Managing Member and a Class B Common Member, the Class A Limited Members listed on Schedule A attached hereto and Bernard J. Angelo and Kevin J. Corrigan, as the Independent Managers, pursuant to the provisions of the Act, on the following terms and conditions (capitalized terms used herein without definition shall have the meanings specified in Section 1.11);

WHEREAS, the Company was formed as a limited liability company under and pursuant to the provisions of the Act and upon the terms and conditions set forth in the Limited Liability Company Agreement of the Company, dated as of September 17, 2020 (the "***Original LLC Agreement***"), with the Managing Member becoming at that time the sole member of the Company owning one hundred percent (100%) of the limited liability company interest in the Company in consideration of a capital contribution of $100.00;

WHEREAS, the Members amended and restated the Original LLC Agreement in its entirety as set forth in the Amended and Restated Limited Liability Company Agreement of the Company, dated as of September 29, 2020 (as amended by the Amendment to the Amended and Restated Limited Liability Company Agreement of the Company, dated as of December 1, 2020 (the "***Amendment***"), the "***2020 LLC Agreement***");

WHEREAS, the Members amended and restated the 2020 LLC Agreement in its entirety as set forth in the Second Amended and Restated Limited Liability Company Agreement of the Company, dated as of April 4, 2023 (the "***Existing Agreement***");

WHEREAS, pursuant to that certain Class A-3 Subscription Agreement, dated as of April 18, 2023 (the "***Class A-3 Subscription Agreement***"), by and among the Company and a certain Class A Limited Member (the "***Initial Class A-3 Limited Member***"), the Initial Class A-3 Limited Member has agreed to purchase Class A-3 Limited Membership Interests and to make Capital Contributions to the Company; and

WHEREAS, in order to reflect (a) the issuance of Class A-3 Limited Membership Interests pursuant to the Class A-3 Subscription Agreement and the admission of additional Class A Limited Members to the Company as of the date of entry into this Agreement and (b) the transactions contemplated herein and in the other Transaction Documents, the Members have agreed to amend and restate the Existing Agreement in its entirety as set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1
THE COMPANY

1.1 Formation; No State-Law Partnership. The fact that the Certificate of Formation is on file in the office of the Secretary of State of the State of Delaware shall constitute notice that the Company is a limited liability company. Pursuant to Section 18-201(d) of the Act, the Original LLC Agreement was effective as of the date of the filing of the Certificate of Formation. From the date of this Agreement, the rights and liabilities of the Members shall be as provided under the Act, the Certificate of Formation, and this Agreement. To the extent that the rights, powers, duties, obligations and liabilities of any Member (in its capacity as such) are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement shall, to the extent permitted by the Act, control. The Members intend that the Company not be a partnership (including a limited partnership) or joint venture, and that no Member be a partner or joint venturer of any other Member, for any purposes (including Section 303 of the United States Federal Bankruptcy Code) other than tax purposes and that this Agreement may not be construed to suggest otherwise.

1.2 Name. The name of the Company is AT&T Fiber Investment, LLC and all business of the Company shall be conducted in such name or, as determined by the Managing Member, under any other name, provided that any such other name would not cause the Company to violate Section 5.4 of this Agreement.

1.3 Purpose; Powers.

(a) The sole purposes of the Company are:

(i) to conduct the Permitted Business; and

(ii) to do such other things and engage in any other activities that are necessary, convenient, or incidental to the foregoing purpose.

(b) The Company has the power to do any and all acts necessary, appropriate, proper, advisable, incidental, or convenient to, and in furtherance of, the purposes of the Company set forth in this Section 1.3 and has any and all powers that may be exercised on behalf of the Company by the Managing Member pursuant to Section 5 that are consistent with Section 1.3(a).

1.4 Principal Place of Business. The principal place of business of the Company shall be at 208 S. Akard Street, Room 1843, Dallas, Texas 75202. The Managing Member may change the principal place of business of the Company to any other place within or without the State of Delaware. The initial registered office of the Company in the State of Delaware is located at The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

1.5 Term. The term of the Company commenced on the date the Certificate of Formation was filed in the office of the Secretary of State of the State of Delaware in accordance with the Act and shall continue until the dissolution and the completion of the winding up of the Company in accordance with Section 13. The existence of the Company as a

separate legal entity and this Agreement shall continue until the cancellation of the Certificate of Formation in accordance with the Act.

1.6 Filings; Agent for Service of Process.

(a) The Managing Member, or an agent of the Managing Member, was authorized to execute and cause the Certificate of Formation to be filed in the office of the Secretary of State of the State of Delaware as an authorized person within the meaning of, and otherwise in accordance with, the Act.

(b) The registered agent for service of process on the Company in the State of Delaware shall be The Corporation Trust Company or any successor as appointed by the Managing Member in accordance with the Act.

(c) Upon the dissolution and completion of the winding up of the Company in accordance with and subject to Section 13, the Liquidator, as an authorized person within the meaning of the Act, shall promptly execute and cause to be filed a Certificate of Cancellation in accordance with the Act and the laws of any other jurisdictions in which the Liquidator deems such filing or any similar filing to be necessary or advisable.

1.7 Title to Assets. All Property owned by the Company shall be owned by the Company as an entity, and all Property owned by any Subsidiary of the Company shall be owned by such Subsidiary, and no Member shall have any ownership interest in such assets in its individual name. Each Member's Membership Interest in the Company shall be personal property for all purposes. The Company shall hold title to all of its assets in the name of the Company, and each Subsidiary of the Company shall hold title to all of its assets in the name of such Subsidiary, and in each case not in the name of any Member.

1.8 Payments of Individual Obligations. The Company's credit and assets shall be used solely for the benefit of the Company, and no asset of the Company shall be transferred in satisfaction of, or encumbered for, or in payment of, any individual obligation of any Member.

1.9 Outside Activities. Neither this Agreement nor any of the other Transaction Documents nor any activity undertaken pursuant hereto or thereto shall prevent any Member, Independent Manager or any Affiliates of such Member or Independent Manager from engaging in whatever activities they choose, and any such activities may be undertaken without having or incurring any obligation to offer any interest in such activities to the Company, any Member or any Independent Manager, or require any Member or any Independent Manager to permit the Company or any other Member or Independent Manager or Affiliate thereof to participate in any such activities, and as a material part of the consideration for the execution of this Agreement by each Member and Independent Manager, each Member and Independent Manager hereby waives, relinquishes, and renounces any such right or claim of participation.

1.10 Authorization. Notwithstanding any other provision in this Agreement, including Section 5, the Managing Member, on behalf of the Company, is hereby authorized to cause the Company to execute and deliver, and perform its obligations under, the Transaction Documents to which the Company is a party, all without any further action, consent, or approval of any other Person.

1.11 Definitions. Unless otherwise specifically stated, the capitalized terms used in this Agreement shall have the following meanings:

"***2020 LLC Agreement***" has the meaning set forth in the Recitals.

"***2023 Fiber Contribution Agreements***" means (a) that certain Contribution Agreement, dated as of April 4, 2023, by and among Southwest Supply, AT&T Fiber Leasing (as successor in interest to AT&T Fiber Leasing II) and Southwestern Bell, (b) that certain Contribution Agreement, dated as of April 4, 2023, by and among Southwestern Bell, the Managing Member and AT&T Fiber Leasing (as successor in interest to AT&T Fiber Leasing II) and (c) that certain Contribution Agreement, dated as of April 4, 2023, by and among the Managing Member, the Company and AT&T Fiber Leasing (as successor in interest to AT&T Fiber Leasing II).

"***2023 Southwestern Bell Fiber License***" has the meaning set forth in the definition of "Southwestern Bell Fiber Agreements".

"***Acceptable Rating***" means, with respect to any Person, that the outstanding senior, unsecured, non-credit enhanced debt securities of such Person have a public rating of at least two of the following: (i) "BBB-" or higher by S&P; (ii) "BBB-" or higher by Fitch; and (iii) "Baa3" or higher by Moody's, and the absence of such a rating by any one of S&P, Moody's and Fitch does not trigger or otherwise result in any requirement that any debt of such Person be secured by any Lien on any assets or property of such Person.

"***Act***" means the Delaware Limited Liability Company Act, 6 Del. Code Ann. Section 18-101, *et seq.* (or any corresponding provisions of succeeding law).

"***Adjusted Capital Account***" means, with respect to any Member, the balance in such Member's Capital Account as of the end of the relevant Allocation Year, after giving effect to the following adjustments:

(a) credit to such Capital Account any amounts which such Member is obligated to restore or is deemed obligated to restore pursuant to the Regulations Section 1.704-1(b)(2)(ii)*(c)* and the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(b) debit to such Capital Account the items described in Regulations Sections 1.704-1(b)(2)(ii)*(d)(4)*, 1.704-1(b)(2)(ii)*(d)(5)* and 1.704-1(b)(2)(ii)*(d)(6)*.

The foregoing definition of "Adjusted Capital Account" is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)*(d)* and shall be interpreted consistently therewith.

"***Adjusted Capital Account Deficit***" means, with respect to any Member, the deficit balance, if any, in such Member's Adjusted Capital Account as of the end of the relevant Allocation Year.

"***Administrative Agent***" has the meaning set forth in Section 16.1.

"***Administrative Agent Indemnitee***" has the meaning set forth in Section 16.8(b).

"***Affiliate***" means, with respect to any specified Person, (a) any Person directly or indirectly controlling, controlled by, or under common control with such specified Person, or (b) any officer, director, general partner, managing member or manager, trustee of, or Person serving in a similar capacity with respect to, such specified Person. For purposes of this Agreement, unless the context requires otherwise, the terms "control," "controlling," "controlled by," or "under common control with" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person or entity, whether through the ownership of voting securities, by contract, or otherwise. For the avoidance of doubt, (x) a Person shall be deemed to control all of its Subsidiaries and (y) a Member shall not be deemed to be an Affiliate of the Company or any other Member, and the Company shall not be deemed to be an Affiliate of any Member, solely as a result of such Member's ownership of Membership Interests; provided, however, that the Company and its Subsidiaries shall be deemed to be Affiliates of the Managing Member.

"***Agreement***" has the meaning set forth in the Preamble.

"***Allocation Year***" means (a) any twelve (12) month period commencing on January 1 and ending on December 31 or (b) any portion of the period described in clause (a) for which the Company is required to allocate Profits, Losses, and other items of Company income, gain, loss, or deduction pursuant to Section 3 unless the Company is required by Section 706 of the Code to use a different tax year, in which case "Allocation Year" shall mean such different tax year (or relevant portion thereof).

"***Amendment***" has the meaning set forth in the Recitals.

"***Anti-Corruption Laws***" means, as to any Person, all laws, rules and regulations of any jurisdiction applicable to such Person concerning or relating to bribery, corruption or money laundering.

"***Appointment Period***" has the meaning set forth in Section 16.6.

"***AT&T Cash Management System***" means AT&T's Treasury Interco Payment System, used for processing payments and collections on behalf of the Managing Member and its Affiliates.

"***AT&T Fiber Leasing***" means AT&T Texas Fiber Leasing, LLC, a Delaware limited liability company.

"***AT&T Fiber Leasing II***" means AT&T Texas Fiber Leasing II, LLC, a Delaware limited liability company.

"***Bankruptcy***" means, with respect to any Person, a Voluntary Bankruptcy or an Involuntary Bankruptcy.

"***BHC Act***" means the U.S. Bank Holding Company Act of 1956 and any regulations, including Regulation Y of the Board of Governors of the Federal Reserve System, promulgated thereunder and interpretations thereof.

"***BHC Member***" means a Class A Limited Member that (a) is subject to the BHC Act, or is directly or indirectly "controlled" (as that term is defined in the BHC Act) by a company that is subject to the BHC Act and (b) indicates its intent to be treated as a BHC Member in its relevant subscription agreement or otherwise in writing to the Managing Member, provided that any such election shall be irrevocable.

"***Bid***" means an irrevocable offer to purchase in any Class A Mandatory Remarketing all, but not less than all, of the outstanding Class A Limited Membership Interests for cash in immediately available funds at an aggregate price equal to the Unrecovered Capital with respect to such outstanding Class A Limited Membership Interests with the applicable Class A Preferred Return Rate equal to (a) the Bid Rate specified in such irrevocable offer to purchase in connection with any Class A Mandatory Remarketing in which the Managing Member has requested Bids for a fixed Class A Preferred Return Rate or (b)(i) the Bid Rate specified in such irrevocable offer to purchase in connection with any Class A Mandatory Remarketing in which the Managing Member has requested Bids for a floating Class A Preferred Return Rate plus (ii) the Remarketing Benchmark Rate.

"***Bid Rate***" means, in connection with any Class A Mandatory Remarketing, a number of basis points submitted in connection with a Bid.

"***Borrowers***" means the borrower entities under the Contributed Notes and set forth in Schedule B, as may be amended from time to time pursuant to the terms and conditions of this Agreement and the Contributed Notes.

"***Breakage Costs***" means, with respect to any Class A Limited Member, any amounts required to compensate such Class A Limited Member for any actual losses, costs or expenses that it may actually incur as a result of a transaction described in Section 13.2 or Section 15 that results in such Class A Limited Member receiving any payment in cash in respect of any Class A Limited Membership Interest on a day other than, (a) in the case of the initial Class A Reset Period, and any other Class A Reset Period for which the applicable Class A Preferred Return Rate is a fixed rate, a Class A Reset Date, and (b) in the case of any Class A Reset Period for which the applicable Class A Preferred Return Rate is a floating rate, the last day of a Class A Distribution Period, in each case including any loss (excluding loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds and the early termination or unwinding of any swap or other hedging arrangement entered into by such Class A Limited Member, as set forth in a certificate of such Class A Limited Member (which certificate shall include the methodology for calculating, and the calculation of, the amount of such actual loss or expense, in reasonable detail based on observable market references).

"***Business Day***" means any day that is not a Saturday, a Sunday, or a day on which banking institutions located in New York, New York are authorized or obligated by law to close.

"***Capital Account***" means, with respect to any Member of the Company, the capital account maintained for such Member in accordance with the capital account maintenance rules of Regulations Section 1.704-1(b).

"***Capital Contributions***" means, with respect to any Member of the Company, the amount of cash and the initial Gross Asset Value of any Property (other than cash) contributed to the Company by such Member, as set forth on Schedule A hereto, as such Schedule A may be updated from time to time in accordance with this Agreement.

"***Capital Lease Obligations***" means, with respect to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP; provided, however, that, notwithstanding the foregoing, in no event will any lease that would have been categorized as an operating lease as determined in accordance with GAAP prior to giving effect to the Accounting Standards Codification Topic 842, Leases, or any other changes in GAAP subsequent to the date of this Agreement, be considered a Capital Lease Obligation for purposes of this Agreement.

"***Cash Available for Distribution***" means, for any Class A Distribution Period, the cash held by the Company less the portion thereof used to pay or establish reasonable reserves for all Expenses of the Company (including Taxes), all as determined by the Managing Member in good faith and in its commercially reasonable judgment. Cash Available for Distribution will not be reduced by Depreciation or similar non-cash allowances, and will be increased by any reductions of reserves previously established pursuant to the first sentence of this definition.

"***Cash Equivalents***" means any of the following: (a) readily marketable direct obligations of the government of the United States or any agency or instrumentality thereof or obligations unconditionally guaranteed by the full faith and credit of the government of the United States or (b) insured certificates of deposit of or time or demand deposits with any commercial bank that is a member of the Federal Reserve System, the parent of which issues commercial paper rated P-1 (or the then equivalent grade) by Moody's and A-1+ (or the then equivalent grade) by S&P, is organized under the laws of the United States or any state thereof and the long term unsecured debt of which is rated A2 or better by Moody's and A or better by S&P; provided, however, that all obligations and securities described in clauses (a) and (b) above (1) will not have an original maturity of longer than ninety (90) days, (2) will not include any obligations or securities denominated in a currency other than Dollars, (3) will not include any obligations or securities that provide for the extension of the original stated maturity thereof without the consent of any holder thereof affected thereby, (4) will not include any obligations or securities the payment or repayment of principal in respect of which is an amount determined by

reference to any formula or index, or which is subject to any contingency, (5) will not include any obligations or securities that require the holder thereof to make advances to, or to purchase additional obligations or securities issued by, the issuer of such obligations or securities after the original date of issuance of such obligations or securities, and (6) will not include any obligation of or security issued by the Company or any of its Affiliates.

"***Cause***" means, with respect to an Independent Manager, (a) acts or omissions by such Independent Manager constituting fraud, dishonesty, negligence, misconduct or other deliberate action which causes injury to the Company or an act by such Independent Manager involving moral turpitude or a serious crime or (b) that such Independent Manager no longer meets the definition of "Independent Manager" set forth in this Agreement.

"***Certificate of Cancellation***" means a certificate filed in accordance with 6 Del. Code Ann. Section 18-203.

"***Certificate of Formation***" means the Certificate of Formation filed with the Secretary of State of the State of Delaware pursuant to the Act to form the Company, as originally executed on September 15, 2020 and as amended, modified, supplemented, or restated from time to time, as the context requires.

"***Certification Deadline***" has the meaning set forth in Section 5.5(f).

"***Class A Distribution Date***" means each February 1, May 1, August 1 and November 1 occurring prior to a Liquidation Event or, if such date is not a Business Day, the next succeeding Business Day.

"***Class A Distribution Period***" means the applicable period from (and including) a Class A Distribution Date to (but excluding) the next subsequent Class A Distribution Date. In the case of the Class A Distribution Period ending on April 30, 2023, with respect to a Class A Limited Member's Class A-2 Limited Membership Interests, the first distribution period shall measure from April 4, 2023 to April 30, 2023 and, with respect to a Class A Limited Member's Class A-3 Limited Membership Interests, the first distribution period shall measure from the date of this Agreement to April 30, 2023.

"***Class A Failed Mandatory Remarketing***" has the meaning set forth in Section 7.1(c)(v)(1).

"***Class A Failed Mandatory Remarketing Rate***" means, in respect of any Class A Distribution Period commencing on the occurrence of a Class A Failed Mandatory Remarketing, a rate per annum equal to the sum of (a) the then applicable reference rate used in the Parent Applicable Credit Facility, plus (b) the non-default margin above such reference rate (including the applicable facility fee, if any) provided in the Parent Applicable Credit Facility, plus (c) two hundred and eighty (280) basis points, plus (d) seventy five (75) basis points multiplied by the number of Class A Failed Mandatory Remarketing Reset Dates since the later of (i) the date hereof and (ii) the most recent sale and purchase of all of the Class A Limited Membership Interests pursuant to a Class A Mandatory Remarketing.

"***Class A Failed Mandatory Remarketing Reset Date****"* has the meaning set forth in Section 7.1(c)(v)(1).

"***Class A Limited Member Preferred Return***" means, with respect to any Class A Limited Member, the return that will accrue during each Class A Distribution Period or portion thereof on the amount of such Class A Limited Member's Unrecovered Capital during such Class A Distribution Period, accrued (but not compounded) daily at a rate equal to the applicable Class A Preferred Return Rate, computed using the actual number of days elapsed over a three hundred and sixty (360) day year.

"***Class A Limited Members***" means the Members of the Company that hold Class A Limited Membership Interests, in such capacity.

"***Class A Limited Membership Interests***" means Class A-1 Limited Membership Interests, Class A-2 Limited Membership Interests and Class A-3 Limited Membership Interests.

"***Class A Mandatory Remarketing***" has the meaning set forth in Section 7.1(c)(i).

"***Class A Mandatory Remarketing Agents***" means, with respect to any Class A Mandatory Remarketing, the Initial Class A Limited Members (or such wholly owned subsidiaries of the ultimate parent companies of such Initial Class A Limited Members (each, an "***Initial Class A Limited Member Subsidiary***") as may be designated by the Initial Class A Limited Members) or, with respect to any Initial Class A Limited Member that is unwilling or unable to serve as, or to designate an Initial Class A Limited Member Subsidiary thereof to serve as, a Class A Mandatory Remarketing Agent or has ceased to own at least fifty percent (50%) of the Class A Limited Membership Interests held by such Initial Class A Limited Member and its Affiliates on the date hereof or has been replaced pursuant to the Class A Mandatory Remarketing Agreement, the other Initial Class A Limited Member shall serve as the sole Class A Mandatory Remarketing Agent. If such other Initial Class A Limited Member is unwilling or unable to serve as, or to designate an Initial Class A Limited Member Subsidiary thereof to serve as, a Class A Mandatory Remarketing Agent or has ceased to own at least fifty percent (50%) of the Class A Limited Membership Interests held by such Initial Class A Limited Member and its Affiliates on the date hereof or has been replaced pursuant to the Class A Mandatory Remarketing Agreement, then the Class A Mandatory Remarketing Agent shall be appointed by the Required Class A Limited Members.

"***Class A Mandatory Remarketing Agreement***" means a remarketing agreement, substantially in the form of Exhibit D attached hereto, entered into by the Company and the Class A Mandatory Remarketing Agents, and including a fee due to any Class A Mandatory Remarketing Agent acceptable to the Company.

"***Class A Mandatory Remarketing Date***" means the date reasonably agreed by the Managing Member and the Class A Mandatory Remarketing Agents on which a Class A Mandatory Remarketing is conducted, which shall, unless otherwise agreed by the Managing Member and the Class A Mandatory Remarketing Agents, be a date no earlier than the twentieth (20th) Business Day, and no later than the fifth (5th) Business Day, prior to the applicable Class

A Reset Date; provided, however, that the Managing Member and the Class A Mandatory Remarketing Agents may not, without the consent of all of the Class A Limited Members, agree on a Class A Mandatory Remarketing Date that is later than the applicable Class A Reset Date.

"***Class A Preferred Return Rate***" means (a) for any Class A Distribution Period (or a portion thereof) occurring during the initial Class A Reset Period, (i) with respect to Class A-1 Limited Membership Interests, 4.25% per annum, (ii) with respect to Class A-2 Limited Membership Interests, 6.85% per annum and (iii) with respect to Class A-3 Limited Membership Interests, 6.85% per annum, or (b) for any Class A Distribution Period or portion thereof occurring during any other Class A Reset Period, the Class A Preferred Return Reset Rate; provided, however, that the Class A Preferred Return Rate for any Class A Distribution Period commencing on the occurrence of a Class A Failed Mandatory Remarketing shall equal the Class A Failed Mandatory Remarketing Rate for such Class A Distribution Period. For the avoidance of doubt, the Class A Preferred Return Rate for any Class A Distribution Period commencing on a Class A Reset Date shall be the same for Class A-1 Limited Membership Interests, Class A-2 Limited Membership Interests and Class A-3 Limited Membership Interests.

"***Class A Preferred Return Reset Rate***" means, in respect of any Class A Reset Period, (a) if the Company and all of the holders of the Class A Limited Membership Interests reach agreement pursuant to Section 7.1(b), the rate agreed to by such parties pursuant to Section 7.1(b) and (b) otherwise the rate determined in accordance with Section 7.1(c).

"***Class A Purchase Date***" has the meaning set forth in Section 15.2(a).

"***Class A Purchase Price***" has the meaning set forth in Section 15.1(a).

"***Class A Reset Date***" means the first Class A Distribution Date immediately following September 29, 2027 or the seventh (7th) anniversary of the immediately preceding Class A Reset Date, provided, however, that in the event of a Class A Failed Mandatory Remarketing, the date that is three (3) months following such Class A Failed Mandatory Remarketing Reset Date shall be a Class A Reset Date.

"***Class A Reset Period***" means the period beginning on (and including) September 29, 2020 and ending on (but excluding) the initial Class A Reset Date and each period thereafter beginning on (and including) a Class A Reset Date and ending on (but excluding) the immediately succeeding Class A Reset Date.

"***Class A-1 Limited Membership Interests***" has the meaning set forth in Section 2.1(a).

"***Class A-1 Subscription Agreement***" means that certain Subscription Agreement, dated as of September 29, 2020, by and among the Company, MUFG Bank, Ltd., New York Branch, MUFG Union Bank, N.A. and Wells Fargo Bank, N.A.

"***Class A-2 Limited Membership Interests***" has the meaning set forth in Section 2.1(a).

"***Class A-2 Subscription Agreement***" means that certain Subscription Agreement, dated as of April 4, 2023, by and among the Company, MUFG Bank, Ltd., New York Branch, SG Mortgage Finance Corp., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Commerzbank AG, New York Branch.

"***Class A-3 Limited Membership Interests***" has the meaning set forth in Section 2.1(a).

"***Class A-3 Subscription Agreement***" has the meaning set forth in the Recitals.

"***Class B Common Members***" means the Members of the Company that hold Class B Common Membership Interests, in such capacity.

"***Class B Common Membership Interests***" has the meaning set forth in Section 2.1(a).

"***Code***" means the United States Internal Revenue Code of 1986, as amended.

"***Collateral Certificate***" has the meaning set forth in Section 5.5(f).

"***Company***" has the meaning set forth in the Preamble.

"***Company Minimum Gain***" has the same meaning as "partnership minimum gain" set forth in Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

"***Confidential Information***" has the meaning set forth in Section 6.8(a).

"***Consultation Period***" has the meaning set forth in Section 7.1(b).

"***Contributed Fiber Assets***" has the meaning set forth in the definition of "Secured Notes".

"***Contributed Notes***" means, collectively, those Secured Notes contributed or issued to the Company as of the date hereof, and such additional Secured Notes as may be contributed or issued to the Company from time to time.

"***Demand Note***" means the Demand Promissory Note, initial principal amount of $2,000,000,000.00, dated as of September 29, 2020, issued by Parent Company in favor of the Company, the Amended and Restated Demand Promissory Note, aggregate principal amount of $5,250,000,000.00, dated as of the date hereof, issued by the Parent Company in favor of the Company or any other demand note, substantially in the form of Exhibit A attached hereto, duly executed and delivered by Parent Company in favor of the Company.

"***Depreciation***" means, for each Allocation Year, an amount equal to the depreciation, amortization, depletion or other cost recovery deduction allowable with respect to an asset for such Allocation Year for U.S. federal income tax purposes, except that with respect to any asset whose Gross Asset Value differs from its adjusted tax basis for U.S. federal income

tax purposes at the beginning of such Allocation Year, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the U.S. federal income tax depreciation, amortization, or other cost recovery deduction for such Allocation Year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for U.S. federal income tax purposes of an asset at the beginning of such Allocation Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Managing Member.

"***Dollars***" means United States dollars.

"***Eligible Agent***" means (a) a Class A Limited Member or an Affiliate of a Class A Limited Member, (b) the Paying Agent or an Affiliate of the Paying Agent or (c) any other Person approved by the Required Class A Limited Members (such approval not to be unreasonably withheld or delayed); provided that neither the Company nor any Affiliate of the Company shall qualify as an Eligible Agent, unless approved by all of the Class A Limited Members.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, and the regulations promulgated and rulings issued thereunder.

"***Exchange Act***" means the Securities Exchange Act of 1934, and the rules and regulations promulgated thereunder.

"***Existing Agreement***" has the meaning set forth in the Recitals.

"***Existing Parent Credit Facility***" has the meaning set forth in the definition of "Parent Applicable Credit Facility".

"***Expenses***" means any and all costs, liabilities, obligations, losses, damages, penalties, interest, Taxes, claims (including, but not limited to negligence, strict or absolute liability, liability in tort and liabilities arising out of violation of laws or regulatory requirements of any kind), actions, suits, costs, expenses, and disbursements (including, without duplication, reasonable legal fees and expenses).

"***Fee Letters***" means one or more fee letter agreements by and between the Company and certain Class A Limited Members or their applicable Affiliates.

"***Fiber Assets***" means fiber optic cable assets and related accessories, installations and improvements and any rights with respect to such fiber optic cable assets and related accessories, installations and improvements pursuant to a Fiber License Agreement (provided that, for the avoidance of doubt, a Fiber License Agreement is a Fiber Asset).

"***Fiber License Agreement***" means any agreement or instrument with a similar subject matter and providing substantially similar terms as to any Southwestern Bell Fiber Agreement.

"***Final Determination***" means (a) a decision, judgment, decree or other order by any court of competent jurisdiction, which decision, judgment, decree or other order has become final after all allowable appeals (other than appeals to the United States Supreme Court) by either party to the action have been exhausted or the time for filing such appeals has expired, (b) a closing agreement entered into under Section 7121 of the Code or any other settlement agreement entered into in connection with an administrative or judicial proceeding entered into in accordance with this Agreement, (c) the expiration of the time for instituting suit with respect to the claimed deficiency or (d) the expiration of the time for instituting a claim for refund, or if such a claim was filed, the expiration of the time for instituting suit with respect thereto.

"***FIRPTA Withholding Certificate***" has the meaning set forth in Section 4.2.

"***First Fiber Contribution***" has the meaning set forth in the definition of "Permitted Assets".

"***First Fiber Contribution Agreements***" means the contribution agreements and any other agreements effecting the First Fiber Contribution, including (a) that certain Contribution Agreement, dated as of December 1, 2020, by and among Southwest Supply, AT&T Fiber Leasing and Southwestern Bell, (b) that certain Contribution Agreement, dated as of December 1, 2020, by and among Southwestern Bell, the Managing Member and AT&T Fiber Leasing and (c) that certain Contribution Agreement, dated as of December 1, 2020, by and among the Managing Member, the Company and AT&T Fiber Leasing.

"***Fiscal Quarter***" means each three-month period ending on the last day of December, March, June and September (or a period commencing on the day after the last day of the prior Fiscal Quarter and ending on the date of a final distribution pursuant to Section 13).

"***Fiscal Year***" means an annual accounting period ending December 31 of each year during the term of the Company; provided, however, that the last such Fiscal Year shall be the period beginning on January 1 of the calendar year in which the final liquidation and termination of the Company is completed and ending on the date such final liquidation and termination is completed. To the extent any provision hereof provides for an action to be taken or any computation to be made on a Fiscal Year basis, an appropriate proration or other adjustment shall be made in respect of the first or final Fiscal Year to reflect that such period is less than a full calendar year period.

"***Fitch***" means Fitch Ratings, a majority-owned subsidiary of Fimalac, S.A., or its successor.

"***Flow-Through Entity***" has the meaning set forth in Section 8.1(b).

"***GAAP***" means generally accepted accounting principles in the United States in effect from time to time.

"***Gross Asset Value***" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) the initial Gross Asset Value of any Property contributed (or deemed contributed) by a Member to the Company shall be the gross fair market value of such asset as agreed to by such contributing Member and the Managing Member;

(b) the Gross Asset Values of all items of Property shall be adjusted to equal their respective fair market value as of the following times: (i) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution, (ii) the distribution by the Company to a Member of more than a de minimis amount of Property as consideration for an interest in the Company, (iii) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)*(g)* and (iv) any other time specified in Regulations Section 1.704-1(b)(2)(iv)*(f)(5)*;

(c) the Gross Asset Value of any item of Property distributed to any Member shall be adjusted to equal the fair market value of such item on the date of distribution; and

(d) the Gross Asset Value of each item of Property shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)*(m)*, subparagraph (f) of the definition of "Profits" and "Losses" and Section 3.2(a); provided, however, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (d) to the extent that an adjustment pursuant to subparagraph (b) is required in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (d).

(e) If the Gross Asset Value of an item of Property has been determined or adjusted pursuant to subparagraph (a), (b), or (d), such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset, for purposes of computing Profits and Losses.

"***Indebtedness***" means, with respect to a specified Person, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services, (c) all obligations of such Person evidenced by bonds, notes, debentures, or other similar instruments, (d) all indebtedness of such Person created or arising under any conditional sale or other title retention agreement (whether or not the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations of such Person as lessee under leases which have been or should be, in accordance with GAAP, recorded as leases, including Capital Lease Obligations, (f) all obligations, contingent or otherwise, of such Person under acceptance, letter of credit or similar facilities, (g) all obligations of such Person to purchase, redeem, retire, defease, or otherwise acquire for value any partnership interests of such Person, and (h) all Indebtedness referred to in clauses (a) through (g) above guaranteed directly or indirectly by such Person through an agreement (A) to pay or purchase such Indebtedness or to advance or supply funds for the payment or purchase of such Indebtedness, (B) to purchase, sell or lease (as

lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Indebtedness or to assure the holder of such Indebtedness against loss, (C) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered), or (D) otherwise to assure clauses (a) through (g) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any lien on property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for payment of such Indebtedness; provided, however, that in no event shall Indebtedness include (x) subject to the second last paragraph of Section 5.4(c), any advances to the Company under the AT&T Cash Management System or (y) trade payables incurred in the ordinary course of business.

"***Independent Manager***" means an individual who has prior experience as an independent director, independent manager or independent member with at least three years of employment experience and who is provided by Corporation Service Company, CT Corporation, TMF Group New York LLC, National Registered Agents, Inc., Global Securitization Services, LLC, Stewart Management Company, Wilmington Trust, or, if none of those companies is then providing professional independent managers, another nationally-recognized company, in each case that is not an Affiliate of the Company and that provides professional independent managers and other corporate services in the ordinary course of its business, and which individual is duly appointed as an Independent Manager and is not, and has never been, and shall not while serving as Independent Manager be, any of the following:

(a) a member, partner, equityholder (except for publicly traded shares of any direct or indirect parent of the Company), manager, director, officer or employee of the Company, the Member or any of their respective equityholders or Affiliates (other than as an Independent Manager of the Company or an Affiliate of the Company that is not in the direct chain of ownership of the Company and that is required by a creditor to be a single purpose bankruptcy remote entity, provided that such Independent Manager is employed by a company that routinely provides professional independent managers in the ordinary course of its business);

(b) a creditor (except for publicly traded debt of any direct or indirect parent of the Company), supplier or service provider (including provider of professional services) to the Company, or any of its equityholders or Affiliates (other than a nationally-recognized company that routinely provides professional independent directors or managers and other corporate services to the Company or any of its equityholders or Affiliates in the ordinary course of its business);

(c) a family member of any member, partner, equityholder, manager, director, officer, employee, creditor, supplier or service provider referred to in (a) or (b) above; or

(d) a Person that controls (whether directly, indirectly or otherwise) any of (a), (b) or (c) above.

A natural person who otherwise satisfies the foregoing definition and satisfies subparagraph (a) by reason of being the Independent Manager (or independent manager or director of a "special purpose entity" which is an Affiliate of the Company) shall be qualified to serve as an Independent Manager of the Company, provided that the fees that such individual earns from serving as Independent Manager (or independent manager or director of any Affiliate of the Company) in any given year constitute in the aggregate less than five percent (5%) of such individual's annual income for that year.

"***Independent Manager Management Agreement***" means the agreement of the Independent Managers substantially in the form of Exhibit F attached hereto, as amended. The Independent Manager Management Agreement is deemed incorporated into, and a part of, this Agreement.

"***Initial Class A Limited Member Subsidiary***" has the meaning set forth in the definition of "Class A Mandatory Remarketing Agents".

"***Initial Class A Limited Members***" means MUFG Bank, Ltd., New York Branch and Wells Fargo Bank, N.A.

"***Initial Class A-3 Limited Member***" has the meaning set forth in the Recitals.

"***Initial Contribution Agreement***" means that certain Contribution Agreement, dated as of September 29, 2020, by and between the Company and the Managing Member;

"***Investment Company Act***" means the Investment Company Act of 1940, and the rules and regulations promulgated thereunder.

"***Involuntary Bankruptcy***" means, with respect to any Person, without the consent of such Person, the entering of an order for relief or approving a petition for relief or reorganization or any other petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or other similar relief under any present or future bankruptcy, insolvency, or similar statute, law, or regulation, or the filing of any such petition against such Person, which petition shall not be dismissed within sixty (60) days, or without the consent or acquiescence of such Person, the entering of an order appointing a trustee, custodian, receiver, or Liquidator of such Person or of all or any substantial part of the property of such Person, which order shall not be dismissed within sixty (60) days. The foregoing is intended to supersede and replace the events listed in Sections 18-101 and 18-304 of the Act with respect to any Member.

"***IRS***" means the U.S. Internal Revenue Service.

"***Keep Well Agreements***" means each of that certain Keep Well Agreement, dated September 29, 2020 (as amended), between Southwestern Bell and Southwest Supply and that certain Keep Well Agreement, dated September 29, 2020 between BellSouth Telecommunications, LLC and AT&T Southeast Supply, LLC, and such additional Keep Well Agreements, substantially in the form of Exhibit C attached hereto, as may be entered into by a

Keep Well Parent and a Borrower in connection with any Secured Notes contributed to the Company from time to time.

"***Keep Well Parents***" shall mean Southwestern Bell and BellSouth Telecommunications, LLC.

"***Lien***" means any lien, security interest or other charge or encumbrance of any kind, including the lien or retained security title of a conditional vendor.

"***Liquidation Event***" has the meaning set forth in Section 13.1(a).

"***Liquidation Event Notice***" has the meaning set forth in Section 14.2.

"***Liquidation Period***" has the meaning set forth in Section 13.5.

"***Liquidation Period Guaranteed Payment Date***" means each February 1, May 1, August 1 and November 1 occurring during the Liquidation Period and on the date on which all of the assets of the Company are distributed to the Members.

"***Liquidator***" has the meaning set forth in Section 13.8(a).

"***Losses***" has the meaning set forth in the definition of "Profits" and "Losses".

"***Managing Member***" means AT&T Fiber Investment Holdings, LLC and thereafter means any Person designated as the Managing Member pursuant to Section 5.7, each in its capacity as the manager of the Company.

"***Material Action***" means to (a) consolidate or merge the Company with or into any Person, (b) sell, convey, transfer, assign, sublease, encumber or otherwise hypothecate or dispose of the Company's interest in and to (i) all or substantially all of its assets (except for the transactions expressly contemplated herein or in the other Transaction Documents) or (ii) any Property, unless following such sale, conveyance, transfer, assignment, sublease, encumbrance, hypothecation or disposition, the Company would be in compliance with each of the Portfolio Requirements, (c) commence any case, proceeding or other action on behalf of the Company under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, relief from debts or the protection of debtors generally, (d) institute proceedings to have the Company be adjudicated bankrupt or insolvent, (e) consent to or in any way participate in the institution of bankruptcy or insolvency proceedings against the Company, (f) file a petition seeking, or consent to, reorganization, arrangement, adjustment, winding-up, dissolution, composition, liquidation or other relief with respect to the Company or its debts under any applicable federal or state law relating to bankruptcy or insolvency, (g) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or a substantial part of its property, (h) make any assignment for the benefit of creditors of the Company, (i) admit in writing the Company's inability to pay its debts generally as they become due, (j) take any action in furtherance of any such action or (k) to the fullest extent permitted by law, dissolve or liquidate the Company.

"***Material Adverse Effect***" means, with respect to any Person, a material adverse effect on (a) the business, operations, properties or financial condition of such Person and its Subsidiaries taken as a whole, (b) the ability of such Person to perform its payment obligations under this Agreement or any of the Transaction Documents to which it is a party, (c) the ability of the Company to make distributions of the Class A Limited Member Preferred Return to the Class A Limited Members on each Class A Distribution Date or (d) any of the material rights or remedies available against such Person under this Agreement or any of the Transaction Documents to which such Person is a party.

"***Material Affiliate***" means, in the case of the Managing Member or the Parent Company, any Parent Company Entity that is a party to any Transaction Document, provided, that, no Borrower shall be a Material Affiliate as a consequence of being party to a Secured Note or Keep Well Agreement.

"***Member***" means a Class A Limited Member or a Class B Common Member. A Member is a "member" of the Company for purposes of the Act.

"***Member Indemnitee***" has the meaning set forth in Section 6.7(a)(i).

"***Member Nonrecourse Debt***" has the same meaning as the term "partner nonrecourse debt" set forth in Regulations Section 1.704-2(b)(4).

"***Member Nonrecourse Debt Minimum Gain***" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

"***Member Nonrecourse Deductions***" has the same meaning as the term "partner nonrecourse deductions" set forth in Regulations Sections 1.704-2(i)(1) and 1.704-2(i)(2).

"***Membership Interest***" means any limited liability company interest in the Company authorized by Section 2.1(a) representing the Capital Contributions made by a Member or its predecessors in interest, and including, except as set forth in Section 11.5, any and all benefits to which the holder of such an interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. Each Membership Interest and a certificate, if any, representing such interest shall constitute a "security" within the meaning of (a) Article 8 of the Uniform Commercial Code (including Section 8-102(a)(15) thereof) as in effect from time to time in the States of Delaware and New York and (b) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws (as amended in 1999 by the American Law Institute and the National Conference of Commissioners on Uniform State Laws). In its capacity as issuer of the "securities" constituting Membership Interests, the "issuer's jurisdiction" (within the meaning of Section 8-110(d) of the Uniform Commercial Code) is the State of Delaware.

"***Membership Registry***" has the meaning set forth in Section 2.1(b).

"***Moody's***" means Moody's Investor Service, Inc. or its successor.

"***Nonrecourse Deductions***" has the meaning set forth in Regulations Sections 1.704-2(b)(1) and 1.704-2(c).

"***Nonrecourse Liability***" has the meaning set forth in Regulations Section 1.704-2(b)(3).

"***Notice Event***" has the meaning set forth in Section 14.1.

*"**OFAC**"* means Office of Foreign Assets Control of the US Department of the Treasury.

"***Officers***" has the meaning set forth in Section 5.9(a).

"***Original LLC Agreement***" has the meaning set forth in the Recitals.

"***Parent Applicable Credit Facility***" means, for purposes of calculating the Class A Failed Mandatory Remarketing Rate, (a) the $12,000,000,000 Amended and Restated Credit Agreement, dated as of November 18, 2022 (the "***Existing Parent Credit Facility***"), among Parent Company, the lenders named thereto and Citibank, N.A., as administrative agent, as such facility may be amended, restated, refinanced or replaced from time to time so long as such facility as amended, restated, refinanced or replaced is widely syndicated and with similar tenor to the Existing Parent Credit Facility, and (b) if no such facility exists, the most widely syndicated unsecured floating-rate credit facility of Parent Company as of the date of the corresponding Class A Failed Mandatory Remarketing having a tenor similar to the Existing Parent Credit Facility.

"***Parent Company***" means AT&T Inc.

"***Parent Company Entity***" means Parent Company or any of its Subsidiaries (other than the Company).

"***Paying Agency Agreement***" means that certain Paying Agency Agreement to be entered into by and between the Company and the Paying Agent.

"***Paying Agent***" means The Bank of New York Mellon Trust Company, N.A.

"***Permitted Assets***" means: (a) one or more Demand Notes, (b) the Contributed Notes, (c) cash and Cash Equivalents, (d) Fiber Assets, except that, if the manner and structure of contributing such Fiber Assets is materially different from the manner and structure of the first contribution of Fiber Assets made pursuant to this Agreement (the "***First Fiber Contribution***") (provided that, if a contribution of Fiber Assets is made pursuant to one or more agreements with terms that, when taken as a whole, are substantially similar to those contained in the First Fiber Contribution Agreements, then such contribution of Fiber Assets shall be deemed to not be

materially different from the manner and structure of the First Fiber Contribution), then such contribution shall be on terms and conditions reasonably acceptable to the Initial Class A Limited Members and the Managing Member; and (e) equity interests in one or more wholly owned Subsidiaries, the assets of which consist of the assets described in one or more of clauses (a) through (d) hereto and other immaterial related assets (a "***Permitted Subsidiary***"); provided that, with respect to clause (b), a Contributed Note shall no longer be taken into account in determining whether the Portfolio Requirements have been satisfied if the Borrower under such Contributed Note or the Keep Well Parent supporting such Borrower under the relevant Keep Well Agreement is no longer an Affiliate of the Company.

"***Permitted Business***" means (a) providing debt financing to Parent Company evidenced by Demand Notes (and possessing and exercising the rights and remedies attendant thereto), (b) directly or indirectly acquiring, distributing, leasing, operating and owning Permitted Assets and owning assets that were Permitted Assets at the time contributed and (c) engaging in other activities incidental to the foregoing, in the case of each of the foregoing clauses (a) through (c) on such terms as determined by the Managing Member in its reasonable discretion and in accordance with this Agreement, the other Transaction Documents and applicable law.

"***Permitted Subsidiary***" has the meaning set forth in the definition of "Permitted Assets".

"***Permitted Transfer***" has the meaning set forth in Section 11.2(d).

"***Permitted Transferee***" has the meaning set forth in Section 11.2(d).

"***Person***" means any individual, partnership (whether general or limited), limited liability company, corporation, trust, estate, association, nominee, or other entity.

"***Portfolio Compliance Certificate***" means a written certificate of the Managing Member signed by a Responsible Officer stating that (a) as of the date stated therein and for the period covered thereby, the Permitted Assets held by the Company satisfied the Portfolio Requirements (showing in reasonable detail calculations reasonably necessary to determine such compliance) and (b) identifying any asset held by the Company or any of its Subsidiaries that is not a Permitted Asset.

"***Portfolio Requirements***" has the meaning set forth in Section 5.8.

"***Preferred Return Distributions***" means distributions under Section 4.1(a).

"***Profits***" and "***Losses***" mean, for each Allocation Year, an amount equal to the Company's taxable income or loss for such Allocation Year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments (without duplication):

(a) any income of the Company that is exempt from U.S. federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be added to such taxable income or loss;

(b) any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)*(i)*, and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be subtracted from such taxable income or loss;

(c) in the event the Gross Asset Value of any item of Property is adjusted pursuant to subparagraph (b) or (c) of the definition of "Gross Asset Value," the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the Gross Asset Value of the item of Property) or an item of loss (if the adjustment decreases the Gross Asset Value of the item of Property) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses;

(d) gain or loss resulting from any disposition of any Property with respect to which gain or loss is recognized for U.S. federal income tax purposes shall be computed by reference to the Gross Asset Value of the item of Property disposed of, notwithstanding that the adjusted tax basis of such Property differs from its Gross Asset Value;

(e) in lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Allocation Year, computed in accordance with the definition of "Depreciation";

(f) to the extent an adjustment to the adjusted tax basis of any item of Property pursuant to Code Section 734(b) or Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)*(m)(4)*, to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's Membership Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the item of Property) or loss (if the adjustment decreases such basis) from the disposition of such item of Property and shall be taken into account for purposes of computing Profits or Losses; and

(g) notwithstanding any other provision of this definition, any items that are specially allocated pursuant to Section 3.2 or Section 3.3 shall not be taken into account in computing Profits or Losses.

The amounts of the items of Company income, gain, loss, or deduction available to be specially allocated pursuant to Section 3.2 or Section 3.3 shall be determined by applying rules analogous to those set forth in subparagraphs (a) through (f) above.

"***Property***" means all real and personal property held or acquired by the Company, including cash, and any improvements thereto, and shall include both tangible and intangible property.

"***PTP***" means a "publicly traded partnership," as defined in Code Section 7704, taxable as a corporation for U.S. federal income tax purposes.

"***Reconstitution Period***" has the meaning set forth in Section 13.1(b).

"***Reference Corporate Dealer***" means a leading dealer of publicly traded debt securities selected by the Managing Member, which dealer shall be a Qualified Institutional Buyer (as defined in Rule 144A under the Securities Act).

"***Regulations***" means the Treasury Regulations promulgated under the Code.

"***Regulatory Allocations***" has the meaning set forth in Section 3.3.

"***Remarketing Benchmark Rate***" means the rate specified by the Managing Member to the Class A Mandatory Remarketing Agents in connection with any Class A Mandatory Remarketing in which the Managing Member has requested Bids for a floating Class A Preferred Return Rate.

"***Representatives***" has the meaning set forth in Section 6.8(a).

"***Required Class A Limited Members***" means the holder or holders of more than fifty percent (50%) of any outstanding Class A Limited Membership Interests entitled to vote hereunder. If, at any relevant time, some but not all of the outstanding Class A Limited Membership Interests are owned by the Parent Company or any of its Affiliates, then in determining whether holders of the requisite percentage of the Class A Limited Membership Interests have given any request, demand, authorization, direction, notice, consent, or waiver hereunder, the Class A Limited Membership Interests owned by the Parent Company or any of its Affiliates shall be disregarded and deemed not to be outstanding.

"***Responsible Officer***" means an officer of Parent Company or one of its Affiliates familiar with the financial affairs of the Company.

"***S&P***" means S&P Global Ratings, a division of S&P Global Inc. or its successor.

"***Sanctions***" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the U.S. Department of Commerce, OFAC or the U.S. Department of State or (b) the United Nations Security Council, the European Union or His Majesty's Treasury of the United Kingdom.

"***Secondary Purchase Agreement***" means an agreement containing customary terms and conditions to be dated as of the applicable Class A Reset Date (or such other date

permitted by applicable law) among the Company, the Selling Class A Holders, the Class A Mandatory Remarketing Agents, and the Secondary Purchasers (selected in the manner provided in Section 7.1(c)) providing for the purchase of the Class A Limited Membership Interests by the Secondary Purchasers; provided, however, that (a) the only representations by a holder will be regarding such holder's good and marketable title to the Class A Limited Membership Interests and (b) the only obligation of a Selling Class A Holder shall be to sell the Class A Limited Membership Interests pursuant to a successful Class A Mandatory Remarketing.

"***Secondary Purchasers***" has the meaning set forth in Section 7.1(c)(iii).

"***Secured Notes***" means any of those certain Secured Promissory Notes, substantially in the form of Exhibit B attached hereto, each issued by the applicable Borrower in favor of the Managing Member or the Company, secured by Fiber Assets owned by the relevant Borrower obligors (which shall be substantially similar to the Fiber Assets underlying the Contributed Notes as of the date hereof with respect to the type and nature of such assets, taken as a whole) (the "***Contributed Fiber Assets***").

"***Securities Act***" means the Securities Act of 1933, and the rules and regulations promulgated thereunder.

"***Selling Class A Holders***" has the meaning set forth in Section 7.1(c)(iv).

"***Signature Law***" has the meaning set forth in Section 17.10.

"***Southwest Supply***" means AT&T Southwest Supply, LLC, a Delaware limited liability company.

"***Southwestern Bell***" means Southwestern Bell Telephone Company, a Delaware corporation.

"***Southwestern Bell Fiber Agreements***" means, collectively, (a) that certain Fiber Asset License Agreement, dated as of December 1, 2020 (together with all schedules and other ancillary documents thereto, as amended from time to time "***Southwestern Bell Fiber License***"), by and among the Company, Southwestern Bell and Southwest Supply, (b) that certain Fiber License Agreement, dated as of April 4, 2023, by and among the Company, Southwestern Bell and AT&T Fiber Leasing (as successor in interest to AT&T Fiber Leasing II) (together with all schedules and other ancillary documents thereto, as amended from time to time "***2023 Southwestern Bell Fiber License***"), (c) those portions of that certain Master Lease Terms and Conditions, dated as of February 1, 2014 (together with all schedules and other ancillary documents thereto, as amended from time to time, "***Southwestern Bell Master Lease***"), by and between Southwest Supply, as lessor and Southwestern Bell, as lessee, contributed and assigned to the Company or its Subsidiaries and (d) all agreements, instruments and other documents related to the transactions contemplated in the Southwestern Bell Fiber License, 2023 Southwestern Bell Fiber License and the Southwestern Bell Master Lease.

"***Southwestern Bell Fiber License***" has the meaning set forth in the definition of "Southwestern Bell Fiber Agreements".

"***Southwestern Bell Master Lease***" has the meaning set forth in the definition of "Southwestern Bell Fiber Agreements".

"***Subsidiary***" means, with respect to any Person, any corporation, association or other business entity of which such Person, directly or indirectly, owns more than fifty percent (50%) of the issued and outstanding shares of capital stock or equity interests entitling such Person, directly or indirectly, to elect a majority of the directors of such corporation, association or other business entity or to otherwise control the management of such Person.

"***Substitution Transaction***" has the meaning set forth in Section 2.2.

"***Tax Matters Representative***" has the meaning set forth in Section 9.4(a).

"***Taxes***" means any and all taxes (including net income, gross income, franchise, ad valorem, gross receipts, sales, use, property, and stamp taxes), and any and all levies, imposts, duties, charges, assessments, or withholdings in the nature of a tax, now existing or hereafter created or adopted, together with any and all penalties, fines, additions to tax, and interest thereon.

"***Three Month Period***" means each period commencing on each February 2, May 2, August 2 and November 2 and ending on (and including) May 1, August 1, November 1 and February 1, respectively (or on the date of a final distribution pursuant to Section 13).

"***Transaction Documents***" means, collectively, this Agreement, the Secured Notes, the Keep Well Agreements, the Class A-1 Subscription Agreement, the Class A-2 Subscription Agreement, the Class A-3 Subscription Agreement, the Initial Contribution Agreement, the Fee Letters, the Independent Manager Management Agreement, the Demand Notes, the First Fiber Contribution Agreements and 2023 Fiber Contribution Agreements to which the Company is a party, any other contribution agreements or other agreements effecting Capital Contributions and any Southwestern Bell Fiber Agreement or other Fiber License Agreement to which the Company or any Subsidiary thereof is a party. Each of such documents shall constitute a "***Transaction Document"*** at such time as such document is executed and delivered by all of the necessary parties thereto.

"***Transfer***" means, as a noun, any voluntary or involuntary transfer, sale, exchange, any instrument that seeks to transfer an economic interest, or other disposition, and any hypothecation, pledge or other encumbrance, and, as a verb, voluntarily or involuntarily to transfer, sell, exchange, enter into any instrument that seeks to transfer an economic interest, or otherwise dispose of, and, except when used in reference to any Membership Interest, to hypothecate, pledge or otherwise encumber. The word "Transferred" has a meaning correlative thereto. The term "Transfer" shall include the use of a participation, derivative (such as a total return swap, credit linked note or credit default swap), financial instrument or similar contract the value of which is determined in whole or in part by reference to some or all of the Class A

Limited Membership Interests for the purpose of either (a) transferring the benefit of gain and/or risk of loss on such Class A Limited Membership Interests or (b) hedging such Class A Limited Membership Interests; provided, for the avoidance of doubt, that interest rate or currency hedges and credit default swaps referencing Affiliates of the Company shall not be deemed to be Transfers hereunder.

"***U.S. Net Taxpayer Members***" has the meaning set forth in Section 4.2.

"***United States***" means the United States of America.

"***Unrecovered Capital***" means, for any Member, as of any date, the positive remainder, if any, of the Capital Contributions of such Member to the Company, less the amount of cash distributions in respect of such Capital Contributions (excluding any distributions of the Class A Limited Member Preferred Return), plus in the case of any Class A Limited Member, any accrued but undistributed Class A Limited Member Preferred Return through the applicable date. For the avoidance of doubt, (a) distributions to a Member under Section 4 will not be treated as in respect of such Member's Capital Contributions and (b) any accrued but undistributed Class A Limited Member Preferred Return as of any Class A Distribution Date shall be added to the Unrecovered Capital as of such Class A Distribution Date.

"***Valuation Firm***" has the meaning set forth in Section 5.5(f).

"***Valuation Report***" has the meaning set forth in Section 5.5(f).

"***Value***" means with respect to (a) the Contributed Notes, the aggregate principal amount thereof less the amount of any Collateral Shortfall (as defined in the Contributed Notes), (b) the Demand Notes, the aggregate principal amount thereof and all accrued but unpaid interest thereon, (c) cash and Cash Equivalents, the face value thereof and (d) Fiber Assets, an amount equal to the product of (x) 1.6 and (y) the gross book value of the applicable fiber optic cable assets and related accessories and installations and any improvements in the consolidated books and records of Parent Company from time to time.

"***Voluntary Bankruptcy***" means, with respect to any Person, (a) the inability of such Person generally to pay its debts as such debts become due, or an admission in writing by such Person of its inability to pay its debts generally or a general assignment by such Person for the benefit of creditors, (b) the filing of any petition or answer by such Person seeking to adjudicate itself as bankrupt or insolvent, or seeking for itself any liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of such Person or its debts under any law relating to bankruptcy, insolvency, or reorganization or relief of debtors, or seeking, consenting to, or acquiescing in the entry of an order for relief or the appointment of a receiver, trustee, custodian, or other similar official for such Person or for any substantial part of its property, or (c) action taken by such Person to authorize any of the actions set forth above.

"***Winning Bid***" has the meaning set forth in Section 7.1(c)(ii)(5).

"***Winning Bid Rate***" has the meaning set forth in Section 7.1(c)(ii)(5).

1.12 Other Terms. Unless the context shall require otherwise:

(a) the definitions contained in this Agreement are applicable to the singular and the plural forms of such terms and to the masculine, feminine and neuter genders of such terms, and correlative forms of such terms have corresponding meanings;

(b) reference to "include," "includes," and "including" shall be deemed to be followed by the phrase "without limitation";

(c) reference in this Agreement to "herein," "hereby," "hereof," or "hereunder," or any similar formulation, shall be deemed to refer to this Agreement as a whole and not to any particular provisions of this Agreement;

(d) any reference to a statute, rule or regulation is to that statute, rule or regulation as now enacted or as the same may from time to time be amended, re-enacted or expressly replaced;

(e) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth therein);

(f) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns;

(g) the term "or" is used in its inclusive sense ("and/or"); and

(h) all references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context requires otherwise.

SECTION 2
MEMBERS' CAPITAL CONTRIBUTIONS AND CAPITAL ACCOUNTS

2.1 Capital Contributions.

(a) The Company is authorized to issue two (2) classes of Membership Interests. One such class of voting, participating Membership Interests shall be designated as the "***Class B Common Membership Interests***," and the other class shall be a class of non-voting, non-participating Membership Interests, which shall consist of three (3) series designated as the "***Class A-1 Limited Membership Interests***", the "***Class A-2 Limited Membership Interests***" and the "***Class A-3 Limited Membership Interests***". The Managing Member and each other Member acknowledges and agrees hereby that all Class A Limited Membership Interests shall rank, with respect to all distributions by the Company and rights on liquidation, dissolution or winding up of the Company and as otherwise provided in this Agreement, (i) senior to Class B Common Membership Interests and any other limited liability interests in the Company in all respects and (ii) pari passu in respect of each other Class A Limited Membership Interest in all respects (with the Class A Limited Member Preferred Return to be paid ratably). For the avoidance of doubt, the parties hereto agree that, except as provided in Section 5.5(e), all Class A Limited Membership Interests of any class or series shall have identical rights and obligations hereunder, other than in respect of their applicable Class A Preferred Return Rates.

(b) The name, mailing address and the Membership Interests of each Member shall be as set forth on Schedule A (the "***Membership Registry***"). As of the date of this

Agreement, each Member has made such Capital Contributions to the Company as is set forth opposite such Member's name on the Membership Registry. In return for such Capital Contributions, the Company has issued to each of the Members the Membership Interests set forth opposite such Member's name on the Membership Registry. The Managing Member shall update the Membership Registry from time to time to reflect the addition, substitution, withdrawal or resignation of any Member and otherwise as necessary to reflect changes to the information therein. An update to the Membership Registry made in accordance with this Agreement shall not be deemed an amendment to this Agreement. Following reasonable request by a Member, the Managing Member shall provide such Member a copy of the then-current Membership Registry. Any reference in this Agreement to the Membership Registry shall be deemed a reference to the Membership Registry as amended and in effect from time to time. All Membership Interests shall be represented by certificates in the forms of Exhibit E-1, Exhibit E-2 or Exhibit E-3 attached hereto and the Managing Member is expressly authorized to execute such certificates on behalf of the Company and to deliver such certificates to each Member.

(c) For the avoidance of doubt, and as indicated on the Membership Registry, the Managing Member is the only Class B Common Member of the Company as of the date of this Agreement.

2.2 Additional Contributions. No Member will be required to make any additional Capital Contributions, unless a Member has agreed to make an additional Capital Contribution and unless agreed upon by the Managing Member. Any Class B Common Member or any of its Affiliates may contribute from time to time such additional cash or other property as it may determine; provided, however, that (a) any Capital Contribution made by any Class B Common Member or any of its Affiliates pursuant to this Section 2.2 shall consist of Permitted Assets, (b) the Company shall, after giving effect to the additional contribution, satisfy each of the Portfolio Requirements and (c) in the case of a Capital Contribution or series of related Capital Contributions that is for the purpose of replacing or substituting any Permitted Asset held by the Company or any of its Subsidiaries, other than a Capital Contribution of cash, Cash Equivalents or Demand Notes (a "***Substitution Transaction***"), the applicable Class B Common Member or Affiliate will cause to be delivered opinions of counsel addressed to the Class A Limited Members with respect to all transactions contemplated by and agreements related to the Substitution Transaction, such opinions of counsel to be in form and substance substantially similar to those delivered in connection with the Capital Contributions made on or prior to the date of the First Fiber Contribution; provided that the requirement to deliver opinions set forth in this clause (c) shall only apply in any of the following cases: (i) with respect to the contribution of Fiber Assets located in any state or Contributed Notes with Fiber Assets serving as collateral for such Contributed Notes located in such state, the aggregate Value of such contributed Fiber Assets or Contributed Notes (reflecting for any Contributed Notes with Fiber Assets collateral located in multiple states, the pro rata Value of such Contributed Notes corresponding to the Fiber Assets located in such state) together with the aggregate Value of all other contributed Fiber Assets located in that state and Contributed Notes with Fiber Assets collateral located in such state (reflecting for any Contributed Notes with Fiber Assets collateral located in multiple states, the pro rata Value of such Contributed Notes corresponding to the Fiber Assets located in such state), in each case contributed after the date of the First Fiber Contribution, is equal to or greater than five hundred million Dollars ($500,000,000), (ii) the Substitution Transaction consists of Fiber Assets located in a state in which none of the Fiber Assets previously contributed in a transaction in which such legal opinions were delivered to the Class A Limited Members have been located or (iii) the parties to the Substitution Transaction include a party that has not been a party to any prior Capital Contributions in a transaction in which such legal opinions were delivered to the Class A Limited Members (other than a newly formed entity which was formed in connection with such Substitution Transaction). Any opinion required to be delivered pursuant to this clause (c) may be from an employee of the Parent Company or any of its Affiliates.

2.3 Other Matters; Capital Accounts.

(a) Except as otherwise provided in Sections 4, 7, 11 and 13, or in the Act, no Member shall demand or receive a return of its Capital Contributions or withdraw from the Company without the consent of all Members. Under circumstances requiring a return of any Capital Contributions, no Member shall have the right to receive Property other than cash except as may be specifically provided in this Agreement.

(b) No Member shall receive any interest or draw with respect to its Capital Contributions or its Capital Account, except as otherwise provided in this Agreement.

(c) The Members shall not be liable for the debts, liabilities, contracts, or any other obligations of the Company. Except as otherwise provided by mandatory provisions of applicable state law and except with respect to the obligation of the Members to return to the Company a distribution made to any Member in violation of the Act at a time when such Member knew the distribution would violate the Act, such Member shall be liable only to make its Capital Contribution and shall not be required to lend any funds to the Company or, after its Capital Contribution has been made, to make any additional Capital Contributions to the Company.

(d) The Managing Member shall not have any personal liability for the repayment of any Capital Contributions of the Members.

(e) The Capital Account for each Member shall be maintained in accordance with the following provisions:

(i) to each Member's Capital Account there shall be credited (1) such Member's Capital Contributions (including any amounts deemed contributed to the Company), (2) such Member's distributive share of Profits and any items in the nature of income or gain that are specially allocated to such Member pursuant to Sections 3.2 or 3.3, and (3) the amount of any Company liabilities assumed by such Member or that are secured by any Property distributed to such Member;

(ii) to each Member's Capital Account there shall be debited (1) the amount of cash and the Gross Asset Value of any Property distributed to such Member pursuant to any provision of this Agreement, (2) such Member's distributive share of Losses and any items in the nature of deduction, expense, or loss which are specially allocated to such Member pursuant to Sections 3.2 or 3.3, and (3) the amount of any liabilities of such Member assumed by the Company or that are secured by any property contributed by such Member to the Company;

(iii) in the event a Membership Interest is Transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the Transferred Membership Interest; and

(iv) in determining the amount of any liability for purposes of subparagraphs (i) and (ii) above there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Code Section 704(b) and the Regulations thereunder, and shall be interpreted and applied in a manner consistent therewith. In the event the Managing Member shall determine in good faith and on a commercially reasonable

basis that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto are computed in order to comply with such Regulations, the Managing Member may make such modification; provided, however, that the Managing Member shall promptly give each other Member written notice of such modification.

2.4 Additional Issuances. From time to time, the Company shall have the right to issue additional Class A Limited Membership Interests in respect of up to ten billion Dollars ($10,000,000,000) less the aggregate Capital Contributions made pursuant to the Class A-1 Subscription Agreement, Class A-2 Subscription Agreement and Class A-3 Subscription Agreement or other substantially similar agreements, in exchange for additional Capital Contributions pursuant to one or more subscription agreements containing substantially similar terms as those contained in the Class A-1 Subscription Agreement, Class A-2 Subscription Agreement and Class A-3 Subscription Agreement, except that the Class A Preferred Return Rate applicable to such additional Class A Limited Membership Interests may be a different rate from the Class A Preferred Return Rate applicable to the Class A-1 Limited Membership Interests, Class A-2 Limited Membership Interests or Class A-3 Limited Membership Interests, and subject to delivery of signed counterpart(s) to this Agreement by the purchasers of such Class A Limited Membership Interests; provided that such additional Capital Contributions (including any such Capital Contributions relating to the issuance of additional Class B Common Membership Interests pursuant to the immediately following sentence) shall be subject to the prior written approval of the Initial Class A Limited Members (such approval not to be unreasonably withheld, conditioned or delayed if such proposed additional Capital Contributions constitute Permitted Assets). Concurrently with the issuance of any such additional Class A Limited Membership Interests, the Company shall issue additional Class B Common Membership Interests to the Managing Member in such amount as may be required for the total Class B Common Membership Interests to represent 50.1% or more of the equity interests of the Company. Upon any such issuances, the Parent Company shall pay or cause an Affiliate thereof to pay to the Class A Limited Members and/or their applicable Affiliate(s) the fees payable under the applicable Fee Letter in accordance with the terms thereof.

The Company reserves the right to issue one or more additional classes of Membership Interests with rights, privileges, preferences and restrictions junior in all respects to those of the Class A Limited Membership Interests. Each Member hereby agrees to enter into any amendments to this Agreement and the other Transaction Documents as are necessary or appropriate to give effect to the transactions contemplated by the foregoing sentence.

SECTION 3
ALLOCATIONS

3.1 Profits and Losses

(a) After the application of Sections 3.1(b) and 3.2, Profits and Losses for each Allocation Year shall be allocated among the Members in a manner such that the Capital Account of each Member, immediately after making such allocation, and after taking into account actual distributions made during such Allocation Year, is as nearly as possible, equal to: (i) the distributions that would be made to such Member if the Company were dissolved, its affairs wound up and its assets sold for cash equal to their Gross Asset Values (limited with respect to each Nonrecourse Liability to the Gross Asset Value of the assets securing such Nonrecourse Liability) and the net assets distributed in accordance with Section 13 to the Members minus (ii) such Member's share of Company Minimum Gain and Member Nonrecourse Debt Minimum Gain. Subject to the other provisions of this Section 3, an allocation to a Member of a share of Profit or Loss shall be treated as an allocation of the same

share of each item of income, gain, loss or deduction that is taken into account in computing Profits or Losses.

(b) To the maximum extent permitted by applicable law, in allocating Profits and Losses for an Allocation Year among the Members in respect of amounts distributed or distributable to a Member (including in a hypothetical distribution described in Section 3.1(a)(i)), the items of income, gain, loss or deduction that are allocated to a Member shall be made in a manner consistent with the sources from which such distributions are required to be made under this Agreement.

(c) The allocation to the Class A Limited Members of the Class A Limited Member Preferred Return shall be characterized as a guaranteed payment under Code Section 707(c), and the corresponding deduction shall be allocated to the Members holding Class B Common Membership Interests pro rata in proportion to their holdings of Class B Common Membership Interests.

3.2 Special Allocations. The following special allocations shall be made in the following order:

(a) **Minimum Gain Chargeback**. Except as otherwise provided in Regulations Section 1.704-2(f), notwithstanding any other provision of this Section 3, if there is a net decrease in Company Minimum Gain during any Allocation Year, each Member shall be specially allocated items of Company income and gain for such Allocation Year (and, if necessary, subsequent Allocation Years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section 3.2(a) is intended to comply with the minimum gain chargeback requirement in Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(b) **Member Minimum Gain Chargeback**. Except as otherwise provided in Regulations Section 1.704-2(i)(4), notwithstanding any other provision of this Section 3, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Allocation Year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such Allocation Year (and, if necessary, subsequent Allocation Years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This Section 3.2(b) is intended to comply with the minimum gain chargeback requirement in Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) **Qualified Income Offset**. In the event that any Member unexpectedly receives any adjustments, allocations, or distributions described in Regulations Sections 1.704-1(b)(2)(ii)*(d)(4)*, 1.704-1(b)(2)(ii)*(d)(5)*, or 1.704-1(b)(2)(ii)*(d)(6)*, items of Company income and gain shall be allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible; provided, however, that an allocation pursuant to this Section 3.2(c) shall be made only if and to the extent that such Member would have an Adjusted

Capital Account Deficit after all other allocations provided for in this Section 3 have been tentatively made as if this Section 3.2(c) were not in this Agreement.

(d) **Gross Income Allocation**. In the event that any Member has an Adjusted Capital Account Deficit at the end of any Allocation Year, each such Member shall be allocated items of Company income and gain in the amount of such deficit as quickly as possible; provided, however, that an allocation pursuant to this Section 3.2(d) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Section 3 have been tentatively made as if Section 3.2(c) and this Section 3.2(d) were not in this Agreement.

(e) **Nonrecourse Deductions**. Nonrecourse Deductions for any Allocation Year shall be allocated to the Members holding Class B Common Membership Interests pro rata in proportion to their holdings of Class B Common Membership Interests.

(f) **Member Nonrecourse Deductions**. Any Member Nonrecourse Deductions for any Allocation Year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(1).

(g) **Section 754 Adjustments**. To the extent an adjustment to the adjusted tax basis of any Company asset, pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)*(m)(2)* or 1.704-1(b)(2)(iv)*(m)(4)*, to be taken into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of such Member's Membership Interest, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in accordance with their interests in the Company in the event Regulations Section 1.704-1(b)(2)(iv)*(m)(2)* applies, or to the Member to whom such distribution was made in the event Regulations Section 1.704-1(b)(2)(iv)*(m)(4)* applies.

3.3 ***Curative Allocations***. The allocations set forth in Sections 3.2 and 3.4 (the "***Regulatory Allocations***") are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, the Regulatory Allocations shall be offset either with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 3.3. Therefore, notwithstanding any other provision of this Section 3 (other than the Regulatory Allocations), the Managing Member shall make such offsetting special allocations of Company income, gain, loss, or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of this Agreement. In exercising its discretion under this Section 3.3, the Managing Member shall take into account future Regulatory Allocations that, although not yet made, are likely to offset other Regulatory Allocations previously made.

3.4 ***Loss Limitation***. Losses allocated pursuant to Section 3.1 hereof shall not exceed the maximum amount of Losses that can be allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Allocation Year. In the event some, but not all, of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of Losses pursuant to Section 3.1, the limitation set forth in this Section 3.4 shall be applied on a Member by Member basis and Losses not allocable to any Member as a result of such limitation shall be allocated to the other Members in accordance with the positive balances in such Member's Capital Accounts so as to allocate the maximum permissible Losses to each Member under Regulations Section 1.704-1(b)(2)(ii)*(d)*.

3.5 Other Allocation Rules.

(a) Profits, Losses, and any other items of income, gain, loss, or deduction shall be allocated to the Members pursuant to this Section 3 as of the last day of each Fiscal Year; provided, however, that Profits, Losses, and such other items shall also be allocated at such times as the Gross Asset Values of the Company's assets are adjusted pursuant to subparagraph (b) of the definition of "Gross Asset Value" in Section 1.11.

(b) For purposes of determining the Profits, Losses, or any other items allocable to any period, Profits, Losses, and any such other items shall be determined on a daily, monthly or other basis as determined by the Managing Member using any permissible method under Code Section 706 and the Regulations thereunder.

(c) The Members are aware of the income tax consequences of the allocations made by this Section 3 and hereby agree to be bound by the provisions of this Section 3 in reporting their shares of Company income and loss for income tax purposes, except as otherwise required by law.

3.6 Tax Allocations: Code Section 704(c). In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any Property contributed (or deemed contributed) to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such Property to the Company for U.S. federal income tax purposes and its initial Gross Asset Value (computed in accordance with the definition of "Gross Asset Value"). Such allocation shall be made in any permitted manner determined by the Managing Member, including any remedial or curative allocation methods permitted under Section 704(c) of the Code and the Regulations promulgated thereunder.

In the event the Gross Asset Value of any Property is adjusted pursuant to subparagraph (b) of the definition of "Gross Asset Value," subsequent allocations of income, gain, loss, and deduction with respect to such Property shall take account of any variation between the adjusted basis of such Property for U.S. federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder. Such allocation shall be made in any permitted manner determined by the Managing Member, including any remedial or curative allocation methods permitted under Section 704(c) of the Code and the Regulations promulgated thereunder.

Allocations pursuant to this Section 3.6 are solely for purposes of federal, state, and local Taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, other items or distributions pursuant to any provision of this Agreement.

SECTION 4
DISTRIBUTIONS

4.1 Amounts Distributed.

(a) **Preferred Return Distributions**. Except as otherwise provided in Section 13, the Company shall make distributions, as and when declared by the Managing Member, to the Class A Limited Members on each Class A Distribution Date, in an amount equal to the cumulative amount of the Class A Limited Member Preferred Return accrued in

respect of the related Class A Distribution Period for each such Class A Limited Member's Unrecovered Capital. Distributions pursuant to this Section 4.1(a) (including any distributions made subsequent to the Class A Distribution Date on which they were required to be made but prior to the succeeding Class A Distribution Date on which distributions are required to be made) shall be made to the Class A Limited Members of record fifteen (15) days prior to the relevant Class A Distribution Date. In the event that the Managing Member declares a distribution in an amount less than the cumulative Class A Limited Member Preferred Return in respect of a particular Class A Distribution Period, and without limiting any other rights of the Class A Limited Members, the aggregate amount of the distribution shall be allocated between the Class A-1 Limited Membership Interests, the Class A-2 Limited Membership Interests and Class A-3 Limited Membership Interests in the same proportion as would have been the case had the full amount been declared and such amount shall be paid to the holders of Class A-1 Limited Membership Interests, Class A-2 Limited Membership Interests and Class A-3 Limited Membership Interests, as applicable, pro rata in proportion to such holders' Unrecovered Capital of such series of Membership Interest. The Company shall make the distributions pursuant to this Section 4.1(a) to the Paying Agent or, at the Company's option, the Administrative Agent (if any) for the account of the Class A Limited Members, by wire transfer of same day funds in Dollars to such account as the Paying Agent or the Administrative Agent, as applicable, shall have designated in writing to the Company from time to time. The Company shall cause the Paying Agent or the Administrative Agent, as applicable, to promptly thereafter distribute, from funds furnished by the Company, to each Class A Limited Member to such account or accounts as each Class A Limited Member shall have designated in writing to the Paying Agent or the Administrative Agent, as applicable, from time to time, the amount due to such Class A Limited Member pursuant to this Section 4.1(a).

(b) **Other Distributions**. Any Cash Available for Distribution remaining after any distribution required pursuant to Section 4.1(a) or Section 13 to the Class A Limited Members has been made may be distributed by the Company to the Class B Common Members in such amounts as determined by the Managing Member, provided that (i) all distributions of the Class A Limited Member Preferred Return for all prior Class A Distribution Dates have been made, (ii) the Company will be in compliance with the Portfolio Requirements after giving effect to such distribution, (iii) a Notice Event described in Section 14.1(a) has not occurred, (iv) neither the Company nor the Managing Member is in breach of its obligations under this Agreement in any material respect, which breach remains uncured, and (v) any such permitted distribution is made promptly after the declaration thereof.

(c) **Source of Distributions.** Distributions pursuant to Sections 4.1(a) and 4.1(b) shall be made: (x) first, from cash attributable to income received in respect of the Demand Notes, (y) second, from cash attributable to income received in respect of the Contributed Notes and (z) last from any other sources not described in clauses (x) or (y) (including, for the avoidance of doubt, cash attributable to income in respect of the Fiber Assets).

(d) **Limitation**. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution to a Member on account of its Membership Interests if such distribution would violate the Act or other applicable law.

4.2 Tax Withholding. All payments and allocations to be made hereunder to the Members shall be made without setoff or counterclaim and free and clear of, and without any deduction or withholding for, any Taxes, unless otherwise required by law. The Company agrees not to withhold on Preferred Return Distributions to Members (such Members, "***U.S. Net Taxpayer Members***") that have provided the Company with a true, correct and complete (a) IRS Form W-9 (excluding an IRS Form W-9 indicating that backup withholding is required) or (b) IRS Form W-8ECI, except as provided below. However, if the Company determines, in its reasonable discretion exercised in good faith based on advice of its tax advisor and after

providing ten (10) Business Days' written notice (to the extent reasonably practicable, and otherwise as promptly as reasonably practicable) to the affected Class A Limited Members (and considering in good faith any comments promptly provided by such Class A Limited Members), that any Taxes are required to be withheld under applicable law from any amounts distributable, payable or allocable to any Member hereunder (including in connection with any Class A Mandatory Remarketing), the Company or other relevant payor shall be entitled to deduct or withhold such Taxes, shall timely pay such Taxes to the relevant governmental entity in accordance with applicable law and, as soon as practicable after such payment, shall provide to such Member a copy of the receipt issued by such governmental entity or other evidence of such payment reasonably satisfactory to such Member. Prior to making any deduction or withholding from Preferred Return Distributions to a U.S. Net Taxpayer Member, the Company shall provide ten (10) Business Days' prior written notice to the extent reasonably practicable (and to the extent such notice is not reasonably practicable, shall provide written notice as soon as reasonably practicable) to such Member of the amounts subject to deduction or withholding and the basis for such deduction or withholding and shall provide such Member with a reasonable opportunity to provide forms or other documentation that would eliminate or mitigate such deduction or withholding. The Company shall use commercially reasonable efforts to provide any forms or information to a Member or make any filings, applications or elections to the extent necessary to obtain any available exemptions from, reduction in, or refund of, any deduction or withholding imposed by any taxing authority applicable with respect to amounts distributable, payable or allocable to any Member hereunder. To the extent payments are required to be made by the Company to a governmental entity on behalf of or with respect to a Member in accordance with this Section 4.2 in an amount that exceeds the amount deducted or withheld with respect to such Member, the excess amount shall, at the election of the Managing Member, (i) be applied to and reduce the next distribution(s) otherwise payable to such Member under this Agreement (except to the extent of any payment for penalties attributable to the Company's gross negligence or willful misconduct) or (ii) be paid by the Member to the Company within thirty (30) days of written notice from the Managing Member requesting indemnification as described below. Any amount withheld pursuant to the Code or any other provision of federal, state or local tax or other law with respect to any distribution or payment to a Member shall be treated as an amount distributed or paid to such Member for all purposes under this Agreement. Each Member (including, for the avoidance of doubt, a former Member) agrees to indemnify the Company in full for any Taxes required to be paid to a governmental entity or regulatory authority in excess of amounts previously withheld by the Company with respect to such Member to the extent such Taxes are specifically attributable to such Member, including any interest, penalties (other than penalties attributable to the Company's gross negligence or willful misconduct) and reasonable out-of-pocket Expenses associated with such payments. For the avoidance of doubt, the Members agree for purposes of the immediately preceding sentence that failure to withhold under Section 1446 of the Code with respect to Preferred Return Distributions to U.S. Net Taxpayer Members would not constitute gross negligence or willful misconduct under current law. If it is asserted by the IRS that the Company is or was required to withhold tax under Section 1446 of the Code on any Preferred Return Distribution to any U.S. Net Taxpayer Member but (i) failed to do so, or (ii) paid less than the amount required under Section 1446 of the Code or the Regulations thereunder, the applicable Member agrees to cooperate to use commercially reasonable efforts to eliminate, mitigate and reduce any such withholding, any liability of the Company for tax that the Company is asserted to have failed to withhold and any associated penalties. The Managing Member agrees, absent a change in law occurring after the date hereof that would require withholding, that to the extent a Member: (i) provides a certification meeting the requirements under Regulations Section 1.1446(f)-2(b)(3) to establish that a transaction would not result in realized gain to a Member, on which the Company is able to rely to reduce or eliminate any withholding otherwise required by the Company pursuant to Section 1446(f) of the Code and the Regulations thereunder, and (ii) provides a withholding certificate obtained through an application on IRS Form 8288-B or the procedures set forth in Rev. Proc. 2000-35 or any successor forms or procedures thereto, as applicable, (or evidence of

the request for a withholding certificate) (a "***FIRPTA Withholding Certificate***") reducing or eliminating amounts otherwise required to be withheld or deducted and paid to the IRS, in each case clause (i) and clause (ii), prior to the date of any transaction giving rise to the obligation to withhold or deduct amounts attributable to such Member, the Managing Member shall not withhold or deduct and pay over to the IRS any amount in excess of the amount required to be so withheld or deducted and paid as provided for pursuant to such FIRPTA Withholding Certificate; provided that in the case of a pending request for a FIRPTA Withholding Certificate where the certification described in clause (i) has been provided, the Managing Member shall be entitled to withhold the full amount required to be withheld or deducted, but shall not be entitled to pay over to the IRS any amount until: (a) the issuance of such FIRPTA Withholding Certificate by the IRS and, at such time, shall only pay over to the IRS the amount required to be paid pursuant to such FIRPTA Withholding Certificate or (b) the IRS issues a notice of denial with respect to the request for a FIRPTA Withholding Certificate. For the avoidance of doubt, any amounts withheld or deducted attributable to a Member in excess of the amount required to be paid to the IRS under the preceding sentence shall be payable to such Member. The obligations of an applicable Member under this Section 4.2 shall survive the termination, dissolution, liquidation and winding up of the Company, the withdrawal of any Member or the transfer of any Member's interest in the Company, and for purposes of this Section 4.2, the Company shall be treated as continuing in existence.

4.3 Limitations on Distributions. The Company shall make no distributions to the Members except (i) as provided in this Section 4 and Section 13, or (ii) to the extent not inconsistent with this Section 4 and Section 13 or with the provisions of any of the other Transaction Documents, as agreed to in writing by all of the Members.

4.4 Distributions and Payments to Members. It is the intent of the Members that no distribution or payment to any Member (including distributions under Section 4.1 and Section 13.2) shall be deemed a return of money or other property in violation of the Act. The payment or distribution of any such money or property to a Member shall be deemed to be a compromise within the meaning of Section 18-502(b) of the Act, and the Member receiving any such money or property shall not be required to return any such money or property to the Company, any creditor of the Company or any other Person. However, if any court of competent jurisdiction holds that, notwithstanding the provisions of this Agreement, any Member is obligated to return such money or property, such obligation shall be the obligation of such Member and not of the Company, any other Member or the Managing Member. Any amounts required to be returned under such obligation shall be treated as a permitted additional Capital Contribution pursuant to Section 2.2.

SECTION 5
MANAGEMENT; OPERATIONS

5.1 Authority of the Managing Member. The Managing Member constitutes a "manager" of the Company for purposes of the Act. The Members acknowledge that the Company shall be managed by the Managing Member, in its capacity as a manager of the Company, in accordance with Section 18-402 of the Act and subject to any restrictions set forth in the Certificate of Formation or this Agreement, all powers to control and manage the business and affairs of the Company and to bind the Company shall be exclusively vested in the Managing Member, in such capacity, and the Managing Member may exercise all powers of the Company and do all such lawful acts as are not by applicable law, the Certificate of Formation or this Agreement directed or required to be exercised or done by the Members and in so doing shall have the right and authority to take all actions that the Managing Member deems necessary, useful or appropriate for the management and conduct of the Company's business and affairs and in the pursuit of the purposes of the Company, including delegating the right and authority to take such actions to officers of the Managing Member or any of its Affiliates as are designated

by the Managing Member or Officers; provided, however, for the avoidance of doubt, that any Officers shall have the authority on behalf of the Company to enter into this Agreement and the other Transaction Documents or any amendments hereto or thereto or any other document as may be contemplated herein or therein from time to time. Except as otherwise expressly provided for herein, the Members hereby agree to the exercise by the Managing Member of all such powers and rights conferred upon it by the Act with respect to the management and control of the Company. The Managing Member and each such officer and any other "manager," shall be an "authorized person" on behalf of the Company, as such term is used in the Act.

5.2 Independent Managers.

(a) Subject to Section 5.2(b), the Managing Member may determine at any time in its sole and absolute discretion the number of Independent Managers. The number of Independent Managers as of the date of this Agreement shall be two (2). Each Independent Manager, by accepting his or her appointment, agrees that he or she, solely in his or her capacity as a creditor of the Company on account of any indemnification or other payment owing to such Independent Manager by the Company, shall not acquiesce, petition, consent to or otherwise invoke or cause the Company to invoke the process of any court or governmental authority for the purpose of commencing or sustaining a case against the Company under any federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Company or any substantial part of the property of the Company, or ordering the winding up or liquidation of the affairs of the Company. Each Independent Manager designated by the Managing Member shall remain an Independent Manager until a successor is designated or until the Independent Manager's earlier death, resignation, expulsion or removal. Each Independent Manager must execute and deliver the Independent Manager Management Agreement. Independent Managers need not, and Independent Managers shall not, be Members. The Independent Managers designated by the Managing Member are Bernard J. Angelo and Kevin J. Corrigan.

(b) At any time there are Class A Limited Membership Interests outstanding, the Managing Member shall cause the Company to have at least two (2) Independent Managers who shall be appointed by the Managing Member. No Independent Manager may be removed unless it is for Cause. To the fullest extent permitted by law, including Section 18-1101(c) of the Act, and notwithstanding any duty otherwise existing at law or in equity, the Independent Managers shall consider only the interests of the Company, including its creditors and the Class A Limited Members, in acting or otherwise voting on the matters referred to in Sections 5.4(a), 5.4(b) and 5.5(a)(i). To the fullest extent permitted by law, including Section 18-1101(e) of the Act, an Independent Manager shall not be liable to the Company, the Members, the Managing Member or any other Person bound by this Agreement for breach of contract or breach of duties (including fiduciary duties), unless the Independent Manager acted in bad faith or engaged in willful misconduct or gross negligence. No resignation or removal of an Independent Manager, and no appointment of a successor Independent Manager, shall be effective until such successor shall have accepted his or her appointment as an Independent Manager by executing a counterpart to this Agreement and to the Independent Manager Management Agreement. At any time there are Class A Limited Membership Interests outstanding, in the event of a vacancy in the position of Independent Manager, the Managing Member shall, as soon as practicable, appoint a successor Independent Manager. Any successor Independent Manager shall be reasonably acceptable to the Required Class A Limited Members. All rights, power and authority of the Independent Managers shall be limited to the extent necessary to exercise those rights and perform those duties specifically set forth in this Agreement. Except as provided in the third sentence of this Section 5.2(b), in exercising their rights and performing their duties under this Agreement, any Independent Manager shall have a fiduciary duty of loyalty and care similar to that of a director of a business corporation organized under the General Corporation Law of the State of Delaware. No Independent Manager shall at any time serve as trustee in

bankruptcy for any Affiliate of the Company. An Independent Manager is hereby designated as a "manager" within the meaning of Section 18-101(10) of the Act.

5.3 Managing Member and Officer Liability. Except as required by the Act, as otherwise agreed in writing between the Company and any Managing Member or Officer of the Company or as expressly set forth in this Agreement, no Managing Member or Officer shall have any personal liability whatsoever in such Person's capacity as Managing Member or Officer, as applicable, whether to the Company, to any of the Members, to the creditors of the Company or to any other third party, for the debts, commitments or other obligations of the Company or any losses of the Company. No Managing Member or Officer shall have any fiduciary duty to the Company, any Member or any other Person in such Managing Member or Officer's capacity as Managing Member or Officer, as applicable, and no Managing Member or Officer shall have any liability to the Company, any Members or any other Person based on any claim of breach of fiduciary duty. Notwithstanding anything to contrary in this Agreement, the provisions of this Agreement to the extent that they restrict or eliminate the duties (including fiduciary duties) and liability of a Managing Member or Officer otherwise existing at law or in equity, are agreed by the Company, each Member and any other Person bound by this Agreement to restrict or eliminate such duties and liabilities of the Managing Member or Officers, as applicable.

5.4 Limitations on the Company's Activities; Certain Separateness Covenants.

(a) The Managing Member shall not amend, alter, change or repeal Sections 1.1, 1.3, 1.7, 1.8, 1.10, 1.11, 2.2, 4, 5.2, 5.4, 5.5(b), 5.5(c), 6.6, 6.7, 10.1, 11, 13, 17.2, 17.6, 17.7, 17.8, 17.9, 17.13 or 17.15 of this Agreement, in each case, without the unanimous written consent of all Independent Managers. Subject to this Section 5.4, the Managing Member reserves the right to amend, alter, change or repeal any other provisions contained in this Agreement in accordance with and subject to Section 10.

(b) Notwithstanding any provision of this Agreement to the contrary (other than Section 13 and Section 14) and any provision of law that otherwise so empowers the Company, the Managing Member, the Members or any Officer or any other Person, none of the Managing Member, the Members, any Officer or any other Person shall be authorized or empowered, nor shall they permit the Company, without the prior unanimous written consent of the Managing Member and all Independent Managers, to take any Material Action; provided, further, that no Material Action may be authorized unless there are at least two (2) Independent Managers then serving in such capacity. The Independent Managers shall be required to consider the interests of the creditors of the Company and the Class A Limited Members when making decisions pertaining to the Company.

(c) At any time there are Class A Limited Membership Interests outstanding, the Company shall, and the Managing Member shall cause the Company to, observe the following separateness covenants and not engage in any action or conduct inconsistent with the following:

(i) act and conduct its business solely in its own name through the Managing Member as agent, or through other agents selected in accordance with this Agreement, including the Officers;

(ii) hold all of its assets in its own name;

(iii) maintain separately its funds, assets and liabilities from the funds, assets and liabilities of any other Person, and not at any time pool or commingle any of

its funds, assets or liabilities with the funds, assets and liabilities of any other Person, and not become involved in the day-to-day management of any other Person;

(iv) prepare and maintain complete and correct books, financial records and records of account, (A) separate and distinct from the books, financial records, bank accounts, depository accounts and records of account of any other Person, including any Affiliate, so that the separate assets and liabilities of the Company are separate and readily identifiable as separate and distinct from those of any such other Person and (B) in a manner so that it will not be difficult or costly to segregate, ascertain and otherwise identify the assets and liabilities of the Company as separate and distinct from the assets and liabilities of any other Person, except, in each case, that the Company's assets and liabilities may be included in a consolidated financial statement of any other Person (as required by applicable accounting principles) if such assets and liabilities also shall be listed on the Company's own separate balance sheet;

(v) pay all of its liabilities, losses and expenses only out of its own funds and not agree or hold itself out as having agreed to pay liabilities, losses or expenses of any other Person; provided, however, the foregoing shall not require any Member or any Affiliate of such Member to make any additional Capital Contributions to the Company;

(vi) except for additional Capital Contributions made by a Class B Common Member or any of its Affiliates and any other transactions expressly contemplated herein (including pursuant to Section 5.5(d)) or in the other Transaction Documents, maintain an arm's-length relationship with its Affiliates and not engage in any transaction with any Affiliate except as may be entered into on an arm's-length basis under written documentation;

(vii) not identify itself as a division or department of any other Person;

(viii) except for the transactions expressly contemplated herein or in the other Transaction Documents, not become primarily or secondarily liable for the debts or obligations of any other Person, whether by guarantee, agreement to purchase assets, agreement to maintain the solvency or otherwise, or advance funds for the payment of expenses or otherwise on behalf of any other Person;

(ix) not hold out its credit as being available to satisfy the debts or obligations of any other Person, whether by guarantee, agreement to purchase assets, agreement to maintain the solvency or otherwise, or make its credit available to advance funds for the payment of expenses or obligations of any other Person except in connection with conducting the Permitted Business;

(x) maintain capital that is not unreasonably small capital under applicable Delaware law in light of its contemplated business operations; provided, however, that the foregoing shall not require any Member or any Affiliate of such Member to make any additional Capital Contributions to the Company;

(xi) at all times conduct transactions between the Company and third parties solely in the name of the Company and as an entity separate and independent from any other Person, including any Affiliate;

(xii) use separate stationery, invoices and checks;

(xiii) cause its representatives, employees and agents to hold themselves out to third parties as representatives, employees or agents, as the case may be, of the Company;

(xiv) except for the transactions expressly contemplated herein or in the other Transaction Documents, not (A) engage in any dissolution, liquidation, consolidation, merger or sale of substantially all of the Company's assets, (B) dispose of any of the Company's property or assets (other than by any distribution contemplated or permitted hereunder) or (C) cancel its Certificate of Formation, in each case, without the affirmative vote of all Class A Limited Members;

(xv) not acquire assets or securities, or assume obligations, of any other Person, including any Affiliate, other than any Permitted Assets;

(xvi) not pay from its own funds the obligations of any kind incurred by Parent Company or any of its Affiliates;

(xvii) do all things necessary or appropriate to observe all Delaware limited liability company procedures and formalities and other organizational formalities and to preserve its separate existence, and maintain records of all limited liability company proceedings;

(xviii) not make any loans or advances to any Person (including any Affiliate), except Demand Notes;

(xix) be qualified under applicable law in the states in which its assets are located, if required by applicable law;

(xx) at all times operate and hold itself out to the public as a legal entity separate and distinct from its Members and any other Person (including any Affiliates) and, promptly upon becoming aware of any known misunderstandings regarding its separate and distinct identity, take all necessary action to correct any such known misunderstandings; and

(xxi) file its own tax returns, if any, as may be required under applicable law, to the extent the Company is (1) not part of a consolidated group filing a consolidated return or (2) not treated as a division for tax purposes of another taxpayer, and subject to the rights to contest the payment of taxes set forth herein or in the other Transaction Documents, pay any taxes so required to be paid under applicable law.

At any time there are Class A Limited Membership Interests outstanding, the Company shall ensure, and the Managing Member shall use reasonable best efforts to ensure, that the organizational documents of each Subsidiary of the Company contain separateness provisions substantially similar to those in this Section 5.4(c) and the Company shall cause each such Subsidiary to observe such separateness covenants.

Notwithstanding clauses (c)(iii), (v), (x), (xi), (xii), (xvi) and (xviii) and (xxi) above, the Managing Member may utilize the AT&T Cash Management System, which system the Managing Member represents (i) is the existing cash management system utilized by the Managing Member in the ordinary course of business consistent with past practice for processing payments and collections on behalf of the Managing Member and its Affiliates and (ii) is and shall be operated and maintained in a manner to permit the identification of (1) the payments

made and the collections received on behalf of the Company and (2) the obligations and liabilities of the Company to the Members and the obligations and liabilities of the Members to the Company. The Managing Member covenants that (x) any advances to the Company under the AT&T Cash Management System shall be subordinated to any other obligations of the Company (including, for the avoidance of doubt, any obligations of the Company to the Class A Limited Members) and recourse shall be limited to funds of the Company that are available for such purpose and (y) if the aggregate unsettled liabilities or obligations of the Company relating to or resulting from the utilization of the AT&T Cash Management System exceed ten million Dollars ($10,000,000) at any time and remain outstanding for more than 365 days, such excess liabilities and obligations shall be extinguished in their entirety and deemed a Capital Contribution of the Managing Member.

Failure of the Company or the Managing Member on behalf of the Company, to comply with any of the foregoing covenants or any other covenants contained in this Agreement shall not affect the status of the Company as a separate legal entity or the limited liability of the Members.

5.5 Certain Other Covenants.

(a) The Company shall, and the Managing Member shall cause the Company to, take all actions that may be necessary or appropriate for the (i) preservation and maintenance of the Company's status as a limited liability company and other material rights (charter and statutory) and franchises; provided, however, that the Company shall not be required to preserve any right or franchise if the Managing Member and the Independent Managers unanimously determine that the preservation thereof is no longer desirable in the conduct of the Permitted Business and that the loss thereof is not disadvantageous in any material respect to the Company; (ii) maintenance and preservation of all of its Property that is used or useful in the conduct of the Permitted Business in good working order and condition, except for ordinary wear and tear or where the failure to do so, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect; (iii) compliance with all applicable laws, rules, regulations and orders, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect; (iv) payment and discharge, before the same shall become delinquent, all federal and other material taxes, assessments and governmental charges or levies imposed upon the Company or its Property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect; provided, however, that the Company shall not be required to pay or discharge any such tax, assessment, charge or levy that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to Property and becomes enforceable against its other creditors; and (v) maintenance of insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by entities engaged in similar businesses and owning similar Properties in the same general areas in which the Company operates; provided, however, that the Company may self-insure to the extent consistent with prudent business practice.

(b) No Member, or any Affiliate of a Member, shall (i) hold itself out, or permit itself to be held out, as having agreed to pay or as being liable for the debts of the Company, guarantee any obligations or debts of the Company, or indemnify any Person or entity for losses resulting therefrom or (ii) identify the Company as a division or department of any Member or Affiliate thereof.

(c) Except as contemplated by this Agreement, without the consent of the Required Class A Limited Members, the Company shall not, and the Managing Member shall not be authorized to, nor shall the Managing Member permit or cause the Company or any of its Subsidiaries to take any of the following actions:

(i) carry on any business other than the Permitted Business;

(ii) cause or permit the Company to incur, assume, guarantee, or otherwise become liable for any Indebtedness;

(iii) cause or permit any Subsidiary of the Company to incur, assume, guarantee, or otherwise become liable for any Indebtedness;

(iv) (A) incur, create or grant any mortgage, pledge or security interest or other Lien material to the Company or any of its Subsidiaries on its Property or assets for the benefit of any other Person, (B) pledge, hypothecate or re-hypothecate its assets (including, for the avoidance of doubt, the Demand Notes) or assets pledged to it or (C) voluntarily enter into an agreement to subordinate the rights of the Company under the Demand Notes or the Contributed Notes (including any collateral securing the same);

(v) adopt or change a significant tax or accounting practice or principle, make any significant tax or accounting election, or adopt any position for purposes of any tax return, in each case, that will have a material adverse effect on any Class A Limited Member (and, in each case, except as required by applicable law or as expressly contemplated by this Agreement);

(vi) issue any Membership Interests or reclassify any Membership Interests into Class A Limited Membership Interests or other Membership Interests having powers, preferences or rights with respect to distributions or redemptions that are senior to or on parity with Class A Limited Membership Interests, other than pursuant to Section 2.4;

(vii) form, acquire or hold any Subsidiary other than AT&T Fiber Leasing or any other Permitted Subsidiary, in each case, with separateness provisions substantially similar to those in this Agreement;

(viii) permit any Subsidiary of the Company to issue any equity interests other than to the Company or a wholly-owned Subsidiary of the Company or, in the case of equity interests of the Company, as expressly permitted by this Agreement;

(ix) repurchase any of the Company's Membership Interests, other than pursuant to Section 15;

(x) distribute to any Member any asset or property of any kind, or make any other discretionary distribution to any Member, other than as contemplated or permitted by this Agreement (including pursuant to Section 5.5(d)) or any Transaction Document and other than in the course of the liquidation of the Company);

(xi) sell, transfer or dispose of any Demand Note;

(xii) sell, transfer or dispose of any Permitted Assets owned by the Company or any Subsidiary thereof unless following such sale, transfer or disposition, the Company would be in compliance with each of the Portfolio Requirements;

(xiii) merge, consolidate, or engage in any other business consolidation with any Person, except for any such transactions with or among wholly-owned Subsidiaries of the Company;

(xiv) to the fullest extent permitted by law, cause or permit the dissolution, winding up or termination of the Company except as contemplated by this Agreement;

(xv) enter into, amend, terminate or otherwise grant a waiver or forbearance under, any transaction or agreement with a Member or its Affiliates, including any purchase, sale, lease or exchange of property or assets or the rendering of any service, including an amendment or termination of or waiver or forbearance under any Demand Note, Contributed Note or Keep Well Agreement or other Transaction Document (other than one between the Company and a Subsidiary thereof), unless (A) otherwise contemplated or permitted by this Agreement and (B) on terms no less favorable to the Company or its applicable Subsidiaries than could be otherwise obtained in an arm's-length transaction; provided that, the Company or any of its Subsidiaries may amend or make any other change with respect to any agreement pertaining to Fiber Assets if such change or amendment (x) reflects a corresponding change or amendment made in other agreements between Affiliates of Parent Company governing assets similar to the Fiber Assets, (y) is not adverse to the Company other than to a de minimis extent and (z) the Company provides the Initial Class A Limited Members with a draft of such proposed amendment or other change at least fifteen (15) Business Days prior to effecting such proposed amendment or other change and considers in good faith any comments thereto provided by the Initial Class A Limited Members; and

(xvi) fail to timely perform any of its obligations under the Demand Notes, including any obligation to provide tax forms.

(d) Notwithstanding any other provisions of this Agreement, the Company shall be permitted to distribute any Fiber Assets, Contributed Notes, cash or Cash Equivalents to the Managing Member and the Managing Member shall be permitted to contribute any Permitted Assets to the Company, including any payment pursuant to any Contributed Note; provided, that, the Company will be in compliance with the Portfolio Requirements immediately following such distribution or contribution. Subject to Section 5.5(c), the Company and each of its Subsidiaries shall be permitted to (i) take any action with respect to the Secured Notes as permitted by the terms of the Secured Notes, (ii) take any action with respect to the matters contemplated by the Southwestern Bell Fiber Agreements or any other Fiber License Agreement as permitted by the terms of the Southwestern Bell Fiber Agreements or such other Fiber License Agreement and (iii) take any action reasonably determined to be necessary or advisable to preserve and maintain the operationality of the assets governed by the Southwestern Bell Fiber Agreements or any other Fiber License Agreement. Nothing in this Agreement shall prevent or otherwise limit (x) the Company from making any contribution or other transfer to any wholly owned Subsidiary or (y) any wholly owned Subsidiary of the Company from making any distribution or other transfer to the Company.

(e) Notwithstanding any other provisions of this Agreement, all BHC Members shall be subject to the limitations on voting set forth in this Section 5.5(e). As described further in this Section 5.5(e), if at any time the Class A Limited Membership Interests are deemed to be "voting securities" as defined in 12 CFR 225.2(q)(1), and a BHC Member holds any Class A Limited Membership Interests that would otherwise represent five percent (5%) or more of the outstanding Class A Limited Membership Interests entitled to vote, including on the matters described in Section 5.5(c), such BHC Member may not vote any portion of its Class A Limited Membership Interests in the Company in excess of 4.99% of the

outstanding Class A Limited Membership Interests that are entitled to vote. Whenever the vote, consent, or decision (other than a vote, consent or decision pertaining to a matter that would be permitted for "nonvoting securities" as defined in 12 CFR 225.2(q)(1)) of a Class A Limited Member is required or permitted pursuant to this Agreement, a BHC Member and its Transferees shall not be entitled to participate in such vote or consent, or to make such decision, with respect to the portion of such BHC Member's and its Transferees interest, collectively, in excess of 4.99% of the outstanding Class A Limited Membership Interests that are entitled to vote, and any such vote, consent or decision shall be tabulated or made as if such BHC Member and its Transferees were not Members with respect to such BHC Member's or Transferees' Interest in excess of 4.99% of the total outstanding Class A Limited Membership Interests that are entitled to vote (and with any voting rights up to 4.99% being allocated pro rata among the BHC Member, any "affiliate" (as defined in the BHC Act) of the BHC Member that also holds Class A Limited Membership Interests and any of their Transferees based on their then current holdings of the Class A Limited Membership Interests). Except as provided in this Section 5.5(e), any outstanding Class A Limited Membership Interests of a BHC Member and its Transferees shall be identical to the Class A Limited Membership Interests of the other Members. Any Class A Limited Membership Interests held by a BHC Member and/or its Transferees for which a BHC Member is or was not to vote such Class A Limited Membership Interests pursuant to this Section 5.5(e) shall continue to be subject this Section 5.5(e) notwithstanding any permitted assignment or transfer unless the BHC Member or its Transferee has transferred its Class A Limited Membership Interest to a person that is not an Affiliate of such transferor (i) in a widespread public distribution; (ii) in a transfer in which no transferee (or group of associated transferees) receives two percent (2%) or more of the outstanding Class A Limited Membership Interests entitled to vote; (iii) in a transfer to the Company or (iv) in a transfer to a transferee that controls (as that term is defined in the BHC Act) more than fifty percent (50%) of every outstanding class or series of Membership Interests entitled to vote, not including any outstanding Membership Interests entitled to vote that were transferred by the BHC Member or its Transferees. For purposes of this Section 5.5(e), "Transferees" means any person to which the BHC Member transfers (including by way of a sale, assignment, hypothecation, disposition or other transfer of the legal or beneficial ownership or economic benefits) any of its Class A Limited Membership Interests, and any of their transferees (as so on), in each case, other than a transferee in the circumstances described in (i)-(iv) above.

(f) **Collateral Certificate**. So long as any Secured Note is outstanding or the Company or any of its Subsidiaries holds any Fiber Assets, an officer of the Managing Member or any of its Affiliates that is familiar with the Contributed Fiber Assets and any other Fiber Assets held by the Company and its Subsidiaries shall deliver a certificate (a "***Collateral Certificate***") by each deadline set forth in Section 9.2(b) (or, with respect to the fourth Fiscal Quarter of each year, the deadline set forth in Section 9.2(a); provided that, such Collateral Certificate delivered by the deadline set forth in Section 9.2(a) shall be delivered solely with respect to such fourth Fiscal Quarter and not for the Fiscal Year) (each a "***Certification Deadline***") certifying that there has not been a material adverse change, in the aggregate, with respect to the Contributed Fiber Assets underlying the Secured Notes then outstanding and any other Fiber Assets held by the Company and its Subsidiaries with respect to the last day of the quarter preceding the quarter in respect of which the certificate is being delivered, taking into account any changes made in the Contributed Fiber Assets and other Fiber Assets since such quarter end. In the event that a Collateral Certificate is not delivered by any Certification Deadline or the Company or the Managing Member determines that a Collateral Certificate may not be able to be delivered by any Certification Deadline, the Company shall, at its own expense, appoint TAP Advisors LLC or another third party firm with expertise in the valuation of assets similar to the Contributed Fiber Assets and other Fiber Assets held by the Company and its Subsidiaries reasonably acceptable to the Initial Class A Limited Members (the "***Valuation Firm***"), who shall conduct an independent valuation of the Contributed Fiber Assets underlying the outstanding Secured Notes and other Fiber Assets held by the Company and its Subsidiaries.

The results of such valuation (the "***Valuation Report***"), which shall include the valuation of the Contributed Fiber Assets underlying each outstanding Secured Note and the valuation of the other Fiber Assets held by the Company and each of its Subsidiaries, shall be furnished to the Administrative Agent (or to each Member, if no Administrative Agent is appointed at the time) within three (3) months of the applicable Certification Deadline unless such Valuation Firm determines that, using reasonable best efforts, such Valuation Report cannot be completed by such time, in which case the deadline to produce such Valuation Report shall be extended for no more than one (1) additional month, and the Administrative Agent (if any) shall cause such Valuation Report to be furnished to each Member promptly thereafter.

5.6 Compensation; Expenses.

(a) The Managing Member shall not receive any salary, fee, or draw for services rendered to, or on behalf of, the Company or otherwise in its capacity as a manager of the Company or a Member, nor shall the Managing Member be reimbursed for any Expenses incurred by the Managing Member on behalf of the Company or otherwise in its capacity as a manager of the Company or a Member.

(b) The Managing Member may charge the Company, and shall be reimbursed, for all out-of-pocket documented expenses necessary in connection with the operation of the Company (including paying the fees and expenses to the Independent Managers), provided that (i) all distributions of the Class A Limited Member Preferred Return for all prior Class A Distribution Dates have been made, (ii) the Company will be in compliance with each of the Portfolio Requirements after giving effect to such reimbursement, (iii) the Notice Event described in Section 14.1(a) has not occurred and (iv) neither the Company nor the Managing Member is in breach of its obligations under this Agreement in any material respect. Such reimbursement shall be treated as operating expenses of the Company and shall not be deemed to constitute distributions to any Member of profit, loss, or capital of the Company.

5.7 Withdrawal.

(a) The Managing Member may at any time deliver to the Members written notice of the Managing Member's intent to withdraw as a manager of the Company (within the meaning of the Act).

(b) In the event that the Managing Member seeks to withdraw as a manager of the Company, the Managing Member shall remain as a manager until a successor manager is appointed. A successor manager shall be appointed by the Managing Member; provided, however, that any such successor shall be an Affiliate of Parent Company (unless a majority of the Class B Common Membership Interests have been Transferred to a Person who is not an Affiliate of Parent Company with the consent of the Required Class A Limited Members pursuant to Section 11.2(a)).

(c) Any withdrawal of the Managing Member as a manager shall not affect the status of such Managing Member as a Member, except to the extent otherwise provided in this Agreement, including Section 11.

Notwithstanding the foregoing, while any Affiliate of Parent Company is the Managing Member, upon any Transfer by the Class B Common Members of all or any portion of the Class B Common Membership Interests to an Affiliate of the Parent Company satisfying the requirements set forth in Section 11.2(a), such Permitted Transferee may, at the election of the Managing Member, succeed to the rights of the Managing Member hereunder to be the manager of the Company (within the meaning of the Act), without obtaining the consent of the Required

Class A Limited Members and, in such event, such successor shall be deemed admitted to the Company as a manager (within the meaning of the Act) and shall have all rights of the Managing Member hereunder.

5.8 ***Portfolio Requirements***. So long as any Class A Limited Membership Interests remain outstanding, the Company shall comply with each of the following requirements (the "***Portfolio Requirements***"):

(a) **Asset Coverage**. The Company shall hold Permitted Assets such that, at all times, the ratio of (x) the aggregate Value of such Permitted Assets to (y) the sum of (1) the aggregate Unrecovered Capital of the Class A Limited Members plus (2) all Indebtedness and short-term liabilities (excluding any obligations arising from a distribution declared pursuant to Section 4.1(a)) of the Company and its Subsidiaries shall be at least 2:1.

(b) **Keep Well Agreements**. A Keep Well Agreement shall provide for the financial support of each Borrower that has issued any Secured Note and the rights and obligations of the parties to such Keep Well Agreement thereunder shall be valid, binding and enforceable while such Secured Note is outstanding.

(c) **Demand Notes**. The Company shall hold Demand Notes such that, at all times, the ratio of the Value of such Demand Notes to the aggregate Unrecovered Capital of the Class A Limited Members shall be at least 1:1.

(d) **Parent Rating**. The Demand Notes shall be issued by the Parent Company and the Parent Company shall have and maintain an Acceptable Rating.

5.9 ***Officers***.

(a) **General**. The Company may have such officers as the Managing Member shall from time to time determine (collectively, the "***Officers***"). Any number of offices may be held by the same Person. Officers need not be Members or residents of the State of Delaware. Nothing contained in this Section 5.9(a) shall be deemed to limit or otherwise abridge any rights or obligations to which the Company or an Officer may be subject pursuant to the terms of any employment, management or other similar agreement.

(b) **Appointment of Officers**. The Managing Member shall have the sole power to designate Officers. Any Officers so designated shall have such authority and perform such duties as the Managing Member may, from time to time, delegate to them. The Managing Member may assign titles to particular Officers. Each Officer shall hold office for the term for which he or she is elected or until he or she shall resign or shall have been removed in the manner hereinafter provided.

(c) **Resignation/Removal**. Any Officer may resign as such at any time. Such resignation shall be made in writing and shall take effect at the time specified therein or, if no time be specified, at the time of its receipt by the Managing Member. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation. Subject to the terms of any applicable employment agreement, any Officer may be removed as such, either with or without cause, at any time by the Managing Member.

(d) **Titles**. The Managing Member may permit any of the Officers of the Company to use additional or alternative titles or job descriptions in furtherance of the Permitted Business. Each Officer shall be deemed for purposes of this Agreement to be acting in his or her

capacity as an Officer of the Company notwithstanding the permitted title or titles used by such Person.

SECTION 6
ROLE OF MEMBERS

6.1 Rights or Powers. Other than the rights and powers expressly granted to the Managing Member pursuant to Section 5, the Members, in their capacities as members of the Company, hereby agree not to exercise any right or power to take part in the management or control of the Company or its business and affairs and shall not have any right or power to act for or bind the Company in any way. Without limiting the generality of the foregoing, the Members, in such capacities, have all of the rights and powers specifically set forth in this Agreement and, to the extent not inconsistent with this Agreement, in the Act.

6.2 Voting Rights. No Member has any voting right except with respect to those matters specifically reserved for a Member's consent or other right that is set forth in this Agreement and as required in the Act.

6.3 Meetings and Consents of the Members.

(a) Meetings of the Members may be called at any time by the Managing Member. The call shall state the nature of the business to be transacted. Notice of any such meeting shall be given to all Members not less than five (5) Business Days nor more than thirty (30) days prior to the date of such meeting; provided, however, that the Members may agree in writing to a shorter notice period than five (5) Business Days. Members may attend in person, by proxy or by telephone at such meeting and may waive advance notice of such meeting.

(b) For the purpose of determining the Members entitled to attend any meeting of the Members or any adjournment thereof, or provide a consent with respect to any action discussed at such meeting, the Managing Member or the Members requesting such meeting may fix, in advance, a date as the record date for any such determination. Such date shall not be more than thirty (30) days nor less than five (5) Business Days before any such meeting.

(c) Where the vote or consent of the Members is required under this Agreement or the Act, each Member may provide its vote or consent in any manner permitted under the Act. Each Member may authorize any Person or Persons to act for it by proxy on all matters in which a Member is entitled to participate, including waiving notice of any meeting, or providing consent, or participating at a meeting. Every proxy must be signed by the Member or its attorney-in-fact or delivered by means of electronic communication. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Member executing it.

(d) Each meeting of Members shall be conducted by the Managing Member or such other individual Person as the Managing Member deems appropriate pursuant to such rules for the conduct of the meeting as the Managing Member or such other Person deems appropriate.

(e) Any action that the Members may authorize or take at a meeting may be authorized or taken without a meeting with the affirmative vote or, in the case of Class A Limited Members, consent or approval of, and in a writing or writings signed by, all those Members who would be entitled to notice of the meeting of Members held for that purpose.

6.4 Withdrawal/Resignation. Except as otherwise provided in this Agreement, no Member shall demand or receive a return on or of its Capital Contributions or withdraw or resign as a Member from the Company without the affirmative written consent of the Managing Member and all of the Class A Limited Members. If any Member resigns or withdraws from the Company in breach of this Section 6.4, such resigning or withdrawing Member shall not be entitled to receive any distribution under this Agreement. Under circumstances requiring a return of any Capital Contribution, no Member has the right to receive Property other than cash except as may be specifically provided herein.

6.5 Member Compensation. No Member shall receive any interest, salary, or draw for services rendered on behalf of the Company, or otherwise, in its capacity as a Member, except as otherwise provided in Section 5.6(b). Notwithstanding the foregoing, the parties hereto acknowledge the fees payable pursuant to the applicable Fee Letter.

6.6 Members' Liability. Except as required by the Act, as otherwise agreed to in writing between the Company and a Member or as expressly set forth in this Agreement, no Member shall have any personal liability whatsoever in such Member's capacity as a Member, whether to the Company, to any of the other Members, to the creditors of the Company or to any other third party, for the debts, commitments or other obligations of the Company or for any losses of the Company. The Members shall have no fiduciary duty to the Company, any other Member or any other Person in such Member's capacity as a Member, and the Members shall have no liability to the Company, any other Members or any other Person based on any claim of breach of fiduciary duty. Notwithstanding anything to the contrary in this Agreement, the provisions of this Agreement, to the extent that they restrict or eliminate the duties (including fiduciary duties) and liability of the Members otherwise existing at law or in equity, are agreed by the Company, each Member and any other Person bound by this Agreement to restrict or eliminate such duties and liabilities of the Members. Each Member, in such Member's capacity as a Member, shall be liable only to make such Member's Capital Contributions to the Company as and when required by this Agreement or as otherwise agreed to in writing between the Company and such Member and the other payments required to be made by such Member under the Act, this Agreement or as otherwise agreed to in writing between the Company and such Member; provided, however, that a Member may be required to repay distributions made to it as provided in the Act and Section 4.4.

6.7 Indemnification.

(a) **Members**.

(i) Subject to Section 6.7(a)(ii), the Company, its receiver or its trustee (in the case of its receiver or trustee, to the extent of Property) shall, to the maximum extent permitted by law, indemnify, save harmless, and pay all Expenses of any Member, and any members, managers, partners, stockholders, officers, directors, employees or agents of such Member (each, a "***Member Indemnitee***") relating to any liability or damage incurred by reason of any act performed or omitted to be performed by such Member or Member Indemnitee in connection with the business or affairs of the Company, the issuance of any Membership Interests hereunder or any other actions contemplated by this Agreement, including attorneys' fees incurred by such Member or Member Indemnitee, in connection with the defense of any action based on any such act or omission, which attorneys' fees may be paid as incurred, including all such liabilities under federal and state securities laws (including the Securities Act) as permitted by law; provided, however, that any claim by any Member Indemnitee in its capacity as a Class B Common Member or any Member Indemnitee that is a member, manager, partner, stockholder, officer, director, employee or agent of a Class B Common Member in its capacity as a member, manager, partner, stockholder, officer, director, employee or agent

of such Class B Common Member under this Section 6.7(a)(i) shall be subordinated to the claims of the Class A Limited Members under Sections 4.1(a), 13.2(b) and 13.5.

(ii) Section 6.7(a)(i) shall be enforced only to the maximum extent permitted by law and no Member shall be indemnified from any liability for fraud, bad faith, willful misconduct, gross negligence, or a failure to perform in accordance with this Agreement.

(b) **Independent Managers**.

(i) To the fullest extent permitted by applicable law, no Independent Manager shall be liable to the Company or any other Person who is a party to or is otherwise bound by this Agreement for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Independent Manager in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Independent Manager by this Agreement, except that an Independent Manager shall be liable for any such loss, damage or claim incurred by reason of such Independent Manager's gross negligence, bad faith or willful misconduct.

(ii) To the fullest extent permitted by applicable law, an Independent Manager shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Independent Manager by reason of any act or omission performed or omitted by such Independent Manager in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Independent Manager by this Agreement, except that no Independent Manager shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Independent Manager by reason of such Independent Manager's gross negligence, bad faith or willful misconduct with respect to such acts or omissions; provided, however, that the Members and the Managing Member shall not have personal liability on account thereof.

(iii) To the fullest extent permitted by applicable law, expenses (including reasonable legal fees) incurred by an Independent Manager defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Independent Manager to repay such amount if it shall be determined that the Independent Manager is not entitled to be indemnified as authorized in this Section 6.7(b).

(iv) An Independent Manager shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Independent Manager reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(v) The provisions of this Agreement, to the extent that they restrict or eliminate the duties and liabilities of an Independent Manager to the Company or its members otherwise existing at law or in equity, are agreed by the parties hereto to replace such duties and liabilities of such Independent Manager.

(vi) The foregoing provisions of this Section 6.7(b) shall survive any termination of this Agreement.

6.8 Confidentiality.

(a) **Confidentiality Obligations**. All information disclosed by the Company or one Member to another Member pursuant to this Agreement shall be the "***Confidential Information***" of the Company or the disclosing Member, as applicable, for all purposes hereunder. Each Member agrees that, such Member shall, and shall ensure that its Affiliates (which shall not include the Class A Limited Members for this purpose) and its and their respective officers, directors, employees, agents, advisors and representatives (such Affiliates and other representatives, "***Representatives***") shall, keep completely confidential (using at least the same standard of care as it uses to protect proprietary or Confidential Information of its own, but in no event less than reasonable care) and not publish or otherwise disclose and not use for any purpose except as expressly permitted hereunder any Confidential Information or materials furnished to it by the Company or another Member (including know-how of the Company or the disclosing Member). The foregoing obligations shall not apply to any information disclosed by the Company or a Member to another Member hereunder to the extent that such information: (i) is or becomes publicly known without breach of this Agreement by the receiving Member or any of its Representatives, (ii) is known to the receiving Member or any of its Representatives prior to the time of disclosure by the Company or the disclosing Member or is independently developed by the receiving Member or any of its Representatives, in either case reasonably corroborated by evidence or (iii) is disclosed to the receiving Member or any of its Representatives by a third party who is, to the knowledge of the receiving Member or such Representative after due inquiry, legally entitled to disclose the same free of any contractual or fiduciary non-disclosure obligations to the Company or the disclosing Member or its Representatives.

(b) **Authorized Disclosure**. A Member may disclose the Confidential Information belonging to the Company or another Member to the extent such disclosure is reasonably necessary in the following instances: (i) compliance with federal or state law, statute or government rule, regulation or order, stock exchange rule or by regulatory or self-regulatory authorities, government request, court order, subpoena or other process of law, (ii) regulatory filings by or on behalf of the Company necessary for the operation of the Company and the conduct of the Permitted Business, (iii) prosecuting or defending a dispute under this Agreement, (iv) disclosure, in connection with the performance of this Agreement, to Representatives, each of whom prior to disclosure must be bound by similar obligations of confidentiality and non-use at least equivalent in scope to those set forth in this Section 6.8 or (v) disclosure, in connection with a Permitted Transfer, to any prospective transferee in respect of such Permitted Transfer, each of whom must be bound by similar obligations of confidentiality and non-use at least equivalent in scope to those set forth in this Section 6.8.

(c) **Confidentiality of Agreement Terms**. The Members acknowledge that the terms of this Agreement and each Transaction Document shall be treated as Confidential Information of the Company and each of the Members, and shall not be disclosed except as permitted under this Section 6.8. Notwithstanding the foregoing and without limiting the disclosures permitted by Section 6.8(b), the Parent Company may disclose this Agreement and the other Transaction Documents and the material terms hereof and thereof. Notwithstanding anything to the contrary in this Agreement, the Parent Company may make any public statements in response to questions by the press, analysts, investors or those attending industry conferences or analyst or investor conference calls, so long as such statements are not inconsistent with previous statements made by the Parent Company in accordance with this Agreement.

6.9 Partition. While the Company remains in effect or is continued and prior to the occurrence of a Liquidation Event, each Member and Independent Manager agrees not to have any Property partitioned or file a complaint or institute any suit, action, or proceeding at law or in equity to have any Property partitioned, and each Member and Independent Manager, on behalf of itself, its successors, and its assigns hereby waives any such right.

6.10 Transactions Between a Member and the Company.

(a) Except as otherwise provided by applicable law, any Member may, but shall not be obligated to, transact the business contemplated by the Transaction Documents with the Company and have the same rights and obligations when transacting such business with the Company as a Person or entity who is not a Member. A Member, any Affiliate thereof or an employee, stockholder, agent, director, manager, or officer of a Member or any Affiliate thereof, may also be an employee or a manager of the Company.

(b) Except as contemplated by the Transaction Documents, no Member shall, or shall permit its Affiliates to, guarantee any liabilities of the Company or become obligated on, or hold itself out as being obligated or available to satisfy, any liabilities of the Company.

SECTION 7
PREFERRED RETURN RESETS AND REMARKETINGS

7.1 Class A Preferred Return Rate Reset.

(a) **In General**. The Class A Preferred Return Rate is subject to reset as provided herein on each Class A Reset Date.

(b) **Class A Reset Procedure**. During the period commencing ninety (90) days and ending forty-five (45) days prior to a Class A Reset Date (the "***Consultation Period***"), the Company and the Class A Limited Members shall consult with one another (and the Administrative Agent (if any) shall coordinate such consultation) to determine whether the Company and the Class A Limited Members are able to agree upon a Class A Preferred Return Rate for the Class A Reset Period commencing on such Class A Reset Date. In the event the Company and all of such holders of Class A Limited Membership Interests reach agreement at least forty-five (45) days before such Class A Reset Date, the Class A Preferred Return Rate will be reset on the Class A Reset Date to the amount so agreed and will remain in effect until the next Class A Reset Date. In the event that during the Consultation Period, the Company and all of the Class A Limited Members agree upon a floating rate (rather than a fixed rate), each Member hereby agrees to enter into any amendments to this Agreement as are necessary or appropriate to give effect to such agreement on a floating rate.

(c) **Class A Mandatory Remarketing Procedure**.

(i) If, in respect of any Class A Reset Date, the Company and the holders of the Class A Limited Membership Interests fail to reach agreement as contemplated by Section 7.1(b), the Company and the Class A Mandatory Remarketing Agents shall promptly enter into a Class A Mandatory Remarketing Agreement to conduct an auction or mandatory remarketing (a "***Class A Mandatory Remarketing***") of the Class A Limited Membership Interests in accordance with the terms set forth herein.

(ii) The Class A Mandatory Remarketing shall be conducted as follows:

(1) the Managing Member shall, by notice delivered to the Class A Mandatory Remarketing Agents a reasonable amount of time prior to the applicable Class A Mandatory Remarketing Date, select and specify four (4) Reference Corporate Dealers, select and specify whether the Company is seeking Bids in respect of a fixed or floating rate and, if floating, select and specify the Remarketing Benchmark Rate;

(2) the Class A Mandatory Remarketing Agents shall provide the Reference Corporate Dealers with such information as is necessary to facilitate the Class A Mandatory Remarketing, including the Class A Mandatory Remarketing Date and the amount of Unrecovered Capital with respect to the Class A Limited Membership Interests;

(3) the Class A Mandatory Remarketing Agents shall request that Bids be received from such Reference Corporate Dealers and all other bidders by 3:00 P.M., New York City time, on the Business Day immediately preceding the relevant Class A Mandatory Remarketing Date;

(4) the Company, any Class A Limited Member, the Class A Mandatory Remarketing Agents or an Affiliate of any such Person may, at its option, enter a Bid but shall have no obligation to do so; and

(5) the Class A Mandatory Remarketing Agents shall disclose to the Company the Bids obtained and determine the Bid (such Bid, the "***Winning Bid***") with the lowest single Bid Rate at which the Class A Mandatory Remarketing Agents will be able to remarket all of the Class A Limited Membership Interests at a purchase price equal to the Unrecovered Capital with respect to such Class A Limited Membership Interests to at least one (1) purchaser, but in no event may the Class A Limited Membership Interests and Class B Common Membership Interests (including only the Managing Member for purposes of counting holders of Class B Common Membership Interests), collectively, be owned by more than fifty (50) persons as determined in accordance with Regulations Section 1.7704-1(h) (the "***Winning Bid Rate***"), from among the Bids obtained by 3:00 P.M., New York City time, on the Business Day immediately preceding the relevant Class A Mandatory Remarketing Date. Subject to Section 11.2(c), the Winning Bid Rate determined by the Class A Mandatory Remarketing Agents, absent manifest error, shall be binding and conclusive upon the Company and all holders of the Class A Limited Membership Interests.

(iii) On the Business Day immediately preceding the relevant Class A Mandatory Remarketing Date, the Class A Mandatory Remarketing Agents, in consultation with the Company, shall designate as the secondary purchasers (the "***Secondary Purchasers***") the Persons providing Bids at the Winning Bid Rate. If the Winning Bid Rate is specified in Bids submitted by two (2) or more bidders, the Class A Mandatory Remarketing Agents shall, in consultation with the Company, designate such bidders as it deems appropriate to be the Secondary Purchasers and shall determine the allocation of Class A Limited Membership Interests among such Secondary Purchasers; provided, however, that in no event may the Class A Limited Membership Interests and Class B Common Membership Interests (including only the Managing Member for purposes of counting holders of Class B Common Membership Interests), collectively, be owned by more than fifty (50) persons as determined in accordance with Regulations Section 1.7704-1(h) and such purchases must be made in accordance with the conditions of Transfer set forth in this Agreement. If any holder of the Class A Limited Membership

Interests submitted a Bid containing the Winning Bid Rate, it shall continue to hold the Class A Limited Membership Interests with the Class A Preferred Return Rate equal to the Winning Bid Rate; provided, further, that the provisions of Section 7.1(c)(iv) shall not apply to such holder in respect of the Class A Limited Membership Interests owned by such holder immediately prior to such Winning Bid. Settlement of the sale of the Class A Limited Membership Interests to the Secondary Purchasers shall occur on the relevant Class A Reset Date, all as provided in Section 7.1(c)(iv).

(iv) On or before the second (2nd) Business Day following the Class A Mandatory Remarketing Date, each Secondary Purchaser shall enter into a Secondary Purchase Agreement for the purchase by such Secondary Purchaser, at a purchase price equal to the Unrecovered Capital with respect to such Class A Limited Membership Interests, of the applicable number of Class A Limited Membership Interests with a Class A Preferred Return Rate equal to the Winning Bid Rate. To consummate the settlement of the purchase and sale of the Class A Limited Membership Interests, each Secondary Purchaser shall no later than the Class A Reset Date pay to the holders selling the applicable Class A Limited Membership Interests (the "***Selling Class A Holders***") an amount in Dollars in immediately available funds equal to the Unrecovered Capital with respect to such Class A Limited Membership Interests. Subject to such payment, delivery of the Class A Limited Membership Interests shall be made on the applicable Class A Reset Date. Any outstanding Class A Limited Membership Interests purchased on the relevant Class A Reset Date shall be deemed to be Transferred to each of the applicable Secondary Purchasers; provided, however, that payment has been received from all such Secondary Purchasers pursuant to this Section 7.1(c)(iv). Upon consummation of the purchase and sale of the Class A Limited Membership Interests, the Secondary Purchasers shall be admitted as Class A Limited Members with respect to the Class A Limited Membership Interests purchased pursuant to the Secondary Purchase Agreements, and the Selling Class A Holders shall be deemed to have withdrawn with respect to such Class A Limited Membership Interests, and the Company shall cause the Membership Registry to reflect the Secondary Purchasers' ownership of the Class A Limited Membership Interests that they purchased pursuant to the Secondary Purchase Agreements. Each Member hereby agrees to enter into any amendments to this Agreement as are necessary or appropriate to give effect to the transactions contemplated by this Section 7.1(c)(iv), including to reflect any change between a fixed rate and a floating rate.

(v) If for any reason whatsoever (including failure of the Class A Mandatory Remarketing Agents to receive a Bid from any of the four (4) Reference Corporate Dealers or any failure of a Class A Mandatory Remarketing Agent in the performance of its duties) settlement of the purchase and sale of all of the Class A Limited Membership Interests as provided in Section 7.1(c)(iv) does not occur by the Class A Reset Date:

(1) a "***Class A Failed Mandatory Remarketing***" shall be deemed to have occurred on such Class A Reset Date (such date, the "***Class A Failed Mandatory Remarketing Reset Date***"); and

(2) the holders of the Class A Limited Membership Interests shall continue to hold their Class A Limited Membership Interests and the Class A Preferred Return Rate for the Class A Distribution Period commencing on such Class A Failed Mandatory Remarketing Reset Date shall be equal to the applicable Class A Failed Mandatory Remarketing Rate.

SECTION 8
COVENANTS

8.1 Covenants.

(a) **No Sales on Established Securities Market**. Each Member agrees that it will not sell, market, transfer, assign, participate, pledge, or otherwise dispose of its Membership Interests (or any interest therein) on or through an "established securities market" within the meaning of Code Section 7704(b)(1) and the Regulations promulgated thereunder, including an over-the-counter market or an interdealer quotation system that regularly disseminates firm buy or sell quotations.

(b) **PTP Rules**. Each Member agrees that (i) it will not become, a partnership, grantor trust, or "S corporation" (within the meaning of Code Section 1361(a)) (each a "***Flow-Through Entity***") for U.S. federal income tax purposes or (ii) if it is, or if it becomes, a Flow-Through Entity for such purposes, then (x) less than 50% of the value of any direct or indirect equity or other beneficial interest in such Flow-Through Entity is, and will at all times continue to be, attributable to its Membership Interests and (y) a principal purpose of the purchase of the Membership Interests is not, and at all times will not be, to permit the Company or any entity of which the Company is a direct or indirect partner to satisfy the 100 partner limitation set forth in Regulations Section 1.7704-1(h)(1)(ii).

(c) **Sanctions and Anti-Corruption**. Each Member shall not, and the Managing Member shall cause the Company and its Subsidiaries not to, directly or to its knowledge indirectly use the proceeds from the issuance and sale of the Class A Limited Membership Interests (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, or (ii) in any manner that would result in violation of any Sanctions applicable to such Member, the Company or its Subsidiaries or, to the knowledge of such Member or the Managing Member (as applicable), any other party to this Agreement, in each case of clauses (i) and (ii), solely to the extent that the foregoing does not violate or conflict with the Council Regulation (EC) No 2271/96 of 22 November 1996 protecting against the effects of the extra-territorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom, section 7 of the German Foreign Trade Regulation (Außenwirtschaftsverordnung -AWV) and any other applicable anti-boycott laws or regulations,.

(d) **Filing of Tax Returns**. Each Member shall timely file all U.S. federal income tax returns that such Member is required to file under applicable law with respect to such Member's distributive share of any item of the Member's income, gain, loss, deduction or credit from the Company that are made consistent with Section 3 in a manner consistent with the Company's tax treatment of such item on the applicable IRS Schedule K-1 provided to such Member, including that each U.S. Net Taxpayer Member shall report all Preferred Return Distributions to such Member as taxable income on a U.S. federal income tax return.

SECTION 9
ACCOUNTING, BOOKS, AND RECORDS

9.1 Accounting, Books, and Records.

(a) The Company shall keep on site at its principal place of business each of the following:

(i) separate books of account for the Company with respect to the conduct of the Company and the operation of its business which shall be, from and after June 30, 2021, in accordance with GAAP consistently applied;

(ii) separate books of account that reflect the Capital Accounts of the Members as maintained pursuant to the provisions of this Agreement;

(iii) the Membership Registry;

(iv) a copy of the Certificate of Formation and all amendments thereto;

(v) a copy of the Company's federal, state and local income tax returns and reports, if any, for the six (6) most recent years (to the extent such tax returns are or were required to be filed);

(vi) a copy of this Agreement; and

(vii) any written consents obtained from the Members pursuant to Section 6.3 of this Agreement and Section 18-302(d) of the Act regarding action taken by the Members without a meeting.

(b) The Company shall use the accrual method of accounting in preparation of its financial reports and for tax purposes and shall keep its books and records accordingly.

(c) Any Member or its designated representative, upon reasonable advance written notice to the Company, shall have access to and the right, to inspect and copy the books and records set forth in Section 9.1(a) during normal business hours.

9.2 Reports.

(a) **Annual Reports**. Within one hundred and twenty (120) days after the end of each Fiscal Year (or in the case of clause (v) below, one hundred and eighty (180) days after the end of each taxable year of the Company), the Managing Member shall cause to be prepared and furnished to the Administrative Agent (or to each Member, if no Administrative Agent is appointed at the time), and the Administrative Agent (if any) shall cause to be furnished to each Member promptly thereafter, the following:

(i) a balance sheet as of the last day of such Fiscal Year and an income statement and statement of cash flows for the Company for such Fiscal Year and notes associated with each (provided that no such balance sheet or statements shall be required prior to June 30, 2021);

(ii) a statement of the Values of the Permitted Assets as of the end of such Fiscal Year;

(iii) a statement of the Members' Capital Accounts and changes therein for such Fiscal Year;

(iv) a Portfolio Compliance Certificate;

(v) the information required to be provided on an IRS Schedule K-1 to Form 1065 for each Class A Limited Member, provided, however, that the Managing Member shall, upon the request of any Member, provide to any such Member any

information reasonably necessary for such Member to compute its estimated income tax payments;

(vi) an audit report by a nationally recognized accounting firm (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) with respect to the financial statements in Section 9.2(a)(i) (provided that no such audit report shall be required to be prepared prior to June 30, 2021);

(vii) a written certification of the Company executed by a Responsible Officer that, as of the end of such Fiscal Year, no Liquidation Event or Notice Event or event that with notice or lapse of time or both would constitute a Liquidation Event or Notice Event has occurred and is continuing or, if any such event has occurred and is continuing, the action that the Managing Member has taken or proposes to take with respect thereto; and

(viii) subject to Section 5.5(f), a Collateral Certificate (provided that, such Collateral Certificate shall be delivered solely with respect to the fourth Fiscal Quarter and not the Fiscal Year).

(b) **Quarterly Reports**. Within ninety (90) days after the close of each of the first three Fiscal Quarters of each year, the Managing Member shall cause to be prepared and furnished to the Administrative Agent (or to each Member, if no Administrative Agent is appointed at the time), and the Administrative Agent (if any) shall cause to be furnished to each Member promptly thereafter, the following:

(i) a balance sheet of the Company as of the end of such Fiscal Quarter and a related income statement for such Fiscal Quarter and for the Fiscal Year to date (provided that no such balance sheet or statement shall be required to be prepared prior to June 30, 2021);

(ii) a written certification of the Company executed by a Responsible Officer to the effect that, since the date of the last Portfolio Compliance Certificate, no facts or circumstances have come to the attention of such Responsible Officer that would reasonably be expected to cause such Responsible Officer to believe that as of the last day of and for the quarterly period in question, the Permitted Assets held by the Company did not satisfy all of the Portfolio Requirements;

(iii) a written certification of the Company executed by a Responsible Officer that (x) the documents submitted under Section 9.2(b)(i) have been prepared and fairly stated in all material respects in accordance with GAAP (provided that the certification required by this clause (x) shall not be required prior to the certification in respect of the Fiscal Quarter ended June 30, 2021) and (y) as of the end of such Fiscal Quarter, no Liquidation Event or Notice Event or event that with notice or lapse of time or both would constitute a Liquidation Event or Notice Event has occurred and is continuing or, if any such event has occurred and is continuing, the action that the Managing Member has taken or proposes to take with respect thereto; and

(iv) subject to Section 5.5(f), a Collateral Certificate.

(c) **Liquidation Date Reports**. On the date on which final distributions are made to the Members pursuant to Section 13.2, the Liquidator shall cause to be prepared and shall furnish to each the Administrative Agent (or to each Member, if no Administrative Agent is

appointed at the time), and the Administrative Agent (if any) shall cause each Member to be furnished with, each of the following statements:

(i) a balance sheet of the Company as of the date of such distribution; and

(ii) a statement of the Members' Capital Accounts as adjusted immediately prior to such distribution pursuant to Section 13.2.

9.3 Rule 144A Information. At the request of any prospective Member, the Managing Member shall provide, with respect to the Company, the information required by Rule 144A(d)(4)(i) under the Securities Act.

9.4 Tax Matters.

(a) The Managing Member is hereby designated as "partnership representative" of the Company for any tax period subject to the provisions of Section 6223 of the Code (in such capacity, the "***Tax Matters Representative***"), and on behalf of the Company, the Tax Matters Representative shall be permitted to appoint any "designated individual" permitted under Regulations Sections 301.6223-1 and 301.6223-2 or any successor regulations or similar provisions of tax law, and, unless the context otherwise requires, any reference to the Tax Matters Representative in this Agreement includes any "designated individual." In such capacity, the Tax Matters Representative shall represent the Company in any disputes, controversies or proceedings with the IRS or with any state, local, or non-U.S. taxing authority and is hereby authorized to take any and all actions that it is permitted to take by applicable law when acting in that capacity, subject to Section 5.5(c)(v). The Tax Matters Representative shall be the sole signatory on Company tax returns, unless otherwise required by law. The Tax Matters Representative may, as determined in its sole discretion and with respect to any Fiscal Year, cause the Company to elect the application of Section 6226 of the Code (and any corresponding provision of state or local law) and furnish to each Member (including a former Member) a statement of such Member's share of any adjustment to income, gain, loss, deduction or credit. The Members agree to cooperate in good faith, including by timely providing information reasonably requested by the Tax Matters Representative and making elections and filing statements reasonably requested by the Tax Matters Representative, and by paying any applicable taxes, interest and penalties, to give effect to the preceding sentence. The Company shall make any payments it may be required to make under the provisions of Subchapter C of Subtitle A, Chapter 63 of the Code and, in the Tax Matters Representative's reasonable discretion, allocate any such payment among the current or former Members of the Company for the "reviewed year" to which the payment relates in a manner that reflects the current or former Members' respective interests in the Company for that year and any other factors taken into account in determining the amount of the payment. To the extent payments are made by the Company on behalf of or with respect to a current Member in accordance with this Section 9.4, such amounts shall, at the election of the Tax Matters Representative, (i) be applied to and reduce the next distribution(s) otherwise payable to such Member under this Agreement or (ii) be paid by the Member to the Company within thirty (30) days of written notice from the Tax Matters Representative requesting the payment (provided that the foregoing shall not apply to penalties attributable to the Company's gross negligence or willful misconduct). In addition, if any such payment is made on behalf of or with respect to a former Member, that Member shall pay over to the Company an amount equal to the amount of such payment made on behalf of or with respect to it within thirty (30) days of written notice from the Tax Matters Representative requesting the payment (provided that the foregoing shall not apply to penalties attributable to the Company's gross negligence or willful misconduct). Any cost or expense incurred by the Tax Matters Representative in connection with its duties, including the preparation for or pursuance of administrative or judicial proceedings, will be paid by the Company. The

Managing Member shall keep the Class A Limited Members fully and timely informed by written notice of any material developments related to audit, administrative or judicial proceedings, meetings or conferences with the IRS or other similar matters that come to its attention in its capacity as Tax Matters Representative that could reasonably be expected to have a material adverse effect on the Class A Limited Members. Furthermore, the Tax Matters Representative shall not take any action under this Section 9.4 that would reasonably be expected to have a material adverse effect on the Class A Limited Members without such members' consent (not to be unreasonably withheld, conditioned or delayed). The provisions contained in this Section 9.4 shall survive the dissolution of the Company and the withdrawal of any Member or the transfer of any Member's interest in the Company and shall apply to any current or former Member.

(b) Neither the Company nor any Member shall make any election under Regulations Section 301.7701-3 to cause the Company to be treated as a corporation for U.S. federal income tax purposes. To the extent permitted by applicable law and regulation at the relevant time and unless there has been a Final Determination to the contrary, each Member will (i) treat the Membership Interests as representing equity interests in the Company for all U.S. federal income tax purposes and for all relevant state and local income, franchise, and other similar tax purposes, (ii) treat the Company as a partnership for U.S. federal income tax purposes that is not taxable as an association or a PTP and (iii) take no position on any tax return or with any taxing or other governmental authority that is inconsistent with (A) items of income, gain, loss, deduction or credit as reported by the Company to such Member, or (B) the treatment in the foregoing clauses (i) and (ii).

(c) Other than such information delivered pursuant to Sections 9.2(a)(iii) and 9.2(a)(v), all other Tax information reasonably requested in writing by any Class A Limited Member as necessary to comply with its Tax obligations shall be delivered to such Member as soon as practicable after the end of each Fiscal Year of the Company, but not later than eight (8) months after the end of the Fiscal Year (or, if later, following such Member's request).

SECTION 10
AMENDMENTS

10.1 Amendments. Subject to Section 5.4(a), the Managing Member may cause the Company to enter into amendments to this Agreement without the consent of any other Member; provided, however, that, except as expressly provided in Section 2.4, (a) any amendment hereto or to the other Transaction Documents that would adversely affect the rights of the Class A Limited Members (including the right to benefit from the covenants in Sections 5.2, 5.4 and 5.5 or the right to receive reports pursuant to Section 9.2; for the avoidance of doubt any amendment to any Secured Notes or Keep Well Agreement to reflect the addition of collateral underlying the Secured Notes or the issuance or prepayment of any Secured Notes shall not adversely affect the rights of the Class A Limited Members; provided, that, immediately following such action the Portfolio Requirements are satisfied) shall require the affirmative written consent of the Required Class A Limited Members and (b) Sections 2.2, 3, 4, 5.8, 7.1, 11.2, 13, 14, 15 and this Section 10.1 (and any corresponding definitions in Section 1.11 to the extent pertinent to such Sections) shall not be amended, and no waiver (it being understood that an approval of Independent Managers, Members or Required Class A Limited Members contemplated by any such Section shall not be deemed a "waiver") in respect of such provisions shall be provided, without the affirmative written consent or vote of all of the Class A Limited Members.

SECTION 11
TRANSFERS; PURCHASE

11.1 Restriction on Transfers. Except as otherwise permitted by this Agreement, no Member shall Transfer all or any portion of its Membership Interests. In the event any Member pledges or otherwise encumbers its Membership Interest as security for the payment of a liability, any such pledge or hypothecation shall be made pursuant to a pledge or hypothecation agreement that requires the pledgee or secured party to be bound by all of the terms and conditions of this Section 11.

11.2 Permitted Transfers.

(a) **Class B Common Members**. Subject to the conditions and restrictions set forth in Section 11.3 and Section 5.7, a Class B Common Member may Transfer all or any portion of its Class B Common Membership Interest to the Parent Company or any of its Affiliates. Except as set forth in the preceding sentence, no Class B Common Member shall Transfer all or any portion of its Class B Common Membership Interest or permit any direct or indirect Transfer of any equity interest in such Class B Common Member, in each case, without the consent of the Required Class A Limited Members; provided, however, that in no event shall any approval be required pursuant to this provision if, after giving effect to the applicable Transfer, AT&T Fiber Investment Holdings, LLC or any other Affiliate of the Parent Company continues to be the Managing Member and continues to hold, either alone or in the aggregate with one or more of its Affiliates, more than fifty percent (50%) of the then-issued and outstanding Class B Common Membership Interests.

(b) **Class A Limited Members**. Subject to the conditions and restrictions set forth in Section 8.1(a) and Section 11.3, a Class A Limited Member may, at any time (i) without the consent of any other Member, Transfer all or any portion of its Class A Limited Membership Interests to (A) any other Member, (B) any wholly-owned Subsidiary of any entity of which such Class A Limited Member is a direct or indirect wholly-owned Subsidiary or any other Person with respect to which such Class A Limited Member is a direct or indirectly wholly-owned Subsidiary (x) organized under the laws of the United States or any state thereof or (y) that delivers an IRS Form W-8ECI or any applicable successor form; provided, however, that notwithstanding the foregoing, a Class A Limited Member may, at any time without the consent of any other Member, Transfer all or any portion of its Class A Limited Membership to its New York branch Subsidiary or with respect to SG Mortgage Finance Corp., to Societe Generale, New York Branch, (C) any Person(s) pursuant to a Class A Mandatory Remarketing, (D) any bank, broker/dealer, insurance company, structured investment vehicle, derivative product company or other financial institution approved by the Managing Member (such approval not to be unreasonably withheld, conditioned or delayed), only if such Class A Limited Member is no longer permitted to hold a Class A Limited Membership Interest pursuant to any applicable law or regulation or any regulator is requiring such Class A Limited Member to Transfer its Class A Limited Membership Interests or (E) any Person upon the occurrence of a continuing Liquidation Event and (ii) unless otherwise permitted by clause (i), Transfer all or any portion of its Class A Limited Membership Interests to any Person approved by the Managing Member, which approval may not be unreasonably withheld.

(c) Notwithstanding anything to the contrary herein, (i) no Member shall Transfer all or any portion of such Member's Membership Interest if such Transfer would cause the Company to be obligated to register any Membership Interest under the Securities Act, or to file with the Securities and Exchange Commission any annual, quarterly or periodic reports or other information pursuant to the Exchange Act, or to register as an investment company under the Investment Company Act, and (ii) no Person may, as a result of any Transfer, hold Class A

Limited Membership Interests with an aggregate amount of Unrecovered Capital greater than zero Dollars ($0) but less than fifty million Dollars ($50,000,000.00).

(d) Any Transfer permitted by this Section 11.2 shall be referred to in this Agreement as a "***Permitted Transfer***," and the Person to which the Membership Interest is Transferred shall be a "***Permitted Transferee***."

11.3 Conditions to Permitted Transfers. A Transfer shall not be treated as a Permitted Transfer under Section 11.2 unless and until the following conditions are satisfied or otherwise waived by the Managing Member:

(a) The transferor and transferee shall execute and deliver to the Company such documents and instruments of conveyance as may be reasonably required to effect such Transfer and to confirm the agreement of the transferee to be bound by the provisions of this Agreement applicable to the relevant Member. In all cases, the Company shall be reimbursed by the transferor or transferee for all Expenses that it reasonably incurs in connection with such Transfer.

(b) Such Transfer shall not cause (i) the Class A Limited Membership Interests and Class B Common Membership Interests (including only the Managing Member for purposes of counting holders of Class B Common Membership Interests), collectively, to be owned by more than fifty (50) persons as determined in accordance with Regulations Section 1.7704-1(h) or (ii) Company to otherwise be treated as a PTP. Any purported Transfer of any Membership Interest that does not comply with the conditions set forth in this Section 11.3(b) shall be null and void and of no force or effect whatsoever.

(c) In the case of any Transfer of a Class A Limited Membership Interest, the transferee shall represent and agree in a written certification, unless such requirement is waived in writing by the Managing Member in its sole discretion, that either (A) it is not, for U.S. federal income tax purposes, a Flow-Through Entity or (B) it is a Flow-Through Entity but, (i) after giving effect to such purchase of the Class A Limited Membership Interest, less than 50% of the value of any beneficial owner's interest in the Flow-Through Entity is attributable to the Flow-Through Entity's direct or indirect interest in the Company or (ii) a principal purpose in using the Flow-Through Entity to purchase the Class A Limited Membership Interests is not, and at all times will not be, to permit there to be more than fifty (50) owners of the Class A Limited Membership Interests and Class B Common Membership Interests (including only the Managing Member for purposes of counting holders of Class B Common Membership Interests), collectively, or to permit the Company, or any entity of which the Company is a direct or indirect partner, to satisfy the 100-partner limitation set forth in Regulations Section 1.7704-1(h)(1)(ii).

(d) The transferor and transferee shall furnish the Company with the transferee's taxpayer identification number, sufficient information to determine the transferee's initial tax basis in the Membership Interest Transferred, and any other information reasonably necessary to permit the Company to file all required federal and state tax returns and other legally required information statements or returns. Without limiting the generality of the foregoing, the Company shall not be required to make any distribution otherwise provided for in this Agreement with respect to any Transferred Membership Interest until it has received such information.

(e) The transferor and transferee shall make customary representations and warranties concerning the facts and circumstances establishing the basis for the availability of exemptions under the Securities Act and applicable state securities laws and other reasonable assurances of the basis for compliance with any other applicable laws.

(f) The transferee shall provide an opinion of counsel, if reasonably requested by the Managing Member, which counsel and the form and substance of which opinion must be reasonably satisfactory to the Managing Member that (i) the contemplated Transfer to such Person is exempt from registration under the Securities Act and (ii) the contemplated Transfer of such Membership Interest, or interest therein, to such Person does not violate any applicable federal law.

(g) Such transfer shall not (i) cause the assets of the Company to be deemed "plan assets" under ERISA, (ii) cause the Company to be subject to the provisions of ERISA or section 4975 of the Code and (iii) result in any "prohibited transaction" under ERISA or the Code affecting the Company.

11.4 Prohibited Transfers. Any purported Transfer of a Membership Interest that is not a Permitted Transfer shall be null and void and of no effect whatsoever; provided, however, that, if the Company is required to recognize a Transfer that is not a Permitted Transfer, the Membership Interest Transferred shall be strictly limited to the transferor's rights to allocations and distributions as provided by this Agreement with respect to the Transferred Membership Interest, which allocations and distributions may be applied (without limiting any other legal or equitable rights of the Company) to satisfy any debts, obligations, or liabilities for damages that the transferor or transferee of such Membership Interest may have to the Company. In the case of a Transfer or attempted Transfer of a Membership Interest that is not a Permitted Transfer, the parties engaging or attempting to engage in such Transfer shall be liable to indemnify and hold harmless the Company and the other Members from all cost, liability, and damage that any of such indemnified Persons may incur (including incremental tax liability and lawyers' fees and Expenses) as a result of such Transfer or attempted Transfer and efforts to enforce the indemnity granted hereby. Notwithstanding any provision in this Agreement to the contrary, the Managing Member shall prohibit any Transfer that would result in the Company being treated as a PTP, cause the assets of the Company to be deemed "plan assets" under ERISA or cause the Company to be subject to the provisions of ERISA or section 4975 of the Code.

11.5 Rights of Unadmitted Assignees.

(a) **In General**. A Person who acquires one or more Membership Interests but who is not admitted as a substituted Member pursuant to Section 11.6 shall be entitled only to allocations and distributions with respect to such Membership Interests in accordance with this Agreement, but shall have no right to any information or accounting of the affairs of the Company, shall not be entitled to inspect the books or records of the Company, and shall not have any of the rights of a Class B Common Member or a Class A Limited Member under the Act or this Agreement.

(b) **Class B Common Members**. Following a Transfer to a transferee who acquires a Membership Interest from a Class B Common Member under this Agreement by means of a Transfer that is permitted under this Section 11, but who is not admitted as a Class B Common Member, the transferor shall not cease to be a Class B Common Member of the Company and shall continue to be a Class B Common Member until such time as the transferee is admitted as a Class B Common Member under this Agreement.

(c) **Class A Limited Members**. Following a Transfer to a transferee who acquires a Membership Interest from a Class A Limited Member under this Agreement by means of a Transfer that is permitted under this Section 11, but who is not admitted as a Class A Limited Member, the transferor shall not cease to be a Class A Limited Member of the Company and shall continue to be a Class A Limited Member until such time as the transferee is admitted as a Class A Limited Member under this Agreement.

11.6 Admission as Substituted Members.

(a) Subject to the other provisions of this Section 11, a transferee of Membership Interests may be admitted to the Company as a substituted Member only upon satisfaction (or waiver by the Managing Member) of the conditions set forth below in this Section 11.6:

(i) the Membership Interests with respect to which the transferee is being admitted were acquired by means of a Permitted Transfer;

(ii) the transferee of such Membership Interest becomes a party to this Agreement as a Member and executes such documents and instruments as the Managing Member may reasonably request (including amendments to the Certificate of Formation) as may be necessary or appropriate to confirm such transferee as a Member in the Company and such transferee's agreement to be bound by the terms and conditions of this Agreement;

(iii) the transferee pays or reimburses the Company for all reasonable legal, filing, and publication costs that the Company incurs in connection with the admission of the transferee as a Member with respect to the Transferred Membership Interests;

(iv) the transferee provides the Company with evidence satisfactory to counsel for the Company that such transferee has made representations equivalent to those set forth below as of the date of the Transfer:

(1) **Due Formation or Incorporation; Authorization of Agreement**. Such transferee is a Person duly organized, validly existing, and in good standing under the laws of its jurisdiction of organization. Such transferee has the organizational power and authority to execute and deliver this Agreement and to perform its obligations hereunder. Such transferee has the legal right, power and capacity to own Membership Interests. The execution, delivery and performance by such transferee of this Agreement has been duly authorized by all necessary organizational action. This Agreement constitutes the legal, valid, and binding obligation of such transferee and is enforceable against such transferee in accordance with its terms, except to the extent that enforcement is affected by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law);

(2) **No Conflict with Restrictions**. Neither the execution and delivery by such transferee of this Agreement nor such transferee's performance and compliance with the terms and provisions hereof will contravene (i) such transferee's organizational documents or (ii) except where such contravention, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, law or any contractual restriction binding on or affecting such transferee;

(3) **Governmental Authorizations**. No authorization or approval or other action by, and no notice to or filing with, any governmental or regulatory authority is required in connection with the valid execution, delivery, and performance by such transferee of this Agreement, which, if not obtained, individually or in the aggregate, would reasonably be expected to have, a Material Adverse Effect;

(4) **Litigation**. There is no pending or, to the knowledge of such transferee, threatened action, suit, investigation, litigation or proceeding affecting such transferee before any court, governmental agency or arbitrator that (i) is not disclosed in a filing by such transferee or any of such transferee's Affiliates with the Securities and Exchange Commission, if applicable, and, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of this Agreement;

(5) **Investigation; Intent**. Such transferee (i) acquired and continues to hold its Membership Interests based upon its own investigation, and the exercise by such transferee of its rights and the performance of its obligations under this Agreement will be based upon its own investigation, analysis and expertise, (ii) its acquisition of its Membership Interests was made and continues to be made for its own account for investment, and not with a view to the sale or distribution thereof and (iii) it intends to continue to participate as a member in a Delaware limited liability company in accordance with this Agreement for the purpose of making an economic profit from the transactions entered into or proposed to be entered into by the Company;

(6) **Sole Owner**. Such transferee acquired its Membership Interests for its own account and is, and will remain, the sole beneficial owner of such Membership Interests at all times unless and until it Transfers ownership of such Membership Interests in accordance with and only to the extent permitted under Section 11.2;

(7) **No Intent to Avoid PTP Rules**. Such transferee (i) is not, and will not become, a Flow-Through Entity for U.S. federal income tax purposes or (ii) if it is, or if it becomes, a Flow-Through Entity for such purposes, then (x) less than 50% of the value of any direct or indirect equity or other beneficial interest in such Flow-Through Entity is, and will at all times continue to be, attributable to its Membership Interests and (y) a principal purpose of the purchase of the Membership Interests is not, and at all times will not be, to permit the Company or any entity of which the Company is a direct or indirect partner to satisfy the 100 partner limitation set forth in Regulations Section 1.7704-1(h)(1)(ii); and

(8) **Anti-Corruption Laws; Sanctions**. Such transferee (i) is not a Person that is, and is not owned or controlled by Persons that are the subject or target of any Sanctions; (ii) has implemented and maintains in effect policies and procedures designed to promote compliance by such transferee with Anti-Corruption Laws, and (iii) is in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects; and

(v) in the event that the transferee of a Membership Interest from any Member is admitted under this Agreement, such transferee shall be deemed admitted to the Company as a substituted Member immediately prior to the Transfer, and with respect to the transferee of the Managing Member, such transferee shall continue the business of the Company without dissolution.

11.7 Distributions and Allocations in Respect of Transferred Membership Interests. If any Membership Interest is Transferred during any Allocation Year in compliance with the provisions of this Section 11, Profits, Losses, each item thereof, and all other items attributable to the Transferred Membership Interest for such Allocation Year shall be allocated in

accordance with Section 3.5(b). Notwithstanding the date of such Transfer, all distributions to the Members pursuant to Section 4.1 shall be made to the holder of record of such Membership Interest as of the relevant date as set forth in Section 4.1. The Company shall recognize a Permitted Transfer of any Membership Interests not later than the end of the calendar month during which it is given notice of a Permitted Transfer; provided, however, that, if the Company is given notice of such a Permitted Transfer at least fourteen (14) Business Days prior to the Transfer, the Company shall recognize a Permitted Transfer as of the date of such Permitted Transfer; provided, further, that if the Company does not receive a notice stating the date such Membership Interest was Transferred and such other information as the Managing Member may reasonably require within thirty (30) days after the end of the Allocation Year during which the Permitted Transfer occurs, then all items attributable to the Transferred Membership Interest shall be allocated, and all distributions shall be made, to the Person who, according to the books and records of the Company, was the owner of the Membership Interest on the last day of such Allocation Year. Neither the Company nor the Managing Member shall incur any liability for making allocations and distributions in accordance with the provisions of this Section 11.7, whether or not the Managing Member or the Company has knowledge of any Transfer of ownership of any Membership Interest.

SECTION 12
POWER OF ATTORNEY

12.1 Managing Member as Attorney-In-Fact. Each Member hereby makes, constitutes, and appoints the Managing Member, each successor Managing Member, and the Liquidator, severally, with full power of substitution and resubstitution, its true and lawful attorney-in-fact for it and in its name, place, and stead and for its use and benefit, to sign, execute, certify, acknowledge, swear to, file, publish, and record (a) all certificates of formation, amended name or similar certificates, and other certificates and instruments (including counterparts of this Agreement) which the Managing Member or Liquidator may deem necessary to be filed by the Company under the laws of the State of Delaware or any other jurisdiction in which the Company is doing or intends to do business, (b) any and all amendments, restatements, or changes to this Agreement and the instruments described in clause (a), as now or hereafter amended, which the Managing Member may deem necessary to effect a change or modification of the Company in accordance with the terms of this Agreement, including amendments, restatements, or changes to reflect (i) the admission of any additional or substituted Member and (ii) the disposition by any Member of its Membership Interests, (c) all certificates of cancellation and other instruments which the Liquidator reasonably deems necessary or appropriate to effect the dissolution and termination of the Company pursuant to the terms of this Agreement and (d) any other instrument which is now or may hereafter be required by law to be filed on behalf of the Company to carry out fully the provisions of this Agreement in accordance with its terms; provided, however, that nothing in this Section 12.1 shall authorize such attorney-in-fact to take any action that (A) could reasonably be anticipated to have an adverse effect on a Class A Limited Member or the Company or (B) requires the consent of (y) all Class A Limited Members or (z) the Required Class A Limited Members, in each case, unless such consent shall have been given.

12.2 Nature of Special Power. The power of attorney granted to the Managing Member pursuant to this Section 12:

(a) is a special power of attorney coupled with an interest and is irrevocable; provided, however, that such power shall be (i) deemed suspended for so long as a Notice Event or Liquidation Event has occurred and is continuing and (ii) automatically terminated upon the appointment of a Liquidator;

(b) may be exercised by such attorney-in-fact with the single signature of any such attorney-in-fact acting as attorney-in-fact for such Members; and

(c) subject to the proviso set forth in Section 12.2(a), (i) shall survive and not be affected by the subsequent bankruptcy, insolvency, dissolution, or cessation of existence of a Member and (ii) shall survive the delivery of an assignment by a Class A Limited Member of the whole or a portion of its Membership Interests (except that where the assignment is of such Member's entire Membership Interests and the assignee, with the affirmative written consent of the other Members, is admitted as a substituted Member, the power of attorney shall survive the delivery of such assignment for the sole purpose of enabling any such attorney-in-fact to effect such substitution) and shall extend to such Member's or assignee's successors and assigns.

SECTION 13
DISSOLUTION AND WINDING UP

13.1 Liquidation Event.

(a) The Company shall dissolve and shall commence winding up and liquidation upon the first to occur of any of the following (each, a "***Liquidation Event***"):

(i) the date upon which a Liquidation Event Notice becomes effective in accordance with Section 14.2 so as to cause a Notice Event to become a Liquidation Event;

(ii) the Bankruptcy of the Company, the Managing Member, any Material Affiliate of the Managing Member or the Parent Company;

(iii) the Members unanimously consent to dissolve, wind up, and liquidate the Company;

(iv) the initial Managing Member or any other Managing Member approved by the Class A Limited Members (to the extent required pursuant to Section 5.7) ceases to be the Managing Member; or

(v) the entry of a decree of judicial dissolution with respect to the Company under Section 18-802 of the Act.

The Members hereby agree that, notwithstanding any provision of the Act, the Company shall not dissolve prior to the occurrence of a Liquidation Event.

(b) **Reconstitution**. If it is determined by a court of competent jurisdiction that the Company has dissolved prior to the occurrence of a Liquidation Event, then within ninety (90) days after such determination (the "***Reconstitution Period***"), all of the Members may elect to reconstitute the Company and continue its business on the same terms and conditions set forth in this Agreement by forming a new limited liability company on terms identical to those set forth in this Agreement. Unless such an election is made within the Reconstitution Period, the Company shall wind up its affairs in accordance with Section 13.2. If such an election is made within the Reconstitution Period, then:

(i) the reconstituted limited liability company shall continue until the occurrence of a Liquidation Event as provided in Section 13.1(a); and

(ii) unless otherwise agreed to by all of the Members, the Certificate of Formation and this Agreement shall, subject to any requirement under the Act to file a new certificate of formation, automatically constitute the certificate of formation and limited liability company agreement of such reconstituted Company. All of the assets and liabilities of the dissolved Company shall be deemed to have been automatically assigned, assumed, conveyed, and transferred to the reconstituted Company. No bond, collateral, assumption, or release of any Member's or the Company's liabilities shall be required; provided, however, that the right of the Members to select successor managers and to reconstitute and continue the business of the Company shall not exist and may not be exercised unless the Managing Member has received an opinion of counsel that the exercise of the right would not result in the loss of limited liability of any Member and neither the dissolved Company nor the reconstituted Company would cease to be treated as a partnership for U.S. federal income tax purposes upon the exercise of such right to continue.

(c) Notwithstanding any other provision of this Agreement, the Bankruptcy of a Member shall not cause such Member to cease to be a Member.

13.2 Winding Up. Upon (i) the occurrence of a Liquidation Event or (ii) the determination by a court of competent jurisdiction that the Company has dissolved prior to the occurrence of a Liquidation Event (unless the Company is reconstituted pursuant to Section 13.1(b)), the Company shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets (including by making demand for payment under and fully enforcing its rights (including, as applicable, rights of assignment) under and in respect of all Transaction Documents), and satisfying the claims of its creditors and Members, and no Member shall take any action that is inconsistent with the winding up of the Company's business and affairs; provided, however, that, to the extent not inconsistent with the foregoing, all covenants contained in this Agreement and obligations provided for in this Agreement shall continue to be fully binding upon the Members until such time as the Property has been distributed pursuant to this Section 13.2 and the Certificate of Formation has been canceled pursuant to the Act. The Liquidator shall be responsible for overseeing the winding up and dissolution of the Company, which winding up and dissolution shall be completed within (in the case of clause (i) above) ninety (90) days of the occurrence of the Liquidation Event or (in the case of clause (ii) above) within ninety (90) days after the last day of the Reconstitution Period. The Liquidator shall take full account of the Company's liabilities and Property and shall cause the Property or the proceeds from the sale or other realization thereof (including drawing on the Demand Notes and assigning all or any assignable rights under any Transaction Documents), to the extent sufficient therefor, to be applied and distributed, to the maximum extent permitted by law, in the following order:

(a) first, to creditors in satisfaction of all of the Company's debts and other liabilities (whether by payment or the making of reasonable provision for payment thereof to the extent required by Section 18-804 of the Act);

(b) second, to the Class A Limited Members, pro rata in proportion to their Unrecovered Capital, in an amount equal to their Unrecovered Capital;

(c) third, to the Class A Limited Members with documented Breakage Costs, pro rata in proportion thereto, in an amount equal to their documented Breakage Costs; and

(d) fourth, the balance, if any, to the Class B Common Members, pro rata in proportion to their holdings of Class B Common Membership Interests;

provided, however, that (1) all distributions pursuant to clauses (b), (c) and (d) shall be made solely in cash and (2) no application or distribution of any non-cash assets shall be made to the extent that the consent of any third party is required in connection therewith. No Member shall receive additional compensation for any services performed pursuant to this Section 13.

13.3 Deficit Capital Accounts; Reserves.

(a) If any Member has a deficit balance in such Member's Capital Account, determined after debiting and crediting such Member's Capital Account for all income, gain, and loss allocations and distributions occurring prior to dissolution, such Member shall have no obligation to make any contribution to the capital of the Company with respect to such deficit, and such deficit shall not be considered a debt owed to the Company or to any other Person for any purpose whatsoever.

(b) In the discretion of the Liquidator, but subject to the time periods set forth in Section 13.2, a pro rata portion of the distributions that would otherwise be made to the Members pursuant to this Section 13 may be:

(i) distributed to a trust established for the benefit of the Members for the purposes of liquidating Permitted Assets, collecting amounts owed to the Company, and paying any contingent or unforeseen liabilities or obligations of the Company. The assets of any such trust shall be distributed to the Members from time to time, in the reasonable discretion of the Liquidator, in the same proportions as the amount distributed to such trust by the Company would otherwise have been distributed to the Members pursuant to Section 13.2; or

(ii) withheld to provide a reasonable reserve for Company liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed to the Company; provided, however, that such withheld amounts shall be distributed to the Members as soon as practicable.

13.4 Rights of Members. Except as otherwise provided in this Agreement, each Member shall look solely to the Property of the Company for the return of its Capital Contributions and has no right or power to demand or receive Property other than cash from the Company. If the assets of the Company remaining after payment or discharge of the Indebtedness or other liabilities of the Company are insufficient to return such Capital Contributions, the Members shall have no recourse against the Company, the Managing Member, or any other Member, except as expressly set forth herein or in the other Transaction Documents.

13.5 Guaranteed Payments During Period of Liquidation. During the period commencing on the first day of the Three Month Period during which a Liquidation Event occurs and ending on the date on which all of the assets of the Company have been distributed to the Members pursuant to Section 13.2 (the "***Liquidation Period***"), the Company shall pay to each Class A Limited Member on each Liquidation Period Guaranteed Payment Date, cash in an amount equal to the Class A Limited Member Preferred Return on such Class A Limited Member's Unrecovered Capital determined as of the last Class A Distribution Date occurring prior to the Liquidation Period, after giving effect to any distributions made pursuant to Section 4.1 on such Class A Distribution Date. For purposes of this Section 13.5, the Class A Limited Member Preferred Return shall be determined as if each Liquidation Period Guaranteed Payment Date constituted a Class A Distribution Date.

13.6 Allocations and Distributions During Period of Liquidation. During the Liquidation Period, no distributions shall be made pursuant to Section 4.

13.7 Liquidating Distributions. For purposes of making distributions required by Section 13.2, the Liquidator shall not distribute Property other than cash to a Member without such Member's consent and, subject to such consent, the Liquidator shall be required to reduce Property to cash to the extent necessary to make distributions in cash to the Members pursuant Section 13.2.

13.8 The Liquidator.

(a) On the occurrence of a Liquidation Event, the Managing Member and the Class A Limited Members shall consult with each other to jointly agree on an agent to administer the liquidation of the Company (the "***Liquidator***"). If the Managing Member and the Class A Limited Members (by the consent of the Required Class A Limited Members) shall not agree on a Liquidator within two (2) Business Days following the occurrence of a Liquidation Event, the Required Class A Limited Members (or, in the event that a Liquidator is not appointed by the Required Class A Limited Members within four (4) Business Days following the occurrence of a Liquidation Event, the Initial Class A Limited Members so long as the Initial Class A Limited Members (together with their Affiliates) hold Class A Limited Membership Interests with aggregate Unrecovered Capital equal to at least $1,000,000,000) shall have the right to appoint the Liquidator; provided, that the Class A Limited Members (or the Initial Class A Limited Members, as the case may be) shall reasonably take into account the input of the Managing Member in such appointment and in any directions provided to the Liquidator in connection with the liquidation contemplated hereby; provided, further, that upon the indefeasible payment to the Class A Limited Members of the Unrecovered Capital with respect to all outstanding Class A Limited Membership Interests, the Managing Member may direct the Liquidator in all respects with respect to its actions involving the Company.

(b) The Company is authorized to pay such reasonable compensation to the Liquidator for its services performed pursuant to this Section 13 as shall be agreed upon by the Liquidator and the Class A Limited Members and to reimburse the Liquidator for its reasonable Expenses incurred in performing those services.

SECTION 14
NOTICE EVENTS

14.1 Notice Events. In the event that any of the following events ("***Notice Events***") shall occur, the Class A Limited Members shall have the rights described in Section 14.2:

(a) the failure of the Company to distribute to the Class A Limited Members in immediately available funds on two (2) or more Class A Distribution Dates an amount equal to the cumulative Class A Limited Member Preferred Return in respect of each such Class A Distribution Date and such failure continues for a period of three (3) Business Days;

(b) the failure of the Company to comply with the Portfolio Requirements at any time and such failure continues unabated for ten (10) Business Days; provided that, with respect to a failure to comply with the Portfolio Requirements that is identified following the delivery of a Valuation Report, such failure to comply shall be deemed to occur on the date of delivery of the Valuation Report; provided, further that security interests with respect to any additional Contributed Fiber Assets may be perfected within twenty (20) Business Days of such failure;

(c) the Managing Member or any Affiliate of the Managing Member (i) fails to observe or perform any covenant, condition or agreement contained in Sections 5.4 or 5.5(c) of this Agreement or (ii) fails to observe or perform any material covenant, condition or

agreement contained in this Agreement or any other Transaction Document (other than a Transaction Document between the Company and a Subsidiary thereof), and, in the case of either clause (i) or clause (ii), such failure or breach, as applicable, has not been cured (to the extent curable) prior to the fifteenth (15th) Business Day after notice from the Required Class A Limited Members (or the Initial Class A Limited Members so long as the Initial Class A Limited Members (together with their Affiliates) hold Class A Limited Membership Interests with aggregate Unrecovered Capital equal to at least $1,000,000,000);

(d) any representation or warranty made or deemed made by the Managing Member, the Company, the Parent Company or any Parent Company Entity under or in connection with this Agreement or any other Transaction Document shall have been incorrect in any material respect when made or deemed made; or

(e) four (4) consecutive Class A Failed Mandatory Remarketings have occurred.

The Managing Member shall notify the Administrative Agent (or each Class A Limited Member, if no Administrative Agent is appointed at the time) of the occurrence of any Notice Event promptly and an any event within five (5) Business Days of any officer of the Managing Member having actual knowledge of such occurrence and each Member shall have the right to notify the Administrative Agent (if any) upon becoming aware of any such occurrence. Upon receipt of any such notice from the Managing Member or any other Member, the Administrative Agent (if any) shall promptly notify all the Class A Limited Members.

14.2 Liquidation Event Notice. At any time on or after the occurrence of a Notice Event, (w) the Required Class A Limited Members, (x) the Initial Class A Limited Members (so long as the Initial Class A Limited Members (together with their Affiliates) hold Class A Limited Membership Interests with aggregate Unrecovered Capital equal to at least $1,000,000,000), (y) any Class A Limited Member that holds (together with its Affiliates) Class A Limited Membership Interests with an aggregate Unrecovered Capital equal to at least $1,000,000,000 (solely with respect to the Notice Event set forth in Section 14.1(a)) or (z) any Class A Limited Member (solely with respect to the Notice Event set forth in Section 14.1(e)) may elect to cause such Notice Event to result in a Liquidation Event by delivering (or directing the Administrative Agent (if any) to deliver) to the Managing Member a notice (a "***Liquidation Event Notice***") of such election; provided, however, that: (i) such Notice Event shall not result in a Liquidation Event until the expiration of a period of fifteen (15) days following such delivery and (ii) the Required Class A Limited Members, the Initial Class A Limited Members or such Class A Limited Member, as applicable, may rescind such Liquidation Event Notice by delivering (or directing the Administrative Agent (if any) to deliver) to the Managing Member a notice prior to such fifteenth (15th) day.

14.3 Enforcement of Rights with respect to Contributed Notes and other Transaction Documents. Following the delivery of a Liquidation Event Notice, the Managing Member and the Administrative Agent (if any) shall cause the Company to immediately (a) demand the immediate repayment of the principal amounts of the Demand Notes and Contributed Notes, in whole, together with all accrued but unpaid interest thereon and all other amounts payable thereunder and (b) exercise all rights under the Demand Notes, Contributed Notes and Keep Well Agreements and all other Transaction Documents and take all such other actions incidental thereto as may be necessary or desirable to effect such repayment and the realization of value of the rights under the Transaction Documents, including, as applicable, by any permitted assignment of any Transaction Document or any rights thereunder.

SECTION 15
REDEMPTION

15.1 Optional Redemption.

(a) At any time on or after September 29, 2027, the Company shall have the right, but not the obligation, in the Managing Member's sole discretion, to redeem, in whole or in part, the then-outstanding Class A Limited Membership Interests pro rata in proportion to their Unrecovered Capital on the terms provided in Section 15.2, by payment in cash in respect of each Class A Limited Membership Interest being redeemed of an amount equal to the Unrecovered Capital with respect to the Class A Limited Membership Interest being redeemed as of the Class A Purchase Date (with the accrued but undistributed portion of such Unrecovered Capital, including all accrued and undistributed Class A Limited Member Preferred Return, calculated through, but not including, the Class A Purchase Date (the "***Class A Purchase Price***")).

(b) If the approval of the Required Class A Limited Members is not received in connection with a proposed Transfer pursuant to Section 11.2(a), the Company shall have the right, but not the obligation, in the Managing Member's sole discretion, to elect, within ninety (90) days after notice to the Class A Limited Members of the proposed Transfer, to redeem, in whole but not in part, the then-outstanding Class A Limited Membership Interests by payment in cash in respect of each Class A Limited Membership Interest being redeemed of the applicable Class A Purchase Price.

(c) Following receipt of a Liquidation Event Notice, the Company shall have the right, but not the obligation, in the Managing Member's sole discretion, to redeem, in whole but not in part, the then-outstanding Class A Limited Membership Interests on the terms provided in Section 15.2 by payment in cash in respect of each Class A Limited Membership Interest being redeemed of the applicable Class A Purchase Price. Delivery of a notice of redemption pursuant to this Section 15.1(c) and Section 15.2(a) shall constitute a rescission of any Liquidation Event Notice delivered prior to the date of such redemption notice; provided, however, such Liquidation Event Notice shall be deemed reinstated upon the failure of the Company to pay or cause the payment of the Class A Purchase Price on the Class A Purchase Date.

15.2 Redemption Process.

(a) If the Company elects to redeem Class A Limited Membership Interests (the applicable redemption or repurchase date, the "***Class A Purchase Date***") pursuant to Section 15.1, the Company shall provide at least five (5) days', but not more than sixty (60) days', prior notice of such election, which notice shall be sent or delivered to the Administrative Agent (or to the address, pursuant to Section 17.1, of each Class A Limited Member holding Class A Limited Membership Interests to be redeemed, if no Administrative Agent is appointed at the time). If the notice required under the preceding sentence is sent or delivered to the Administrative Agent, the Managing Member or, at its option, the Administrative Agent shall deliver a copy of such notice to the address, pursuant to Section 17.1, of each Class A Limited Member holding Class A Limited Membership Interests to be redeemed.

(b) The closing of a purchase contemplated by Section 15.1 shall occur on the Class A Purchase Date. At the closing, (x) the Class A Limited Members shall deliver to the Company good title, free and clear of any Liens, to their respective Class A Limited Membership Interests thus purchased, (y) the transferring Class A Limited Members shall execute such documents and instruments of conveyance as may be reasonably necessary to effectuate the transaction contemplated hereby, including the Transfer of the Class A Limited Membership

Interests and (z) the Company shall pay (or cause to be paid) the Class A Purchase Price to the transferring Class A Limited Members in full in cash.

(c) On and after the applicable Class A Purchase Date, Unrecovered Capital shall cease to accrue on any Class A Limited Membership Interests called for redemption or repurchase pursuant to Section 15.1, unless the Company fails to make payment of the applicable Class A Purchase Price when due.

(d) In each case in which the Company redeems any Class A Limited Membership Interests pursuant to Section 15.1, the Company shall promptly reimburse any documented Breakage Costs of the Class A Limited Member holding such Class A Limited Membership Interests.

15.3 Treatment as Purchase Under Section 741. The Class A Limited Members agree to treat the Transfer of the Class A Limited Membership Interests to the Company pursuant to Section 15.1 as a purchase and sale under Code Section 741 and not as a retirement under Code Section 736.

SECTION 16
ADMINISTRATIVE AGENT

16.1 Authorization and Authority. The Class A Limited Members hereby authorize the Managing Member to, and, upon the occurrence of a Notice Event, the Required Class A Limited Members may request the Managing Member to, and the Managing Member shall if so requested, appoint an administrative agent (in such capacity, the "***Administrative Agent***") (who may, for the avoidance of doubt, be the Paying Agent and in any case need not be a Member, provided that, following the occurrence of a Notice Event, the Administrative Agent shall be an Eligible Agent) to act on their behalf hereunder and authorize such Administrative Agent to take such actions on their behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto. Such Administrative Agent shall become party to this Agreement by executing a counterpart to this Agreement. The provisions of this Section 16 are solely for the benefit of the Administrative Agent and the Class A Limited Members, and the Company and the Class B Common Members shall have no rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties. If the Administrative Agent is the Paying Agent, to the extent any terms of this Agreement applicable to the Administrative Agent conflict with the terms of the Paying Agency Agreement, the terms of this Agreement shall govern.

16.2 Administrative Agent Individually. If the Administrative Agent is a Class A Limited Member, the Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Class A Limited Member as any other Class A Limited Member and may exercise the same as though it were not the Administrative Agent and the term "Class A Limited Member" or "Class A Limited Members" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other capacity for and generally engage in any kind of business with the Company or any Subsidiary or any other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Class A Limited Members.

16.3 Duties of Administrative Agent; Exculpatory Provisions.

(a) The Administrative Agent's duties hereunder are solely ministerial and administrative in nature and the Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, the Administrative Agent (if any):

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Notice Event or Liquidation Event has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise as directed in writing by the Required Class A Limited Members (or such other number or percentage of the Class A Limited Members as shall be expressly provided for herein); provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to this Agreement or applicable law; and

(iii) shall not, except as expressly set forth herein, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(b) The Administrative Agent (if any) shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Class A Limited Members (or such other number or percentage of the Class A Limited Members as shall be necessary) or (ii) in the absence of its own gross negligence or willful misconduct. The Administrative Agent (if any) shall be deemed not to have knowledge of any Notice Event or Liquidation Event or the event or events that give or may give rise to any Notice Event or Liquidation Event unless and until the Managing Member or any other Member shall have given notice to the Administrative Agent describing such Notice Event or Liquidation Event and such event or events.

(c) The Administrative Agent (if any) shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty, representation or other information made or supplied in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith or the adequacy, accuracy and/or completeness of the information contained therein, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Notice Event or Liquidation Event, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document or (v) the satisfaction of any condition set forth herein, other than (but subject to the foregoing clause (ii)) to confirm receipt of items expressly required to be delivered to the Administrative Agent.

16.4 Reliance by Administrative Agent. The Administrative Agent (if any) shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent (if any) also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent (if any) may consult with legal counsel (who may be

counsel for the Company), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

16.5 Delegation of Duties. The Administrative Agent (if any) may perform any and all of its duties and exercise its rights and powers hereunder by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent (if any) and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. Each such sub-agent and the Affiliates of the Administrative Agent (if any) and each such sub-agent shall be entitled to the benefits of all provisions of this Section 16 (as though such sub-agents were the "Administrative Agent" hereunder) as if set forth in full herein with respect thereto.

16.6 Resignation of Agent. Any Administrative Agent may at any time give notice of its resignation to the Managing Member and the Class A Limited Members. Upon receipt or giving of any such notice of resignation, if the Managing Member determines that a successor Administrative Agent should be appointed, the Required Class A Limited Members shall have the right, in consultation with the Managing Member, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Class A Limited Members and shall have accepted such appointment within 30 days after the Managing Member notifies the Class A Limited Members of its determination that a successor Administrative Agent should be appointed (such 30-day period, the "***Appointment Period***"), then the Managing Member may, on behalf of the Class A Limited Members, appoint a successor Administrative Agent meeting the qualifications set forth above. In addition and without any obligation on the part of the retiring Administrative Agent to appoint, on behalf of the Class A Limited Members, a successor Administrative Agent, the retiring Administrative Agent may at any time upon or after the end of the Appointment Period notify the Managing Member and the Class A Limited Members that no qualifying Person has accepted appointment as successor Administrative Agent and the effective date of such retiring Administrative Agent's resignation. Upon the resignation effective date established in such notice and regardless of whether a successor Administrative Agent has been appointed and accepted such appointment, the retiring Administrative Agent's resignation shall nonetheless become effective and (a) the retiring Administrative Agent shall be discharged from its duties and obligations as Administrative Agent hereunder and (b) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to the applicable Member directly, until such time as a successor Administrative Agent (if any) is appointed as provided for herein. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties as Administrative Agent of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations as Administrative Agent hereunder (if not already discharged therefrom as provided herein). The fees payable by the Company to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Company and such successor. After the retiring Administrative Agent's resignation hereunder, the provisions of this Section 16 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Affiliates in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

16.7 Non-Reliance on Administrative Agent and Other Class A Limited Members. Each Class A Limited Member acknowledges that it has, independently and without reliance upon the Administrative Agent (if any) or any other Class A Limited Member and based on such documents and information as it has deemed appropriate, made its own decision to enter into this Agreement. Each Class A Limited Member also acknowledges that it will,

independently and without reliance upon the Administrative Agent (if any) or any other Class A Limited Member and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement or any related agreement or any document furnished hereunder.

16.8 Fees; Indemnification.

(a) The Company shall pay to the Administrative Agent (if any) for its own account such fees as may from time to time be agreed between the Company and the Administrative Agent.

(b) The Company agrees to indemnify the Administrative Agent (if any), and any members, managers, partners, stockholders, officers, directors, employees or agents thereof (each, an "***Administrative Agent Indemnitee***"), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against such Administrative Agent Indemnitee in any way relating to or arising out of this Agreement or any action taken or omitted by the Administrative Agent or any Administrative Agent Indemnitee under this Agreement, other than to the extent resulting from any Administrative Agent Indemnitee's gross negligence or willful misconduct. Without limitation of the foregoing, the Company agrees to reimburse the Administrative Agent (if any) promptly upon demand for its ratable share of any out-of-pocket expenses (including reasonable counsel fees) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement.

(c) The Class A Limited Members agree to indemnify the Administrative Agent (if any) and each Administrative Agent Indemnitee (to the extent not reimbursed by the Company), ratably according to their respective Unrecovered Capital, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against such Administrative Agent Indemnitee in any way relating to or arising out of this Agreement or any action taken or omitted by the Administrative Agent or any Administrative Agent Indemnitee under this Agreement, other than to the extent resulting from any Administrative Agent Indemnitee's gross negligence or willful misconduct. Without limitation of the foregoing, the Class A Limited Members agree to reimburse the Administrative Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including reasonable counsel fees) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, to the extent that the Administrative Agent is not reimbursed for such expenses by the Company.

SECTION 17
MISCELLANEOUS

17.1 Notices. Unless otherwise expressly specified or permitted by the terms of this Agreement, all notices, requests, demands and instructions hereunder shall be in writing and shall be delivered by hand or courier service, or shall be sent by overnight courier, or if an email or a facsimile number, as applicable, has been provided on Schedule A for such party, may be sent by email or facsimile, as applicable, in each case to (a) the address for such party set forth on the Membership Registry (with respect to a Member), (b) to the principal place of business address set forth in Section 1.4 (with respect to the Company) and (c) to the address set forth on

such party's counterpart to this Agreement (with respect to the Administrative Agent (if any)). Whenever any notice is required to be given hereunder, such notice shall be deemed given only when such notice is delivered or, if sent by overnight courier, email or facsimile, when received, unless otherwise expressly specified or permitted by the terms hereof. Whenever any notice is required to be given by law or this Agreement, a written waiver thereof signed by the Person entitled to such notice, whether before or after the time stated at which such notice is required to be given, shall be deemed equivalent to the giving of such notice.

17.2 Binding Effect. Except as otherwise provided in this Agreement, every covenant, term, and provision of this Agreement shall be binding upon and inure to the benefit of the Members, the Independent Managers and their respective successors, transferees and assigns.

17.3 Construction. It is the intent of the parties hereto that every covenant, term, and provision of this Agreement shall be construed simply according to its fair meaning and not strictly for or against any Member. The terms of this Agreement are intended to embody the economic relationship among the Members and shall not be subject to modification by, or be conformed with, any actions by the IRS except as this Agreement may be explicitly so amended and except as may relate specifically to the filing of tax returns.

17.4 Time. In computing any period of time pursuant to this Agreement, the day of the act, event, or default from which the designated period of time begins to run shall be included.

17.5 Headings. Section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision hereof.

17.6 Severability. Except as otherwise provided in the succeeding sentence, every provision of this Agreement is intended to be severable, and, if any term or provision of this Agreement is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Agreement. The preceding sentence of this Section 17.6 shall be of no force or effect if the consequence of enforcing the remainder of this Agreement without such illegal or invalid term or provision would be to cause any Member to lose the material benefit of its economic bargain.

17.7 Governing Law. This Agreement and any dispute, controversy or claim arising hereunder on in connection herewith shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed entirely within such state, without regard to the conflicts of law principles that would otherwise require the applicable of the laws of a jurisdiction other than the State of New York; provided, however, that the laws of the State of Delaware shall apply hereto with respect to matters governed by the Act or the internal affairs doctrine, or otherwise subject to the provisions of the Act, without regard to the conflicts of law principles that would otherwise require the applicable of the laws of a jurisdiction other than the State of Delaware.

17.8 Consent to Jurisdiction. Each Member (i) irrevocably submits to the non-exclusive jurisdiction of any state court of the State of New York located in the borough of Manhattan or, if a basis for federal court jurisdiction is present, the United States District Court for the Southern District of New York, in any action arising out of this Agreement, (ii) agrees that all claims in such action may be decided in such court, as applicable, (iii) waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum, and (iv) consents, to the fullest extent it may effectively do so, to the service of process by mail in accordance with Section 17.1. A final judgment in any such action shall be conclusive and may be enforced in

other jurisdictions. Nothing herein shall affect the right of any party to serve legal process in any manner permitted by law or affect its right to bring any action in any other court.

17.9 WAIVER OF JURY TRIAL. EACH OF THE MEMBERS IRREVOCABLY WAIVES, TO THE EXTENT PERMITTED BY LAW, ALL RIGHTS TO TRIAL BY JURY AND ALL RIGHTS TO IMMUNITY BY SOVEREIGNTY OR OTHERWISE IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

17.10 Counterpart Execution. This Agreement shall be valid, binding, and enforceable against a party hereto when executed and delivered by an authorized individual on behalf of such party by means of (i) an original manual signature; (ii) a faxed, scanned, or photocopied manual signature, or (iii) any other electronic signature permitted by the federal Electronic Signatures in Global and National Commerce Act, state enactments of the Uniform Electronic Transactions Act, and/or any other relevant electronic signatures law, including any relevant provisions of the Uniform Commercial Code/UCC (collectively, "***Signature Law***"), in each case to the extent applicable. Each faxed, scanned, or photocopied manual signature, or other electronic signature, shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. Each party hereto shall be entitled to conclusively rely upon, and shall have no liability with respect to, any faxed, scanned, or photocopied manual signature, or other electronic signature, of any other party and shall have no duty to investigate, confirm or otherwise verify the validity or authenticity thereof. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute one and the same instrument. For the avoidance of doubt, original manual signatures shall be used for execution or indorsement of writings when required under the UCC or other Signature Law due to the character or intended character of the writings.

17.11 Specific Performance. Each Member agrees with the other Members that the other Members may be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that monetary damages would not provide an adequate remedy in such event. Accordingly, it is agreed that, in addition to any other remedy to which the non-breaching Members may be entitled, at law or in equity, the non-breaching Members shall be entitled to injunctive relief to prevent breaches of the provisions of this Agreement and specifically to enforce the terms and provisions hereof.

17.12 Entire Agreement. This Agreement and other Transaction Documents and the Annexes, Exhibits and Schedules hereto and thereto constitute the entire agreement among the parties hereto and their respective Affiliates and contain all of the agreements among such parties with respect to the subject matter hereof and thereof. This Agreement and the other Transaction Documents and the Annexes, Exhibits and Schedules hereto and thereto supersede any and all other agreements, either oral or written, between such parties with respect to the subject matter hereof and thereof.

17.13 No Third Party Beneficiaries. Except as otherwise expressly provided herein, no Person other than a party hereto shall have any rights or remedies under this Agreement.

17.14 Waiver. Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the party or parties entitled to the benefit thereof. Any such waiver shall be validly and sufficiently authorized for the purposes of this Agreement if, as to any party, it is authorized in writing by an authorized representative of such party. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any way to affect the validity of this

Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

17.15 Non-Petition. The Members agree that no Member shall, until the day that is one year and one day after the redemption in full of all Class A Limited Membership Interests (a) acquiesce in, petition, consent to or otherwise invoke or institute the process of any governmental authority, or knowingly assist creditors of the Company (other than as required by applicable law or compelled by legal process), for the purpose of commencing or ordering any involuntary or nonconsensual (i) case against the Company or its property under the United States Bankruptcy Code, (ii) appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official with respect to the Company or its property or (iii) winding up or liquidation of the affairs of the Company, or (b) cause to commence, or consent to, any voluntary or consensual case, action or proceeding described in clause (i), (ii) or (iii) of this sentence without such consents as may be required under this Agreement or any other agreement to which the Company is a party.

17.16 Non-Business Days. Wherever any payment is required to be made, any notice required to be given or any other action required to be taken under this Agreement on a specified day that is not a Business Day, except as otherwise specified, such payment shall be made, such notice shall be given or such action shall be taken, as the case may be, on the next succeeding Business Day.

17.17 Recognition of U.S. Special Resolution Regimes. In the event that any Member that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Member of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States of America or a state of the United States of America.

(a) In the event that any Member that is a Covered Entity or a BHC Act Affiliate of such Member becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Member are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States of America or a state of the United States of America.

(b) For purposes of this Section 17.17,

(i) "***BHC Act Affiliate***" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. §1841(k);

(ii) "***Covered Entity***" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. §252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. §47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. §382.2(b);

(iii) "***Default Right***" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§252.81, 47.2 or 382.1, as applicable; and

(iv) "***U.S. Special Resolution Regime***" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the

Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement of the Company as of the day first above set forth.

CLASS B COMMON MEMBER AND MANAGING MEMBER:

AT&T FIBER INVESTMENT HOLDINGS, LLC
By: AT&T Properties, LLC
Its: Manager

By: /s/ Andrew B. Keiser
Name: Andrew B. Keiser
Title: Vice President and Assistant Treasurer

[Signature Page to Third A&R LLC Agreement]

CLASS A LIMITED MEMBER:

MUFG BANK, LTD., NEW YORK BRANCH

By: /s/ Terry McKay
Name: Terry McKay
Title: Managing Director

[Signature Page to Third A&R LLC Agreement]

CLASS A LIMITED MEMBER:

WELLS FARGO BANK, N.A.

By: /s/ Austin Vanassa
Name: Austin Vanassa
Title: Managing Director

[Signature Page to Third A&R LLC Agreement]

CLASS A LIMITED MEMBER:

COMMERZBANK AG, NEW YORK BRANCH

By: /s/ Bill Donohue
Name: Bill Donohue
Title:

By: /s/ Giovanni Baldini
Name: Giovanni Baldini
Title:

CLASS A LIMITED MEMBER:

MIZUHO BANK, LTD.

By: /s/ Tracy Rahn
Name: Tracy Rahn
Title: Executive Director

[Signature Page to Third A&R LLC Agreement]

CLASS A LIMITED MEMBER:

SG MORTGAGE FINANCE CORP.

By: /s/ Brendan Bush
Name: Brendan Bush
Title: President

[Signature Page to Third A&R LLC Agreement]

CLASS A LIMITED MEMBER:

SUMITOMO MITSUI BANKING CORPORATION

By: /s/ Nabeel Shah
Name: Nabeel Shah
Title: Director, Duly Authorized Signatory

[Signature Page to Third A&R LLC Agreement]

CLASS A LIMITED MEMBER:

BNP PARIBAS

By: /s/ Nicole Rodriguez
Name: Nicole Rodriguez
Title: Director

By: /s/ Christopher Sked
Name: Christopher Sked
Title: Managing Director

[Signature Page to Third A&R LLC Agreement]

INDEPENDENT MANAGERS

By: /s/ Bernard J. Angelo
Name: Bernard J. Angelo

By: /s/ Kevin J. Corrigan
Name: Kevin J. Corrigan

[Signature Page to Third A&R LLC Agreement]

Exhibit A

Form of Demand Note

(see attached)

Exhibit B

Form of Secured Note

(see attached)

Exhibit C

Form of Keep Well Agreement

(see attached)

Exhibit D

Form of Class A Mandatory Remarketing Agreement

(see attached)

Exhibit E-1

Form of Class A-1 Limited Membership Interest Certificate

(see attached)

Exhibit E-2

Form of Class A-2 Limited Membership Interest Certificate

(see attached)

Exhibit E-3

Form of Class A-3 Limited Membership Interest Certificate

(see attached)

Exhibit E-4

Form of Class B Common Membership Interest Certificate

(see attached)

Exhibit F

Form of Independent Manager Management Agreement

(see attached)

Schedule A

Membership Registry

Schedule B

Borrowers

FOURTH AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

OF

AT&T FIBER INVESTMENT, LLC,

a Delaware Limited Liability Company

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EXHIBITS

SCHEDULES

FOURTH AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

OF

AT&T FIBER INVESTMENT, LLC

This FOURTH AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (this "***Agreement***") of AT&T Fiber Investment, LLC, a Delaware limited liability company (the "***Company***"), is entered into as of October 8, 2024 and effective as of March 3, 2025 (the "***Effective Date***"), by and among AT&T Fiber Investment Holdings, LLC, a Delaware limited liability company ("***Holdings***"), as the Managing Member and a Class B Common Member, the Class A Limited Members listed on Schedule A attached hereto and Bernard J. Angelo and Kevin J. Corrigan, as the Independent Managers, pursuant to the provisions of the Act, on the following terms and conditions (capitalized terms used herein without definition shall have the meanings specified in Section 1.11);

WHEREAS, the Company was formed as a limited liability company under and pursuant to the provisions of the Act and upon the terms and conditions set forth in the Limited Liability Company Agreement of the Company, dated as of September 17, 2020 (the "***Original LLC Agreement***"), with the Managing Member becoming at that time the sole member of the Company owning one hundred percent (100%) of the limited liability company interest in the Company in consideration of a capital contribution of $100.00;

WHEREAS, the Members amended and restated the Original LLC Agreement in its entirety as set forth in the Amended and Restated Limited Liability Company Agreement of the Company, dated as of September 29, 2020 (as amended by the Amendment to the Amended and Restated Limited Liability Company Agreement of the Company, dated as of December 1, 2020, the "***A&R LLC Agreement***");

WHEREAS, the Members amended and restated the A&R LLC Agreement in its entirety as set forth in the Second Amended and Restated Limited Liability Company Agreement of the Company, dated as of April 4, 2023 (the "***Second A&R LLC Agreement***");

WHEREAS, the Members amended and restated the Second A&R LLC Agreement in its entirety as set forth in the Third Amended and Restated Limited Liability Company Agreement of the Company, dated as of April 18, 2023 (the "***Existing LLC Agreement***");

WHEREAS, pursuant to that certain Class A-4 Subscription Agreement, dated as of the date hereof (the "***Class A-4 Subscription Agreement***"), by and among the Company and certain Class A Limited Members, such Class A Limited Members have agreed to purchase Class A-4 Limited Membership Interests and to make Capital Contributions to the Company;

WHEREAS, pursuant to the Class A-4 Subscription Agreement, Parent Company has agreed to cause the Pre-Closing Reorganization, such that, immediately following the Closing (as defined in the Class A-4 Subscription Agreement), the Portfolio Requirements are satisfied; and

WHEREAS, in order to reflect (a) the issuance of Class A-4 Limited Membership Interests pursuant to the Class A-4 Subscription Agreement and the admission of additional Class A Limited Members to the Company as of the date of entry into this Agreement and (b) the transactions contemplated herein and in the other Transaction Documents, the Members have agreed to amend and restate the Existing LLC Agreement in its entirety as set forth in this Agreement.

NOW, **THEREFORE**, in consideration of the mutual promises and covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1
THE COMPANY

1.1 Formation; No State-Law Partnership. The fact that the Certificate of Formation is on file in the office of the Secretary of State of the State of Delaware shall constitute notice that the Company is a limited liability company. Pursuant to Section 18-201(d) of the Act, the Original LLC Agreement was effective as of the date of the filing of the Certificate of Formation. From the date of this Agreement, the rights and liabilities of the Members shall be as provided under the Act, the Certificate of Formation, and this Agreement. To the extent that the rights, powers, duties, obligations and liabilities of any Member (in its capacity as such) are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement shall, to the extent permitted by the Act, control. The Members intend that the Company not be a partnership (including a limited partnership) or joint venture, and that no Member be a partner or joint venturer of any other Member, for any purposes (including Section 303 of the United States Federal Bankruptcy Code) other than tax purposes and that this Agreement may not be construed to suggest otherwise.

1.2 Name. The name of the Company is AT&T Fiber Investment, LLC and all business of the Company shall be conducted in such name or, as determined by the Managing Member, under any other name; provided that any such other name would not cause the Company to violate Section 5.4 of this Agreement.

1.3 Purpose; Powers.

(a) The sole purposes of the Company are:

(i) to conduct the Permitted Business; and

(ii) to do such other things and engage in any other activities that are necessary, convenient, or incidental to the foregoing purpose.

(b) The Company has the power to do any and all acts necessary, appropriate, proper, advisable, incidental, or convenient to, and in furtherance of, the purposes of the Company set forth in this Section 1.3 and has any and all powers that may be exercised on behalf

of the Company by the Managing Member pursuant to Section 5 that are consistent with Section 1.3(a).

1.4 Principal Place of Business. The principal place of business of the Company shall be at 208 S. Akard Street, Room 1843, Dallas, Texas 75202. The Managing Member may change the principal place of business of the Company to any other place within or without the State of Delaware. The initial registered office of the Company in the State of Delaware is located at The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

1.5 Term. The term of the Company commenced on the date the Certificate of Formation was filed in the office of the Secretary of State of the State of Delaware in accordance with the Act and shall continue until the dissolution and the completion of the winding up of the Company in accordance with Section 13. The existence of the Company as a separate legal entity and this Agreement shall continue until the cancellation of the Certificate of Formation in accordance with the Act.

1.6 Filings; Agent for Service of Process.

(a) The Managing Member, or an agent of the Managing Member, was authorized to execute and cause the Certificate of Formation to be filed in the office of the Secretary of State of the State of Delaware as an authorized person within the meaning of, and otherwise in accordance with, the Act.

(b) The registered agent for service of process on the Company in the State of Delaware shall be The Corporation Trust Company or any successor as appointed by the Managing Member in accordance with the Act.

(c) Upon the dissolution and completion of the winding up of the Company in accordance with and subject to Section 13, the Liquidator, as an authorized person within the meaning of the Act, shall promptly execute and cause to be filed a Certificate of Cancellation in accordance with the Act and the laws of any other jurisdictions in which the Liquidator deems such filing or any similar filing to be necessary or advisable.

1.7 Title to Assets. All Property owned by the Company shall be owned by the Company as an entity, and all Property owned by any Subsidiary of the Company shall be owned by such Subsidiary, and no Member shall have any ownership interest in such assets in its individual name. Each Member's Membership Interest in the Company shall be personal property for all purposes. The Company shall hold title to all of its assets in the name of the Company, and each Subsidiary of the Company shall hold title to all of its assets in the name of such Subsidiary, and in each case not in the name of any Member.

1.8 Payments of Individual Obligations. The Company's credit and assets shall be used solely for the benefit of the Company, and no asset of the Company shall be transferred in satisfaction of, or encumbered for, or in payment of, any individual obligation of any Member.

1.9 Outside Activities. Neither this Agreement nor any of the other Transaction Documents nor any activity undertaken pursuant hereto or thereto shall prevent any Member, Independent Manager or any Affiliates of such Member or Independent Manager from engaging in whatever activities they choose, and any such activities may be undertaken without having or incurring any obligation to offer any interest in such activities to the Company, any Member or any Independent Manager, or require any Member or any Independent Manager to permit the Company or any other Member or Independent Manager or Affiliate thereof to

participate in any such activities, and as a material part of the consideration for the execution of this Agreement by each Member and Independent Manager, each Member and Independent Manager hereby waives, relinquishes, and renounces any such right or claim of participation.

1.10 Authorization.

(a) Notwithstanding any other provision in this Agreement, including Section 5 and Section 10.1, the Managing Member, on behalf of the Company, is hereby authorized to cause the Company to execute and deliver, and perform its obligations under, the Transaction Documents to which the Company is a party, all without any further action, consent, or approval of any other Person.

(b) The Managing Member may, without any further action, consent, or approval of any other Person (but subject to the following sentence), make changes to the structure of the Pre-Closing Reorganization that it determines to be necessary, advisable or desirable and make corresponding changes to the Pre-Closing Reorganization Documents so long as the Portfolio Requirements are satisfied and the changes do not otherwise (i) violate this Agreement or (ii) result in a representation or warranty of Parent Company or the Company given with respect to the Transaction Documents in the Class A-4 Subscription Agreement, other than the representation and warranty set forth in Section 3.2(r) thereof, to be untrue or inaccurate as of the Closing (as defined in the Class A-4 Subscription Agreement) as if made at such time. The Managing Member shall provide the Class A Limited Members with a reasonable opportunity to review and comment on the material Pre-Closing Reorganization Documents in respect of material Pre-Closing Reorganization steps prior to the execution thereof, and reasonably consider timely and reasonable comments proposed by the Class A Limited Members. The Managing Member shall provide copies to the Class A Limited Members of each executed final Pre-Closing Reorganization Document on or prior to the Effective Date.

1.11 Definitions. Unless otherwise specifically stated, the capitalized terms used in this Agreement shall have the following meanings:

"***2023 Fiber Contribution Agreements***" means (a) that certain Contribution Agreement, dated as of April 4, 2023, by and among Southwest Supply, AT&T Fiber Leasing II and Southwestern Bell, (b) that certain Contribution Agreement, dated as of April 4, 2023, by and among Southwestern Bell, the Managing Member and AT&T Fiber Leasing II and (c) that certain Contribution Agreement, dated as of April 4, 2023, by and among the Managing Member, the Company and AT&T Fiber Leasing II.

"***2023 Southwestern Bell Fiber License***" has the meaning set forth in the definition of "Southwestern Bell Fiber Agreements".

"***A&R LLC Agreement***" has the meaning set forth in the Recitals.

"***Acceptable Rating***" means, with respect to any Person, that the outstanding senior, unsecured, non-credit enhanced debt securities of such Person have a public rating of at least two (2) of the following: (i) "BBB-" or higher by S&P; (ii) "BBB-" or higher by Fitch; and (iii) "Baa3" or higher by Moody's, and the absence of such a rating by any one of S&P, Moody's and Fitch does not trigger or otherwise result in any requirement that any debt of such Person be secured by any Lien on any assets or property of such Person.

"***Act***" means the Delaware Limited Liability Company Act, 6 Del. Code Ann. Section 18-101, *et seq.* (or any corresponding provisions of succeeding law).

"***Adjusted Capital Account***" means, with respect to any Member, the balance in such Member's Capital Account as of the end of the relevant Allocation Year, after giving effect to the following adjustments:

(a) credit to such Capital Account any amounts which such Member is obligated to restore or is deemed obligated to restore pursuant to the Regulations Section 1.704-1(b)(2)(ii)*(c)* and the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(b) debit to such Capital Account the items described in Regulations Sections 1.704-1(b)(2)(ii)*(d)(4)*, 1.704-1(b)(2)(ii)*(d)(5)* and 1.704-1(b)(2)(ii)*(d)(6)*.

The foregoing definition of "Adjusted Capital Account" is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)*(d)* and shall be interpreted consistently therewith.

"***Adjusted Capital Account Deficit***" means, with respect to any Member, the deficit balance, if any, in such Member's Adjusted Capital Account as of the end of the relevant Allocation Year.

"***Administrative Agent***" has the meaning set forth in Section 16.1.

"***Administrative Agent Indemnitee***" has the meaning set forth in Section 16.8(b).

"***Affiliate***" means, with respect to any specified Person, (a) any Person directly or indirectly controlling, controlled by, or under common control with such specified Person, or (b) any officer, director, general partner, managing member or manager, trustee of, or Person serving in a similar capacity with respect to, such specified Person. For purposes of this Agreement, unless the context requires otherwise, the terms "control," "controlling," "controlled by," or "under common control with" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person or entity, whether through the ownership of voting securities, by contract, or otherwise. For the avoidance of doubt, (x) a Person shall be deemed to control all of its Subsidiaries and (y) a Member shall not be deemed to be an Affiliate of the Company or any other Member, and the Company shall not be deemed to be an Affiliate of any Member, solely as a result of such Member's ownership of Membership Interests; provided, however, that the Company and its Subsidiaries shall be deemed to be Affiliates of the Managing Member.

"***Agreement***" has the meaning set forth in the Preamble.

"***Allocation Year***" means (a) any twelve (12) month period commencing on January 1 and ending on December 31 or (b) any portion of the period described in clause (a) for which the Company is required to allocate Profits, Losses, and other items of Company income,

gain, loss, or deduction pursuant to Section 3 unless the Company is required by Section 706 of the Code to use a different tax year, in which case "Allocation Year" shall mean such different tax year (or relevant portion thereof).

"***Amendment to Fiber License Agreement***" means the Amendment to Fiber License Agreement, dated as of the date hereof, by and among the Company, Southwestern Bell LLC and AT&T Fiber Leasing.

"***Anti-Corruption Laws***" means, as to any Person, all laws, rules and regulations of any jurisdiction applicable to such Person concerning or relating to bribery, corruption or money laundering.

"***Appointment Period***" has the meaning set forth in Section 16.6.

"***AT&T Cash Management System***" means AT&T's Treasury Interco Payment System, used for processing payments and collections on behalf of the Managing Member and its Affiliates.

"***AT&T Fiber Leasing***" means AT&T Texas Fiber Leasing, LLC, a Delaware limited liability company.

"***AT&T Fiber Leasing II***" means AT&T Texas Fiber Leasing II, LLC, a Delaware limited liability company.

"***Bankruptcy***" means, with respect to any Person, a Voluntary Bankruptcy or an Involuntary Bankruptcy.

"***BHC Act***" means the U.S. Bank Holding Company Act of 1956 and any regulations, including Regulation Y of the Board of Governors of the Federal Reserve System, promulgated thereunder and interpretations thereof.

"***BHC Act Affiliate***" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. §1841(k).

"***BHC Member***" means a Class A Limited Member that (a) is subject to the BHC Act, or is directly or indirectly "controlled" (as that term is defined in the BHC Act) by a company that is subject to the BHC Act and (b) indicates its intent to be treated as a BHC Member in its relevant subscription agreement or otherwise in writing to the Managing Member, provided that any such election shall be irrevocable.

"***Bid***" means an irrevocable offer to purchase in any Class A Mandatory Remarketing all, but not less than all, of the outstanding Remarketed Class A Limited Membership Interests for cash in immediately available funds at an aggregate price equal to the Unrecovered Capital with respect to such outstanding Remarketed Class A Limited Membership Interests with the applicable Class A Preferred Return Rate equal to (a) the Bid Rate specified in such irrevocable offer to purchase in connection with any Class A Mandatory Remarketing in which the Managing Member has requested Bids for a fixed Class A Preferred Return Rate or

(b)(i) the Bid Rate specified in such irrevocable offer to purchase in connection with any Class A Mandatory Remarketing in which the Managing Member has requested Bids for a floating Class A Preferred Return Rate plus (ii) the Remarketing Benchmark Rate.

"***Bid Rate***" means, in connection with any Class A Mandatory Remarketing, a number of basis points submitted in connection with a Bid.

"***Borrowers***" means the borrower entities under the Contributed Notes and set forth in Schedule B, as may be amended from time to time pursuant to the terms and conditions of this Agreement and the Contributed Notes.

"***Breakage Costs***" means, with respect to any Class A Limited Member, any amounts required to compensate such Class A Limited Member for any actual losses, costs or expenses that it may actually incur as a result of a transaction described in Section 13.2 or 15 that results in such Class A Limited Member receiving any payment in cash in respect of any Class A Limited Membership Interest on a day other than, (a) in the case of an initial Class A Reset Period, and any other Class A Reset Period for which the applicable Class A Preferred Return Rate is a fixed rate, a Class A Reset Date, and (b) in the case of any Class A Reset Period for which the applicable Class A Preferred Return Rate is a floating rate, the last day of a Class A Distribution Period, in each case including any loss (excluding loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds and the early termination or unwinding of any swap or other hedging arrangement entered into by such Class A Limited Member, as set forth in a certificate of such Class A Limited Member (which certificate shall include the methodology for calculating, and the calculation of, the amount of such actual loss or expense, in reasonable detail based on observable market references).

"***Business Day***" means any day that is not a Saturday, a Sunday, or a day on which banking institutions located in New York, New York are authorized or obligated by law to close.

"***Capital Account***" means, with respect to any Member of the Company, the capital account maintained for such Member in accordance with the capital account maintenance rules of Regulations Section 1.704-1(b).

"***Capital Contributions***" means, with respect to any Member of the Company, the amount of cash and the initial Gross Asset Value of any Property (other than cash) contributed to the Company by such Member, as set forth on Schedule A hereto, as such Schedule A may be updated from time to time in accordance with this Agreement.

"***Capital Lease Obligations***" means, with respect to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP; provided, however, that, notwithstanding the foregoing, in no event will any lease that would have been categorized as an operating lease as determined in accordance

with GAAP prior to giving effect to the Accounting Standards Codification Topic 842, Leases, or any other changes in GAAP subsequent to the date of this Agreement, be considered a Capital Lease Obligation for purposes of this Agreement.

"***Cash Available for Distribution***" means, for any Class A Distribution Period, the cash held by the Company less the portion thereof used to pay or establish reasonable reserves for all Expenses of the Company (including Taxes), all as determined by the Managing Member in good faith and in its commercially reasonable judgment. Cash Available for Distribution will not be reduced by Depreciation or similar non-cash allowances, and will be increased by any reductions of reserves previously established pursuant to the first sentence of this definition.

"***Cash Equivalents***" means any of the following: (a) readily marketable direct obligations of the government of the United States or any agency or instrumentality thereof or obligations unconditionally guaranteed by the full faith and credit of the government of the United States or (b) insured certificates of deposit of or time or demand deposits with any commercial bank that is a member of the Federal Reserve System, the parent of which issues commercial paper rated P-1 (or the then equivalent grade) by Moody's and A-1+ (or the then equivalent grade) by S&P, is organized under the laws of the United States or any state thereof and the long term unsecured debt of which is rated A2 or better by Moody's and A or better by S&P; provided, however, that all obligations and securities described in clauses (a) and (b) above (1) will not have an original maturity of longer than ninety (90) days, (2) will not include any obligations or securities denominated in a currency other than Dollars, (3) will not include any obligations or securities that provide for the extension of the original stated maturity thereof without the consent of any holder thereof affected thereby, (4) will not include any obligations or securities the payment or repayment of principal in respect of which is an amount determined by reference to any formula or index, or which is subject to any contingency, (5) will not include any obligations or securities that require the holder thereof to make advances to, or to purchase additional obligations or securities issued by, the issuer of such obligations or securities after the original date of issuance of such obligations or securities, and (6) will not include any obligation of or security issued by the Company or any of its Affiliates.

"***Cause***" means, with respect to an Independent Manager, (a) acts or omissions by such Independent Manager constituting fraud, dishonesty, negligence, misconduct or other deliberate action which causes injury to the Company or an act by such Independent Manager involving moral turpitude or a serious crime or (b) that such Independent Manager no longer meets the definition of "Independent Manager" set forth in this Agreement.

"***Certificate of Cancellation***" means a certificate filed in accordance with 6 Del. Code Ann. Section 18-203.

"***Certificate of Formation***" means the Certificate of Formation filed with the Secretary of State of the State of Delaware pursuant to the Act to form the Company, as originally executed on September 15, 2020 and as amended, modified, supplemented, or restated from time to time, as the context requires.

"***Certification Deadline***" has the meaning set forth in Section 5.5(f).

"***Class A Distribution Date***" means each February 1, May 1, August 1 and November 1 occurring prior to a Liquidation Event or, if such date is not a Business Day, the next succeeding Business Day.

"***Class A Distribution Period***" means the applicable period from (and including) a Class A Distribution Date to (but excluding) the next subsequent Class A Distribution Date. In the case of the Class A Distribution Period ending on April 30, 2025, with respect to a Class A Limited Member's Class A-4 Limited Membership Interests, the first distribution period shall measure from the Effective Date to April 30, 2025.

"***Class A Failed Mandatory Remarketing****"* has the meaning set forth in Section 7.1(c)(v)(1).

"***Class A Failed Mandatory Remarketing Rate***" means, in respect of any Class A Distribution Period with respect to a class of Class A Preferred Units commencing on the occurrence of an applicable Class A Failed Mandatory Remarketing, a rate per annum equal to the sum of (a) the then applicable reference rate used in the Parent Applicable Credit Facility, plus (b) the non-default margin above such reference rate (including the applicable facility fee, if any) provided in the Parent Applicable Credit Facility, plus (c), in the case of the Class A-1 Limited Membership Interests, the Class A-2 Limited Membership Interests and the Class A-3 Limited Membership Interests, two hundred and eighty (280) basis points, and in the case of the Class A-4 Limited Membership Interests, one hundred and thirty five and one-half (135.5) basis points, plus (d) seventy five (75) basis points multiplied by the number of Class A Failed Mandatory Remarketing Reset Dates relating to such Class A Preferred Units since the later of (i) the date hereof and (ii) the most recent sale and purchase of all of such Class A Limited Membership Interests pursuant to a Class A Mandatory Remarketing.

"***Class A Failed Mandatory Remarketing Reset Date****"* has the meaning set forth in Section 7.1(c)(v)(1).

"***Class A Limited Member Preferred Return***" means, with respect to any Class A Limited Member, the return that will accrue during each Class A Distribution Period or portion thereof on the amount of such Class A Limited Member's Unrecovered Capital during such Class A Distribution Period, accrued (but not compounded) daily at a rate equal to the applicable Class A Preferred Return Rate, computed using the actual number of days elapsed over a three hundred and sixty (360) day year.

"***Class A Limited Members***" means the Members of the Company that hold Class A Limited Membership Interests, in such capacity.

"***Class A Limited Membership Interests***" means the Class A-1 Limited Membership Interests, the Class A-2 Limited Membership Interests, the Class A-3 Limited Membership Interests and the Class A-4 Limited Membership Interests.

"***Class A Mandatory Remarketing***" has the meaning set forth in Section 7.1(c)(i).

"***Class A Mandatory Remarketing Agents***" means, with respect to any Class A Mandatory Remarketing, the Initial Class A Limited Members (or such wholly owned subsidiaries of the ultimate parent companies of such Initial Class A Limited Members (each, an "***Initial Class A Limited Member Subsidiary***") as may be designated by the Initial Class A Limited Members) or, with respect to any Initial Class A Limited Member that is unwilling or unable to serve as, or to designate an Initial Class A Limited Member Subsidiary thereof to serve as, a Class A Mandatory Remarketing Agent or has ceased to own at least fifty percent (50%) of the Class A Limited Membership Interests held by such Initial Class A Limited Member and its Affiliates on the date hereof or has been replaced pursuant to the Class A Mandatory Remarketing Agreement, the other Initial Class A Limited Member shall serve as the sole Class A Mandatory Remarketing Agent. If such other Initial Class A Limited Member is unwilling or unable to serve as, or to designate an Initial Class A Limited Member Subsidiary thereof to serve as, a Class A Mandatory Remarketing Agent or has ceased to own at least fifty percent (50%) of the Class A Limited Membership Interests held by such Initial Class A Limited Member and its Affiliates on the date hereof or has been replaced pursuant to the Class A Mandatory Remarketing Agreement, then the Class A Mandatory Remarketing Agent shall be appointed by the Required Class A Limited Members.

"***Class A Mandatory Remarketing Agreement***" means a remarketing agreement, substantially in the form of Exhibit D attached hereto, entered into by the Company and the Class A Mandatory Remarketing Agents, and including a fee due to any Class A Mandatory Remarketing Agent acceptable to the Company.

"***Class A Mandatory Remarketing Date***" means the date reasonably agreed by the Managing Member and the Class A Mandatory Remarketing Agents on which a Class A Mandatory Remarketing is conducted, which shall, unless otherwise agreed by the Managing Member and the Class A Mandatory Remarketing Agents, be a date no earlier than the twentieth (20th) Business Day, and no later than the fifth (5th) Business Day, prior to the applicable Class A Reset Date; provided, however, that the Managing Member and the Class A Mandatory Remarketing Agents may not, without the consent of all of the Class A Limited Members, agree on a Class A Mandatory Remarketing Date that is later than the applicable Class A Reset Date.

"***Class A Preferred Return Rate***" means (a) for any Class A Distribution Period (or a portion thereof) with respect to a class of Class A Preferred Units occurring during the applicable initial Class A Reset Period, (i) with respect to Class A-1 Limited Membership Interests, 4.25% per annum, (ii) with respect to Class A-2 Limited Membership Interests, 6.85% per annum, (iii) with respect to Class A-3 Limited Membership Interests, 6.85% per annum and (iv) with respect to Class A-4 Limited Membership Interests, 5.94% per annum, or (b) for any Class A Distribution Period or portion thereof occurring during any other Class A Reset Period (as applicable), the applicable Class A Preferred Return Reset Rate; provided, however, that the Class A Preferred Return Rate for any Class A Distribution Period commencing on the occurrence of a Class A Failed Mandatory Remarketing shall, with respect to the applicable Remarketed Class A Limited Membership Interests, equal the Class A Failed Mandatory

Remarketing Rate for such Class A Distribution Period. For the avoidance of doubt, the Class A Preferred Return Rate for any Class A Distribution Period commencing on a Class A Reset Date shall be the same for each class of the applicable Remarketed Class A Limited Membership Interests.

"***Class A Preferred Return Reset Rate***" means, in respect of any Class A Reset Period, (a) if the Company and all of the holders of the applicable Class A Limited Membership Interests reach agreement pursuant to Section 7.1(b), the rate agreed to by such parties pursuant to Section 7.1(b) and (b) otherwise the rate determined in accordance with Section 7.1(c).

"***Class A Purchase Date***" has the meaning set forth in Section 15.2(a).

"***Class A Purchase Price***" has the meaning set forth in Section 15.1(a).

"***Class A Reset Date***" means (a) with respect to the Class A-1 Limited Membership Interests, the Class A-2 Limited Membership Interests and the Class A-3 Limited Membership Interests, the first Class A Distribution Date immediately following September 29, 2027 or the seventh (7th) anniversary of the immediately preceding Class A Reset Date and (b) with respect to the Class A-4 Limited Membership Interests, November 1, 2028 or the fourth (4th) anniversary of the immediately preceding Class A Reset Date; provided, however, that in the event of a Class A Failed Mandatory Remarketing, the date that is three (3) months, in the case of the Class A-1 Limited Membership Interests, the Class A-2 Limited Membership Interests and the Class A-3 Limited Membership Interests, and six (6) months, in the case of the Class A-4 Limited Membership Interests, following such Class A Failed Mandatory Remarketing Reset Date shall be a Class A Reset Date with respect to the applicable Remarketed Class A Limited Membership Interests.

"***Class A Reset Period***" means, with respect to a class of Class A Limited Membership Interests, the period beginning on (and including) September 29, 2020 and ending on (but excluding) the initial applicable Class A Reset Date and each period thereafter beginning on (and including) an applicable Class A Reset Date and ending on (but excluding) the immediately succeeding applicable Class A Reset Date.

"***Class A-1 Limited Membership Interests***" has the meaning set forth in Section 2.1(a).

"***Class A-1 Subscription Agreement***" means that certain Subscription Agreement, dated as of September 29, 2020, by and among the Company, MUFG Bank, Ltd., New York Branch, MUFG Union Bank, N.A. and Wells Fargo Bank, N.A.

"***Class A-2 Limited Membership Interests***" has the meaning set forth in Section 2.1(a).

"***Class A-2 Subscription Agreement***" means that certain Subscription Agreement, dated as of April 4, 2023, by and among the Company, MUFG Bank, Ltd., New York Branch,

SG Mortgage Finance Corp., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Commerzbank AG, New York Branch.

"***Class A-3 Limited Membership Interests***" has the meaning set forth in Section 2.1(a).

"***Class A-3 Subscription Agreement***" means that certain Subscription Agreement, dated as of April 18, 2023, by and among the Company, Parent Company and the parties listed on Annex B therein.

"***Class A-4 Limited Membership Interests***" has the meaning set forth in Section 2.1(a).

"***Class A-4 Subscription Agreement***" has the meaning set forth in the Recitals.

"***Class B Common Members***" means the Members of the Company that hold Class B Common Membership Interests, in such capacity.

"***Class B Common Membership Interests***" has the meaning set forth in Section 2.1(a).

"***Code***" means the United States Internal Revenue Code of 1986, as amended.

"***Collateral Certificate***" has the meaning set forth in Section 5.5(f).

"***Company***" has the meaning set forth in the Preamble.

"***Company Minimum Gain***" has the same meaning as "partnership minimum gain" set forth in Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

"***Confidential Information***" has the meaning set forth in Section 6.8(a).

"***Consultation Period***" has the meaning set forth in Section 7.1(b).

"***Contributed Fiber Assets***" has the meaning set forth in the definition of "Secured Notes."

"***Contributed Notes***" means, collectively, those Secured Notes contributed or issued to the Company as of the date hereof, and such additional Secured Notes as may be contributed or issued to the Company from time to time.

"***Covered Entity***" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. §252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. §47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. §382.2(b).

"***Default Right***" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§252.81, 47.2 or 382.1, as applicable.

"***Demand Note***" means (a) the Demand Promissory Note, initial principal amount of $2,000,000,000.00, dated as of September 29, 2020, issued by Parent Company in favor of the Company, the Second Amended and Restated Demand Promissory Note, aggregate principal amount of $7,500,000,000.00, to be dated as of the Effective Date, to be issued by the Parent Company in favor of the Company, any other demand note, substantially in the form of Exhibit A attached hereto, duly executed and delivered by Parent Company in favor of the Company or (b) any other demand note, in form and substance similar to the demand note, dated as of April 4, 2023, issued by Southwest Supply in favor of the Managing Member (such other demand note, an "***Interim Demand Note***").

"***Depreciation***" means, for each Allocation Year, an amount equal to the depreciation, amortization, depletion or other cost recovery deduction allowable with respect to an asset for such Allocation Year for U.S. federal income tax purposes, except that with respect to any asset whose Gross Asset Value differs from its adjusted tax basis for U.S. federal income tax purposes at the beginning of such Allocation Year, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the U.S. federal income tax depreciation, amortization, or other cost recovery deduction for such Allocation Year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for U.S. federal income tax purposes of an asset at the beginning of such Allocation Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Managing Member.

"***Dollars***" means United States dollars.

"***Effective Date***" has the meaning set forth in the Preamble.

"***Eligible Agent***" means (a) a Class A Limited Member or an Affiliate of a Class A Limited Member, (b) the Paying Agent or an Affiliate of the Paying Agent or (c) any other Person approved by the Required Class A Limited Members (such approval not to be unreasonably withheld or delayed); provided that neither the Company nor any Affiliate of the Company shall qualify as an Eligible Agent, unless approved by all of the Class A Limited Members.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, and the regulations promulgated and rulings issued thereunder.

"***Exchange Act***" means the Securities Exchange Act of 1934, and the rules and regulations promulgated thereunder.

"***Existing LLC Agreement***" has the meaning set forth in the Recitals.

"***Existing Parent Credit Facility***" has the meaning set forth in the definition of "Parent Applicable Credit Facility".

"***Expenses***" means any and all costs, liabilities, obligations, losses, damages, penalties, interest, Taxes, claims (including, but not limited to negligence, strict or absolute liability, liability in tort and liabilities arising out of violation of laws or regulatory requirements of any kind), actions, suits, costs, expenses, and disbursements (including, without duplication, reasonable legal fees and expenses).

"***Fee Letters***" means one or more fee letter agreements by and between the Company and certain Class A Limited Members or their applicable Affiliates.

"***Fiber Assets***" means fiber optic cable assets and related accessories, installations and improvements and any rights with respect to such fiber optic cable assets and related accessories, installations and improvements pursuant to a Fiber License Agreement (provided that, for the avoidance of doubt, a Fiber License Agreement is a Fiber Asset).

"***Fiber License Agreement***" means any agreement or instrument with a similar subject matter and providing substantially similar terms as to any Southwestern Bell Fiber Agreement.

"***Final Determination***" means (a) a decision, judgment, decree or other order by any court of competent jurisdiction, which decision, judgment, decree or other order has become final after all allowable appeals (other than appeals to the United States Supreme Court) by either party to the action have been exhausted or the time for filing such appeals has expired, (b) a closing agreement entered into under Section 7121 of the Code or any other settlement agreement entered into in connection with an administrative or judicial proceeding entered into in accordance with this Agreement, (c) the expiration of the time for instituting suit with respect to the claimed deficiency or (d) the expiration of the time for instituting a claim for refund, or if such a claim was filed, the expiration of the time for instituting suit with respect thereto.

"***FIRPTA Withholding Certificate***" has the meaning set forth in Section 4.2.

"***First Fiber Contribution***" has the meaning set forth in the definition of "Permitted Assets".

"***First Fiber Contribution Agreements***" means the contribution agreements and any other agreements effecting the First Fiber Contribution, including (a) that certain Contribution Agreement, dated as of December 1, 2020, by and among Southwest Supply, AT&T Fiber Leasing and Southwestern Bell, (b) that certain Contribution Agreement, dated as of December 1, 2020, by and among Southwestern Bell, the Managing Member and AT&T Fiber Leasing and (c) that certain Contribution Agreement, dated as of December 1, 2020, by and among the Managing Member, the Company and AT&T Fiber Leasing.

"***Fiscal Quarter***" means each three-month period ending on the last day of December, March, June and September (or a period commencing on the day after the last day of the prior Fiscal Quarter and ending on the date of a final distribution pursuant to Section 13).

"***Fiscal Year***" means an annual accounting period ending December 31 of each year during the term of the Company; provided, however, that the last such Fiscal Year shall be the period beginning on January 1 of the calendar year in which the final liquidation and termination of the Company is completed and ending on the date such final liquidation and termination is completed. To the extent any provision hereof provides for an action to be taken or any computation to be made on a Fiscal Year basis, an appropriate proration or other adjustment shall be made in respect of the first or final Fiscal Year to reflect that such period is less than a full calendar year period.

"***Fitch***" means Fitch Ratings, a majority-owned subsidiary of Fimalac, S.A., or its successor.

"***Flow-Through Entity***" has the meaning set forth in Section 8.1(b).

"***GAAP***" means generally accepted accounting principles in the United States in effect from time to time.

"***Gross Asset Value***" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) the initial Gross Asset Value of any Property contributed (or deemed contributed) by a Member to the Company shall be the gross fair market value of such asset as agreed to by such contributing Member and the Managing Member;

(b) the Gross Asset Values of all items of Property shall be adjusted to equal their respective fair market value as of the following times: (i) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution, (ii) the distribution by the Company to a Member of more than a de minimis amount of Property as consideration for an interest in the Company, (iii) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)*(g)* and (iv) any other time specified in Regulations Section 1.704-1(b)(2)(iv)*(f)(5)*;

(c) the Gross Asset Value of any item of Property distributed to any Member shall be adjusted to equal the fair market value of such item on the date of distribution; and

(d) the Gross Asset Value of each item of Property shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)*(m)*, subparagraph (f) of the definition of "Profits" and "Losses" and Section 3.2(a); provided, however, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (d) to the extent that an adjustment pursuant to subparagraph (b) is required in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (d).

(e) If the Gross Asset Value of an item of Property has been determined or adjusted pursuant to subparagraph (a), (b), or (d), such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset, for purposes of computing Profits and Losses.

"***Holdings***" has the meaning set forth in the Preamble.

"***Indebtedness***" means, with respect to a specified Person, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services, (c) all obligations of such Person evidenced by bonds, notes, debentures, or other similar instruments, (d) all indebtedness of such Person created or arising under any conditional sale or other title retention agreement (whether or not the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations of such Person as lessee under leases which have been or should be, in accordance with GAAP, recorded as leases, including Capital Lease Obligations, (f) all obligations, contingent or otherwise, of such Person under acceptance, letter of credit or similar facilities, (g) all obligations of such Person to purchase, redeem, retire, defease, or otherwise acquire for value any partnership interests of such Person, and (h) all Indebtedness referred to in clauses (a) through (g) above guaranteed directly or indirectly by such Person through an agreement (A) to pay or purchase such Indebtedness or to advance or supply funds for the payment or purchase of such Indebtedness, (B) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Indebtedness or to assure the holder of such Indebtedness against loss, (C) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered), or (D) otherwise to assure clauses (a) through (g) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any lien on property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for payment of such Indebtedness; provided, however, that in no event shall Indebtedness include (x) subject to the second last paragraph of Section 5.4(c), any advances to the Company under the AT&T Cash Management System or (y) trade payables incurred in the ordinary course of business.

"***Independent Manager***" means an individual who has prior experience as an independent director, independent manager or independent member with at least three (3) years of employment experience and who is provided by Corporation Service Company, CT Corporation, TMF Group New York LLC, National Registered Agents, Inc., Global Securitization Services, LLC, Stewart Management Company, Wilmington Trust, or, if none of those companies is then providing professional independent managers, another nationally-recognized company, in each case that is not an Affiliate of the Company and that provides professional independent managers and other corporate services in the ordinary course of its business, and which individual is duly appointed as an Independent Manager and is not, and has never been, and shall not while serving as Independent Manager be, any of the following:

(a) a member, partner, equityholder (except for publicly traded shares of any direct or indirect parent of the Company), manager, director, officer or employee of the Company, the Member or any of their respective equityholders or Affiliates (other than as an Independent Manager of the Company or an Affiliate of the Company that is not in the direct chain of ownership of the Company and that is required by a creditor to be a single purpose bankruptcy remote entity; provided that such Independent Manager is employed by a company that routinely provides professional independent managers in the ordinary course of its business);

(b) a creditor (except for publicly traded debt of any direct or indirect parent of the Company), supplier or service provider (including provider of professional services) to the Company, or any of its equityholders or Affiliates (other than a nationally recognized company that routinely provides professional independent directors or managers and other corporate services to the Company or any of its equityholders or Affiliates in the ordinary course of its business);

(c) a family member of any member, partner, equityholder, manager, director, officer, employee, creditor, supplier or service provider referred to in (a) or (b) above; or

(d) a Person that controls (whether directly, indirectly or otherwise) any of (a), (b) or (c) above.

A natural person who otherwise satisfies the foregoing definition and satisfies subparagraph (a) by reason of being the Independent Manager (or independent manager or director of a "special purpose entity" which is an Affiliate of the Company) shall be qualified to serve as an Independent Manager of the Company; provided that the fees that such individual earns from serving as Independent Manager (or independent manager or director of any Affiliate of the Company) in any given year constitute in the aggregate less than five percent (5%) of such individual's annual income for that year.

"***Independent Manager Management Agreement***" means the agreement of the Independent Managers substantially in the form of Exhibit F attached hereto, as amended. The Independent Manager Management Agreement is deemed incorporated into, and a part of, this Agreement.

"***Initial Class A Limited Member Subsidiary***" has the meaning set forth in the definition of "Class A Mandatory Remarketing Agents".

"***Initial Class A Limited Members***" means MUFG Bank, Ltd., New York Branch and Wells Fargo Bank, N.A.

"***Initial Contribution Agreement***" means that certain Contribution Agreement, dated as of September 29, 2020, by and between the Company and the Managing Member.

"***Investment Company Act***" means the Investment Company Act of 1940, and the rules and regulations promulgated thereunder.

"***Involuntary Bankruptcy***" means, with respect to any Person, without the consent of such Person, the entering of an order for relief or approving a petition for relief or reorganization or any other petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or other similar relief under any present or future bankruptcy, insolvency, or similar statute, law, or regulation, or the filing of any such petition against such Person, which petition shall not be dismissed within sixty (60) days, or without the consent or acquiescence of such Person, the entering of an order appointing a trustee, custodian, receiver, or Liquidator of such Person or of all or any substantial part of the property of such Person, which order shall not be dismissed within sixty (60) days. The foregoing is intended to supersede and replace the events listed in Sections 18-101 and 18-304 of the Act with respect to any Member.

"***IRS***" means the U.S. Internal Revenue Service.

"***Keep Well Agreements***" means each of that certain Keep Well Agreement, dated September 29, 2020 (as amended), between Southwestern Bell and Southwest Supply and that certain Keep Well Agreement, dated September 29, 2020 between BellSouth Telecommunications, LLC and AT&T Southeast Supply, LLC, and such additional Keep Well Agreements, substantially in the form of Exhibit C attached hereto, as may be entered into by a Keep Well Parent and a Borrower in connection with any Secured Notes contributed to the Company from time to time.

"***Keep Well Parents***" shall mean Southwestern Bell and BellSouth Telecommunications, LLC.

"***Lien***" means any lien, security interest or other charge or encumbrance of any kind, including the lien or retained security title of a conditional vendor.

"***Liquidation Event***" has the meaning set forth in Section 13.1(a).

"***Liquidation Event Notice***" has the meaning set forth in Section 14.2.

"***Liquidation Period***" has the meaning set forth in Section 13.5.

"***Liquidation Period Guaranteed Payment Date***" means each February 1, May 1, August 1 and November 1 occurring during the Liquidation Period and on the date on which all of the assets of the Company are distributed to the Members.

"***Liquidator***" has the meaning set forth in Section 13.8(a).

"***Losses***" has the meaning set forth in the definition of "Profits" and "Losses".

"***Managing Member***" means (a) Holdings and (b) any Person hereafter designated as the Managing Member pursuant to Section 5.7, each in its capacity as the manager of the Company.

"***Material Action***" means to (a) consolidate or merge the Company with or into any Person, (b) sell, convey, transfer, assign, sublease, encumber or otherwise hypothecate or dispose of the Company's interest in and to (i) all or substantially all of its assets (except for the transactions expressly contemplated herein or in the other Transaction Documents) or (ii) any Property, unless following such sale, conveyance, transfer, assignment, sublease, encumbrance, hypothecation or disposition, the Company would be in compliance with each of the Portfolio Requirements, (c) commence any case, proceeding or other action on behalf of the Company under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, relief from debts or the protection of debtors generally, (d) institute proceedings to have the Company be adjudicated bankrupt or insolvent, (e) consent to or in any way participate in the institution of bankruptcy or insolvency proceedings against the Company, (f) file a petition seeking, or consent to, reorganization, arrangement, adjustment, winding-up, dissolution, composition, liquidation or other relief with respect to the Company or its debts under any applicable federal or state law relating to bankruptcy or insolvency, (g) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or a substantial part of its property, (h) make any assignment for the benefit of creditors of the Company, (i) admit in writing the Company's inability to pay its debts generally as they become due, (j) take any action in furtherance of any such action or (k) to the fullest extent permitted by law, dissolve or liquidate the Company.

"***Material Adverse Effect***" means, with respect to any Person, a material adverse effect on (a) the business, operations, properties or financial condition of such Person and its Subsidiaries taken as a whole, (b) the ability of such Person to perform its payment obligations under this Agreement or any of the Transaction Documents to which it is a party, (c) the ability of the Company to make distributions of the Class A Limited Member Preferred Return to the Class A Limited Members on each Class A Distribution Date or (d) any of the material rights or remedies available against such Person under this Agreement or any of the Transaction Documents to which such Person is a party.

"***Material Affiliate***" means, in the case of the Managing Member or the Parent Company, any Parent Company Entity that is a party to any Transaction Document; provided that, no Borrower shall be a Material Affiliate as a consequence of being party to a Secured Note or Keep Well Agreement.

"***Member***" means a Class A Limited Member or a Class B Common Member. A Member is a "member" of the Company for purposes of the Act.

"***Member Indemnitee***" has the meaning set forth in Section 6.7(a)(i).

"***Member Nonrecourse Debt***" has the same meaning as the term "partner nonrecourse debt" set forth in Regulations Section 1.704-2(b)(4).

"***Member Nonrecourse Debt Minimum Gain***" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

"***Member Nonrecourse Deductions***" has the same meaning as the term "partner nonrecourse deductions" set forth in Regulations Sections 1.704-2(i)(1) and 1.704-2(i)(2).

"***Membership Interest***" means any limited liability company interest in the Company authorized by Section 2.1(a) representing the Capital Contributions made by a Member or its predecessors in interest, and including, except as set forth in Section 11.5, any and all benefits to which the holder of such an interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. Each Membership Interest and a certificate, if any, representing such interest shall constitute a "security" within the meaning of (a) Article 8 of the Uniform Commercial Code (including Section 8-102(a)(15) thereof) as in effect from time to time in the States of Delaware and New York and (b) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws (as amended in 1999 by the American Law Institute and the National Conference of Commissioners on Uniform State Laws). In its capacity as issuer of the "securities" constituting Membership Interests, the "issuer's jurisdiction" (within the meaning of Section 8-110(d) of the Uniform Commercial Code) is the State of Delaware.

"***Membership Registry***" has the meaning set forth in Section 2.1(b).

"***Moody's***" means Moody's Investor Service, Inc. or its successor.

"***Nonrecourse Deductions***" has the meaning set forth in Regulations Sections 1.704-2(b)(1) and 1.704-2(c).

"***Nonrecourse Liability***" has the meaning set forth in Regulations Section 1.704-2(b)(3).

"***Notice Events***" has the meaning set forth in Section 14.1.

*"**OFAC**"* means Office of Foreign Assets Control of the US Department of the Treasury.

"***Officers***" has the meaning set forth in Section 5.9(a).

"***Original LLC Agreement***" has the meaning set forth in the Recitals.

"***Parent Applicable Credit Facility***" means, for purposes of calculating the Class A Failed Mandatory Remarketing Rate, (a) the $12,000,000,000 Amended and Restated Credit Agreement, dated as of November 18, 2022 (the "***Existing Parent Credit Facility***"), among Parent Company, the lenders named thereto and Citibank, N.A., as administrative agent,

as such facility may be amended, restated, refinanced or replaced from time to time so long as such facility as amended, restated, refinanced or replaced is widely syndicated and with similar tenor to the Existing Parent Credit Facility, and (b) if no such facility exists, the most widely syndicated unsecured floating-rate credit facility of Parent Company as of the date of the corresponding Class A Failed Mandatory Remarketing having a tenor similar to the Existing Parent Credit Facility.

"***Parent Company***" means AT&T Inc., a Delaware corporation.

"***Parent Company Entity***" means Parent Company or any of its Subsidiaries (other than the Company).

"***Paying Agency Agreement***" means that certain Paying Agency Agreement, dated as of July 18, 2023, by and between the Company and the Paying Agent.

"***Paying Agent***" means The Bank of New York Mellon Trust Company, N.A.

"***Permitted Assets***" means: (a) one or more Demand Notes, (b) the Contributed Notes, (c) cash and Cash Equivalents, (d) Fiber Assets, except that, if the manner and structure of contributing such Fiber Assets is materially different from the manner and structure of the first contribution of Fiber Assets made pursuant to this Agreement (the "***First Fiber Contribution***") (provided that, if a contribution of Fiber Assets is made pursuant to one or more agreements with terms that, when taken as a whole, are substantially similar to those contained in the First Fiber Contribution Agreements, then such contribution of Fiber Assets shall be deemed to not be materially different from the manner and structure of the First Fiber Contribution), then such contribution shall be on terms and conditions reasonably acceptable to the Initial Class A Limited Members and the Managing Member and (e) equity interests in one or more wholly owned Subsidiaries, the assets of which consist of the assets described in one or more of clauses (a) through (d) hereto and other immaterial related assets (a "***Permitted Subsidiary***"); provided that, with respect to clause (a), no Interim Demand Note shall be taken into account in determining whether the Portfolio Requirements have been satisfied, and, with respect to clause (b), no Contributed Note shall continue to be taken into account in determining whether the Portfolio Requirements have been satisfied if the Borrower under such Contributed Note or the Keep Well Parent supporting such Borrower under the relevant Keep Well Agreement is no longer an Affiliate of the Company.

"***Permitted Business***" means (a) providing debt financing to Parent Company evidenced by Demand Notes (and possessing and exercising the rights and remedies attendant thereto), (b) directly or indirectly acquiring, distributing, leasing, operating and owning Permitted Assets and owning assets that were Permitted Assets at the time contributed and (c) engaging in other activities incidental to the foregoing, in the case of each of the foregoing clauses (a) through (c) on such terms as determined by the Managing Member in its reasonable discretion and in accordance with this Agreement, the other Transaction Documents and applicable law.

"***Permitted Subsidiary***" has the meaning set forth in the definition of "Permitted Assets".

"***Permitted Transfer***" has the meaning set forth in Section 11.2(d).

"***Permitted Transferee***" has the meaning set forth in Section 11.2(d).

"***Person***" means any individual, partnership (whether general or limited), limited liability company, corporation, trust, estate, association, nominee, or other entity.

"***Portfolio Compliance Certificate***" means a written certificate of the Managing Member signed by a Responsible Officer stating that (a) as of the date stated therein and for the period covered thereby, the Permitted Assets held by the Company satisfied the Portfolio Requirements (showing in reasonable detail calculations reasonably necessary to determine such compliance) and (b) identifying any asset held by the Company or any of its Subsidiaries that is not a Permitted Asset.

"***Portfolio Requirements***" has the meaning set forth in Section 5.8.

"***Pre-Closing Reorganization***" means the contribution of Permitted Assets required by Section 4.6 of the Class A-4 Subscription Agreement pursuant to Pre-Closing Reorganization Documents.

"***Pre-Closing Reorganization Documents***" means the Certificate of Formation, substantially in the form attached hereto as Exhibit G-1, the Limited Liability Company Agreement, substantially in the form attached hereto as Exhibit G-2, the Contribution Agreement substantially in the form attached hereto as Exhibit G-3, the Contribution Agreement, substantially in the form attached hereto as Exhibit G-4, the Contribution Agreement, substantially in the form attached hereto as Exhibit G-5, the Interim Demand Note, substantially in the form attached hereto as Exhibit G-6, the Contribution Agreement, substantially in the form attached hereto as Exhibit G-7, the Secured Note, substantially in the form attached hereto as Exhibit G-8, the Second Amended and Restated Demand Note, substantially in the form attached hereto as Exhibit G-9, the Fiber License Agreement, substantially in the form attached hereto as Exhibit G-10, the Merger Agreement, substantially in the form attached hereto as Exhibit G-11, and the Certificate of Merger, substantially in the form attached hereto as Exhibit G-12, the Supply I Master Lease, substantially in the form attached hereto as Exhibit G-13, and any other agreements reasonably necessary to effect the contribution of Permitted Assets required by the Class A-4 Subscription Agreement and any other documentation, filings and forms relating to such contribution.

"***Preferred Return Distributions***" means distributions under Section 4.1(a).

"***Profits***" and "***Losses***" mean, for each Allocation Year, an amount equal to the Company's taxable income or loss for such Allocation Year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be

stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments (without duplication):

(a) any income of the Company that is exempt from U.S. federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be added to such taxable income or loss;

(b) any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)*(i)*, and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be subtracted from such taxable income or loss;

(c) in the event the Gross Asset Value of any item of Property is adjusted pursuant to subparagraph (b) or (c) of the definition of "Gross Asset Value," the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the Gross Asset Value of the item of Property) or an item of loss (if the adjustment decreases the Gross Asset Value of the item of Property) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses;

(d) gain or loss resulting from any disposition of any Property with respect to which gain or loss is recognized for U.S. federal income tax purposes shall be computed by reference to the Gross Asset Value of the item of Property disposed of, notwithstanding that the adjusted tax basis of such Property differs from its Gross Asset Value;

(e) in lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Allocation Year, computed in accordance with the definition of "Depreciation";

(f) to the extent an adjustment to the adjusted tax basis of any item of Property pursuant to Code Section 734(b) or Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)*(m)(4)*, to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's Membership Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the item of Property) or loss (if the adjustment decreases such basis) from the disposition of such item of Property and shall be taken into account for purposes of computing Profits or Losses; and

(g) notwithstanding any other provision of this definition, any items that are specially allocated pursuant to Section 3.2 or Section 3.3 shall not be taken into account in computing Profits or Losses.

The amounts of the items of Company income, gain, loss, or deduction available to be specially allocated pursuant to Section 3.2 or Section 3.3 shall be determined by applying rules analogous to those set forth in subparagraphs (a) through (f) above.

"***Property***" means all real and personal property held or acquired by the Company, including cash, and any improvements thereto, and shall include both tangible and intangible property.

"***PTP***" means a "publicly traded partnership," as defined in Code Section 7704, taxable as a corporation for U.S. federal income tax purposes.

"***Reconstitution Period***" has the meaning set forth in Section 13.1(b).

"***Reference Corporate Dealer***" means a leading dealer of publicly traded debt securities selected by the Managing Member, which dealer shall be a Qualified Institutional Buyer (as defined in Rule 144A under the Securities Act).

"***Regulations***" means the Treasury Regulations promulgated under the Code.

"***Regulatory Allocations***" has the meaning set forth in Section 3.3.

"***Remarketed Class A Limited Membership Interests***" has the meaning set forth in Section 7.1(c).

"***Remarketing Benchmark Rate***" means the rate specified by the Managing Member to the Class A Mandatory Remarketing Agents in connection with any Class A Mandatory Remarketing in which the Managing Member has requested Bids for a floating Class A Preferred Return Rate.

"***Representatives***" has the meaning set forth in Section 6.8(a).

"***Required Class A Limited Members***" means the holder or holders of more than fifty percent (50%) of any outstanding Class A Limited Membership Interests entitled to vote hereunder. If, at any relevant time, some but not all of the outstanding Class A Limited Membership Interests are owned by the Parent Company or any of its Affiliates, then in determining whether holders of the requisite percentage of the Class A Limited Membership Interests have given any request, demand, authorization, direction, notice, consent, or waiver hereunder, the Class A Limited Membership Interests owned by the Parent Company or any of its Affiliates shall be disregarded and deemed not to be outstanding.

"***Responsible Officer***" means an officer of Parent Company or one of its Affiliates familiar with the financial affairs of the Company.

"***S&P***" means S&P Global Ratings, a division of S&P Global Inc. or its successor.

"***Sanctions***" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the U.S. Department of Commerce, OFAC or the U.S. Department of State or (b) the United Nations Security Council, the European Union or His Majesty's Treasury of the United Kingdom.

"***Second A&R LLC Agreement***" has the meaning set forth in the Recitals.

"***Secondary Purchase Agreement***" means an agreement containing customary terms and conditions to be dated as of the applicable Class A Reset Date (or such other date permitted by applicable law) among the Company, the Selling Class A Holders, the Class A Mandatory Remarketing Agents, and the Secondary Purchasers (selected in the manner provided in Section 7.1(c)) providing for the purchase of the Class A Limited Membership Interests by the Secondary Purchasers; provided, however, that (a) the only representations by a holder will be regarding such holder's good and marketable title to the Class A Limited Membership Interests and (b) the only obligation of a Selling Class A Holder shall be to sell the Class A Limited Membership Interests pursuant to a successful Class A Mandatory Remarketing.

"***Secondary Purchasers***" has the meaning set forth in Section 7.1(c)(iii).

"***Secured Notes***" means any of those certain Secured Promissory Notes, substantially in the form of Exhibit B attached hereto, each issued by the applicable Borrower in favor of the Managing Member or the Company, secured by Fiber Assets owned by the relevant Borrower obligors (which shall be substantially similar to the Fiber Assets underlying the Contributed Notes as of the date hereof with respect to the type and nature of such assets, taken as a whole) (the "***Contributed Fiber Assets***").

"***Securities Act***" means the Securities Act of 1933, and the rules and regulations promulgated thereunder.

"***Selling Class A Holders***" has the meaning set forth in Section 7.1(c)(iv).

"***Signature Law***" has the meaning set forth in Section 17.10.

"***Southwest Supply***" means AT&T Southwest Supply, LLC, a Delaware limited liability company.

"***Southwest Supply Master Lease***" has the meaning set forth in the definition of "Southwestern Bell Fiber Agreements."

"***Southwestern Bell***" means Southwestern Bell Telephone Company, a Delaware corporation.

"***Southwestern Bell Fiber Agreements***" means, collectively, (a) that certain Fiber Asset License Agreement, dated as of December 1, 2020 (together with all schedules and other ancillary documents thereto, as amended from time to time, the "***Southwestern Bell Fiber License***"), by and among the Company, Southwestern Bell and Southwest Supply, (b) that

certain Fiber License Agreement, dated as of April 4, 2023, by and among the Company, Southwestern Bell and AT&T Fiber Leasing II (together with all schedules and other ancillary documents thereto, as amended from time to time, the "***2023 Southwestern Bell Fiber License***"), (c) those portions of that certain Master Lease Terms and Conditions, dated as of February 1, 2014 (together with all schedules and other ancillary documents thereto, as amended from time to time, the "***Southwest Supply Master Lease***"), by and between Southwest Supply, as lessor and Southwestern Bell, as lessee, contributed and assigned to the Company or its Subsidiaries, (d) those portions of that certain Master Lease Terms and Conditions, dated as of October 1, 2022 (together with all schedules and other ancillary documents thereto, as amended and/or amended and restated from time to time, the "***Supply I Master Lease***"), by and between AT&T Supply I, LLC, a Delaware limited liability company, as lessor and Southwestern Bell LLC, as lessee, contributed and assigned to the Company or its Subsidiaries, and (e) all agreements, instruments and other documents related to the transactions contemplated in the Southwestern Bell Fiber License, the 2023 Southwestern Bell Fiber License, the Southwest Supply Master Lease and the Supply I Master Lease.

"***Southwestern Bell Fiber License***" has the meaning set forth in the definition of "Southwestern Bell Fiber Agreements."

"***Southwestern Bell LLC***" means Southwestern Bell Telephone Company, LLC, a Delaware limited liability company.

"***Subscription Agreements***" means the Class A-1 Subscription Agreement, the Class A-2 Subscription Agreement, the Class A-3 Subscription Agreement and the Class A-4 Subscription Agreement.

"***Subsidiary***" means, with respect to any Person, any corporation, association or other business entity of which such Person, directly or indirectly, owns more than fifty percent (50%) of the issued and outstanding shares of capital stock or equity interests entitling such Person, directly or indirectly, to elect a majority of the directors of such corporation, association or other business entity or to otherwise control the management of such Person.

"***Substitution Transaction***" has the meaning set forth in Section 2.2.

"***Tax Matters Representative***" has the meaning set forth in Section 9.4(a).

"***Taxes***" means any and all taxes (including net income, gross income, franchise, ad valorem, gross receipts, sales, use, property, and stamp taxes), and any and all levies, imposts, duties, charges, assessments, or withholdings in the nature of a tax, now existing or hereafter created or adopted, together with any and all penalties, fines, additions to tax, and interest thereon.

"***Three Month Period***" means each period commencing on each February 2, May 2, August 2 and November 2 and ending on (and including) May 1, August 1, November 1 and February 1, respectively (or on the date of a final distribution pursuant to Section 13).

"***Transaction Documents***" means, collectively, this Agreement and, when executed and effective, the Pre-Closing Reorganization Documents, the Secured Notes, the Keep Well Agreements, the Subscription Agreements, the Fee Letters, the Independent Manager Management Agreement, the Demand Notes, the Amendment to Fiber License Agreement, the Initial Contribution Agreement, the First Fiber Contribution Agreements and the 2023 Fiber Contribution Agreements to which the Company is a party, any other contribution agreements or other agreements effecting Capital Contributions and any Southwestern Bell Fiber Agreement or other Fiber License Agreement to which the Company or any Subsidiary thereof is a party. Each of such documents shall constitute a "***Transaction Document****"* at such time as such document is executed and delivered by all of the necessary parties thereto.

"***Transfer***" means, as a noun, any voluntary or involuntary transfer, sale, exchange, any instrument that seeks to transfer an economic interest, or other disposition, and any hypothecation, pledge or other encumbrance, and, as a verb, voluntarily or involuntarily to transfer, sell, exchange, enter into any instrument that seeks to transfer an economic interest, or otherwise dispose of, and, except when used in reference to any Membership Interest, to hypothecate, pledge or otherwise encumber. The word "Transferred" has a meaning correlative thereto. The term "Transfer" shall include the use of a participation, derivative (such as a total return swap, credit linked note or credit default swap), financial instrument or similar contract the value of which is determined in whole or in part by reference to some or all of the Class A Limited Membership Interests for the purpose of either (a) transferring the benefit of gain and/or risk of loss on such Class A Limited Membership Interests or (b) hedging such Class A Limited Membership Interests; provided, for the avoidance of doubt, that interest rate or currency hedges and credit default swaps referencing Affiliates of the Company shall not be deemed to be Transfers hereunder.

"***U.S. Net Taxpayer Members***" has the meaning set forth in Section 4.2.

"***U.S. Special Resolution Regime***" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

"***United States***" means the United States of America.

"***Unrecovered Capital***" means, for any Member, as of any date, the positive remainder, if any, of the Capital Contributions of such Member to the Company, less the amount of cash distributions in respect of such Capital Contributions (excluding any distributions of the Class A Limited Member Preferred Return), plus in the case of any Class A Limited Member, any accrued but undistributed Class A Limited Member Preferred Return through the applicable date. For the avoidance of doubt, (a) distributions to a Member under Section 4 will not be treated as in respect of such Member's Capital Contributions and (b) any accrued but undistributed Class A Limited Member Preferred Return as of any Class A Distribution Date shall be added to the Unrecovered Capital as of such Class A Distribution Date.

"***Valuation Firm***" has the meaning set forth in Section 5.5(f).

"***Valuation Report***" has the meaning set forth in Section 5.5(f).

"***Value***" means with respect to (a) the Contributed Notes, the aggregate principal amount thereof less the amount of any Collateral Shortfall (as defined in the Contributed Notes), (b) the Demand Notes, the aggregate principal amount thereof and all accrued but unpaid interest thereon, (c) cash and Cash Equivalents, the face value thereof and (d) Fiber Assets, an amount equal to the product of (x) 1.6 and (y) the gross book value of the applicable fiber optic cable assets and related accessories and installations and any improvements in the consolidated books and records of Parent Company from time to time.

"***Voluntary Bankruptcy***" means, with respect to any Person, (a) the inability of such Person generally to pay its debts as such debts become due, or an admission in writing by such Person of its inability to pay its debts generally or a general assignment by such Person for the benefit of creditors, (b) the filing of any petition or answer by such Person seeking to adjudicate itself as bankrupt or insolvent, or seeking for itself any liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of such Person or its debts under any law relating to bankruptcy, insolvency, or reorganization or relief of debtors, or seeking, consenting to, or acquiescing in the entry of an order for relief or the appointment of a receiver, trustee, custodian, or other similar official for such Person or for any substantial part of its property, or (c) action taken by such Person to authorize any of the actions set forth above.

"***Winning Bid***" has the meaning set forth in Section 7.1(c)(ii)(5).

"***Winning Bid Rate***" has the meaning set forth in Section 7.1(c)(ii)(5).

1.12 Other Terms. Unless the context shall require otherwise:

(a) the definitions contained in this Agreement are applicable to the singular and the plural forms of such terms and to the masculine, feminine and neuter genders of such terms, and correlative forms of such terms have corresponding meanings;

(b) reference to "include," "includes," and "including" shall be deemed to be followed by the phrase "without limitation";

(c) reference in this Agreement to "herein," "hereby," "hereof," or "hereunder," or any similar formulation, shall be deemed to refer to this Agreement as a whole and not to any particular provisions of this Agreement;

(d) any reference to a statute, rule or regulation is to that statute, rule or regulation as now enacted or as the same may from time to time be amended, re-enacted or expressly replaced;

(e) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth therein);

(f) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns;

(g) the term "or" is used in its inclusive sense ("and/or"); and

(h) all references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context requires otherwise.

Section 2
MEMBERS' CAPITAL CONTRIBUTIONS AND CAPITAL ACCOUNTS

2.1 Capital Contributions.

(a) The Company is authorized to issue two (2) classes of Membership Interests. One such class of voting, participating Membership Interests shall be designated as the "***Class B Common Membership Interests***," and the other class shall be a class of non-voting, non-participating Membership Interests, which shall consist of four (4) series designated as the "***Class A-1 Limited Membership Interests***," the "***Class A-2 Limited Membership Interests***," the "***Class A-3 Limited Membership Interests***" and the "***Class A-4 Limited Membership Interests***." The Managing Member and each other Member acknowledges and agrees hereby that all Class A Limited Membership Interests shall rank, with respect to all distributions by the Company and rights on liquidation, dissolution or winding up of the Company and as otherwise provided in this Agreement, (i) senior to Class B Common Membership Interests and any other limited liability interests in the Company in all respects and (ii) *pari passu* in respect of each other Class A Limited Membership Interest in all respects (with the Class A Limited Member Preferred Return to be paid ratably). For the avoidance of doubt, the parties hereto agree that, except as provided in Section 5.5(e), all Class A Limited Membership Interests of any class or series shall have identical rights and obligations hereunder, other than in respect of their applicable Class A Preferred Return Rates.

(b) The name, mailing address and the Membership Interests of each Member shall be as set forth on Schedule A (the "***Membership Registry***"). As of the Effective Date, each Member shall have made such Capital Contributions to the Company as is set forth opposite such Member's name on the Membership Registry. In return for such Capital Contributions, the Company shall issue to each of the Members the Membership Interests set forth opposite such Member's name on the Membership Registry. The Managing Member shall update the Membership Registry from time to time to reflect the addition, substitution, withdrawal or resignation of any Member and otherwise as necessary to reflect changes to the information therein. An update to the Membership Registry made in accordance with this Agreement shall not be deemed an amendment to this Agreement. Following reasonable request by a Member, the Managing Member shall provide such Member a copy of the then-current Membership Registry. Any reference in this Agreement to the Membership Registry shall be deemed a reference to the Membership Registry as amended and in effect from time to time. All Membership Interests shall be represented by certificates in the forms of Exhibit E-1, Exhibit E-2, Exhibit E-3 or Exhibit E-4 attached hereto and the Managing Member is expressly authorized to execute such certificates on behalf of the Company and to deliver such certificates to each Member.

(c) For the avoidance of doubt, and as indicated on the Membership Registry, the Managing Member is the only Class B Common Member of the Company as of the date of this Agreement.

2.2 Additional Contributions. No Member will be required to make any Capital Contributions other than the Capital Contributions required by the Class A-4 Subscription Agreement, unless a Member has agreed to make an additional Capital Contribution and unless agreed upon by the Managing Member. Any Class B Common Member or any of its

Affiliates may contribute from time to time such additional cash or other property as it may determine; provided, however, that (a) any Capital Contribution made by any Class B Common Member or any of its Affiliates pursuant to this Section 2.2 shall consist of Permitted Assets, (b) the Company shall, after giving effect to the additional contribution, satisfy each of the Portfolio Requirements and (c) in the case of a Capital Contribution or series of related Capital Contributions that is for the purpose of replacing or substituting any Permitted Asset held by the Company or any of its Subsidiaries, other than a Capital Contribution of cash, Cash Equivalents or Demand Notes (a "***Substitution Transaction***"), the applicable Class B Common Member or Affiliate will cause to be delivered opinions of counsel addressed to the Class A Limited Members with respect to all transactions contemplated by and agreements related to the Substitution Transaction, such opinions of counsel to be in form and substance substantially similar to those delivered in connection with the Capital Contributions made on or prior to the date of the First Fiber Contribution; provided that the requirement to deliver opinions set forth in this clause (c) shall only apply in any of the following cases: (i) with respect to the contribution of Fiber Assets located in any state or Contributed Notes with Fiber Assets serving as collateral for such Contributed Notes located in such state, the aggregate Value of such contributed Fiber Assets or Contributed Notes (reflecting for any Contributed Notes with Fiber Assets collateral located in multiple states, the pro rata Value of such Contributed Notes corresponding to the Fiber Assets located in such state) together with the aggregate Value of all other contributed Fiber Assets located in that state and Contributed Notes with Fiber Assets collateral located in such state (reflecting for any Contributed Notes with Fiber Assets collateral located in multiple states, the pro rata Value of such Contributed Notes corresponding to the Fiber Assets located in such state), in each case contributed after the date of the First Fiber Contribution, is equal to or greater than five hundred million Dollars ($500,000,000), (ii) the Substitution Transaction consists of Fiber Assets located in a state in which none of the Fiber Assets previously contributed in a transaction in which such legal opinions were delivered to the Class A Limited Members have been located or (iii) the parties to the Substitution Transaction include a party that has not been a party to any prior Capital Contributions in a transaction in which such legal opinions were delivered to the Class A Limited Members (other than a newly formed entity which was formed in connection with such Substitution Transaction). Any opinion required to be delivered pursuant to clause (c) may be from an employee of the Parent Company or any of its Affiliates.

2.3 Other Matters; Capital Accounts.

(a) Except as otherwise provided in Sections 4, 7, 11 and 13, or in the Act, no Member shall demand or receive a return of its Capital Contributions or withdraw from the Company without the consent of all Members. Under circumstances requiring a return of any Capital Contributions, no Member shall have the right to receive Property other than cash except as may be specifically provided in this Agreement.

(b) No Member shall receive any interest or draw with respect to its Capital Contributions or its Capital Account, except as otherwise provided in this Agreement.

(c) The Members shall not be liable for the debts, liabilities, contracts, or any other obligations of the Company. Except as otherwise provided by mandatory provisions of applicable state law and except with respect to the obligation of the Members to return to the Company a distribution made to any Member in violation of the Act at a time when such Member knew the distribution would violate the Act, such Member shall be liable only to make its Capital Contribution and shall not be required to lend any funds to the Company or, after its Capital Contribution has been made, to make any additional Capital Contributions to the Company.

(d) The Managing Member shall not have any personal liability for the repayment of any Capital Contributions of the Members.

(e) The Capital Account for each Member shall be maintained in accordance with the following provisions:

(i) to each Member's Capital Account there shall be credited (1) such Member's Capital Contributions (including any amounts deemed contributed to the Company), (2) such Member's distributive share of Profits and any items in the nature of income or gain that are specially allocated to such Member pursuant to Sections 3.2 or 3.3, and (3) the amount of any Company liabilities assumed by such Member or that are secured by any Property distributed to such Member;

(ii) to each Member's Capital Account there shall be debited (1) the amount of cash and the Gross Asset Value of any Property distributed to such Member pursuant to any provision of this Agreement, (2) such Member's distributive share of Losses and any items in the nature of deduction, expense, or loss which are specially allocated to such Member pursuant to Sections 3.2 or 3.3, and (3) the amount of any liabilities of such Member assumed by the Company or that are secured by any property contributed by such Member to the Company;

(iii) in the event a Membership Interest is Transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the Transferred Membership Interest; and

(iv) in determining the amount of any liability for purposes of subparagraphs (i) and (ii) above there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Code Section 704(b) and the Regulations thereunder, and shall be interpreted and applied in a manner consistent therewith. In the event the Managing Member shall determine in good faith and on a commercially reasonable basis that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto are computed in order to comply with such Regulations, the Managing Member may make such modification; provided, however, that the Managing Member shall promptly give each other Member written notice of such modification.

2.4 Additional Issuances. From time to time, the Company shall have the right to issue additional Class A Limited Membership Interests in respect of up to ten billion Dollars ($10,000,000,000) less the aggregate Capital Contributions made by Class A Limited Members pursuant to the Subscription Agreements or other substantially similar agreements, in exchange for additional Capital Contributions pursuant to one or more subscription agreements containing substantially similar terms as those contained in the Subscription Agreements, except that the Class A Preferred Return Rate applicable to such additional Class A Limited Membership Interests may be a different rate from the Class A Preferred Return Rate applicable to the outstanding Class A Limited Membership Interests, and subject to delivery of signed counterpart(s) to this Agreement by the purchasers of such Class A Limited Membership Interests; provided that such additional Capital Contributions (including any such Capital Contributions relating to the issuance of additional Class B Common Membership Interests pursuant to the immediately following sentence) shall be subject to the prior written approval of the Initial Class A Limited Members (such approval not to be unreasonably withheld,

conditioned or delayed if such proposed additional Capital Contributions constitute Permitted Assets). Concurrently with the issuance of any such additional Class A Limited Membership Interests, the Company shall issue additional Class B Common Membership Interests to the Managing Member in such amount as may be required for the total Class B Common Membership Interests to represent 50.1% or more of the equity interests of the Company. Upon any such issuances, the Parent Company shall pay or cause an Affiliate thereof to pay to the Class A Limited Members and/or their applicable Affiliate(s) the fees payable under the applicable Fee Letter in accordance with the terms thereof.

The Company reserves the right to issue one or more additional classes of Membership Interests with rights, privileges, preferences and restrictions junior in all respects to those of the Class A Limited Membership Interests. Each Member hereby agrees to enter into any amendments to this Agreement and the other Transaction Documents as are necessary or appropriate to give effect to the transactions contemplated by the foregoing sentence.

Section 3 ALLOCATIONS

3.1 Profits and Losses.

(a) After the application of Sections 3.1(b) and 3.2, Profits and Losses for each Allocation Year shall be allocated among the Members in a manner such that the Capital Account of each Member, immediately after making such allocation, and after taking into account actual distributions made during such Allocation Year, is as nearly as possible, equal to: (i) the distributions that would be made to such Member if the Company were dissolved, its affairs wound up and its assets sold for cash equal to their Gross Asset Values (limited with respect to each Nonrecourse Liability to the Gross Asset Value of the assets securing such Nonrecourse Liability) and the net assets distributed in accordance with Section 13 to the Members minus (ii) such Member's share of Company Minimum Gain and Member Nonrecourse Debt Minimum Gain. Subject to the other provisions of this Section 3, an allocation to a Member of a share of Profit or Loss shall be treated as an allocation of the same share of each item of income, gain, loss or deduction that is taken into account in computing Profits or Losses.

(b) To the maximum extent permitted by applicable law, in allocating Profits and Losses for an Allocation Year among the Members in respect of amounts distributed or distributable to a Member (including in a hypothetical distribution described in Section 3.1(a)(i)), the items of income, gain, loss or deduction that are allocated to a Member shall be made in a manner consistent with the sources from which such distributions are required to be made under this Agreement.

(c) The allocation to the Class A Limited Members of the Class A Limited Member Preferred Return shall be characterized as a guaranteed payment under Code Section 707(c), and the corresponding deduction shall be allocated to the Members holding Class B Common Membership Interests pro rata in proportion to their holdings of Class B Common Membership Interests.

3.2 Special Allocations. The following special allocations shall be made in the following order:

(a) **Minimum Gain Chargeback**. Except as otherwise provided in Regulations Section 1.704-2(f), notwithstanding any other provision of this Section 3, if there is a net decrease in Company Minimum Gain during any Allocation Year, each Member shall be specially allocated items of Company income and gain for such Allocation Year (and, if

necessary, subsequent Allocation Years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section 3.2(a) is intended to comply with the minimum gain chargeback requirement in Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(b) **Member Minimum Gain Chargeback**. Except as otherwise provided in Regulations Section 1.704-2(i)(4), notwithstanding any other provision of this Section 3, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Allocation Year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such Allocation Year (and, if necessary, subsequent Allocation Years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This Section 3.2(b) is intended to comply with the minimum gain chargeback requirement in Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) **Qualified Income Offset**. In the event that any Member unexpectedly receives any adjustments, allocations, or distributions described in Regulations Sections 1.704-1(b)(2)(ii)*(d)(4)*, 1.704-1(b)(2)(ii)*(d)(5)*, or 1.704-1(b)(2)(ii)*(d)(6)*, items of Company income and gain shall be allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible; provided, however, that an allocation pursuant to this Section 3.2(c) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Section 3 have been tentatively made as if this Section 3.2(c) were not in this Agreement.

(d) **Gross Income Allocation**. In the event that any Member has an Adjusted Capital Account Deficit at the end of any Allocation Year, each such Member shall be allocated items of Company income and gain in the amount of such deficit as quickly as possible; provided, however, that an allocation pursuant to this Section 3.2(d) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Section 3 have been tentatively made as if Section 3.2(c) and this Section 3.2(d) were not in this Agreement.

(e) **Nonrecourse Deductions**. Nonrecourse Deductions for any Allocation Year shall be allocated to the Members holding Class B Common Membership Interests pro rata in proportion to their holdings of Class B Common Membership Interests.

(f) **Member Nonrecourse Deductions**. Any Member Nonrecourse Deductions for any Allocation Year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(1).

(g) **Section 754 Adjustments**. To the extent an adjustment to the adjusted tax basis of any Company asset, pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)*(m)(2)* or 1.704-1(b)(2)(iv)*(m)(4)*, to be taken

into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of such Member's Membership Interest, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in accordance with their interests in the Company in the event Regulations Section 1.704-1(b)(2)(iv)*(m)(2)* applies, or to the Member to whom such distribution was made in the event Regulations Section 1.704-1(b)(2)(iv)*(m)(4)* applies.

3.3 Curative Allocations. The allocations set forth in Sections 3.2 and 3.4 (the "***Regulatory Allocations***") are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, the Regulatory Allocations shall be offset either with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 3.3. Therefore, notwithstanding any other provision of this Section 3 (other than the Regulatory Allocations), the Managing Member shall make such offsetting special allocations of Company income, gain, loss, or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of this Agreement. In exercising its discretion under this Section 3.3, the Managing Member shall take into account future Regulatory Allocations that, although not yet made, are likely to offset other Regulatory Allocations previously made.

3.4 Loss Limitation. Losses allocated pursuant to Section 3.1 hereof shall not exceed the maximum amount of Losses that can be allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Allocation Year. In the event some, but not all, of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of Losses pursuant to Section 3.1, the limitation set forth in this Section 3.4 shall be applied on a Member by Member basis and Losses not allocable to any Member as a result of such limitation shall be allocated to the other Members in accordance with the positive balances in such Member's Capital Accounts so as to allocate the maximum permissible Losses to each Member under Regulations Section 1.704-1(b)(2)(ii)*(d)*.

3.5 Other Allocation Rules.

(a) Profits, Losses, and any other items of income, gain, loss, or deduction shall be allocated to the Members pursuant to this Section 3 as of the last day of each Fiscal Year; provided, however, that Profits, Losses, and such other items shall also be allocated at such times as the Gross Asset Values of the Company's assets are adjusted pursuant to subparagraph (b) of the definition of "Gross Asset Value" in Section 1.11.

(b) For purposes of determining the Profits, Losses, or any other items allocable to any period, Profits, Losses, and any such other items shall be determined on a daily, monthly or other basis as determined by the Managing Member using any permissible method under Code Section 706 and the Regulations thereunder.

(c) The Members are aware of the income tax consequences of the allocations made by this Section 3 and hereby agree to be bound by the provisions of this Section 3 in reporting their shares of Company income and loss for income tax purposes, except as otherwise required by law.

3.6 Tax Allocations: Code Section 704(c). In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any Property contributed (or deemed contributed) to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the

adjusted basis of such Property to the Company for U.S. federal income tax purposes and its initial Gross Asset Value (computed in accordance with the definition of "Gross Asset Value"). Such allocation shall be made in any permitted manner determined by the Managing Member, including any remedial or curative allocation methods permitted under Section 704(c) of the Code and the Regulations promulgated thereunder.

In the event the Gross Asset Value of any Property is adjusted pursuant to subparagraph (b) of the definition of "Gross Asset Value," subsequent allocations of income, gain, loss, and deduction with respect to such Property shall take account of any variation between the adjusted basis of such Property for U.S. federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder. Such allocation shall be made in any permitted manner determined by the Managing Member, including any remedial or curative allocation methods permitted under Section 704(c) of the Code and the Regulations promulgated thereunder.

Allocations pursuant to this Section 3.6 are solely for purposes of federal, state, and local Taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, other items or distributions pursuant to any provision of this Agreement.

Section 4
DISTRIBUTIONS

4.1 Amounts Distributed.

(a) **Preferred Return Distributions**. Except as otherwise provided in Section 13, the Company shall make distributions, as and when declared by the Managing Member, to the Class A Limited Members on each Class A Distribution Date, in an amount equal to the cumulative amount of the applicable Class A Limited Member Preferred Return accrued in respect of the related Class A Distribution Period for each such Class A Limited Member's Unrecovered Capital. Distributions pursuant to this Section 4.1(a) (including any distributions made subsequent to the Class A Distribution Date on which they were required to be made but prior to the succeeding Class A Distribution Date on which distributions are required to be made) shall be made to the Class A Limited Members of record fifteen (15) days prior to the relevant Class A Distribution Date. In the event that the Managing Member declares a distribution in an amount less than the cumulative Class A Limited Member Preferred Return in respect of a particular Class A Distribution Period, and without limiting any other rights of the Class A Limited Members, the aggregate amount of the distribution shall be allocated between the classes of Class A Limited Membership Interests in the same proportion as would have been the case had the full amount been declared and such amount shall be paid to the holders of Class A Limited Membership Interests, as applicable, pro rata in proportion to such holders' Unrecovered Capital of such series of Membership Interest. The Company shall make the distributions pursuant to this Section 4.1(a) to the Paying Agent or, at the Company's option, the Administrative Agent (if any) for the account of the Class A Limited Members, by wire transfer of same day funds in Dollars to such account as the Paying Agent or the Administrative Agent, as applicable, shall have designated in writing to the Company from time to time. The Company shall cause the Paying Agent or the Administrative Agent, as applicable, to promptly thereafter distribute, from funds furnished by the Company, to each Class A Limited Member to such account or accounts as each Class A Limited Member shall have designated in writing to the Paying Agent or the Administrative Agent, as applicable, from time to time, the amount due to such Class A Limited Member pursuant to this Section 4.1(a).

(b) **Other Distributions**. Any Cash Available for Distribution remaining after any distribution required pursuant to Section 4.1(a) or 13 to the Class A Limited Members has been made may be distributed by the Company to the Class B Common Members in such amounts as determined by the Managing Member; provided that (i) all distributions of the Class A Limited Member Preferred Return for all prior Class A Distribution Dates have been made, (ii) the Company will be in compliance with the Portfolio Requirements after giving effect to such distribution, (iii) a Notice Event described in Section 14.1(a) has not occurred, (iv) neither the Company nor the Managing Member is in breach of its obligations under this Agreement in any material respect, which breach remains uncured, and (v) any such permitted distribution is made promptly after the declaration thereof.

(c) **Source of Distributions**. Distributions pursuant to Sections 4.1(a) and 4.1(b) shall be made: (x) first, from cash attributable to income received in respect of the Demand Notes, (y) second, from cash attributable to income received in respect of the Contributed Notes and (z) last from any other sources not described in clauses (x) or (y) (including, for the avoidance of doubt, cash attributable to income in respect of the Fiber Assets).

(d) **Limitation**. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution to a Member on account of its Membership Interests if such distribution would violate the Act or other applicable law.

4.2 Tax Withholding. All payments and allocations to be made hereunder to the Members shall be made without setoff or counterclaim and free and clear of, and without any deduction or withholding for, any Taxes, unless otherwise required by law. The Company agrees not to withhold on Preferred Return Distributions to Members (such Members, "***U.S. Net Taxpayer Members***") that have provided the Company with a true, correct and complete (a) IRS Form W-9 (excluding an IRS Form W-9 indicating that backup withholding is required) or (b) IRS Form W-8ECI, except as provided below. However, if the Company determines, in its reasonable discretion exercised in good faith based on advice of its tax advisor and after providing ten (10) Business Days' written notice (to the extent reasonably practicable, and otherwise as promptly as reasonably practicable) to the affected Class A Limited Members (and considering in good faith any comments promptly provided by such Class A Limited Members), that any Taxes are required to be withheld under applicable law from any amounts distributable, payable or allocable to any Member hereunder (including in connection with any Class A Mandatory Remarketing), the Company or other relevant payor shall be entitled to deduct or withhold such Taxes, shall timely pay such Taxes to the relevant governmental entity in accordance with applicable law and, as soon as practicable after such payment, shall provide to such Member a copy of the receipt issued by such governmental entity or other evidence of such payment reasonably satisfactory to such Member. Prior to making any deduction or withholding from Preferred Return Distributions to a U.S. Net Taxpayer Member, the Company shall provide ten (10) Business Days' prior written notice to the extent reasonably practicable (and to the extent such notice is not reasonably practicable, shall provide written notice as soon as reasonably practicable) to such Member of the amounts subject to deduction or withholding and the basis for such deduction or withholding and shall provide such Member with a reasonable opportunity to provide forms or other documentation that would eliminate or mitigate such deduction or withholding. The Company shall use commercially reasonable efforts to provide any forms or information to a Member or make any filings, applications or elections to the extent necessary to obtain any available exemptions from, reduction in, or refund of, any deduction or withholding imposed by any taxing authority applicable with respect to amounts distributable, payable or allocable to any Member hereunder. To the extent payments are required to be made by the Company to a governmental entity on behalf of or with respect to a Member in accordance with this Section 4.2 in an amount that exceeds the amount deducted or withheld with respect to such Member, the excess amount shall, at the election of the Managing Member, (i) be applied to and reduce the next distribution(s) otherwise payable to such Member under this Agreement

(except to the extent of any payment for penalties attributable to the Company's gross negligence or willful misconduct) or (ii) be paid by the Member to the Company within thirty (30) days of written notice from the Managing Member requesting indemnification as described below. Any amount withheld pursuant to the Code or any other provision of federal, state or local tax or other law with respect to any distribution or payment to a Member shall be treated as an amount distributed or paid to such Member for all purposes under this Agreement. Each Member (including, for the avoidance of doubt, a former Member) agrees to indemnify the Company in full for any Taxes required to be paid to a governmental entity or regulatory authority in excess of amounts previously withheld by the Company with respect to such Member to the extent such Taxes are specifically attributable to such Member, including any interest, penalties (other than penalties attributable to the Company's gross negligence or willful misconduct) and reasonable out-of-pocket Expenses associated with such payments. For the avoidance of doubt, the Members agree for purposes of the immediately preceding sentence that failure to withhold under Section 1446 of the Code with respect to Preferred Return Distributions to U.S. Net Taxpayer Members would not constitute gross negligence or willful misconduct under current law. If it is asserted by the IRS that the Company is or was required to withhold tax under Section 1446 of the Code on any Preferred Return Distribution to any U.S. Net Taxpayer Member but (i) failed to do so, or (ii) paid less than the amount required under Section 1446 of the Code or the Regulations thereunder, the applicable Member agrees to cooperate to use commercially reasonable efforts to eliminate, mitigate and reduce any such withholding, any liability of the Company for tax that the Company is asserted to have failed to withhold and any associated penalties. The Managing Member agrees, absent a change in law occurring after the date hereof that would require withholding, that to the extent a Member: (i) provides a certification meeting the requirements under Regulations Section 1.1446(f)-2(b)(3) to establish that a transaction would not result in realized gain to a Member, on which the Company is able to rely to reduce or eliminate any withholding otherwise required by the Company pursuant to Section 1446(f) of the Code and the Regulations thereunder, and (ii) provides a withholding certificate obtained through an application on IRS Form 8288-B or the procedures set forth in Rev. Proc. 2000-35 or any successor forms or procedures thereto, as applicable, (or evidence of the request for a withholding certificate) (a "***FIRPTA Withholding Certificate***") reducing or eliminating amounts otherwise required to be withheld or deducted and paid to the IRS, in each case clause (i) and clause (ii), prior to the date of any transaction giving rise to the obligation to withhold or deduct amounts attributable to such Member, the Managing Member shall not withhold or deduct and pay over to the IRS any amount in excess of the amount required to be so withheld or deducted and paid as provided for pursuant to such FIRPTA Withholding Certificate; provided that in the case of a pending request for a FIRPTA Withholding Certificate where the certification described in clause (i) has been provided, the Managing Member shall be entitled to withhold the full amount required to be withheld or deducted, but shall not be entitled to pay over to the IRS any amount until: (a) the issuance of such FIRPTA Withholding Certificate by the IRS and, at such time, shall only pay over to the IRS the amount required to be paid pursuant to such FIRPTA Withholding Certificate or (b) the IRS issues a notice of denial with respect to the request for a FIRPTA Withholding Certificate. For the avoidance of doubt, any amounts withheld or deducted attributable to a Member in excess of the amount required to be paid to the IRS under the preceding sentence shall be payable to such Member. The obligations of an applicable Member under this Section 4.2 shall survive the termination, dissolution, liquidation and winding up of the Company, the withdrawal of any Member or the transfer of any Member's interest in the Company, and for purposes of this Section 4.2, the Company shall be treated as continuing in existence.

4.3 Limitations on Distributions. The Company shall make no distributions to the Members except (i) as provided in this Sections 4 and Section 13, or (ii) to the extent not inconsistent with this Section 4 and Section 13 or with the provisions of any of the other Transaction Documents, as agreed to in writing by all of the Members.

4.4 Distributions and Payments to Members. It is the intent of the Members that no distribution or payment to any Member (including distributions under Section 4.1 and Section 13.2) shall be deemed a return of money or other property in violation of the Act. The payment or distribution of any such money or property to a Member shall be deemed to be a compromise within the meaning of Section 18-502(b) of the Act, and the Member receiving any such money or property shall not be required to return any such money or property to the Company, any creditor of the Company or any other Person. However, if any court of competent jurisdiction holds that, notwithstanding the provisions of this Agreement, any Member is obligated to return such money or property, such obligation shall be the obligation of such Member and not of the Company, any other Member or the Managing Member. Any amounts required to be returned under such obligation shall be treated as a permitted additional Capital Contribution pursuant to Section 2.2.

Section 5
MANAGEMENT; OPERATIONS

5.1 Authority of the Managing Member. The Managing Member constitutes a "manager" of the Company for purposes of the Act. The Members acknowledge that the Company shall be managed by the Managing Member, in its capacity as a manager of the Company, in accordance with Section 18-402 of the Act and subject to any restrictions set forth in the Certificate of Formation or this Agreement, all powers to control and manage the business and affairs of the Company and to bind the Company shall be exclusively vested in the Managing Member, in such capacity, and the Managing Member may exercise all powers of the Company and do all such lawful acts as are not by applicable law, the Certificate of Formation or this Agreement directed or required to be exercised or done by the Members and in so doing shall have the right and authority to take all actions that the Managing Member deems necessary, useful or appropriate for the management and conduct of the Company's business and affairs and in the pursuit of the purposes of the Company, including delegating the right and authority to take such actions to officers of the Managing Member or any of its Affiliates as are designated by the Managing Member or Officers; provided, however, for the avoidance of doubt, that any Officers shall have the authority on behalf of the Company to enter into this Agreement and the other Transaction Documents or any amendments hereto or thereto or any other document as may be contemplated herein or therein from time to time. Except as otherwise expressly provided for herein, the Members hereby agree to the exercise by the Managing Member of all such powers and rights conferred upon it by the Act with respect to the management and control of the Company. The Managing Member and each such officer and any other "manager," shall be an "authorized person" on behalf of the Company, as such term is used in the Act.

5.2 Independent Managers.

(a) Subject to Section 5.2(b), the Managing Member may determine at any time in its sole and absolute discretion the number of Independent Managers. The number of Independent Managers as of the date of this Agreement shall be two (2). Each Independent Manager, by accepting his or her appointment, agrees that he or she, solely in his or her capacity as a creditor of the Company on account of any indemnification or other payment owing to such Independent Manager by the Company, shall not acquiesce, petition, consent to or otherwise invoke or cause the Company to invoke the process of any court or governmental authority for the purpose of commencing or sustaining a case against the Company under any federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Company or any substantial part of the property of the Company, or ordering the winding up or liquidation of the affairs of the Company. Each Independent Manager designated by the Managing Member shall remain an Independent Manager until a successor is designated or until the Independent Manager's earlier death, resignation, expulsion or removal. Each Independent Manager must execute and deliver

the Independent Manager Management Agreement. Independent Managers need not, and Independent Managers shall not, be Members. The Independent Managers designated by the Managing Member are Bernard J. Angelo and Kevin J. Corrigan.

(b) At any time there are Class A Limited Membership Interests outstanding, the Managing Member shall cause the Company to have at least two (2) Independent Managers who shall be appointed by the Managing Member. No Independent Manager may be removed unless it is for Cause. To the fullest extent permitted by law, including Section 18-1101(c) of the Act, and notwithstanding any duty otherwise existing at law or in equity, the Independent Managers shall consider only the interests of the Company, including its creditors and the Class A Limited Members, in acting or otherwise voting on the matters referred to in Sections 5.4(a), 5.4(b) and 5.5(a)(i). To the fullest extent permitted by law, including Section 18-1101(e) of the Act, an Independent Manager shall not be liable to the Company, the Members, the Managing Member or any other Person bound by this Agreement for breach of contract or breach of duties (including fiduciary duties), unless the Independent Manager acted in bad faith or engaged in willful misconduct or gross negligence. No resignation or removal of an Independent Manager, and no appointment of a successor Independent Manager, shall be effective until such successor shall have accepted his or her appointment as an Independent Manager by executing a counterpart to this Agreement and to the Independent Manager Management Agreement. At any time there are Class A Limited Membership Interests outstanding, in the event of a vacancy in the position of Independent Manager, the Managing Member shall, as soon as practicable, appoint a successor Independent Manager. Any successor Independent Manager shall be reasonably acceptable to the Required Class A Limited Members. All rights, power and authority of the Independent Managers shall be limited to the extent necessary to exercise those rights and perform those duties specifically set forth in this Agreement. Except as provided in the third sentence of this Section 5.2(b), in exercising their rights and performing their duties under this Agreement, any Independent Manager shall have a fiduciary duty of loyalty and care similar to that of a director of a business corporation organized under the General Corporation Law of the State of Delaware. No Independent Manager shall at any time serve as trustee in bankruptcy for any Affiliate of the Company. An Independent Manager is hereby designated as a "manager" within the meaning of Section 18-101(10) of the Act.

5.3 Managing Member and Officer Liability. Except as required by the Act, as otherwise agreed in writing between the Company and any Managing Member or Officer of the Company or as expressly set forth in this Agreement, no Managing Member or Officer shall have any personal liability whatsoever in such Person's capacity as Managing Member or Officer, as applicable, whether to the Company, to any of the Members, to the creditors of the Company or to any other third party, for the debts, commitments or other obligations of the Company or any losses of the Company. No Managing Member or Officer shall have any fiduciary duty to the Company, any Member or any other Person in such Managing Member or Officer's capacity as Managing Member or Officer, as applicable, and no Managing Member or Officer shall have any liability to the Company, any Members or any other Person based on any claim of breach of fiduciary duty. Notwithstanding anything to contrary in this Agreement, the provisions of this Agreement to the extent that they restrict or eliminate the duties (including fiduciary duties) and liability of a Managing Member or Officer otherwise existing at law or in equity, are agreed by the Company, each Member and any other Person bound by this Agreement to restrict or eliminate such duties and liabilities of the Managing Member or Officers, as applicable.

5.4 Limitations on the Company's Activities; Certain Separateness Covenants.

(a) The Managing Member shall not amend, alter, change or repeal Sections 1.1, 1.3, 1.7, 1.8, 1.10, 1.11, 2.2, 4, 5.2, 5.4, 5.5(b), 5.5(c), 6.6, 6.7, 10.1, 11, 13, 17.2, 17.6, 17.7, 17.8, 17.9, 17.13 or 17.15 of this Agreement, in each case, without the unanimous written consent of all Independent Managers. Subject to this Section 5.4, the Managing Member reserves the right to amend, alter, change or repeal any other provisions contained in this Agreement in accordance with and subject to Section 10.

(b) Notwithstanding any provision of this Agreement to the contrary (other than Section 13 and Section 14) and any provision of law that otherwise so empowers the Company, the Managing Member, the Members or any Officer or any other Person, none of the Managing Member, the Members, any Officer or any other Person shall be authorized or empowered, nor shall they permit the Company, without the prior unanimous written consent of the Managing Member and all Independent Managers, to take any Material Action; provided, further, that no Material Action may be authorized unless there are at least two (2) Independent Managers then serving in such capacity. The Independent Managers shall be required to consider the interests of the creditors of the Company and the Class A Limited Members when making decisions pertaining to the Company.

(c) At any time there are Class A Limited Membership Interests outstanding, the Company shall, and the Managing Member shall cause the Company to, observe the following separateness covenants and not engage in any action or conduct inconsistent with the following:

(i) act and conduct its business solely in its own name through the Managing Member as agent, or through other agents selected in accordance with this Agreement, including the Officers;

(ii) hold all of its assets in its own name;

(iii) maintain separately its funds, assets and liabilities from the funds, assets and liabilities of any other Person, and not at any time pool or commingle any of its funds, assets or liabilities with the funds, assets and liabilities of any other Person, and not become involved in the day-to-day management of any other Person;

(iv) prepare and maintain complete and correct books, financial records and records of account, (A) separate and distinct from the books, financial records, bank accounts, depository accounts and records of account of any other Person, including any Affiliate, so that the separate assets and liabilities of the Company are separate and readily identifiable as separate and distinct from those of any such other Person and (B) in a manner so that it will not be difficult or costly to segregate, ascertain and otherwise identify the assets and liabilities of the Company as separate and distinct from the assets and liabilities of any other Person, except, in each case, that the Company's assets and liabilities may be included in a consolidated financial statement of any other Person (as required by applicable accounting principles) if such assets and liabilities also shall be listed on the Company's own separate balance sheet;

(v) pay all of its liabilities, losses and expenses only out of its own funds and not agree or hold itself out as having agreed to pay liabilities, losses or expenses of any other Person; provided, however, the foregoing shall not require any Member or any Affiliate of such Member to make any additional Capital Contributions to the Company;

(vi) except for additional Capital Contributions made by a Class B Common Member or any of its Affiliates and any other transactions expressly contemplated herein (including pursuant to Section 5.5(d)) or in the other Transaction Documents, maintain an arm's-length relationship with its Affiliates and not engage in any transaction with any Affiliate except as may be entered into on an arm's-length basis under written documentation;

(vii) not identify itself as a division or department of any other Person;

(viii) except for the transactions expressly contemplated herein or in the other Transaction Documents, not become primarily or secondarily liable for the debts or obligations of any other Person, whether by guarantee, agreement to purchase assets, agreement to maintain the solvency or otherwise, or advance funds for the payment of expenses or otherwise on behalf of any other Person;

(ix) not hold out its credit as being available to satisfy the debts or obligations of any other Person, whether by guarantee, agreement to purchase assets, agreement to maintain the solvency or otherwise, or make its credit available to advance funds for the payment of expenses or obligations of any other Person except in connection with conducting the Permitted Business;

(x) maintain capital that is not unreasonably small capital under applicable Delaware law in light of its contemplated business operations; provided, however, that the foregoing shall not require any Member or any Affiliate of such Member to make any additional Capital Contributions to the Company;

(xi) at all times conduct transactions between the Company and third parties solely in the name of the Company and as an entity separate and independent from any other Person, including any Affiliate;

(xii) use separate stationery, invoices and checks;

(xiii) cause its representatives, employees and agents to hold themselves out to third parties as representatives, employees or agents, as the case may be, of the Company;

(xiv) except for the transactions expressly contemplated herein or in the other Transaction Documents, not (A) engage in any dissolution, liquidation, consolidation, merger or sale of substantially all of the Company's assets, (B) dispose of any of the Company's property or assets (other than by any distribution contemplated or permitted hereunder) or (C) cancel its Certificate of Formation, in each case, without the affirmative vote of all Class A Limited Members;

(xv) not acquire assets or securities, or assume obligations, of any other Person, including any Affiliate, other than any Permitted Assets;

(xvi) not pay from its own funds the obligations of any kind incurred by Parent Company or any of its Affiliates;

(xvii) do all things necessary or appropriate to observe all Delaware limited liability company procedures and formalities and other organizational formalities and to preserve its separate existence, and maintain records of all limited liability company proceedings;

(xviii) not make any loans or advances to any Person (including any Affiliate), except Demand Notes;

(xix) be qualified under applicable law in the states in which its assets are located, if required by applicable law;

(xx) at all times operate and hold itself out to the public as a legal entity separate and distinct from its Members and any other Person (including any Affiliates) and, promptly upon becoming aware of any known misunderstandings regarding its separate and distinct identity, take all necessary action to correct any such known misunderstandings; and

(xxi) file its own tax returns, if any, as may be required under applicable law, to the extent the Company is (1) not part of a consolidated group filing a consolidated return or (2) not treated as a division for tax purposes of another taxpayer, and subject to the rights to contest the payment of taxes set forth herein or in the other Transaction Documents, pay any taxes so required to be paid under applicable law.

At any time there are Class A Limited Membership Interests outstanding, the Company shall ensure, and the Managing Member shall use reasonable best efforts to ensure, that the organizational documents of each Subsidiary of the Company contain separateness provisions substantially similar to those in this Section 5.4(c) and the Company shall cause each such Subsidiary to observe such separateness covenants.

Notwithstanding clauses (c)(iii), (v), (x), (xi), (xii), (xvi) and (xviii) and (xxi) above, the Managing Member may utilize the AT&T Cash Management System, which system the Managing Member represents (i) is the existing cash management system utilized by the Managing Member in the ordinary course of business consistent with past practice for processing payments and collections on behalf of the Managing Member and its Affiliates and (ii) is and shall be operated and maintained in a manner to permit the identification of (1) the payments made and the collections received on behalf of the Company and (2) the obligations and liabilities of the Company to the Members and the obligations and liabilities of the Members to the Company. The Managing Member covenants that (x) any advances to the Company under the AT&T Cash Management System shall be subordinated to any other obligations of the Company (including, for the avoidance of doubt, any obligations of the Company to the Class A Limited Members) and recourse shall be limited to funds of the Company that are available for such purpose and (y) if the aggregate unsettled liabilities or obligations of the Company relating to or resulting from the utilization of the AT&T Cash Management System exceed ten million Dollars ($10,000,000) at any time and remain outstanding for more than 365 days, such excess liabilities and obligations shall be extinguished in their entirety and deemed a Capital Contribution of the Managing Member.

Failure of the Company or the Managing Member on behalf of the Company, to comply with any of the foregoing covenants or any other covenants contained in this Agreement shall not affect the status of the Company as a separate legal entity or the limited liability of the Members.

5.5 Certain Other Covenants.

(a) The Company shall, and the Managing Member shall cause the Company to, take all actions that may be necessary or appropriate for the (i) preservation and maintenance of the Company's status as a limited liability company and other material rights (charter and statutory) and franchises; provided, however, that the Company shall not be required to preserve any right or franchise if the Managing Member and the Independent Managers unanimously determine that the preservation thereof is no longer desirable in the conduct of the Permitted Business and that the loss thereof is not disadvantageous in any material respect to the Company; (ii) maintenance and preservation of all of its Property that is used or useful in the conduct of the Permitted Business in good working order and condition, except for ordinary wear and tear or where the failure to do so, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect; (iii) compliance with all applicable laws, rules, regulations and orders, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect; (iv) payment and discharge, before the same shall become delinquent, all federal and other material taxes, assessments and governmental charges or levies imposed upon the Company or its Property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect; provided, however, that the Company shall not be required to pay or discharge any such tax, assessment, charge or levy that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to Property and becomes enforceable against its other creditors; and (v) maintenance of insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by entities engaged in similar businesses and owning similar Properties in the same general areas in which the Company operates; provided, however, that the Company may self-insure to the extent consistent with prudent business practice.

(b) No Member, or any Affiliate of a Member, shall (i) hold itself out, or permit itself to be held out, as having agreed to pay or as being liable for the debts of the Company, guarantee any obligations or debts of the Company, or indemnify any Person or entity for losses resulting therefrom or (ii) identify the Company as a division or department of any Member or Affiliate thereof.

(c) Except as contemplated by this Agreement, without the consent of the Required Class A Limited Members, the Company shall not, and the Managing Member shall not be authorized to, nor shall the Managing Member permit or cause the Company or any of its Subsidiaries to take any of the following actions:

(i) carry on any business other than the Permitted Business;

(ii) cause or permit the Company to incur, assume, guarantee, or otherwise become liable for any Indebtedness;

(iii) cause or permit any Subsidiary of the Company to incur, assume, guarantee, or otherwise become liable for any Indebtedness;

(iv) (A) incur, create or grant any mortgage, pledge or security interest or other Lien material to the Company or any of its Subsidiaries on its Property or assets for the benefit of any other Person, (B) pledge, hypothecate or re-hypothecate its assets (including, for the avoidance of doubt, the Demand Notes) or assets pledged to it or (C) voluntarily enter into an agreement to subordinate the rights of the Company under the Demand Notes or the Contributed Notes (including any collateral securing the same);

(v) adopt or change a significant tax or accounting practice or principle, make any significant tax or accounting election, or adopt any position for purposes of any tax return, in each case, that will have a material adverse effect on any Class A Limited Member (and, in each case, except as required by applicable law or as expressly contemplated by this Agreement);

(vi) issue any Membership Interests or reclassify any Membership Interests into Class A Limited Membership Interests or other Membership Interests having powers, preferences or rights with respect to distributions or redemptions that are senior to or on parity with Class A Limited Membership Interests, other than pursuant to Section 2.4;

(vii) form, acquire or hold any Subsidiary other than AT&T Fiber Leasing or any other Permitted Subsidiary, in each case, with separateness provisions substantially similar to those in this Agreement;

(viii) permit any Subsidiary of the Company to issue any equity interests other than to the Company or a wholly-owned Subsidiary of the Company or, in the case of equity interests of the Company, as expressly permitted by this Agreement;

(ix) repurchase any of the Company's Membership Interests, other than pursuant to Section 15;

(x) distribute to any Member any asset or property of any kind, or make any other discretionary distribution to any Member, other than as contemplated or permitted by this Agreement (including pursuant to Section 5.5(d)) or any Transaction Document and other than in the course of the liquidation of the Company);

(xi) sell, transfer or dispose of any Demand Note;

(xii) sell, transfer or dispose of any Permitted Assets owned by the Company or any Subsidiary thereof unless following such sale, transfer or disposition, the Company would be in compliance with each of the Portfolio Requirements (provided, for the avoidance of doubt, that any transactions contemplated by a Proposed Sale (as defined in the Amendment to Fiber License Agreement) or the exercise of its Right of First Refusal (as defined in the Amendment to Fiber License Agreement) by Southwestern Bell LLC must be in compliance with the requirements of this subsection (xii));

(xiii) merge, consolidate, or engage in any other business consolidation with any Person, except for any such transactions with or among wholly-owned Subsidiaries of the Company;

(xiv) to the fullest extent permitted by law, cause or permit the dissolution, winding up or termination of the Company except as contemplated by this Agreement;

(xv) enter into, amend, terminate or otherwise grant a waiver or forbearance under, any transaction or agreement with a Member or its Affiliates, including any purchase, sale, lease or exchange of property or assets or the rendering of any service, including an amendment or termination of or waiver or forbearance under any Demand Note, Contributed Note or Keep Well Agreement or other Transaction Document (other than one between the Company and a Subsidiary thereof), unless (A) otherwise contemplated or permitted by this Agreement and (B) on terms no less

favorable to the Company or its applicable Subsidiaries than could be otherwise obtained in an arm's-length transaction; provided that, the Company or any of its Subsidiaries may amend or make any other change with respect to any agreement pertaining to Fiber Assets if such change or amendment (x) reflects a corresponding change or amendment made in other agreements between Affiliates of Parent Company governing assets similar to the Fiber Assets, (y) is not adverse to the Company other than to a *de minimis* extent and (z) the Company provides the Initial Class A Limited Members with a draft of such proposed amendment or other change at least fifteen (15) Business Days prior to effecting such proposed amendment or other change and considers in good faith any comments thereto provided by the Initial Class A Limited Members; and

(xvi) fail to timely perform any of its obligations under the Demand Notes, including any obligation to provide tax forms.

(d) Notwithstanding any other provisions of this Agreement, the Company shall be permitted to distribute any Fiber Assets, Contributed Notes, cash or Cash Equivalents to the Managing Member and the Managing Member shall be permitted to contribute any Permitted Assets to the Company, including any payment pursuant to any Contributed Note; provided, that, the Company will be in compliance with the Portfolio Requirements immediately following such distribution or contribution. Subject to Section 5.5(c), the Company and each of its Subsidiaries shall be permitted to (i) take any action with respect to the Secured Notes as permitted by the terms of the Secured Notes, (ii) take any action with respect to the matters contemplated by the Southwestern Bell Fiber Agreements or any other Fiber License Agreement as permitted by the terms of the Southwestern Bell Fiber Agreements or such other Fiber License Agreement and (iii) take any action reasonably determined to be necessary or advisable to preserve and maintain the operationality of the assets governed by the Southwestern Bell Fiber Agreements or any other Fiber License Agreement. Nothing in this Agreement shall prevent or otherwise limit (x) the Company from making any contribution or other transfer to any wholly owned Subsidiary or (y) any wholly owned Subsidiary of the Company from making any distribution or other transfer to the Company.

(e) Notwithstanding any other provisions of this Agreement, all BHC Members shall be subject to the limitations on voting set forth in this Section 5.5(e). As described further in this Section 5.5(e), if at any time the Class A Limited Membership Interests are deemed to be "voting securities" as defined in 12 CFR 225.2(q)(1), and a BHC Member holds any Class A Limited Membership Interests that would otherwise represent five percent (5%) or more of the outstanding Class A Limited Membership Interests entitled to vote, including on the matters described in Section 5.5(c), such BHC Member may not vote any portion of its Class A Limited Membership Interests in the Company in excess of 4.99% of the outstanding Class A Limited Membership Interests that are entitled to vote. Whenever the vote, consent, or decision (other than a vote, consent or decision pertaining to a matter that would be permitted for "nonvoting securities" as defined in 12 CFR 225.2(q)(2)) of a Class A Limited Member is required or permitted pursuant to this Agreement, a BHC Member and its Transferees shall not be entitled to participate in such vote or consent, or to make such decision, with respect to the portion of such BHC Member's and its Transferees interest, collectively, in excess of 4.99% of the outstanding Class A Limited Membership Interests that are entitled to vote, and any such vote, consent or decision shall be tabulated or made as if such BHC Member and its Transferees were not Members with respect to such BHC Member's or Transferees' Interest in excess of 4.99% of the total outstanding Class A Limited Membership Interests that are entitled to vote (and with any voting rights up to 4.99% being allocated pro rata among the BHC Member, any "affiliate" (as defined in the BHC Act) of the BHC Member that also holds Class A Limited Membership Interests and any of their Transferees based on their then current holdings of the Class A Limited Membership Interests). Except as provided in this Section 5.5(e), any outstanding Class A Limited Membership Interests of a BHC Member and its Transferees shall

be identical to the Class A Limited Membership Interests of the other Members. Any Class A Limited Membership Interests held by a BHC Member and/or its Transferees for which a BHC Member is or was not to vote such Class A Limited Membership Interests pursuant to this Section 5.5(e) shall continue to be subject this Section 5.5(e) notwithstanding any permitted assignment or transfer unless the BHC Member or its Transferee has transferred its Class A Limited Membership Interest to a person that is not an Affiliate of such transferor (i) in a widespread public distribution; (ii) in a transfer in which no transferee (or group of associated transferees) receives two percent (2%) or more of the outstanding Class A Limited Membership Interests entitled to vote; (iii) in a transfer to the Company or (iv) in a transfer to a transferee that controls (as that term is defined in the BHC Act) more than fifty percent (50%) of every outstanding class or series of Membership Interests entitled to vote, not including any outstanding Membership Interests entitled to vote that were transferred by the BHC Member or its Transferees. For purposes of this Section 5.5(e), "Transferees" means any person to which the BHC Member transfers (including by way of a sale, assignment, hypothecation, disposition or other transfer of the legal or beneficial ownership or economic benefits) any of its Class A Limited Membership Interests, and any of their transferees (as so on), in each case, other than a transferee in the circumstances described in (i)-(iv) above.

(f) **Collateral Certificate**. So long as any Secured Note is outstanding or the Company or any of its Subsidiaries holds any Fiber Assets, an officer of the Managing Member or any of its Affiliates that is familiar with the Contributed Fiber Assets and any other Fiber Assets held by the Company and its Subsidiaries shall deliver a certificate (a "***Collateral Certificate***") by each deadline set forth in Section 9.2(b) (or, with respect to the fourth Fiscal Quarter of each year, the deadline set forth in Section 9.2(a); provided that, such Collateral Certificate delivered by the deadline set forth in Section 9.2(a) shall be delivered solely with respect to such fourth Fiscal Quarter and not for the Fiscal Year) (each, a "***Certification Deadline***") certifying that there has not been a material adverse change, in the aggregate, with respect to the Contributed Fiber Assets underlying the Secured Notes then outstanding and any other Fiber Assets held by the Company and its Subsidiaries with respect to the last day of the quarter preceding the quarter in respect of which the certificate is being delivered, taking into account any changes made in the Contributed Fiber Assets and other Fiber Assets since such quarter end. In the event that a Collateral Certificate is not delivered by any Certification Deadline or the Company or the Managing Member determines that a Collateral Certificate may not be able to be delivered by any Certification Deadline, the Company shall, at its own expense, appoint TAP Advisors LLC or another third party firm with expertise in the valuation of assets similar to the Contributed Fiber Assets and other Fiber Assets held by the Company and its Subsidiaries reasonably acceptable to the Initial Class A Limited Members (the "***Valuation Firm***"), who shall conduct an independent valuation of the Contributed Fiber Assets underlying the outstanding Secured Notes and other Fiber Assets held by the Company and its Subsidiaries. The results of such valuation (the "***Valuation Report***"), which shall include the valuation of the Contributed Fiber Assets underlying each outstanding Secured Note and the valuation of the other Fiber Assets held by the Company and each of its Subsidiaries, shall be furnished to the Administrative Agent (or to each Member, if no Administrative Agent is appointed at the time) within three (3) months of the applicable Certification Deadline unless such Valuation Firm determines that, using reasonable best efforts, such Valuation Report cannot be completed by such time, in which case the deadline to produce such Valuation Report shall be extended for no more than one (1) additional month, and the Administrative Agent (if any) shall cause such Valuation Report to be furnished to each Member promptly thereafter.

5.6 Compensation; Expenses.

(a) The Managing Member shall not receive any salary, fee, or draw for services rendered to, or on behalf of, the Company or otherwise in its capacity as a manager of the Company or a Member, nor shall the Managing Member be reimbursed for any Expenses

incurred by the Managing Member on behalf of the Company or otherwise in its capacity as a manager of the Company or a Member.

(b) The Managing Member may charge the Company, and shall be reimbursed, for all out-of-pocket documented expenses necessary in connection with the operation of the Company (including paying the fees and expenses to the Independent Managers); provided that (i) all distributions of the Class A Limited Member Preferred Return for all prior Class A Distribution Dates have been made, (ii) the Company will be in compliance with each of the Portfolio Requirements after giving effect to such reimbursement, (iii) the Notice Event described in Section 14.1(a) has not occurred and (iv) neither the Company nor the Managing Member is in breach of its obligations under this Agreement in any material respect. Such reimbursement shall be treated as operating expenses of the Company and shall not be deemed to constitute distributions to any Member of profit, loss, or capital of the Company.

5.7 Withdrawal.

(a) The Managing Member may at any time deliver to the Members written notice of the Managing Member's intent to withdraw as a manager of the Company (within the meaning of the Act).

(b) In the event that the Managing Member seeks to withdraw as a manager of the Company, the Managing Member shall remain as a manager until a successor manager is appointed. A successor manager shall be appointed by the Managing Member; provided, however, that any such successor shall be an Affiliate of Parent Company (unless a majority of the Class B Common Membership Interests have been Transferred to a Person who is not an Affiliate of Parent Company with the consent of the Required Class A Limited Members pursuant to Section 11.2(a)).

(c) Any withdrawal of the Managing Member as a manager shall not affect the status of such Managing Member as a Member, except to the extent otherwise provided in this Agreement, including Section 11.

Notwithstanding the foregoing, while any Affiliate of Parent Company is the Managing Member, upon any Transfer by the Class B Common Members of all or any portion of the Class B Common Membership Interests to an Affiliate of the Parent Company satisfying the requirements set forth in Section 11.2(a), such Permitted Transferee may, at the election of the Managing Member, succeed to the rights of the Managing Member hereunder to be the manager of the Company (within the meaning of the Act), without obtaining the consent of the Required Class A Limited Members and, in such event, such successor shall be deemed admitted to the Company as a manager (within the meaning of the Act) and shall have all rights of the Managing Member hereunder.

5.8 Portfolio Requirements. So long as any Class A Limited Membership Interests remain outstanding, the Company shall comply with each of the following requirements (the "***Portfolio Requirements***"):

(a) **Asset Coverage**. The Company shall hold Permitted Assets such that, at all times, the ratio of (x) the aggregate Value of such Permitted Assets to (y) the sum of (1) the aggregate Unrecovered Capital of the Class A Limited Members plus (2) all Indebtedness and short-term liabilities (excluding any obligations arising from a distribution declared pursuant to Section 4.1(a)) of the Company and its Subsidiaries shall be at least 2:1.

(b) **Keep Well Agreements**. A Keep Well Agreement shall provide for the financial support of each Borrower that has issued any Secured Note and the rights and obligations of the parties to such Keep Well Agreement thereunder shall be valid, binding and enforceable while such Secured Note is outstanding.

(c) **Demand Notes**. The Company shall hold Demand Notes such that, at all times, the ratio of the Value of such Demand Notes to the aggregate Unrecovered Capital of the Class A Limited Members shall be at least 1:1.

(d) **Parent Rating**. The Demand Notes shall be issued by the Parent Company and the Parent Company shall have and maintain an Acceptable Rating.

5.9 Officers.

(a) **General**. The Company may have such officers as the Managing Member shall from time to time determine (collectively, the "***Officers***"). Any number of offices may be held by the same Person. Officers need not be Members or residents of the State of Delaware. Nothing contained in this Section 5.9(a) shall be deemed to limit or otherwise abridge any rights or obligations to which the Company or an Officer may be subject pursuant to the terms of any employment, management or other similar agreement.

(b) **Appointment of Officers**. The Managing Member shall have the sole power to designate Officers. Any Officers so designated shall have such authority and perform such duties as the Managing Member may, from time to time, delegate to them. The Managing Member may assign titles to particular Officers. Each Officer shall hold office for the term for which he or she is elected or until he or she shall resign or shall have been removed in the manner hereinafter provided.

(c) **Resignation/Removal**. Any Officer may resign as such at any time. Such resignation shall be made in writing and shall take effect at the time specified therein or, if no time be specified, at the time of its receipt by the Managing Member. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation. Subject to the terms of any applicable employment agreement, any Officer may be removed as such, either with or without cause, at any time by the Managing Member.

(d) **Titles**. The Managing Member may permit any of the Officers of the Company to use additional or alternative titles or job descriptions in furtherance of the Permitted Business. Each Officer shall be deemed for purposes of this Agreement to be acting in his or her capacity as an Officer of the Company notwithstanding the permitted title or titles used by such Person.

Section 6
ROLE OF MEMBERS

6.1 Rights or Powers. Other than the rights and powers expressly granted to the Managing Member pursuant to Section 5, the Members, in their capacities as members of the Company, hereby agree not to exercise any right or power to take part in the management or control of the Company or its business and affairs and shall not have any right or power to act for or bind the Company in any way. Without limiting the generality of the foregoing, the Members, in such capacities, have all of the rights and powers specifically set forth in this Agreement and, to the extent not inconsistent with this Agreement, in the Act.

6.2 Voting Rights. No Member has any voting right except with respect to those matters specifically reserved for a Member's consent or other right that is set forth in this Agreement and as required in the Act.

6.3 Meetings and Consents of the Members.

(a) Meetings of the Members may be called at any time by the Managing Member. The call shall state the nature of the business to be transacted. Notice of any such meeting shall be given to all Members not less than five (5) Business Days nor more than thirty (30) days prior to the date of such meeting; provided, however, that the Members may agree in writing to a shorter notice period than five (5) Business Days. Members may attend in person, by proxy or by telephone at such meeting and may waive advance notice of such meeting.

(b) For the purpose of determining the Members entitled to attend any meeting of the Members or any adjournment thereof, or provide a consent with respect to any action discussed at such meeting, the Managing Member or the Members requesting such meeting may fix, in advance, a date as the record date for any such determination. Such date shall not be more than thirty (30) days nor less than five (5) Business Days before any such meeting.

(c) Where the vote or consent of the Members is required under this Agreement or the Act, each Member may provide its vote or consent in any manner permitted under the Act. Each Member may authorize any Person or Persons to act for it by proxy on all matters in which a Member is entitled to participate, including waiving notice of any meeting, or providing consent, or participating at a meeting. Every proxy must be signed by the Member or its attorney-in-fact or delivered by means of electronic communication. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Member executing it.

(d) Each meeting of Members shall be conducted by the Managing Member or such other individual Person as the Managing Member deems appropriate pursuant to such rules for the conduct of the meeting as the Managing Member or such other Person deems appropriate.

(e) Any action that the Members may authorize or take at a meeting may be authorized or taken without a meeting with the affirmative vote or, in the case of Class A Limited Members, consent or approval of, and in a writing or writings signed by, all those Members who would be entitled to notice of the meeting of Members held for that purpose.

6.4 Withdrawal/Resignation. Except as otherwise provided in this Agreement, no Member shall demand or receive a return on or of its Capital Contributions or withdraw or resign as a Member from the Company without the affirmative written consent of the Managing Member and all of the Class A Limited Members. If any Member resigns or withdraws from the Company in breach of this Section 6.4, such resigning or withdrawing Member shall not be entitled to receive any distribution under this Agreement. Under circumstances requiring a return of any Capital Contribution, no Member has the right to receive Property other than cash except as may be specifically provided herein.

6.5 Member Compensation. No Member shall receive any interest, salary, or draw for services rendered on behalf of the Company, or otherwise, in its capacity as a Member, except as otherwise provided in Section 5.6. Notwithstanding the foregoing, the parties hereto acknowledge the fees payable pursuant to the applicable Fee Letter.

6.6 Members' Liability. Except as required by the Act, as otherwise agreed to in writing between the Company and a Member or as expressly set forth in this Agreement, no Member shall have any personal liability whatsoever in such Member's capacity as a Member, whether to the Company, to any of the other Members, to the creditors of the Company or to any other third party, for the debts, commitments or other obligations of the Company or for any losses of the Company. The Members shall have no fiduciary duty to the Company, any other Member or any other Person in such Member's capacity as a Member, and the Members shall have no liability to the Company, any other Members or any other Person based on any claim of breach of fiduciary duty. Notwithstanding anything to the contrary in this Agreement, the provisions of this Agreement, to the extent that they restrict or eliminate the duties (including fiduciary duties) and liability of the Members otherwise existing at law or in equity, are agreed by the Company, each Member and any other Person bound by this Agreement to restrict or eliminate such duties and liabilities of the Members. Each Member, in such Member's capacity as a Member, shall be liable only to make such Member's Capital Contributions to the Company as and when required by this Agreement or as otherwise agreed to in writing between the Company and such Member and the other payments required to be made by such Member under the Act, this Agreement or as otherwise agreed to in writing between the Company and such Member; provided, however, that a Member may be required to repay distributions made to it as provided in the Act and Section 4.4.

6.7 Indemnification.

(a) **Members**.

(i) Subject to Section 6.7(a)(ii), the Company, its receiver or its trustee (in the case of its receiver or trustee, to the extent of Property) shall, to the maximum extent permitted by law, indemnify, save harmless, and pay all Expenses of any Member, and any members, managers, partners, stockholders, officers, directors, employees or agents of such Member (each, a "***Member Indemnitee***") relating to any liability or damage incurred by reason of any act performed or omitted to be performed by such Member or Member Indemnitee in connection with the business or affairs of the Company, the issuance of any Membership Interests hereunder or any other actions contemplated by this Agreement, including attorneys' fees incurred by such Member or Member Indemnitee, in connection with the defense of any action based on any such act or omission, which attorneys' fees may be paid as incurred, including all such liabilities under federal and state securities laws (including the Securities Act) as permitted by law; provided, however, that any claim by any Member Indemnitee in its capacity as a Class B Common Member or any Member Indemnitee that is a member, manager, partner, stockholder, officer, director, employee or agent of a Class B Common Member in its capacity as a member, manager, partner, stockholder, officer, director, employee or agent of such Class B Common Member under this Section 6.7(a)(i) shall be subordinated to the claims of the Class A Limited Members under Sections 4.1(a), 13.2(b) and 13.5.

(ii) Section 6.7(a)(i) shall be enforced only to the maximum extent permitted by law and no Member shall be indemnified from any liability for fraud, bad faith, willful misconduct, gross negligence, or a failure to perform in accordance with this Agreement.

(b) **Independent Managers**.

(i) To the fullest extent permitted by applicable law, no Independent Manager shall be liable to the Company or any other Person who is a party to or is otherwise bound by this Agreement for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Independent Manager in good faith on

behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Independent Manager by this Agreement, except that an Independent Manager shall be liable for any such loss, damage or claim incurred by reason of such Independent Manager's gross negligence, bad faith or willful misconduct.

(ii) To the fullest extent permitted by applicable law, an Independent Manager shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Independent Manager by reason of any act or omission performed or omitted by such Independent Manager in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Independent Manager by this Agreement, except that no Independent Manager shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Independent Manager by reason of such Independent Manager's gross negligence, bad faith or willful misconduct with respect to such acts or omissions; provided, however, that the Members and the Managing Member shall not have personal liability on account thereof.

(iii) To the fullest extent permitted by applicable law, expenses (including reasonable legal fees) incurred by an Independent Manager defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Independent Manager to repay such amount if it shall be determined that the Independent Manager is not entitled to be indemnified as authorized in this Section 6.7(b).

(iv) An Independent Manager shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Independent Manager reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(v) The provisions of this Agreement, to the extent that they restrict or eliminate the duties and liabilities of an Independent Manager to the Company or its members otherwise existing at law or in equity, are agreed by the parties hereto to replace such duties and liabilities of such Independent Manager.

(vi) The foregoing provisions of this Section 6.7(b) shall survive any termination of this Agreement.

6.8 Confidentiality.

(a) **Confidentiality Obligations**. All information disclosed by the Company or one Member to another Member pursuant to this Agreement shall be the "***Confidential Information***" of the Company or the disclosing Member, as applicable, for all purposes hereunder. Each Member agrees that, such Member shall, and shall ensure that its Affiliates (which shall not include the Class A Limited Members for this purpose) and its and their respective officers, directors, employees, agents, advisors and representatives (such Affiliates and other representatives, "***Representatives***") shall, keep completely confidential (using at least the same standard of care as it uses to protect proprietary or Confidential Information of its own, but in no event less than reasonable care) and not publish or otherwise disclose and not use for any purpose except as expressly permitted hereunder any Confidential Information or materials

furnished to it by the Company or another Member (including know-how of the Company or the disclosing Member). The foregoing obligations shall not apply to any information disclosed by the Company or a Member to another Member hereunder to the extent that such information: (i) is or becomes publicly known without breach of this Agreement by the receiving Member or any of its Representatives, (ii) is known to the receiving Member or any of its Representatives prior to the time of disclosure by the Company or the disclosing Member or is independently developed by the receiving Member or any of its Representatives, in either case reasonably corroborated by evidence or (iii) is disclosed to the receiving Member or any of its Representatives by a third party who is, to the knowledge of the receiving Member or such Representative after due inquiry, legally entitled to disclose the same free of any contractual or fiduciary non-disclosure obligations to the Company or the disclosing Member or its Representatives.

(b) **Authorized Disclosure**. A Member may disclose the Confidential Information belonging to the Company or another Member to the extent such disclosure is reasonably necessary in the following instances: (i) compliance with federal or state law, statute or government rule, regulation or order, stock exchange rule or by regulatory or self-regulatory authorities, government request, court order, subpoena or other process of law, (ii) regulatory filings by or on behalf of the Company necessary for the operation of the Company and the conduct of the Permitted Business, (iii) prosecuting or defending a dispute under this Agreement, (iv) disclosure, in connection with the performance of this Agreement, to Representatives, each of whom prior to disclosure must be bound by similar obligations of confidentiality and non-use at least equivalent in scope to those set forth in this Section 6.8 or (v) disclosure, in connection with a Permitted Transfer, to any prospective transferee in respect of such Permitted Transfer, each of whom must be bound by similar obligations of confidentiality and non-use at least equivalent in scope to those set forth in this Section 6.8.

(c) **Confidentiality of Agreement Terms**. The Members acknowledge that the terms of this Agreement and each Transaction Document shall be treated as Confidential Information of the Company and each of the Members, and shall not be disclosed except as permitted under this Section 6.8. Notwithstanding the foregoing and without limiting the disclosures permitted by Section 6.8(b), the Parent Company may disclose this Agreement and the other Transaction Documents and the material terms hereof and thereof. Notwithstanding anything to the contrary in this Agreement, the Parent Company may make any public statements in response to questions by the press, analysts, investors or those attending industry conferences or analyst or investor conference calls, so long as such statements are not inconsistent with previous statements made by the Parent Company in accordance with this Agreement.

6.9 Partition. While the Company remains in effect or is continued and prior to the occurrence of a Liquidation Event, each Member and Independent Manager agrees not to have any Property partitioned or file a complaint or institute any suit, action, or proceeding at law or in equity to have any Property partitioned, and each Member and Independent Manager, on behalf of itself, its successors, and its assigns hereby waives any such right.

6.10 Transactions Between a Member and the Company.

(a) Except as otherwise provided by applicable law, any Member may, but shall not be obligated to, transact the business contemplated by the Transaction Documents with the Company and have the same rights and obligations when transacting such business with the Company as a Person or entity who is not a Member. A Member, any Affiliate thereof or an employee, stockholder, agent, director, manager, or officer of a Member or any Affiliate thereof, may also be an employee or a manager of the Company.

(b) Except as contemplated by the Transaction Documents, no Member shall, or shall permit its Affiliates to, guarantee any liabilities of the Company or become obligated on, or hold itself out as being obligated or available to satisfy, any liabilities of the Company.

Section 7
PREFERRED RETURN RESETS AND REMARKETINGS

7.1 Class A Preferred Return Rate Reset.

(a) **In General**. The Class A Preferred Return Rate is subject to reset as provided herein on each Class A Reset Date.

(b) **Class A Reset Procedure**. During the period commencing ninety (90) days and ending forty-five (45) days prior to a Class A Reset Date for a given class or classes of Class A Limited Membership Interests (the "***Consultation Period***"), the Company and the holders of such Class A Limited Membership Interests shall consult with one another (and the Administrative Agent (if any) shall coordinate such consultation) to determine whether the Company and the Class A Limited Members are able to agree upon a Class A Preferred Return Rate for such Class A Limited Membership Interests for the Class A Reset Period commencing on such Class A Reset Date. In the event the Company and all of such holders of such Class A Limited Membership Interests reach agreement at least forty-five (45) days before such Class A Reset Date, the Class A Preferred Return Rate for such Class A Limited Membership Interests will be reset on such Class A Reset Date to the amount so agreed and will remain in effect until the next applicable Class A Reset Date. In the event that during the Consultation Period, the Company and all of the Class A Limited Members agree upon a floating rate (rather than a fixed rate), each Member hereby agrees to enter into any amendments to this Agreement as are necessary or appropriate to give effect to such agreement on a floating rate.

(c) **Class A Mandatory Remarketing Procedure**.

(i) If, in respect of any Class A Reset Date, the Company and the holders of such Class A Limited Membership Interests fail to reach agreement as contemplated by Section 7.1(b), the Company and the Class A Mandatory Remarketing Agents shall promptly enter into a Class A Mandatory Remarketing Agreement to conduct an auction or mandatory remarketing (a "***Class A Mandatory Remarketing***") of such Class A Limited Membership Interests (the "***Remarketed Class A Limited Membership Interests***") in accordance with the terms set forth herein.

(ii) A Class A Mandatory Remarketing shall be conducted as follows:

(1) the Managing Member shall, by notice delivered to the Class A Mandatory Remarketing Agents a reasonable amount of time prior to the applicable Class A Mandatory Remarketing Date, select and specify four (4) Reference Corporate Dealers, select and specify whether the Company is seeking Bids in respect of a fixed or floating rate and, if floating, select and specify the Remarketing Benchmark Rate;

(2) the Class A Mandatory Remarketing Agents shall provide the Reference Corporate Dealers with such information as is necessary to facilitate the Class A Mandatory Remarketing, including the Class A Mandatory Remarketing Date and the amount of Unrecovered Capital with respect to the Remarketed Class A Limited Membership Interests;

(3) the Class A Mandatory Remarketing Agents shall request that Bids be received from such Reference Corporate Dealers and all other bidders by 3:00 P.M., New York City time, on the Business Day immediately preceding the relevant Class A Mandatory Remarketing Date;

(4) the Company, any Class A Limited Member, the Class A Mandatory Remarketing Agents or an Affiliate of any such Person may, at its option, enter a Bid but shall have no obligation to do so; and

(5) the Class A Mandatory Remarketing Agents shall disclose to the Company the Bids obtained and determine the Bid (such Bid, the "***Winning Bid***") with the lowest single Bid Rate at which the Class A Mandatory Remarketing Agents will be able to remarket all of the Remarketed Class A Limited Membership Interests at a purchase price equal to the Unrecovered Capital with respect to such Remarketed Class A Limited Membership Interests to at least one (1) purchaser, but in no event may the Class A Limited Membership Interests and Class B Common Membership Interests (including only the Managing Member for purposes of counting holders of Class B Common Membership Interests), collectively, be owned by more than fifty (50) persons as determined in accordance with Regulations Section 1.7704-1(h) (the "***Winning Bid Rate***"), from among the Bids obtained by 3:00 P.M., New York City time, on the Business Day immediately preceding the relevant Class A Mandatory Remarketing Date. Subject to Section 11.2(c), the Winning Bid Rate determined by the Class A Mandatory Remarketing Agents, absent manifest error, shall be binding and conclusive upon the Company and all holders of the Remarketed Class A Limited Membership Interests.

(iii) On the Business Day immediately preceding the relevant Class A Mandatory Remarketing Date, the Class A Mandatory Remarketing Agents, in consultation with the Company, shall designate as the secondary purchasers (the "***Secondary Purchasers***") the Persons providing Bids at the Winning Bid Rate. If the Winning Bid Rate is specified in Bids submitted by two (2) or more bidders, the Class A Mandatory Remarketing Agents shall, in consultation with the Company, designate such bidders as it deems appropriate to be the Secondary Purchasers and shall determine the allocation of the Remarketed Class A Limited Membership Interests among such Secondary Purchasers; provided, however, that in no event may the Class A Limited Membership Interests and Class B Common Membership Interests (including only the Managing Member for purposes of counting holders of Class B Common Membership Interests), collectively, be owned by more than fifty (50) persons as determined in accordance with Regulations Section 1.7704-1(h) and such purchases must be made in accordance with the conditions of Transfer set forth in this Agreement. If any holder of the Remarketed Class A Limited Membership Interests submitted a Bid containing the Winning Bid Rate, it shall continue to hold the Remarketed Class A Limited Membership Interests with the Class A Preferred Return Rate equal to the Winning Bid Rate; provided, further, that the provisions of Section 7.1(c)(iv) shall not apply to such holder in respect of the Remarketed Class A Limited Membership Interests owned by such holder immediately prior to such Winning Bid. Settlement of the sale of the Remarketed Class A Limited Membership Interests to the Secondary Purchasers shall occur on the relevant Class A Reset Date, all as provided in Section 7.1(c)(iv).

(iv) On or before the second (2nd) Business Day following the relevant Class A Mandatory Remarketing Date, each Secondary Purchaser shall enter into a Secondary Purchase Agreement for the purchase by such Secondary Purchaser, at a purchase price equal to the Unrecovered Capital with respect to such Remarketed Class A

Limited Membership Interests, of the applicable number of Remarketed Class A Limited Membership Interests with a Class A Preferred Return Rate equal to the Winning Bid Rate. To consummate the settlement of the purchase and sale of the Remarketed Class A Limited Membership Interests, each Secondary Purchaser shall no later than the applicable Class A Reset Date pay to the holders selling the applicable Remarketed Class A Limited Membership Interests (the "***Selling Class A Holders***") an amount in Dollars in immediately available funds equal to the Unrecovered Capital with respect to such Remarketed Class A Limited Membership Interests. Subject to such payment, delivery of the Class A Limited Membership Interests shall be made on the applicable Class A Reset Date. Any outstanding Remarketed Class A Limited Membership Interests purchased on the relevant Class A Reset Date shall be deemed to be Transferred to each of the applicable Secondary Purchasers; provided, however, that payment has been received from all such Secondary Purchasers pursuant to this Section 7.1(c)(iv). Upon consummation of the purchase and sale of the Remarketed Class A Limited Membership Interests, the Secondary Purchasers shall be admitted as Class A Limited Members with respect to the Remarketed Class A Limited Membership Interests purchased pursuant to the Secondary Purchase Agreements, and the Selling Class A Holders shall be deemed to have withdrawn with respect to such Remarketed Class A Limited Membership Interests, and the Company shall cause the Membership Registry to reflect the Secondary Purchasers' ownership of the Remarketed Class A Limited Membership Interests that they purchased pursuant to the Secondary Purchase Agreements. Each Member hereby agrees to enter into any amendments to this Agreement as are necessary or appropriate to give effect to the transactions contemplated by this Section 7.1(c)(iv), including to reflect any change between a fixed rate and a floating rate.

(v) If for any reason whatsoever (including failure of the Class A Mandatory Remarketing Agents to receive a Bid from any of the four (4) Reference Corporate Dealers or any failure of a Class A Mandatory Remarketing Agent in the performance of its duties) settlement of the purchase and sale of all of the Remarketed Class A Limited Membership Interests as provided in Section 7.1(c)(iv) does not occur by the applicable Class A Reset Date:

(1) a "***Class A Failed Mandatory Remarketing***" shall be deemed to have occurred with respect to the Remarketed Class A Limited Membership Interests on such Class A Reset Date (such date, a "***Class A Failed Mandatory Remarketing Reset Date***"); and

(2) the Class A Mandatory Remarketing Agents shall provide notice of such Class A Failed Mandatory Remarketing to each Class A Limited Member (including, for the avoidance of doubt, each Class A Limited Member that is not the holder of the Remarketed Class A Limited Membership Interests), the holders of the Remarketed Class A Limited Membership Interests shall continue to hold their Remarketed Class A Limited Membership Interests and the Class A Preferred Return Rate for the Class A Distribution Period commencing on such Class A Failed Mandatory Remarketing Reset Date shall be equal to the applicable Class A Failed Mandatory Remarketing Rate.

Section 8
COVENANTS

8.1 Covenants.

(a) **No Sales on Established Securities Market**. Each Member agrees that it will not sell, market, transfer, assign, participate, pledge, or otherwise dispose of its Membership

Interests (or any interest therein) on or through an "established securities market" within the meaning of Code Section 7704(b)(1) and the Regulations promulgated thereunder, including an over-the-counter market or an interdealer quotation system that regularly disseminates firm buy or sell quotations.

(b) **PTP Rules**. Each Member agrees that (i) it will not become, a partnership, grantor trust, or "S corporation" (within the meaning of Code Section 1361(a)) (each a "***Flow-Through Entity***") for U.S. federal income tax purposes or (ii) if it is, or if it becomes, a Flow-Through Entity for such purposes, then (x) less than 50% of the value of any direct or indirect equity or other beneficial interest in such Flow-Through Entity is, and will at all times continue to be, attributable to its Membership Interests and (y) a principal purpose of the purchase of the Membership Interests is not, and at all times will not be, to permit the Company or any entity of which the Company is a direct or indirect partner to satisfy the 100 partner limitation set forth in Regulations Section 1.7704-1(h)(1)(ii).

(c) **Sanctions and Anti-Corruption**. Each Member shall not, and the Managing Member shall cause the Company and its Subsidiaries not to, directly or to its knowledge indirectly use the proceeds from the issuance and sale of the Class A Limited Membership Interests (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, or (ii) in any manner that would result in violation of any Sanctions applicable to such Member, the Company or its Subsidiaries or, to the knowledge of such Member or the Managing Member (as applicable), any other party to this Agreement, in each case of clauses (i) and (ii), solely to the extent that the foregoing does not violate or conflict with the Council Regulation (EC) No 2271/96 of 22 November 1996 protecting against the effects of the extra-territorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom, Section 7 of the German Foreign Trade Regulation (Außenwirtschaftsverordnung -AWV) and any other applicable anti-boycott laws or regulations.

(d) **Filing of Tax Returns**. Each Member shall timely file all U.S. federal income tax returns that such Member is required to file under applicable law with respect to such Member's distributive share of any item of the Member's income, gain, loss, deduction or credit from the Company that are made consistent with Section 3 in a manner consistent with the Company's tax treatment of such item on the applicable IRS Schedule K-1 provided to such Member, including that each U.S. Net Taxpayer Member shall report all Preferred Return Distributions to such Member as taxable income on a U.S. federal income tax return.

Section 9
ACCOUNTING, BOOKS, AND RECORDS

9.1 Accounting, Books, and Records.

(a) The Company shall keep on site at its principal place of business each of the following:

(i) separate books of account for the Company with respect to the conduct of the Company and the operation of its business which shall be, from and after June 30, 2021, in accordance with GAAP consistently applied;

(ii) separate books of account that reflect the Capital Accounts of the Members as maintained pursuant to the provisions of this Agreement;

(iii) the Membership Registry;

(iv) a copy of the Certificate of Formation and all amendments thereto;

(v) a copy of the Company's federal, state and local income tax returns and reports, if any, for the six (6) most recent years (to the extent such tax returns are or were required to be filed);

(vi) a copy of this Agreement; and

(vii) any written consents obtained from the Members pursuant to Section 6.3 of this Agreement and Section 18-302(d) of the Act regarding action taken by the Members without a meeting.

(b) The Company shall use the accrual method of accounting in preparation of its financial reports and for tax purposes and shall keep its books and records accordingly.

(c) Any Member or its designated representative, upon reasonable advance written notice to the Company, shall have access to and the right, to inspect and copy the books and records set forth in Section 9.1(a) during normal business hours.

9.2 Reports.

(a) **Annual Reports**. Within one hundred and twenty (120) days after the end of each Fiscal Year (or in the case of clause (v) below, one hundred and eighty (180) days after the end of each taxable year of the Company), the Managing Member shall cause to be prepared and furnished to the Administrative Agent (or to each Member, if no Administrative Agent is appointed at the time), and the Administrative Agent (if any) shall cause to be furnished to each Member promptly thereafter, the following:

(i) a balance sheet as of the last day of such Fiscal Year and an income statement and statement of cash flows for the Company for such Fiscal Year and notes associated with each (provided that no such balance sheet or statements shall be required prior to June 30, 2021);

(ii) a statement of the Values of the Permitted Assets as of the end of such Fiscal Year;

(iii) a statement of the Members' Capital Accounts and changes therein for such Fiscal Year;

(iv) a Portfolio Compliance Certificate;

(v) the information required to be provided on an IRS Schedule K-1 to Form 1065 for each Class A Limited Member; provided, however, that the Managing Member shall, upon the request of any Member, provide to any such Member any information reasonably necessary for such Member to compute its estimated income tax payments;

(vi) an audit report by a nationally recognized accounting firm (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) with respect to the financial statements in Section 9.2(a)(i) (provided that no such audit report shall be required to be prepared prior to June 30, 2021);

(vii) a written certification of the Company executed by a Responsible Officer that, as of the end of such Fiscal Year, no Liquidation Event or Notice Event or event that with notice or lapse of time or both would constitute a Liquidation Event or Notice Event has occurred and is continuing or, if any such event has occurred and is continuing, the action that the Managing Member has taken or proposes to take with respect thereto; and

(viii) subject to Section 5.5(f), a Collateral Certificate (provided that, such Collateral Certificate shall be delivered solely with respect to the fourth Fiscal Quarter and not the Fiscal Year).

(b) **Quarterly Reports**. Within ninety (90) days after the close of each of the first three (3) Fiscal Quarters of each year, the Managing Member shall cause to be prepared and furnished to the Administrative Agent (or to each Member, if no Administrative Agent is appointed at the time), and the Administrative Agent (if any) shall cause to be furnished to each Member promptly thereafter, the following:

(i) a balance sheet of the Company as of the end of such Fiscal Quarter and a related income statement for such Fiscal Quarter and for the Fiscal Year to date (provided that no such balance sheet or statement shall be required to be prepared prior to June 30, 2021);

(ii) a written certification of the Company executed by a Responsible Officer to the effect that, since the date of the last Portfolio Compliance Certificate, no facts or circumstances have come to the attention of such Responsible Officer that would reasonably be expected to cause such Responsible Officer to believe that as of the last day of and for the quarterly period in question, the Permitted Assets held by the Company did not satisfy all of the Portfolio Requirements;

(iii) a written certification of the Company executed by a Responsible Officer that (x) the documents submitted under Section 9.2(b)(i) have been prepared and fairly stated in all material respects in accordance with GAAP (provided that the certification required by this clause (x) shall not be required prior to the certification in respect of the Fiscal Quarter ended June 30, 2021) and (y) as of the end of such Fiscal Quarter, no Liquidation Event or Notice Event or event that with notice or lapse of time or both would constitute a Liquidation Event or Notice Event has occurred and is continuing or, if any such event has occurred and is continuing, the action that the Managing Member has taken or proposes to take with respect thereto; and

(iv) subject to Section 5.5(f), a Collateral Certificate.

(c) **Liquidation Date Reports**. On the date on which final distributions are made to the Members pursuant to Section 13.2, the Liquidator shall cause to be prepared and shall furnish to each the Administrative Agent (or to each Member, if no Administrative Agent is appointed at the time), and the Administrative Agent (if any) shall cause each Member to be furnished with, each of the following statements:

(i) a balance sheet of the Company as of the date of such distribution; and

(ii) a statement of the Members' Capital Accounts as adjusted immediately prior to such distribution pursuant to Section 13.2.

9.3 Rule 144A Information. At the request of any prospective Member, the Managing Member shall provide, with respect to the Company, the information required by Rule 144A(d)(4)(i) under the Securities Act.

9.4 Tax Matters.

(a) The Managing Member is hereby designated as "partnership representative" of the Company for any tax period subject to the provisions of Section 6223 of the Code (in such capacity, the "***Tax Matters Representative***"), and on behalf of the Company, the Tax Matters Representative shall be permitted to appoint any "designated individual" permitted under Regulations Sections 301.6223-1 and 301.6223-2 or any successor regulations or similar provisions of tax law, and, unless the context otherwise requires, any reference to the Tax Matters Representative in this Agreement includes any "designated individual." In such capacity, the Tax Matters Representative shall represent the Company in any disputes, controversies or proceedings with the IRS or with any state, local, or non-U.S. taxing authority and is hereby authorized to take any and all actions that it is permitted to take by applicable law when acting in that capacity, subject to Section 5.5(c)(v). The Tax Matters Representative shall be the sole signatory on Company tax returns, unless otherwise required by law. The Tax Matters Representative may, as determined in its sole discretion and with respect to any Fiscal Year, cause the Company to elect the application of Section 6226 of the Code (and any corresponding provision of state or local law) and furnish to each Member (including a former Member) a statement of such Member's share of any adjustment to income, gain, loss, deduction or credit. The Members agree to cooperate in good faith, including by timely providing information reasonably requested by the Tax Matters Representative and making elections and filing statements reasonably requested by the Tax Matters Representative, and by paying any applicable taxes, interest and penalties, to give effect to the preceding sentence. The Company shall make any payments it may be required to make under the provisions of Subchapter C of Subtitle A, Chapter 63 of the Code and, in the Tax Matters Representative's reasonable discretion, allocate any such payment among the current or former Members of the Company for the "reviewed year" to which the payment relates in a manner that reflects the current or former Members' respective interests in the Company for that year and any other factors taken into account in determining the amount of the payment. To the extent payments are made by the Company on behalf of or with respect to a current Member in accordance with this Section 9.4, such amounts shall, at the election of the Tax Matters Representative, (i) be applied to and reduce the next distribution(s) otherwise payable to such Member under this Agreement or (ii) be paid by the Member to the Company within thirty (30) days of written notice from the Tax Matters Representative requesting the payment (provided that the foregoing shall not apply to penalties attributable to the Company's gross negligence or willful misconduct). In addition, if any such payment is made on behalf of or with respect to a former Member, that Member shall pay over to the Company an amount equal to the amount of such payment made on behalf of or with respect to it within thirty (30) days of written notice from the Tax Matters Representative requesting the payment (provided that the foregoing shall not apply to penalties attributable to the Company's gross negligence or willful misconduct). Any cost or expense incurred by the Tax Matters Representative in connection with its duties, including the preparation for or pursuance of administrative or judicial proceedings, will be paid by the Company. The Managing Member shall keep the Class A Limited Members fully and timely informed by written notice of any material developments related to audit, administrative or judicial proceedings, meetings or conferences with the IRS or other similar matters that come to its attention in its capacity as Tax Matters Representative that could reasonably be expected to have a material adverse effect on the Class A Limited Members. Furthermore, the Tax Matters Representative shall not take any action under this Section 9.4 that would reasonably be expected to have a material adverse effect on the Class A Limited Members without such members' consent (not to be unreasonably withheld, conditioned or delayed). The provisions contained in this Section 9.4 shall survive the dissolution of the Company and the withdrawal of any Member

or the transfer of any Member's interest in the Company and shall apply to any current or former Member.

(b) Neither the Company nor any Member shall make any election under Regulations Section 301.7701-3 to cause the Company to be treated as a corporation for U.S. federal income tax purposes. To the extent permitted by applicable law and regulation at the relevant time and unless there has been a Final Determination to the contrary, each Member will (i) treat the Membership Interests as representing equity interests in the Company for all U.S. federal income tax purposes and for all relevant state and local income, franchise, and other similar tax purposes, (ii) treat the Company as a partnership for U.S. federal income tax purposes that is not taxable as an association or a PTP and (iii) take no position on any tax return or with any taxing or other governmental authority that is inconsistent with (A) items of income, gain, loss, deduction or credit as reported by the Company to such Member, or (B) the treatment in the foregoing clauses (i) and (ii).

(c) Other than such information delivered pursuant to Sections 9.2(a)(iii) and 9.2(a)(v), all other Tax information reasonably requested in writing by any Class A Limited Member as necessary to comply with its Tax obligations shall be delivered to such Member as soon as practicable after the end of each Fiscal Year of the Company, but not later than eight (8) months after the end of the Fiscal Year (or, if later, following such Member's request).

Section 10
AMENDMENTS

10.1 Amendments. Subject to Section 5.4(a), the Managing Member may cause the Company to enter into amendments to this Agreement without the consent of any other Member; provided, however, that, except as expressly provided in Section 2.4, (a) any amendment hereto or to the other Transaction Documents that would adversely affect the rights of the Class A Limited Members (including the right to benefit from the covenants in Sections 5.2, 5.4 and 5.5 or the right to receive reports pursuant to Section 9.2; for the avoidance of doubt any amendment to any Secured Notes or Keep Well Agreement to reflect the addition of collateral underlying the Secured Notes or the issuance or prepayment of any Secured Notes shall not adversely affect the rights of the Class A Limited Members; provided that, immediately following such action the Portfolio Requirements are satisfied) shall require the affirmative written consent of the Required Class A Limited Members and (b) Sections 2.2, 3, 4, 5.8, 7.1, 11.2, 13, 14, 15 and this Section 10.1 (and any corresponding definitions in Section 1.11 to the extent pertinent to such Sections) shall not be amended, and no waiver (it being understood that an approval of Independent Managers, Members or Required Class A Limited Members contemplated by any such Section shall not be deemed a "waiver") in respect of such provisions shall be provided, without the affirmative written consent or vote of all of the Class A Limited Members.

Section 11
TRANSFERS; PURCHASE

11.1 Restriction on Transfers. Except as otherwise permitted by this Agreement, no Member shall Transfer all or any portion of its Membership Interests. In the event any Member pledges or otherwise encumbers its Membership Interest as security for the payment of a liability, any such pledge or hypothecation shall be made pursuant to a pledge or hypothecation agreement that requires the pledgee or secured party to be bound by all of the terms and conditions of this Section 11.

11.2 Permitted Transfers.

(a) **Class B Common Members**. Subject to the conditions and restrictions set forth in Section 11.3 and Section 5.7, a Class B Common Member may Transfer all or any portion of its Class B Common Membership Interest to the Parent Company or any of its Affiliates. Except as set forth in the preceding sentence, no Class B Common Member shall Transfer all or any portion of its Class B Common Membership Interest or permit any direct or indirect Transfer of any equity interest in such Class B Common Member, in each case, without the consent of the Required Class A Limited Members; provided, however, that in no event shall any approval be required pursuant to this provision if, after giving effect to the applicable Transfer, Holdings or any other Affiliate of the Parent Company continues to be the Managing Member and continues to hold, either alone or in the aggregate with one or more of its Affiliates, more than fifty percent (50%) of the then-issued and outstanding Class B Common Membership Interests.

(b) **Class A Limited Members**. Subject to the conditions and restrictions set forth in Section 8.1(a) and Section 11.3, a Class A Limited Member may, at any time (i) without the consent of any other Member, Transfer all or any portion of its Class A Limited Membership Interests to (A) any other Member, (B) any wholly-owned Subsidiary of any entity of which such Class A Limited Member is a direct or indirect wholly-owned Subsidiary or any other Person with respect to which such Class A Limited Member is a direct or indirectly wholly-owned Subsidiary (x) organized under the laws of the United States or any state thereof or (y) that delivers an IRS Form W-8ECI or any applicable successor form; provided, however, that notwithstanding the foregoing, a Class A Limited Member may, at any time without the consent of any other Member, Transfer all or any portion of its Class A Limited Membership to its New York branch Subsidiary or with respect to SG Mortgage Finance Corp., to Societe Generale, New York Branch, (C) any Person(s) pursuant to a Class A Mandatory Remarketing, (D) any bank, broker/dealer, insurance company, structured investment vehicle, derivative product company or other financial institution approved by the Managing Member (such approval not to be unreasonably withheld, conditioned or delayed), only if such Class A Limited Member is no longer permitted to hold a Class A Limited Membership Interest pursuant to any applicable law or regulation or any regulator is requiring such Class A Limited Member to Transfer its Class A Limited Membership Interests or (E) any Person upon the occurrence of a continuing Liquidation Event and (ii) unless otherwise permitted by clause (i), Transfer all or any portion of its Class A Limited Membership Interests to any Person approved by the Managing Member, which approval may not be unreasonably withheld.

(c) Notwithstanding anything to the contrary herein, (i) no Member shall Transfer all or any portion of such Member's Membership Interest if such Transfer would cause the Company to be obligated to register any Membership Interest under the Securities Act, or to file with the Securities and Exchange Commission any annual, quarterly or periodic reports or other information pursuant to the Exchange Act, or to register as an investment company under the Investment Company Act, and (ii) no Person may, as a result of any Transfer, hold Class A Limited Membership Interests with an aggregate amount of Unrecovered Capital greater than zero Dollars ($0) but less than fifty million Dollars ($50,000,000.00).

(d) Any Transfer permitted by this Section 11.2 shall be referred to in this Agreement as a "***Permitted Transfer***," and the Person to which the Membership Interest is Transferred shall be a "***Permitted Transferee***."

11.3 Conditions to Permitted Transfers. A Transfer shall not be treated as a Permitted Transfer under Section 11.2 unless and until the following conditions are satisfied or otherwise waived by the Managing Member:

(a) The transferor and transferee shall execute and deliver to the Company such documents and instruments of conveyance as may be reasonably required to effect such Transfer and to confirm the agreement of the transferee to be bound by the provisions of this Agreement applicable to the relevant Member. In all cases, the Company shall be reimbursed by the transferor or transferee for all Expenses that it reasonably incurs in connection with such Transfer.

(b) Such Transfer shall not cause (i) the Class A Limited Membership Interests and Class B Common Membership Interests (including only the Managing Member for purposes of counting holders of Class B Common Membership Interests), collectively, to be owned by more than fifty (50) persons as determined in accordance with Regulations Section 1.7704-1(h) or (ii) Company to otherwise be treated as a PTP. Any purported Transfer of any Membership Interest that does not comply with the conditions set forth in this Section 11.3(b) shall be null and void and of no force or effect whatsoever.

(c) In the case of any Transfer of a Class A Limited Membership Interest, the transferee shall represent and agree in a written certification, unless such requirement is waived in writing by the Managing Member in its sole discretion, that either (A) it is not, for U.S. federal income tax purposes, a Flow-Through Entity or (B) it is a Flow-Through Entity but, (i) after giving effect to such purchase of the Class A Limited Membership Interest, less than 50% of the value of any beneficial owner's interest in the Flow-Through Entity is attributable to the Flow-Through Entity's direct or indirect interest in the Company or (ii) a principal purpose in using the Flow-Through Entity to purchase the Class A Limited Membership Interests is not, and at all times will not be, to permit there to be more than fifty (50) owners of the Class A Limited Membership Interests and Class B Common Membership Interests (including only the Managing Member for purposes of counting holders of Class B Common Membership Interests), collectively, or to permit the Company, or any entity of which the Company is a direct or indirect partner, to satisfy the 100-partner limitation set forth in Regulations Section 1.7704-1(h)(1)(ii).

(d) The transferor and transferee shall furnish the Company with the transferee's taxpayer identification number, sufficient information to determine the transferee's initial tax basis in the Membership Interest Transferred, and any other information reasonably necessary to permit the Company to file all required federal and state tax returns and other legally required information statements or returns. Without limiting the generality of the foregoing, the Company shall not be required to make any distribution otherwise provided for in this Agreement with respect to any Transferred Membership Interest until it has received such information.

(e) The transferor and transferee shall make customary representations and warranties concerning the facts and circumstances establishing the basis for the availability of exemptions under the Securities Act and applicable state securities laws and other reasonable assurances of the basis for compliance with any other applicable laws.

(f) The transferee shall provide an opinion of counsel, if reasonably requested by the Managing Member, which counsel and the form and substance of which opinion must be reasonably satisfactory to the Managing Member that (i) the contemplated Transfer to such Person is exempt from registration under the Securities Act and (ii) the contemplated Transfer of such Membership Interest, or interest therein, to such Person does not violate any applicable federal law.

(g) Such transfer shall not (i) cause the assets of the Company to be deemed "plan assets" under ERISA, (ii) cause the Company to be subject to the provisions of ERISA or Section 4975 of the Code and (iii) result in any "prohibited transaction" under ERISA or the Code affecting the Company.

11.4 Prohibited Transfers. Any purported Transfer of a Membership Interest that is not a Permitted Transfer shall be null and void and of no effect whatsoever; provided, however, that, if the Company is required to recognize a Transfer that is not a Permitted Transfer, the Membership Interest Transferred shall be strictly limited to the transferor's rights to allocations and distributions as provided by this Agreement with respect to the Transferred Membership Interest, which allocations and distributions may be applied (without limiting any other legal or equitable rights of the Company) to satisfy any debts, obligations, or liabilities for damages that the transferor or transferee of such Membership Interest may have to the Company. In the case of a Transfer or attempted Transfer of a Membership Interest that is not a Permitted Transfer, the parties engaging or attempting to engage in such Transfer shall be liable to indemnify and hold harmless the Company and the other Members from all cost, liability, and damage that any of such indemnified Persons may incur (including incremental tax liability and lawyers' fees and Expenses) as a result of such Transfer or attempted Transfer and efforts to enforce the indemnity granted hereby. Notwithstanding any provision in this Agreement to the contrary, the Managing Member shall prohibit any Transfer that would result in the Company being treated as a PTP, cause the assets of the Company to be deemed "plan assets" under ERISA or cause the Company to be subject to the provisions of ERISA or Section 4975 of the Code.

11.5 Rights of Unadmitted Assignees.

(a) **In General**. A Person who acquires one or more Membership Interests but who is not admitted as a substituted Member pursuant to Section 11.6 shall be entitled only to allocations and distributions with respect to such Membership Interests in accordance with this Agreement, but shall have no right to any information or accounting of the affairs of the Company, shall not be entitled to inspect the books or records of the Company, and shall not have any of the rights of a Class B Common Member or a Class A Limited Member under the Act or this Agreement.

(b) **Class B Common Members**. Following a Transfer to a transferee who acquires a Membership Interest from a Class B Common Member under this Agreement by means of a Transfer that is permitted under this Section 11, but who is not admitted as a Class B Common Member, the transferor shall not cease to be a Class B Common Member of the Company and shall continue to be a Class B Common Member until such time as the transferee is admitted as a Class B Common Member under this Agreement.

(c) **Class A Limited Members**. Following a Transfer to a transferee who acquires a Membership Interest from a Class A Limited Member under this Agreement by means of a Transfer that is permitted under this Section 11, but who is not admitted as a Class A Limited Member, the transferor shall not cease to be a Class A Limited Member of the Company and shall continue to be a Class A Limited Member until such time as the transferee is admitted as a Class A Limited Member under this Agreement.

11.6 Admission as Substituted Members.

(a) Subject to the other provisions of this Section 11, a transferee of Membership Interests may be admitted to the Company as a substituted Member only upon satisfaction (or waiver by the Managing Member) of the conditions set forth below in this Section 11.6:

(i) the Membership Interests with respect to which the transferee is being admitted were acquired by means of a Permitted Transfer;

(ii) the transferee of such Membership Interest becomes a party to this Agreement as a Member and executes such documents and instruments as the Managing Member may reasonably request (including amendments to the Certificate of Formation) as may be necessary or appropriate to confirm such transferee as a Member in the Company and such transferee's agreement to be bound by the terms and conditions of this Agreement;

(iii) the transferee pays or reimburses the Company for all reasonable legal, filing, and publication costs that the Company incurs in connection with the admission of the transferee as a Member with respect to the Transferred Membership Interests;

(iv) the transferee provides the Company with evidence satisfactory to counsel for the Company that such transferee has made representations equivalent to those set forth below as of the date of the Transfer:

(1) **Due Formation or Incorporation; Authorization of Agreement**. Such transferee is a Person duly organized, validly existing, and in good standing under the laws of its jurisdiction of organization. Such transferee has the organizational power and authority to execute and deliver this Agreement and to perform its obligations hereunder. Such transferee has the legal right, power and capacity to own Membership Interests. The execution, delivery and performance by such transferee of this Agreement has been duly authorized by all necessary organizational action. This Agreement constitutes the legal, valid, and binding obligation of such transferee and is enforceable against such transferee in accordance with its terms, except to the extent that enforcement is affected by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law);

(2) **No Conflict with Restrictions**. Neither the execution and delivery by such transferee of this Agreement nor such transferee's performance and compliance with the terms and provisions hereof will contravene (i) such transferee's organizational documents or (ii) except where such contravention, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, law or any contractual restriction binding on or affecting such transferee;

(3) **Governmental Authorizations**. No authorization or approval or other action by, and no notice to or filing with, any governmental or regulatory authority is required in connection with the valid execution, delivery, and performance by such transferee of this Agreement, which, if not obtained, individually or in the aggregate, would reasonably be expected to have, a Material Adverse Effect;

(4) **Litigation**. There is no pending or, to the knowledge of such transferee, threatened action, suit, investigation, litigation or proceeding affecting such transferee before any court, governmental agency or arbitrator that (i) is not disclosed in a filing by such transferee or any of such transferee's Affiliates with the Securities and Exchange Commission, if applicable, and, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of this Agreement;

(5) **Investigation; Intent**. Such transferee (i) acquired and continues to hold its Membership Interests based upon its own investigation, and the exercise by such transferee of its rights and the performance of its obligations under this Agreement will be based upon its own investigation, analysis and expertise, (ii) its acquisition of its Membership Interests was made and continues to be made for its own account for investment, and not with a view to the sale or distribution thereof and (iii) it intends to continue to participate as a member in a Delaware limited liability company in accordance with this Agreement for the purpose of making an economic profit from the transactions entered into or proposed to be entered into by the Company;

(6) **Sole Owner**. Such transferee acquired its Membership Interests for its own account and is, and will remain, the sole beneficial owner of such Membership Interests at all times unless and until it Transfers ownership of such Membership Interests in accordance with and only to the extent permitted under Section 11.2;

(7) **No Intent to Avoid PTP Rules**. Such transferee (i) is not, and will not become, a Flow-Through Entity for U.S. federal income tax purposes or (ii) if it is, or if it becomes, a Flow-Through Entity for such purposes, then (x) less than 50% of the value of any direct or indirect equity or other beneficial interest in such Flow-Through Entity is, and will at all times continue to be, attributable to its Membership Interests and (y) a principal purpose of the purchase of the Membership Interests is not, and at all times will not be, to permit the Company or any entity of which the Company is a direct or indirect partner to satisfy the 100 partner limitation set forth in Regulations Section 1.7704-1(h)(1)(ii); and

(8) **Anti-Corruption Laws; Sanctions**. Such transferee (i) is not a Person that is, and is not owned or controlled by Persons that are the subject or target of any Sanctions; (ii) has implemented and maintains in effect policies and procedures designed to promote compliance by such transferee with Anti-Corruption Laws, and (iii) is in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects; and

(v) in the event that the transferee of a Membership Interest from any Member is admitted under this Agreement, such transferee shall be deemed admitted to the Company as a substituted Member immediately prior to the Transfer, and with respect to the transferee of the Managing Member, such transferee shall continue the business of the Company without dissolution.

11.7 Distributions and Allocations in Respect of Transferred Membership Interests. If any Membership Interest is Transferred during any Allocation Year in compliance with the provisions of this Section 11, Profits, Losses, each item thereof, and all other items attributable to the Transferred Membership Interest for such Allocation Year shall be allocated in accordance with Section 3.5(b). Notwithstanding the date of such Transfer, all distributions to the Members pursuant to Section 4.1 shall be made to the holder of record of such Membership Interest as of the relevant date as set forth in Section 4.1. The Company shall recognize a Permitted Transfer of any Membership Interests not later than the end of the calendar month during which it is given notice of a Permitted Transfer; provided, however, that, if the Company is given notice of such a Permitted Transfer at least fourteen (14) Business Days prior to the Transfer, the Company shall recognize a Permitted Transfer as of the date of such Permitted Transfer; provided, further, that if the Company does not receive a notice stating the date such Membership Interest was Transferred and such other information as the Managing Member may

reasonably require within thirty (30) days after the end of the Allocation Year during which the Permitted Transfer occurs, then all items attributable to the Transferred Membership Interest shall be allocated, and all distributions shall be made, to the Person who, according to the books and records of the Company, was the owner of the Membership Interest on the last day of such Allocation Year. Neither the Company nor the Managing Member shall incur any liability for making allocations and distributions in accordance with the provisions of this Section 11.7, whether or not the Managing Member or the Company has knowledge of any Transfer of ownership of any Membership Interest.

Section 12
POWER OF ATTORNEY

12.1 Managing Member as Attorney-In-Fact. Each Member hereby makes, constitutes, and appoints the Managing Member, each successor Managing Member, and the Liquidator, severally, with full power of substitution and resubstitution, its true and lawful attorney-in-fact for it and in its name, place, and stead and for its use and benefit, to sign, execute, certify, acknowledge, swear to, file, publish, and record (a) all certificates of formation, amended name or similar certificates, and other certificates and instruments (including counterparts of this Agreement) which the Managing Member or Liquidator may deem necessary to be filed by the Company under the laws of the State of Delaware or any other jurisdiction in which the Company is doing or intends to do business, (b) any and all amendments, restatements, or changes to this Agreement and the instruments described in clause (a), as now or hereafter amended, which the Managing Member may deem necessary to effect a change or modification of the Company in accordance with the terms of this Agreement, including amendments, restatements, or changes to reflect (i) the admission of any additional or substituted Member and (ii) the disposition by any Member of its Membership Interests, (c) all certificates of cancellation and other instruments which the Liquidator reasonably deems necessary or appropriate to effect the dissolution and termination of the Company pursuant to the terms of this Agreement and (d) any other instrument which is now or may hereafter be required by law to be filed on behalf of the Company to carry out fully the provisions of this Agreement in accordance with its terms; provided, however, that nothing in this Section 12.1 shall authorize such attorney-in-fact to take any action that (A) could reasonably be anticipated to have an adverse effect on a Class A Limited Member or the Company or (B) requires the consent of (y) all Class A Limited Members or (z) the Required Class A Limited Members, in each case, unless such consent shall have been given.

12.2 Nature of Special Power. The power of attorney granted to the Managing Member pursuant to this Section 12:

(a) is a special power of attorney coupled with an interest and is irrevocable; provided, however, that such power shall be (i) deemed suspended for so long as a Notice Event or Liquidation Event has occurred and is continuing and (ii) automatically terminated upon the appointment of a Liquidator;

(b) may be exercised by such attorney-in-fact with the single signature of any such attorney-in-fact acting as attorney-in-fact for such Members; and

(c) subject to the proviso set forth in Section 12.2(a), (i) shall survive and not be affected by the subsequent bankruptcy, insolvency, dissolution, or cessation of existence of a Member and (ii) shall survive the delivery of an assignment by a Class A Limited Member of the whole or a portion of its Membership Interests (except that where the assignment is of such Member's entire Membership Interests and the assignee, with the affirmative written consent of the other Members, is admitted as a substituted Member, the power of attorney shall survive the

delivery of such assignment for the sole purpose of enabling any such attorney-in-fact to effect such substitution) and shall extend to such Member's or assignee's successors and assigns.

Section 13
DISSOLUTION AND WINDING UP

13.1 Liquidation Event.

(a) The Company shall dissolve and shall commence winding up and liquidation upon the first to occur of any of the following (each, a "***Liquidation Event***"):

(i) the date upon which a Liquidation Event Notice becomes effective in accordance with Section 14.2 so as to cause a Notice Event to become a Liquidation Event;

(ii) the Bankruptcy of the Company, the Managing Member, any Material Affiliate of the Managing Member or the Parent Company;

(iii) the Members unanimously consent to dissolve, wind up, and liquidate the Company;

(iv) the initial Managing Member or any other Managing Member approved by the Class A Limited Members (to the extent required pursuant to Section 5.7) ceases to be the Managing Member; or

(v) the entry of a decree of judicial dissolution with respect to the Company under Section 18-802 of the Act.

The Members hereby agree that, notwithstanding any provision of the Act, the Company shall not dissolve prior to the occurrence of a Liquidation Event.

(b) **Reconstitution**. If it is determined by a court of competent jurisdiction that the Company has dissolved prior to the occurrence of a Liquidation Event, then within ninety (90) days after such determination (the "***Reconstitution Period***"), all of the Members may elect to reconstitute the Company and continue its business on the same terms and conditions set forth in this Agreement by forming a new limited liability company on terms identical to those set forth in this Agreement. Unless such an election is made within the Reconstitution Period, the Company shall wind up its affairs in accordance with Section 13.2. If such an election is made within the Reconstitution Period, then:

(i) the reconstituted limited liability company shall continue until the occurrence of a Liquidation Event as provided in Section 13.1(a); and

(ii) unless otherwise agreed to by all of the Members, the Certificate of Formation and this Agreement shall, subject to any requirement under the Act to file a new certificate of formation, automatically constitute the certificate of formation and limited liability company agreement of such reconstituted Company. All of the assets and liabilities of the dissolved Company shall be deemed to have been automatically assigned, assumed, conveyed, and transferred to the reconstituted Company. No bond, collateral, assumption, or release of any Member's or the Company's liabilities shall be required; provided, however, that the right of the Members to select successor managers and to reconstitute and continue the business of the Company shall not exist and may not be exercised unless the Managing Member has received an opinion of counsel that the

exercise of the right would not result in the loss of limited liability of any Member and neither the dissolved Company nor the reconstituted Company would cease to be treated as a partnership for U.S. federal income tax purposes upon the exercise of such right to continue.

(c) Notwithstanding any other provision of this Agreement, the Bankruptcy of a Member shall not cause such Member to cease to be a Member.

13.2 Winding Up. Upon (i) the occurrence of a Liquidation Event or (ii) the determination by a court of competent jurisdiction that the Company has dissolved prior to the occurrence of a Liquidation Event (unless the Company is reconstituted pursuant to Section 13.1(b)), the Company shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets (including by making demand for payment under and fully enforcing its rights (including, as applicable, rights of assignment) under and in respect of all Transaction Documents), and satisfying the claims of its creditors and Members, and no Member shall take any action that is inconsistent with the winding up of the Company's business and affairs; provided, however, that, to the extent not inconsistent with the foregoing, all covenants contained in this Agreement and obligations provided for in this Agreement shall continue to be fully binding upon the Members until such time as the Property has been distributed pursuant to this Section 13.2 and the Certificate of Formation has been canceled pursuant to the Act. The Liquidator shall be responsible for overseeing the winding up and dissolution of the Company, which winding up and dissolution shall be completed within (in the case of clause (i) above) ninety (90) days of the occurrence of the Liquidation Event or (in the case of clause (ii) above) within ninety (90) days after the last day of the Reconstitution Period. The Liquidator shall take full account of the Company's liabilities and Property and shall cause the Property or the proceeds from the sale or other realization thereof (including drawing on the Demand Notes and assigning all or any assignable rights under any Transaction Documents), to the extent sufficient therefor, to be applied and distributed, to the maximum extent permitted by law, in the following order:

(a) first, to creditors in satisfaction of all of the Company's debts and other liabilities (whether by payment or the making of reasonable provision for payment thereof to the extent required by Section 18-804 of the Act);

(b) second, to the Class A Limited Members, pro rata in proportion to their Unrecovered Capital, in an amount equal to their Unrecovered Capital;

(c) third, to the Class A Limited Members with documented Breakage Costs, pro rata in proportion thereto, in an amount equal to their documented Breakage Costs; and

(d) fourth, the balance, if any, to the Class B Common Members, pro rata in proportion to their holdings of Class B Common Membership Interests;

provided, however, that (1) all distributions pursuant to clauses (b), (c) and (d) shall be made solely in cash and (2) no application or distribution of any non-cash assets shall be made to the extent that the consent of any third party is required in connection therewith. No Member shall receive additional compensation for any services performed pursuant to this Section 13.

13.3 Deficit Capital Accounts; Reserves.

(a) If any Member has a deficit balance in such Member's Capital Account, determined after debiting and crediting such Member's Capital Account for all income, gain, and loss allocations and distributions occurring prior to dissolution, such Member shall have no

obligation to make any contribution to the capital of the Company with respect to such deficit, and such deficit shall not be considered a debt owed to the Company or to any other Person for any purpose whatsoever.

(b) In the discretion of the Liquidator, but subject to the time periods set forth in Section 13.2, a pro rata portion of the distributions that would otherwise be made to the Members pursuant to this Section 13 may be:

(i) distributed to a trust established for the benefit of the Members for the purposes of liquidating Permitted Assets, collecting amounts owed to the Company, and paying any contingent or unforeseen liabilities or obligations of the Company. The assets of any such trust shall be distributed to the Members from time to time, in the reasonable discretion of the Liquidator, in the same proportions as the amount distributed to such trust by the Company would otherwise have been distributed to the Members pursuant to Section 13.2; or

(ii) withheld to provide a reasonable reserve for Company liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed to the Company; provided, however, that such withheld amounts shall be distributed to the Members as soon as practicable.

13.4 Rights of Members. Except as otherwise provided in this Agreement, each Member shall look solely to the Property of the Company for the return of its Capital Contributions and has no right or power to demand or receive Property other than cash from the Company. If the assets of the Company remaining after payment or discharge of the Indebtedness or other liabilities of the Company are insufficient to return such Capital Contributions, the Members shall have no recourse against the Company, the Managing Member, or any other Member, except as expressly set forth herein or in the other Transaction Documents.

13.5 Guaranteed Payments During Period of Liquidation. During the period commencing on the first day of the Three Month Period during which a Liquidation Event occurs and ending on the date on which all of the assets of the Company have been distributed to the Members pursuant to Section 13.2 (the "***Liquidation Period***"), the Company shall pay to each Class A Limited Member on each Liquidation Period Guaranteed Payment Date, cash in an amount equal to the Class A Limited Member Preferred Return on such Class A Limited Member's Unrecovered Capital determined as of the last Class A Distribution Date occurring prior to the Liquidation Period, after giving effect to any distributions made pursuant to Section 4.1 on such Class A Distribution Date. For purposes of this Section 13.5, the Class A Limited Member Preferred Return shall be determined as if each Liquidation Period Guaranteed Payment Date constituted a Class A Distribution Date.

13.6 Allocations and Distributions During Period of Liquidation. During the Liquidation Period, no distributions shall be made pursuant to Section 4.

13.7 Liquidating Distributions. For purposes of making distributions required by Section 13.2, the Liquidator shall not distribute Property other than cash to a Member without such Member's consent and, subject to such consent, the Liquidator shall be required to reduce Property to cash to the extent necessary to make distributions in cash to the Members pursuant Section 13.2.

13.8 The Liquidator.

(a) On the occurrence of a Liquidation Event, the Managing Member and the Class A Limited Members shall consult with each other to jointly agree on an agent to administer

the liquidation of the Company (the "***Liquidator***"). If the Managing Member and the Class A Limited Members (by the consent of the Required Class A Limited Members) shall not agree on a Liquidator within two (2) Business Days following the occurrence of a Liquidation Event, the Required Class A Limited Members (or, in the event that a Liquidator is not appointed by the Required Class A Limited Members within four (4) Business Days following the occurrence of a Liquidation Event, the Initial Class A Limited Members so long as the Initial Class A Limited Members (together with their Affiliates) hold Class A Limited Membership Interests with aggregate Unrecovered Capital equal to at least $1,000,000,000) shall have the right to appoint the Liquidator; provided that the Class A Limited Members (or the Initial Class A Limited Members, as the case may be) shall reasonably take into account the input of the Managing Member in such appointment and in any directions provided to the Liquidator in connection with the liquidation contemplated hereby; provided, further, that upon the indefeasible payment to the Class A Limited Members of the Unrecovered Capital with respect to all outstanding Class A Limited Membership Interests, the Managing Member may direct the Liquidator in all respects with respect to its actions involving the Company.

(b) The Company is authorized to pay such reasonable compensation to the Liquidator for its services performed pursuant to this Section 13 as shall be agreed upon by the Liquidator and the Class A Limited Members and to reimburse the Liquidator for its reasonable Expenses incurred in performing those services.

Section 14
NOTICE EVENTS

14.1 ***Notice Events***. In the event that any of the following events ("***Notice Events***") shall occur, the Class A Limited Members shall have the rights described in Section 14.2:

(a) the failure of the Company to distribute to the Class A Limited Members in immediately available funds on two (2) or more Class A Distribution Dates an amount equal to the cumulative Class A Limited Member Preferred Return in respect of each such Class A Distribution Date and such failure continues for a period of three (3) Business Days;

(b) the failure of the Company to comply with the Portfolio Requirements at any time and such failure continues unabated for ten (10) Business Days; provided that, with respect to a failure to comply with the Portfolio Requirements that is identified following the delivery of a Valuation Report, such failure to comply shall be deemed to occur on the date of delivery of the Valuation Report; provided, further, that security interests with respect to any additional Contributed Fiber Assets may be perfected within twenty (20) Business Days of such failure;

(c) the Managing Member or any Affiliate of the Managing Member (i) fails to observe or perform any covenant, condition or agreement contained in Sections 5.4 or 5.5(c) of this Agreement or (ii) fails to observe or perform any material covenant, condition or agreement contained in this Agreement or any other Transaction Document (other than a Transaction Document between the Company and a Subsidiary thereof), and, in the case of either clause (i) or clause (ii), such failure or breach, as applicable, has not been cured (to the extent curable) prior to the fifteenth (15th) Business Day after notice from the Required Class A Limited Members (or the Initial Class A Limited Members so long as the Initial Class A Limited Members (together with their Affiliates) hold Class A Limited Membership Interests with aggregate Unrecovered Capital equal to at least $1,000,000,000);

(d) any representation or warranty made or deemed made by the Managing Member, the Company, the Parent Company or any Parent Company Entity under or in

connection with this Agreement or any other Transaction Document shall have been incorrect in any material respect when made or deemed made; or

(e) four (4) consecutive Class A Failed Mandatory Remarketings with respect to the Class A-1 Limited Membership Interests, the Class A-2 Limited Membership Interests and the Class A-3 Limited Membership Interests, or four (4) consecutive Class A Failed Mandatory Remarketings with respect to the Class A-4 Limited Membership Interests.

(f) The Managing Member shall notify the Administrative Agent (or each Class A Limited Member, if no Administrative Agent is appointed at the time) of the occurrence of any Notice Event promptly and in any event within five (5) Business Days of any officer of the Managing Member having actual knowledge of such occurrence and each Member shall have the right to notify the Administrative Agent (if any) upon becoming aware of any such occurrence. Upon receipt of any such notice from the Managing Member or any other Member, the Administrative Agent (if any) shall promptly notify all the Class A Limited Members.

14.2 Liquidation Event Notice. At any time on or after the occurrence of a Notice Event, (w) the Required Class A Limited Members, (x) the Initial Class A Limited Members (so long as the Initial Class A Limited Members (together with their Affiliates) hold Class A Limited Membership Interests with aggregate Unrecovered Capital equal to at least $1,000,000,000), (y) any Class A Limited Member that holds (together with its Affiliates) Class A Limited Membership Interests with an aggregate Unrecovered Capital equal to at least $1,000,000,000 (solely with respect to the Notice Event set forth in Section 14.1(a)) or (z) any Class A Limited Member (solely with respect to the Notice Event set forth in Section 14.1(e)) may elect to cause such Notice Event to result in a Liquidation Event by delivering (or directing the Administrative Agent (if any) to deliver) to the Managing Member a notice (a "***Liquidation Event Notice***") of such election; provided, however, that: (i) such Notice Event shall not result in a Liquidation Event until the expiration of a period of fifteen (15) days following such delivery and (ii) the Required Class A Limited Members, the Initial Class A Limited Members or such Class A Limited Member, as applicable, may rescind such Liquidation Event Notice by delivering (or directing the Administrative Agent (if any) to deliver) to the Managing Member a notice prior to such fifteenth (15th) day.

14.3 Enforcement of Rights with respect to Contributed Notes and other Transaction Documents. Following the delivery of a Liquidation Event Notice, the Managing Member and the Administrative Agent (if any) shall cause the Company to immediately (a) demand the immediate repayment of the principal amounts of the Demand Notes and Contributed Notes, in whole, together with all accrued but unpaid interest thereon and all other amounts payable thereunder and (b) exercise all rights under the Demand Notes, Contributed Notes and Keep Well Agreements and all other Transaction Documents and take all such other actions incidental thereto as may be necessary or desirable to effect such repayment and the realization of value of the rights under the Transaction Documents, including, as applicable, by any permitted assignment of any Transaction Document or any rights thereunder.

Section 15
REDEMPTION

15.1 Optional Redemption.

(a) At any time on or after September 29, 2027, in the case of the Class A-1 Limited Membership Interests, the Class A-2 Limited Membership Interests and the Class A-3 Limited Membership Interests, and at any time on or after November 1, 2028, in the case of the

Class A-4 Limited Membership Interests, the Company shall have the right, but not the obligation, in the Managing Member's sole discretion, to redeem, in whole or in part, the then-outstanding such Class A Limited Membership Interests, in each case pro rata in proportion to their Unrecovered Capital on the terms provided in Section 15.2, by payment in cash in respect of each Class A Limited Membership Interest being redeemed of an amount equal to the Unrecovered Capital with respect to the Class A Limited Membership Interest being redeemed as of the Class A Purchase Date (with the accrued but undistributed portion of such Unrecovered Capital, including all accrued and undistributed Class A Limited Member Preferred Return, calculated through, but not including, the Class A Purchase Date (the "***Class A Purchase Price***")).

(b) If the approval of the Required Class A Limited Members is not received in connection with a proposed Transfer pursuant to Section 11.2(a), the Company shall have the right, but not the obligation, in the Managing Member's sole discretion, to elect, within ninety (90) days after notice to the Class A Limited Members of the proposed Transfer, to redeem, in whole but not in part, the then-outstanding Class A Limited Membership Interests by payment in cash in respect of each Class A Limited Membership Interest being redeemed of the applicable Class A Purchase Price.

(c) Following receipt of a Liquidation Event Notice, the Company shall have the right, but not the obligation, in the Managing Member's sole discretion, to redeem, in whole but not in part, the then-outstanding Class A Limited Membership Interests on the terms provided in Section 15.2 by payment in cash in respect of each Class A Limited Membership Interest being redeemed of the applicable Class A Purchase Price. Delivery of a notice of redemption pursuant to this Section 15.1(c) and Section 15.2(a) shall constitute a rescission of any Liquidation Event Notice delivered prior to the date of such redemption notice; provided, however, such Liquidation Event Notice shall be deemed reinstated upon the failure of the Company to pay or cause the payment of the Class A Purchase Price on the Class A Purchase Date.

15.2 Redemption Process.

(a) If the Company elects to redeem Class A Limited Membership Interests (the applicable redemption or repurchase date, the "***Class A Purchase Date***") pursuant to Section 15.1, the Company shall provide at least five (5) days', but not more than sixty (60) days', prior notice of such election, which notice shall be sent or delivered to the Administrative Agent (or to the address, pursuant to Section 17.1, of each Class A Limited Member holding Class A Limited Membership Interests to be redeemed, if no Administrative Agent is appointed at the time). If the notice required under the preceding sentence is sent or delivered to the Administrative Agent, the Managing Member or, at its option, the Administrative Agent shall deliver a copy of such notice to the address, pursuant to Section 17.1, of each Class A Limited Member holding Class A Limited Membership Interests to be redeemed.

(b) The closing of a purchase contemplated by Section 15.1 shall occur on the Class A Purchase Date. At the closing, (x) the Class A Limited Members shall deliver to the Company good title, free and clear of any Liens, to their respective Class A Limited Membership Interests thus purchased, (y) the transferring Class A Limited Members shall execute such documents and instruments of conveyance as may be reasonably necessary to effectuate the transaction contemplated hereby, including the Transfer of the Class A Limited Membership Interests and (z) the Company shall pay (or cause to be paid) the Class A Purchase Price to the transferring Class A Limited Members in full in cash.

(c) On and after the applicable Class A Purchase Date, Unrecovered Capital shall cease to accrue on any Class A Limited Membership Interests called for redemption or

repurchase pursuant to Section 15.1, unless the Company fails to make payment of the applicable Class A Purchase Price when due.

(d) In each case in which the Company redeems any Class A Limited Membership Interests pursuant to Section 15.1, the Company shall promptly reimburse any documented Breakage Costs of the Class A Limited Member holding such Class A Limited Membership Interests.

15.3 Treatment as Purchase Under Section 741. The Class A Limited Members agree to treat the Transfer of the Class A Limited Membership Interests to the Company pursuant to Section 15.1 as a purchase and sale under Code Section 741 and not as a retirement under Code Section 736.

Section 16
ADMINISTRATIVE AGENT

16.1 Authorization and Authority. The Class A Limited Members hereby authorize the Managing Member to, and, upon the occurrence of a Notice Event, the Required Class A Limited Members may request the Managing Member to, and the Managing Member shall if so requested, appoint an administrative agent (in such capacity, the "***Administrative Agent***") (who may, for the avoidance of doubt, be the Paying Agent and in any case need not be a Member; provided that, following the occurrence of a Notice Event, the Administrative Agent shall be an Eligible Agent) to act on their behalf hereunder and authorize such Administrative Agent to take such actions on their behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto. Such Administrative Agent shall become party to this Agreement by executing a counterpart to this Agreement. The provisions of this Section 16 are solely for the benefit of the Administrative Agent and the Class A Limited Members, and the Company and the Class B Common Members shall have no rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties. If the Administrative Agent is the Paying Agent, to the extent any terms of this Agreement applicable to the Administrative Agent conflict with the terms of the Paying Agency Agreement, the terms of this Agreement shall govern.

16.2 Administrative Agent Individually. If the Administrative Agent is a Class A Limited Member, the Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Class A Limited Member as any other Class A Limited Member and may exercise the same as though it were not the Administrative Agent and the term "Class A Limited Member" or "Class A Limited Members" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other capacity for and generally engage in any kind of business with the Company or any Subsidiary or any other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Class A Limited Members.

16.3 Duties of Administrative Agent; Exculpatory Provisions.

(a) The Administrative Agent's duties hereunder are solely ministerial and administrative in nature and the Administrative Agent shall not have any duties or obligations

except those expressly set forth herein. Without limiting the generality of the foregoing, the Administrative Agent (if any):

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Notice Event or Liquidation Event has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise as directed in writing by the Required Class A Limited Members (or such other number or percentage of the Class A Limited Members as shall be expressly provided for herein); provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to this Agreement or applicable law; and

(iii) shall not, except as expressly set forth herein, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(b) The Administrative Agent (if any) shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Class A Limited Members (or such other number or percentage of the Class A Limited Members as shall be necessary) or (ii) in the absence of its own gross negligence or willful misconduct. The Administrative Agent (if any) shall be deemed not to have knowledge of any Notice Event or Liquidation Event or the event or events that give or may give rise to any Notice Event or Liquidation Event unless and until the Managing Member or any other Member shall have given notice to the Administrative Agent describing such Notice Event or Liquidation Event and such event or events.

(c) The Administrative Agent (if any) shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty, representation or other information made or supplied in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith or the adequacy, accuracy and/or completeness of the information contained therein, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Notice Event or Liquidation Event, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document or (v) the satisfaction of any condition set forth herein, other than (but subject to the foregoing clause (ii)) to confirm receipt of items expressly required to be delivered to the Administrative Agent.

16.4 Reliance by Administrative Agent. The Administrative Agent (if any) shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent (if any) also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent (if any) may consult with legal counsel (who may be counsel for the Company), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

16.5 Delegation of Duties. The Administrative Agent (if any) may perform any and all of its duties and exercise its rights and powers hereunder by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent (if any) and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. Each such sub-agent and the Affiliates of the Administrative Agent (if any) and each such sub-agent shall be entitled to the benefits of all provisions of this Section 16 (as though such sub-agents were the "Administrative Agent" hereunder) as if set forth in full herein with respect thereto.

16.6 Resignation of Agent. Any Administrative Agent may at any time give notice of its resignation to the Managing Member and the Class A Limited Members. Upon receipt or giving of any such notice of resignation, if the Managing Member determines that a successor Administrative Agent should be appointed, the Required Class A Limited Members shall have the right, in consultation with the Managing Member, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Class A Limited Members and shall have accepted such appointment within 30 days after the Managing Member notifies the Class A Limited Members of its determination that a successor Administrative Agent should be appointed (such 30-day period, the "***Appointment Period***"), then the Managing Member may, on behalf of the Class A Limited Members, appoint a successor Administrative Agent meeting the qualifications set forth above. In addition and without any obligation on the part of the retiring Administrative Agent to appoint, on behalf of the Class A Limited Members, a successor Administrative Agent, the retiring Administrative Agent may at any time upon or after the end of the Appointment Period notify the Managing Member and the Class A Limited Members that no qualifying Person has accepted appointment as successor Administrative Agent and the effective date of such retiring Administrative Agent's resignation. Upon the resignation effective date established in such notice and regardless of whether a successor Administrative Agent has been appointed and accepted such appointment, the retiring Administrative Agent's resignation shall nonetheless become effective and (a) the retiring Administrative Agent shall be discharged from its duties and obligations as Administrative Agent hereunder and (b) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to the applicable Member directly, until such time as a successor Administrative Agent (if any) is appointed as provided for herein. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties as Administrative Agent of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations as Administrative Agent hereunder (if not already discharged therefrom as provided herein). The fees payable by the Company to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Company and such successor. After the retiring Administrative Agent's resignation hereunder, the provisions of this Section 16 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Affiliates in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

16.7 Non-Reliance on Administrative Agent and Other Class A Limited Members. Each Class A Limited Member acknowledges that it has, independently and without reliance upon the Administrative Agent (if any) or any other Class A Limited Member and based on such documents and information as it has deemed appropriate, made its own decision to enter into this Agreement. Each Class A Limited Member also acknowledges that it will, independently and without reliance upon the Administrative Agent (if any) or any other Class A Limited Member and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement or any related agreement or any document furnished hereunder.

16.8 Fees; Indemnification.

(a) The Company shall pay to the Administrative Agent (if any) for its own account such fees as may from time to time be agreed between the Company and the Administrative Agent.

(b) The Company agrees to indemnify the Administrative Agent (if any), and any members, managers, partners, stockholders, officers, directors, employees or agents thereof (each, an "***Administrative Agent Indemnitee***"), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against such Administrative Agent Indemnitee in any way relating to or arising out of this Agreement or any action taken or omitted by the Administrative Agent or any Administrative Agent Indemnitee under this Agreement, other than to the extent resulting from any Administrative Agent Indemnitee's gross negligence or willful misconduct. Without limitation of the foregoing, the Company agrees to reimburse the Administrative Agent (if any) promptly upon demand for its ratable share of any out-of-pocket expenses (including reasonable counsel fees) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement.

(c) The Class A Limited Members agree to indemnify the Administrative Agent (if any) and each Administrative Agent Indemnitee (to the extent not reimbursed by the Company), ratably according to their respective Unrecovered Capital, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against such Administrative Agent Indemnitee in any way relating to or arising out of this Agreement or any action taken or omitted by the Administrative Agent or any Administrative Agent Indemnitee under this Agreement, other than to the extent resulting from any Administrative Agent Indemnitee's gross negligence or willful misconduct. Without limitation of the foregoing, the Class A Limited Members agree to reimburse the Administrative Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including reasonable counsel fees) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, to the extent that the Administrative Agent is not reimbursed for such expenses by the Company.

Section 17
MISCELLANEOUS

17.1 Notices. Unless otherwise expressly specified or permitted by the terms of this Agreement, all notices, requests, demands and instructions hereunder shall be in writing and shall be delivered by hand or courier service, or shall be sent by overnight courier, or if an email or a facsimile number, as applicable, has been provided on Schedule A for such party, may be sent by email or facsimile, as applicable, in each case to (a) the address for such party set forth on the Membership Registry (with respect to a Member), (b) to the principal place of business address set forth in Section 1.4 (with respect to the Company) and (c) to the address set forth on such party's counterpart to this Agreement (with respect to the Administrative Agent (if any)). Whenever any notice is required to be given hereunder, such notice shall be deemed given only when such notice is delivered or, if sent by overnight courier, email or facsimile, when received, unless otherwise expressly specified or permitted by the terms hereof. Whenever any notice is required to be given by law or this Agreement, a written waiver thereof signed by the Person

entitled to such notice, whether before or after the time stated at which such notice is required to be given, shall be deemed equivalent to the giving of such notice.

17.2 Binding Effect. Except as otherwise provided in this Agreement, every covenant, term, and provision of this Agreement shall be binding upon and inure to the benefit of the Members, the Independent Managers and their respective successors, transferees and assigns.

17.3 Construction. It is the intent of the parties hereto that every covenant, term, and provision of this Agreement shall be construed simply according to its fair meaning and not strictly for or against any Member. The terms of this Agreement are intended to embody the economic relationship among the Members and shall not be subject to modification by, or be conformed with, any actions by the IRS except as this Agreement may be explicitly so amended and except as may relate specifically to the filing of tax returns.

17.4 Time. In computing any period of time pursuant to this Agreement, the day of the act, event, or default from which the designated period of time begins to run shall be included.

17.5 Headings. Section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision hereof.

17.6 Severability. Except as otherwise provided in the succeeding sentence, every provision of this Agreement is intended to be severable, and, if any term or provision of this Agreement is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Agreement. The preceding sentence of this Section 17.6 shall be of no force or effect if the consequence of enforcing the remainder of this Agreement without such illegal or invalid term or provision would be to cause any Member to lose the material benefit of its economic bargain.

17.7 Governing Law. This Agreement and any dispute, controversy or claim arising hereunder on in connection herewith shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed entirely within such state, without regard to the conflicts of law principles that would otherwise require the applicable of the laws of a jurisdiction other than the State of New York; provided, however, that the laws of the State of Delaware shall apply hereto with respect to matters governed by the Act or the internal affairs doctrine, or otherwise subject to the provisions of the Act, without regard to the conflicts of law principles that would otherwise require the applicable of the laws of a jurisdiction other than the State of Delaware.

17.8 Consent to Jurisdiction. Each Member (i) irrevocably submits to the non-exclusive jurisdiction of any state court of the State of New York located in the borough of Manhattan or, if a basis for federal court jurisdiction is present, the United States District Court for the Southern District of New York, in any action arising out of this Agreement, (ii) agrees that all claims in such action may be decided in such court, as applicable, (iii) waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum, and (iv) consents, to the fullest extent it may effectively do so, to the service of process by mail in accordance with Section 17.1. A final judgment in any such action shall be conclusive and may be enforced in other jurisdictions. Nothing herein shall affect the right of any party to serve legal process in any manner permitted by law or affect its right to bring any action in any other court.

17.9 WAIVER OF JURY TRIAL. EACH OF THE MEMBERS IRREVOCABLY WAIVES, TO THE EXTENT PERMITTED BY LAW, ALL RIGHTS TO TRIAL BY JURY AND ALL RIGHTS TO IMMUNITY BY SOVEREIGNTY OR

OTHERWISE IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

17.10 Counterpart Execution. This Agreement shall be valid, binding, and enforceable against a party hereto when executed and delivered by an authorized individual on behalf of such party by means of (i) an original manual signature; (ii) a faxed, scanned, or photocopied manual signature or (iii) any other electronic signature permitted by the federal Electronic Signatures in Global and National Commerce Act, state enactments of the Uniform Electronic Transactions Act, and/or any other relevant electronic signatures law, including any relevant provisions of the Uniform Commercial Code/UCC (collectively, "***Signature Law***"), in each case to the extent applicable. Each faxed, scanned, or photocopied manual signature, or other electronic signature, shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. Each party hereto shall be entitled to conclusively rely upon, and shall have no liability with respect to, any faxed, scanned, or photocopied manual signature, or other electronic signature, of any other party and shall have no duty to investigate, confirm or otherwise verify the validity or authenticity thereof. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute one and the same instrument. For the avoidance of doubt, original manual signatures shall be used for execution or indorsement of writings when required under the UCC or other Signature Law due to the character or intended character of the writings.

17.11 Specific Performance. Each Member agrees with the other Members that the other Members may be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that monetary damages would not provide an adequate remedy in such event. Accordingly, it is agreed that, in addition to any other remedy to which the non-breaching Members may be entitled, at law or in equity, the non-breaching Members shall be entitled to injunctive relief to prevent breaches of the provisions of this Agreement and specifically to enforce the terms and provisions hereof.

17.12 Entire Agreement. This Agreement and other Transaction Documents and the Annexes, Exhibits and Schedules hereto and thereto constitute the entire agreement among the parties hereto and their respective Affiliates and contain all of the agreements among such parties with respect to the subject matter hereof and thereof. This Agreement and the other Transaction Documents and the Annexes, Exhibits and Schedules hereto and thereto supersede any and all other agreements, either oral or written, between such parties with respect to the subject matter hereof and thereof.

17.13 No Third Party Beneficiaries. Except as otherwise expressly provided herein, no Person other than a party hereto shall have any rights or remedies under this Agreement.

17.14 Waiver. Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the party or parties entitled to the benefit thereof. Any such waiver shall be validly and sufficiently authorized for the purposes of this Agreement if, as to any party, it is authorized in writing by an authorized representative of such party. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

17.15 Non-Petition. The Members agree that no Member shall, until the day that is one year and one day after the redemption in full of all Class A Limited Membership

Interests (a) acquiesce in, petition, consent to or otherwise invoke or institute the process of any governmental authority, or knowingly assist creditors of the Company (other than as required by applicable law or compelled by legal process), for the purpose of commencing or ordering any involuntary or nonconsensual (i) case against the Company or its property under the United States Bankruptcy Code, (ii) appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official with respect to the Company or its property or (iii) winding up or liquidation of the affairs of the Company, or (b) cause to commence, or consent to, any voluntary or consensual case, action or proceeding described in clause (i), (ii) or (iii) of this sentence without such consents as may be required under this Agreement or any other agreement to which the Company is a party.

17.16 Non-Business Days. Wherever any payment is required to be made, any notice required to be given or any other action required to be taken under this Agreement on a specified day that is not a Business Day, except as otherwise specified, such payment shall be made, such notice shall be given or such action shall be taken, as the case may be, on the next succeeding Business Day.

17.17 Recognition of U.S. Special Resolution Regimes.

(a) In the event that any Member that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Member of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States of America or a state of the United States of America.

(b) In the event that any Member that is a Covered Entity or a BHC Act Affiliate of such Member becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Member are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States of America or a state of the United States of America.

17.18 Effectiveness. This Agreement shall, subject to the occurrence of the Closing (as defined in the Class A-4 Subscription Agreement) and the satisfaction of the conditions precedent (or waiver thereof by each Buyer (as defined in the Class A-4 Subscription Agreement) and each Class A Limited Member that is not a Buyer) set forth in Section 2.4 of the Class A-4 Subscription Agreement, become effective on and as of the Effective Date and, for the avoidance of doubt, until such time the Third A&R LLC Agreement shall constitute the limited liability company agreement of the Company; except, that, Section 1.10 and, solely for the purposes of Section 1.10 and this Section 17.18, Section 1.11, shall be effective immediately.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement of the Company as of the day first above set forth.

CLASS B COMMON MEMBER AND MANAGING MEMBER:

AT&T FIBER INVESTMENT HOLDINGS, LLC
By: AT&T Properties, LLC
Its: Manager

By: /s/ Andrew B. Keiser
Name: Andrew B. Keiser
Title: Vice President and Assistant Treasurer

[Signature Page to Fourth A&R LLC Agreement]

CLASS A LIMITED MEMBER:

MUFG BANK, LTD., NEW YORK BRANCH

By: /s/ Terry McKay
Name: Terry McKay
Title: Managing Director

[Signature Page to Fourth A&R LLC Agreement]

CLASS A LIMITED MEMBER:

WELLS FARGO BANK, N.A.

By: /s/ Austin Vanassa
Name: Austin Vanassa
Title: Managing Director

[Signature Page to Fourth A&R LLC Agreement]

CLASS A LIMITED MEMBER:

COMMERZBANK AG, NEW YORK BRANCH

By: /s/ Verra Kumalasari
Name: Verra Kumalasari
Title: Director

By: /s/ Bill Donohue
Name: Bill Donohue
Title: Director

CLASS A LIMITED MEMBER:

MIZUHO BANK, LTD.

By: /s/ Tracy Rahn
Name: Tracy Rahn
Title: Managing Director

CLASS A LIMITED MEMBER:

SG MORTGAGE FINANCE CORP.

By: /s/ Brendan Bush
Name: Brendan Bush
Title: President

[Signature Page to Fourth A&R LLC Agreement]

CLASS A LIMITED MEMBER:

SUMITOMO MITSUI BANKING CORPORATION

By: /s/ Nabeel Shah
Name: Nabeel Shah
Title: Director

CLASS A LIMITED MEMBER:

BNP PARIBAS

By: /s/ Nicole Rodriguez
Name: Nicole Rodriguez
Title: Director

By: /s/ Valentin Detry
Name: Valentin Detry
Title: Vice President

CLASS A LIMITED MEMBER:

INTESA SANPAOLO S.P.A.

By: /s/ Luca Giorgetti
Name: Luca Giorgetti
Title: Head of Industry Telecom, Media & Technology

By: /s/ Corrado Passoni
Name: Corrado Passoni
Title: Head of Corporate Loan Structuring

By: /s/ Edoardo Cesareo
Name: Edoardo Cesareo
Title: Business Director

By: /s/ Marco Maria Lucini
Name: Marco Maria Lucini
Title: Business Director Relationship Manager Telecom, Media &Technology

CLASS A LIMITED MEMBER:

BANCO BILBAO VIZCAYA ARGENTARIA, S.A. NEW YORK BRANCH

By: /s/ Brian Crowley
Name: Brian Crowley
Title: Managing Director

By: /s/ Armen Semizian
Name: Armen Semizian
Title: Managing Director

INDEPENDENT MANAGERS

By: /s/ Bernard J. Angelo
Name: Bernard J. Angelo

By: /s/ Kevin J. Corrigan
Name: Kevin J. Corrigan

[Signature Page to Fourth A&R LLC Agreement]

Exhibit A

Form of Demand Note

(see attached)

Exhibit B

Form of Secured Note

(see attached)

Exhibit C

Form of Keep Well Agreement

(see attached)

Exhibit D

Form of Class A Mandatory Remarketing Agreement

(see attached)

Exhibit E-1

Form of Class A-1 Limited Membership Interest Certificate

(see attached)

Exhibit E-2

Form of Class A-2 Limited Membership Interest Certificate

(see attached)

Exhibit E-3

Form of Class A-3 Limited Membership Interest Certificate

(see attached)

Exhibit E-4

Form of Class A-4 Limited Membership Interest Certificate

(see attached)

Exhibit E-5

Form of Class B Common Membership Interest Certificate

(see attached)

Exhibit F

Form of Independent Manager Management Agreement

(see attached)

Exhibit G

Forms of Pre-Closing Reorganization Documents

(see attached)

Schedule A

Membership Registry

Schedule B

Borrowers

OFFICER DISABILITY PLAN

Plan Effective: January 1, 1984
Revisions Effective: January 1, 2025

OFFICER DISABILITY PLAN

The AT&T Inc. ("AT&T" or "Company") Officer Disability Plan ("Plan") was formerly known as the Senior Management Long Term Disability Plan prior to November 1, 2002. The purpose of the Plan is to supplement an Eligible Employee's disability benefits provided under an AT&T Group Disability Plan. Effective January 1, 2025, the Plan is closed to newly Eligible Employees and to claims submitted after January 1, 2025.

Section 1. − Definitions

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

"**Eligible Employee**" shall mean an Officer and any other individual who is participating in the Plan as of September 1, 2005. An employee of a company acquired by AT&T shall not be considered an Eligible Employee unless designated as eligible by the CEO of AT&T Inc. ("CEO"). Notwithstanding the foregoing, the CEO may, from time to time, exclude any Officer or group of Officers from being an "Eligible Employee" under this Plan; provided however, only the Committee shall have the authority to exclude from participation or take any other action with respect to Executive Officers.

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

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

"**Group Disability Plan**" shall mean any Employer-paid group disability plan sponsored by AT&T or any Subsidiary.

"**Long Term Disability Benefit**" shall mean the disability benefit provided under Section 3 of this Plan.

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

"**Participant**" shall mean an Eligible Employee who is disabled within the meaning of Section 2.1 or 3.1 of this Plan.

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

"**Pay**" shall mean the monthly amount of an Eligible Employee's annual base salary rate (as determined by his or her Employer) on the last day prior to entitlement to disability benefits under this Plan, but excluding all differentials regarded as temporary or extra payments and excluding all cash payments and distributions made under the

AT&T Short Term Incentive Plan, the AT&T 2001 Incentive Plan, and the AT&T 2006 Incentive Plan, or successor plans.

"**SEVP-HR**" shall mean the company's highest ranking Officer specifically responsible for human resources matters.

"**Short Term Disability Benefit**" shall mean the disability benefit provided under Section 2 of this Plan.

Section 2. "**Subsidiary**" shall mean any corporation in which the Company owns, directly or indirectly, more than fifty percent (50%) of the total combined voting power of all classes of equity interests, or any other entity (including, but not limited to, partnerships and joint ventures) in which the Company owns more than fifty percent (50%) of the combined equity thereof. − Short Term Disability Benefits

2.1 If an Eligible Employee is eligible to receive short term disability benefits under the Group Disability Plan, he/she is also eligible to receive Short Term Disability Benefits under this Plan. Otherwise, an Eligible Employee who, due to a physical or mental impairment, is prevented from meeting the performance requirements of the position he or she held immediately preceding the onset of his or her physical or mental impairment shall be entitled to Short Term Disability Benefits under this Section 2.

2.2 Subject to the reductions and offsets described in Section 2.3, the Short Term Disability Benefits provided under this Section 2 shall be a monthly amount equal to one hundred percent (100%) of the Participant's Pay.

2.3 The Participant's Short Term Disability Benefit shall be reduced by his or her short term disability benefit received under a Group Disability Plan, if any. In addition, the Participant's combined Short Term Disability Benefit under this Plan and his or her short term disability benefit under the Group Disability Plan, if any, shall be reduced by any offsets as provided in the Group Disability Plan.

Short Term Disability Benefits shall commence on the date that short term disability benefits start under the Group Disability Plan, or the date that short term disability benefits would start under the Group Disability Plan had the Participant been eligible for benefits under that plan. Short Term Disability Benefits under this Plan shall be paid until the earliest to occur of (i) the lapse of short term disability benefits under the Group Disability Plan (whether or not actually receiving benefits under the plan), or (ii) the Participant's ability to meet the performance requirements of the position he or she held immediately preceding the onset of his or her physical or mental impairment.

Section 3. – Long Term Disability Benefits

3.1 If an Eligible Employee is eligible to receive long term disability benefits under the Group Disability Plan, he/she is also eligible to receive Long Term Disability Benefits under this Plan. Otherwise, an Eligible Employee shall be entitled to Long Term Disability Benefits after the lapse of the Participant's Short Term Disability Benefits if the Eligible Employee, due to a physical or mental impairment, is prevented from meeting the performance requirements of (i) the position he or she held immediately preceding the onset of his or her physical or mental impairment, (ii) a similar position, and (iii) any appropriate position that the Participant would otherwise be capable of performing by reason of his or her background or experience.

3.2 Subject to the reductions and offsets described in Section 3.3, the Long Term Disability Benefits provided under this Section 3 shall be a monthly amount equal to eighty percent (80%) of the Participant's Pay.

3.3 The Participant's Long Term Disability Benefit shall be reduced by his or her long term disability benefit received under a Group Disability Plan, if any. In

addition, the Participant's combined Long Term Disability Benefit under this Plan and his or her long term disability benefit under the Group Disability Plan, if any, shall be reduced by any offsets as provided in the Group Disability Plan.

3.4 Long Term Disability Benefits under this Plan shall be paid until earliest to occur of (i) the Participant's attainment of age 65, or (ii) the Participant's ability to meet the performance requirements of (a) the position he or she held immediately preceding the onset of his or her physical or mental impairment, (b) a similar position, or (c) any appropriate position that the Participant would otherwise be capable of performing by reason of his or her background or experience.

Section 4. – Claims and Appeals

4.1 A Disability Review Committee ("Committee") will be established to review any issues arising under this Plan, including any claims made under this Plan. The Committee shall be appointed by the SEVP-HR and shall be comprised of at least three managers, one of which shall be an Officer. The Committee, which shall be a fiduciary under the Plan with respect to the review of claims, shall have the authority, in its sole and absolute discretion, to interpret and administer the Plan, including the authority, in its sole and absolute discretion, to make the determinations as to whether an Eligible Employee is disabled within the meaning of Sections 2 and 3 of the Plan and any other claim arising under the Plan. The SEVP-HR, who shall be a fiduciary under the Plan with respect to the review of appealed claims, shall have the sole and absolute discretion to make determinations with respect to an appeal of a claim that is denied by the Committee.

4.2 An Eligible Employee or a Participant (the "Claimant") may file a claim under the Plan by sending a written notice of such claim to AT&T Executive Compensation, 208 South Akard Street, Room 2355, Dallas, Texas 75202-4206, which shall include a brief description of the Claimant's claim.

4.3 Upon receipt of a written claim, the Committee shall notify the Claimant of the Committee's decision regarding the claim within forty-five (45) days of the date the claim is made. The Committee may extend this 45-day period for up to 30 days (plus an additional 30 days if needed) if it determines that special circumstances require more time to determine the claim. The Committee shall notify the Claimant, in writing, within the initial 45-day period (and within the first 30-day extension period if an additional 30 days is needed) if additional time is needed and what special circumstances require the extra time. If extensions are required because the Committee needs additional information from the Claimant, the Claimant shall be given 45 days from the Committee's notification within which to provide that information.

4.4 A claim is denied if: (a) the Claimant receives a written denial from the Committee, (b) the Claimant receives no reply from the Committee after 45 days, or (c) the Committee has extended the time to reply by an additional 30 or 60 days and the Claimant receives no reply after the additional 30 or 60 days. The written notice of a denied claim shall include: (a) the specific reasons for the denial, (b) a specific reference to the Plan provision upon which the denial is based, (c) a description of any additional information that is needed to make the claim acceptable and the reason it is needed, and (d) a description of the procedure by which the Claimant may appeal the denial to the Human Resources Committee of the AT&T Board of Directors.

4.5 If a claim is denied by the Committee, or treated as denied, and the Claimant disagrees with the Committee's decision, the Claimant may appeal the

Committee's decision by filing a written request for review. The Claimant or someone authorized by the Claimant must make the request for review within 180 days of receipt of the denial notice or, if no notice is received, 180 days after the expiration of 45, 75 or 105 days, whichever is applicable. A written request for review must be sent to the SEVP-HR at the address provided in the claim denial letter or, if no denial letter was sent, to the SEVP-HR, 208 South Akard Street, Room 2355, Dallas, Texas 75202. The appeal of a denied claim may include: (a) a written statement of the issues and any other comments, along with any new or additional evidence or materials in support of the Claimant's appeal, (b) a request to examine documents that bear on the Claimant's appeal, and (c) a request to review pertinent Plan documents.

4.6 Unless the Claimant is notified in writing that more time is needed, a review and decision on the Claimant's appeal must be made within 45 days after the appeal is received. If special circumstances require more time to consider the appeal, the SEVP-HR may take an additional 45 days to reach a decision after providing written notice that there will be a delay. The appeal is deemed denied if notice of the decision is not provided by the end of the 45 or 90-day period. If an appeal is denied by the SEVP-HR, it is final and not subject to further review; however, the Claimant may have further rights under ERISA.

Section 5. – Loyalty Conditions

5.1 Eligible Employees acknowledge that no coverage and benefits would be provided under this Plan on and after January 1, 2010 but for the loyalty conditions and covenants set forth in this Section, and that the conditions and covenants herein are a material inducement to AT&T's willingness to sponsor the Plan and to offer Plan coverage and benefits for the Participants. Accordingly, as a condition of receiving coverage and any Plan benefits on or after January 1, 2010, each Eligible Employee is deemed to agree that he shall not, without obtaining the written consent of the Plan Administrator in advance, participate in activities that constitute engaging in competition with AT&T or engaging in conduct disloyal to AT&T, as those terms are defined in this Section. Further, notwithstanding any other provision of this Plan, all coverage and benefits under this Plan on and after January 1, 2010 with respect to an Eligible Employee shall be subject in their entirety to the enforcement provisions of this Section if the Eligible Employee, without the Plan Administrator's consent, participates in an activity constituting engaging in competition with AT&T or engaging in conduct disloyal to AT&T, as defined below.

5.2 Definitions. For purposes of this Section and of the Plan generally

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

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

any person or entity that is engaged in competition with any Employer Business or that takes a position adverse to any Employer Business.

(c) "engaging in conduct disloyal to AT&T" means, while employed by an Employer Business or within two (2) years after the Eligible Employee's termination of employment, (i) soliciting for employment or hire, whether as an employee or as an independent contractor, for any business in competition with an Employer Business, any person employed by AT&T or its affiliates during the one (1) year prior to the date on which the Eligible Employee commences receiving benefits under this Plan, whether or not acceptance of such position would constitute a breach of such person's contractual obligations to AT&T and its affiliates; (ii) soliciting, encouraging, or inducing any vendor or supplier with which Participant had business contact on behalf of any Employer Business during the two (2) years prior to the date on which the Eligible Employee most recently commenced receiving benefits under this Plan to terminate, discontinue, renegotiate, reduce, or otherwise cease or modify its relationship with AT&T or its affiliate; or (iii) soliciting, encouraging, or inducing any customer or active prospective customer with whom Eligible Employee had business contact, whether in person or by other media, on behalf of any Employer Business during the two (2) years prior to the date on which the Eligible Employee most recently commenced receiving benefits under this Plan ("Customer"), to terminate, discontinue, renegotiate, reduce, or otherwise cease or modify its relationship with any Employer Business, or to purchase competing goods or services from a business competing with any Employer Business, or accepting or servicing business from such Customer on behalf of himself or any other business. "Engaging in conduct disloyal to AT&T" also means, disclosing Confidential Information to any third party or using Confidential Information, other than for an Employer Business, or failing to return any Confidential Information to the Employer Business following termination of employment.

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

5.3 Forfeiture of Benefits. Coverage and benefits shall be forfeited and shall not be provided under this Plan for any period as to which the Plan Administrator determines that, within the time period and without the written consent specified, the Eligible Employee has been either engaging in competition with AT&T or engaging in conduct disloyal to AT&T.

5.4 Equitable Relief. The parties recognize that any Eligible Employee's breach of any of the covenants in this Section 5 will cause irreparable injury to AT&T, will represent a failure of the consideration under which AT&T (in its capacity as creator and sponsor of the Plan) agreed to provide the Eligible Employee with the opportunity to receive Plan coverage and benefits, and that monetary damages would not provide AT&T with an adequate or complete remedy that would warrant AT&T's continued sponsorship of the Plan and payment of Plan benefits for all Participants. Accordingly, in the event of an Eligible Employee's actual or threatened breach of the covenants in this Section 5, the Plan Administrator, in addition to all other rights and acting as a fiduciary under ERISA on behalf of all Participants, shall have a fiduciary duty (in order to assure that AT&T receives fair and promised consideration for its continued Plan sponsorship and funding) to seek an injunction restraining the Eligible Employee from breaching the covenants in this Section 5. In addition, AT&T shall pay for any Plan expenses that the Plan Administrator incurs hereunder, and shall be entitled to recover from the Participant its reasonable attorneys' fees and costs incurred in obtaining such injunctive remedies. To enforce its repayment rights with respect to an Eligible Employee, the Plan shall have a first priority, equitable lien on all Plan benefits provided to or for the Eligible Employee and his or her Dependents. In the event the Plan Administrator succeeds in enforcing the terms of this Article through a written settlement with the Eligible Employee or a court order granting an injunction hereunder, the Eligible Employee shall be entitled to collect Plan benefits prospectively, if the Eligible Employee is otherwise entitled to such benefits, net of any fees and costs assessed pursuant hereto (which fees and costs shall be paid to AT&T as a repayment on behalf of the Eligible Employee), provided that the Eligible Employee complies with said settlement or injunction.

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

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

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

(c) If the Plan Administrator determines in its sole discretion either (I) that AT&T or its affiliate that employed the Eligible Employee terminated the Eligible Employee's employment for cause, or (II) that equitable relief enforcing the Eligible Employee's covenants under this Section 5 is either not reasonably available, not ordered by a court of competent jurisdiction, or circumvented because the Eligible Employee has sued in state court, or has otherwise sought remedies not available under ERISA, then in any and all of such instances the Eligible Employee shall not be

entitled to collect any Plan benefits, and if any Plan benefits have been paid to the Eligible Employee, the Eligible Employee shall immediately repay all Plan benefits to the Plan (which shall be used to pay Plan administrative expenses or Plan benefits) upon written demand from the Plan Administrator. Furthermore, the Eligible Employee shall hold AT&T and its affiliates harmless from any loss, expense, or damage that may arise from any of the conduct described in clauses (I) and (II) hereof.

Section 6. − General Provisions

6.1 AT&T, in its sole discretion may reduce the disability allowance by the amount of outside compensation or earnings of the Participant for work performed by the Participant during the period for which any Short Term Disability Benefit or Long Term Disability Benefit is provided.

6.2 The rights of a Participant to benefits under the Plan shall not be subject to assignment or alienation, except as required by law.

6.3 AT&T may from time to time make changes in the Plan and may terminate the Plan in its sole and absolute discretion. In addition, the SEVP-HR of AT&T (or his or her successor), shall be authorized to make minor or administrative changes to the Plan, as well as changes dictated by any requirement of Federal or state statutes or authorized or made desirable by such statutes. Such changes or termination shall not affect the rights of any Participant, without his/her consent, to any benefit under the Plan to which such Participant may have previously become entitled as a result of a disability, death or termination of employment that occurred prior to the effective date of such change or termination.

6.4 Should a claim, other than under this Plan or under any other plan maintained by the Employer, be presented or suit brought against the Company, an Employer, or against any other Subsidiary, for damages on account of injury or death of a Participant, nothing shall be payable under this Plan; provided however, that the Committee may, in its discretion and upon such terms as it may prescribe waive this provision if such claims be withdrawn or if such suit be discontinued.

6.5 All benefits authorized under the Plan shall be charged to the operating expense accounts of the Participant’s Employer when and as paid.

6.6 The expenses of administering the Plan shall be borne by the Employers in such proportions as shall be mutually agreed upon by such Employers.

6.7 In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

6.8 At any time AT&T may correct any error made under the Plan without prejudice to AT&T. Such corrections may include, among other things, changing or revoking a disability benefit.

6.9 To the extent not preempted by Federal law, this Plan shall be governed by and construed in accordance with the substantive laws of the State of Texas, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Plan to provisions of the substantive law of any jurisdiction other than the State of Texas.

6.10 The use of personal pronouns of either gender in the Plan is intended to include both masculine and feminine genders.

Insider Trading (Securities Fraud) AT&T Enterprise-Wide

It is the policy of AT&T that each director, officer, employee or advisor (collectively referred to as “insiders”) of the Company, as well as the Company itself, comply with the Federal securities laws as well as other applicable Federal and state laws that govern the use of material, nonpublic information in connection with the purchase and sale of securities. This policy applies to all insiders of AT&T and its consolidated subsidiaries (“AT&T” or the “Company”).

Insider Trading

It is unlawful to, and insiders may not, trade in securities of AT&T or the securities of another company with which AT&T does business while in possession of **material**, **nonpublic** information with respect to AT&T or such company acquired in the course of employment or otherwise through a confidential relationship. **It does not matter whether you acquired the information as part of a project team, you overheard the information from other employees or agents, or you discovered it inadvertently through your employment or working with AT&T.** If the information relates to a tender offer, the prohibition applies so long as you have reason to know it came directly or indirectly from a party involved in the tender offer.

This conduct is typically referred to as “insider trading” and can subject the insider to criminal and civil penalties, including up to 20 years in prison per offense, disgorgement of profits, and substantial financial penalties.

It is also unlawful to, and insiders may not, pass on such information to another person without an AT&T business-related reason. An insider may be charged with insider trading if the insider (the “tipper”) discloses material, nonpublic information to another person without authorization (the “tippee”), and the information is used by the tippee to trade in AT&T securities or the securities of a company with which AT&T does business. In that case, both the tipper and tippee can be charged with insider trading even if only the tippee traded. The illegal disclosure can occur at social, business or other gatherings, or even in discussions with family members or friends. Often tippees become tippers and pass the nonpublic information on to other tippees. Each tipper is potentially liable for the conduct of all known and unknown tippees resulting from the tipper’s original disclosure.

An insider may also violate the insider trading rules if they use material, nonpublic information to trade in securities of a vendor, supplier, customer or other company with which AT&T does business. Information such as the selection of a vendor, the terms of any agreement with a vendor, supplier, customer or other company with which AT&T does business, or significant changes in the relationship and especially termination of that relationship must be treated as highly sensitive information and kept strictly confidential. Such information, if material, may never be used to trade in the securities of the vendor, supplier, customer or other company with which AT&T does business (or, if material to AT&T, in AT&T securities). Use of such information to trade in securities or the disclosure of such information to another who trades each constitutes insider trading.

The Company is also prohibited from trading in securities of the Company or its vendors, suppliers, customers or other companies with which the Company does business in violation of applicable federal or state insider trading laws.

Definitions:

Information is considered **"material"** with respect to a company if investors would find the information to be important, even if not determinative, in making an investment decision. This includes information about a vendor, supplier, customer or other company with which AT&T does business. If the information has the potential to move the market price of the stock, it will typically be considered material.

Some examples of material information include:

- Unpublished financial or operating results or guidance
- News of a pending or proposed company transaction
- Significant changes in corporate strategies
- News of a merger or significant purchase or sale of assets
- Changes in dividend policies
- Significant network or data security incidents impacting AT&T or a company AT&T does business with
- Other significant events that may have an impact on AT&T's financial results or operations

The above list is only illustrative; many other types of information may be considered "material," depending on the circumstances. Additionally, as discussed above, information which is not material to AT&T may still be considered material with respect to our vendors, suppliers, customers or other companies with which AT&T does business.

Information is **"nonpublic"** if it is not available to the general public. In order for information to be considered public, it must be widely disseminated. The circulation of rumors, even if accurate and reported in the media, does not constitute effective public dissemination.

Examples of Prohibited and Permitted Transactions

Prohibited transactions under the law if you are in possession of material, nonpublic information acquired through your relationship with AT&T:

- Trading in AT&T securities if you possess material, nonpublic information about AT&T.
- Trading in the securities of a vendor, supplier, customer or other company with which AT&T does business if you possess material, nonpublic information about such vendor, supplier, customer or other company.
- Exercises of stock options where the acquired stock is sold.
- Placing a limit order at a time when you do not have material, nonpublic information that is executed at a time when you do.
- Switching existing balances into or out of the AT&T stock fund in the Retirement Savings Plan (401(k) plan) or changing the investment direction to or from the AT&T stock fund.

Other Prohibited Transactions:

- Insiders should not engage in short sales of AT&T securities. For this purpose, a short sale is a sale of securities that is intended to be settled with securities that you do not own.
- Directors, officers and employees subject to the "Blackout Periods" should not place AT&T securities in margin accounts.
- Insiders should not purchase and sell derivatives whose value is based principally on the price of AT&T securities. This does not include stock options or other derivatives issued by the Company for compensation purposes.

Permitted Transactions:

- Continuing contributions to AT&T benefit plans or a dividend reinvestment plan pursuant to previously made elections.
- Gifts of AT&T stock unless there is reason to believe that the recipient intends to sell the shares prior to the public disclosure of material, nonpublic information that you possessed at the time of the gift.
- Transactions in mutual funds or ETFs where AT&T securities are a small part of the fund.

Blackout Periods

In addition to refraining from trading while in possession of material, nonpublic information, in order to avoid even the appearance of impropriety, **all Directors, Officers and Vice Presidents, as well as the Senior Managers in the External Reporting, Investor Relations and Controllers organizations, and other employees who have access to company-wide or other material financial information, are expected to refrain from trading in AT&T securities from the first day of the 3rd month of every quarter until one full trading day after AT&T's earnings are publicly reported ("blackout period")**, unless provided with other restrictions by the Corporate Secretary or General Counsel.

This does NOT mean that employees may always trade outside the blackout period. From time to time, the Company may also prohibit some or all persons covered by this policy from trading securities of the Company because of material developments known to the Company and not yet disclosed to the public. These periods are referred to as "special blackout periods."

Pre-clearance

In addition to the other requirements of this policy, **Directors** and **Officers** must pre-clear their trades with the Corporate Secretary, including transfers into or out of the AT&T stock fund in the 401(k) plan.

If in doubt, Ask!

If you have a question about how this policy applies, contact the Corporate Securities Group attorneys.

Raising Concerns

Every one of us is responsible for promoting high ethical standards. If you observe any violation or potential violation of this policy, report the issue to any one of the following:

- Your supervisor or anyone else in your chain of command
- Human Resources
- Your Business Unit attorney or Legal Department
- Asset Protection
- Reporting Hotlines or Websites

Nothing in this policy limits your right to report matters to a government entity, including the Securities and Exchange Commission. Throughout any internal investigations, AT&T will maintain confidentiality, to the extent possible, based on its legal and ethical responsibilities. AT&T does not tolerate any form of retaliation taken against individuals who earnestly report concerns, violations, or suspected violations of this policy.

Violations

Violations of this policy may result in disciplinary action up to and including termination of employment.

Owner

Corporate Governance and Securities Legal Group

Date

Effective: August 2015
Updated: November 15, 2024

Exhibit 21

PRINCIPAL SUBSIDIARIES OF

AT&T INC., AS OF DECEMBER 31, 2024

2024 AT&T INC. REPORT TO STOCKHOLDERS

SECURITIES AND EXCHANGE COMMISSION ("SEC")

FORM 10-K filed February 12, 2025

Legal Name	State of Incorporation/Formation	Conducts Business Under
Illinois Bell Telephone Company, LLC	Illinois	AT&T Illinois; AT&T Wholesale
Indiana Bell Telephone Company, LLC	Indiana	AT&T Indiana; AT&T Wholesale
Michigan Bell Telephone Company, LLC	Michigan	AT&T Michigan; AT&T Wholesale
Nevada Bell Telephone Company, LLC	Nevada	AT&T Nevada; AT&T Wholesale
Pacific Bell Telephone Company	California	AT&T California; AT&T Wholesale; AT&T DataComm
AT&T Teleholdings, Inc.	Delaware	AT&T Midwest; AT&T West; AT&T East
Southwestern Bell Telephone Company, LLC	Delaware	AT&T Arkansas; AT&T Kansas; AT&T Missouri; AT&T Oklahoma; AT&T Texas; AT&T Southwest; AT&T DataComm; AT&T Wholesale
The Ohio Bell Telephone Company, LLC	Ohio	AT&T Ohio; AT&T Wholesale
Wisconsin Bell, LLC	Wisconsin	AT&T Wisconsin; AT&T Wholesale
AT&T Services, Inc.	Delaware	AT&T Services; AT&T Labs

AT&T Enterprises, LLC.	Delaware	ACC Business
Teleport Communications America, LLC	Delaware	same
AT&T DW Holdings, Inc.	New York	same
BellSouth Telecommunications, LLC	Georgia	AT&T Alabama AT&T Florida AT&T Georgia AT&T Kentucky AT&T Louisiana AT&T Mississippi AT&T North Carolina AT&T South Carolina AT&T Tennessee AT&T Southeast
AT&T Mobility LLC	Delaware	same
AT&T Mobility II LLC	Delaware	same
New Cingular Wireless PCS, LLC	Delaware	AT&T Mobility
Cricket Wireless LLC	Delaware	same
AT&T Comunicaciones Digitales, S. de R.L. de C.V.	Mexico City	same
AT&T MVPD Group Holdings, LLC	Delaware	same

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-34062) pertaining to the Stock Savings Plan,
(2) Registration Statement (Form S-3 No. 333-263192) of AT&T and the related Prospectuses,
(3) Registration Statement (Form S-8 No. 333-141864) pertaining to the AT&T Savings Plan and certain other plans,
(4) Registration Statement (Form S-8 No. 333-139749) pertaining to the BellSouth Retirement Savings Plan and certain other BellSouth plans,
(5) Registration Statement (Form S-8 No. 333-152822) pertaining to the AT&T Non-Employee Director Stock Purchase Plan,
(6) Registration Statement (Form S-8 No. 333-173079) pertaining to the AT&T 2011 Incentive Plan,
(7) Registration Statement (Form S-8 No. 333-227285) pertaining to the AT&T Stock Purchase and Deferral Plan and Cash Deferral Plan,
(8) Registration Statement (Form S-8 No. 333-235537) pertaining to the AT&T Savings and Security Plan, the AT&T Puerto Rico Retirement Savings Plan, the AT&T Retirement Savings Plan, and the BellSouth Savings and Security Plan,
(9) Registration Statement (Form S-8 No. 333-205868) pertaining to the DIRECTV 2010 Stock Plan, the DIRECTV 401(k) Savings Plan, and the Liberty Entertainment, Inc. Transitional Stock Adjustment Plan,
(10) Registration Statement (Form S-8 No. 333-211303) pertaining to the 2016 Incentive Plan,
(11) Registration Statement (Form S-8 No. 333-224980) pertaining to the 2018 Incentive Plan,
(12) Registration Statement (Form S-8 No. 333-225671) pertaining to the Time Warner Inc. 1999 Stock Plan, the Time Warner Inc. 2003 Stock Incentive Plan, the Time Warner Inc. 2006 Stock Incentive Plan, the Time Warner Inc. 2010 Stock Incentive Plan, the Time Warner Inc. 2013 Stock Incentive Plan, and the Time Warner Savings Plan, and
(13) Registration Statement (For S-8 No. 333-283715) pertaining to the 2018 Incentive Plan;

of our reports dated February 12, 2025, with respect to the consolidated financial statements and schedule of AT&T Inc. and the effectiveness of internal control over financial reporting of AT&T Inc. included in this Annual Report (Form 10-K) of AT&T Inc. for the year ended December 31, 2024.

/s/ Ernst & Young LLP

Dallas, Texas
February 12, 2025

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

THAT, AT&T INC., a Delaware corporation, hereinafter referred to as the “Corporation,” proposes to file with the Securities and Exchange Commission at Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, an annual report on Form 10-K; and

NOW, THEREFORE, each of the undersigned hereby constitutes and appoints John T. Stankey, Pascal Desroches, David R. McAtee II, George B. Goeke, Sabrina Sanders, or any one of them, all of the City of Dallas and State of Texas, the attorneys for the undersigned and in the undersigned’s name, place and stead, and in the undersigned’s office and capacity in the Corporation, to execute and file such annual report, and thereafter to execute and file any amendment or amendments thereto, hereby giving and granting to said attorneys full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and concerning the premises, as fully to all intents and purposes as the undersigned might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

IN WITNESS WHEREOF, each of the undersigned has hereunto set his or her hand the date set forth opposite their name.

/s/ William E. Kennard	1/30/2025
William E. Kennard Director	Date

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

THAT, AT&T INC., a Delaware corporation, hereinafter referred to as the “Corporation,” proposes to file with the Securities and Exchange Commission at Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, an annual report on Form 10-K; and

NOW, THEREFORE, each of the undersigned hereby constitutes and appoints John T. Stankey, Pascal Desroches, David R. McAtee II, George B. Goeke, Sabrina Sanders, or any one of them, all of the City of Dallas and State of Texas, the attorneys for the undersigned and in the undersigned’s name, place and stead, and in the undersigned’s office and capacity in the Corporation, to execute and file such annual report, and thereafter to execute and file any amendment or amendments thereto, hereby giving and granting to said attorneys full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and concerning the premises, as fully to all intents and purposes as the undersigned might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

IN WITNESS WHEREOF, each of the undersigned has hereunto set his or her hand the date set forth opposite their name.

/s/ Scott T. Ford
1/31/2025

Scott T. Ford
Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

THAT, AT&T INC., a Delaware corporation, hereinafter referred to as the “Corporation,” proposes to file with the Securities and Exchange Commission at Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, an annual report on Form 10-K; and

NOW, THEREFORE, each of the undersigned hereby constitutes and appoints John T. Stankey, Pascal Desroches, David R. McAtee II, George B. Goeke, Sabrina Sanders or any one of them, all of the City of Dallas and State of Texas, the attorneys for the undersigned and in the undersigned’s name, place and stead, and in the undersigned’s office and capacity in the Corporation, to execute and file such annual report, and thereafter to execute and file any amendment or amendments thereto, hereby giving and granting to said attorneys full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and concerning the premises, as fully to all intents and purposes as the undersigned might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

IN WITNESS WHEREOF, each of the undersigned has hereunto set his or her hand the date set forth opposite their name.

/s/ Glenn H. Hutchins	1/30/2025
Glenn H. Hutchins Director	Date

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

THAT, AT&T INC., a Delaware corporation, hereinafter referred to as the “Corporation,” proposes to file with the Securities and Exchange Commission at Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, an annual report on Form 10-K; and

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IN WITNESS WHEREOF, each of the undersigned has hereunto set his or her hand the date set forth opposite their name.

/s/ Stephen J. Luczo
1/31/2025

Stephen J. Luczo
Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

THAT, AT&T INC., a Delaware corporation, hereinafter referred to as the “Corporation,” proposes to file with the Securities and Exchange Commission at Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, an annual report on Form 10-K; and

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IN WITNESS WHEREOF, each of the undersigned has hereunto set his or her hand the date set forth opposite their name.

/s/ Marissa A. Mayer	1/30/2025
Marissa A. Mayer Director	Date

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

THAT, AT&T INC., a Delaware corporation, hereinafter referred to as the “Corporation,” proposes to file with the Securities and Exchange Commission at Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, an annual report on Form 10-K; and

NOW, THEREFORE, each of the undersigned hereby constitutes and appoints John T. Stankey, Pascal Desroches, David R. McAtee II, George B. Goeke, Sabrina Sanders or any one of them, all of the City of Dallas and State of Texas, the attorneys for the undersigned and in the undersigned’s name, place and stead, and in the undersigned’s office and capacity in the Corporation, to execute and file such annual report, and thereafter to execute and file any amendment or amendments thereto, hereby giving and granting to said attorneys full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and concerning the premises, as fully to all intents and purposes as the undersigned might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

IN WITNESS WHEREOF, each of the undersigned has hereunto set his or her hand the date set forth opposite their name.

/s/ Michael B. McCallister	1/30/2025
Michael B. McCallister Director	Date

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

THAT, AT&T INC., a Delaware corporation, hereinafter referred to as the “Corporation,” proposes to file with the Securities and Exchange Commission at Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, an annual report on Form 10-K; and

NOW, THEREFORE, each of the undersigned hereby constitutes and appoints John T. Stankey, Pascal Desroches, David R. McAtee II, George B. Goeke, Sabrina Sanders or any one of them, all of the City of Dallas and State of Texas, the attorneys for the undersigned and in the undersigned’s name, place and stead, and in the undersigned’s office and capacity in the Corporation, to execute and file such annual report, and thereafter to execute and file any amendment or amendments thereto, hereby giving and granting to said attorneys full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and concerning the premises, as fully to all intents and purposes as the undersigned might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

IN WITNESS WHEREOF, each of the undersigned has hereunto set his or her hand the date set forth opposite their name.

/s/ Beth E. Mooney	1/30/2025
Beth E. Mooney Director	Date

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

THAT, AT&T INC., a Delaware corporation, hereinafter referred to as the “Corporation,” proposes to file with the Securities and Exchange Commission at Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, an annual report on Form 10-K; and

NOW, THEREFORE, each of the undersigned hereby constitutes and appoints John T. Stankey, Pascal Desroches, David R. McAtee II, George B. Goeke, Sabrina Sanders or any one of them, all of the City of Dallas and State of Texas, the attorneys for the undersigned and in the undersigned’s name, place and stead, and in the undersigned’s office and capacity in the Corporation, to execute and file such annual report, and thereafter to execute and file any amendment or amendments thereto, hereby giving and granting to said attorneys full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and concerning the premises, as fully to all intents and purposes as the undersigned might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

IN WITNESS WHEREOF, each of the undersigned has hereunto set his or her hand the date set forth opposite their name.

/s/ Matthew K. Rose	1/30/2025
Matthew K. Rose Director	Date

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

THAT, AT&T INC., a Delaware corporation, hereinafter referred to as the “Corporation,” proposes to file with the Securities and Exchange Commission at Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, an annual report on Form 10-K; and

NOW, THEREFORE, each of the undersigned hereby constitutes and appoints Pascal Desroches, David R. McAtee II, George B. Goeke, Sabrina Sanders, or any one of them, all of the City of Dallas and State of Texas, the attorneys for the undersigned and in the undersigned’s name, place and stead, and in the undersigned’s office and capacity in the Corporation, to execute and file such annual report, and thereafter to execute and file any amendment or amendments thereto, hereby giving and granting to said attorneys full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and concerning the premises, as fully to all intents and purposes as the undersigned might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

IN WITNESS WHEREOF, each of the undersigned has hereunto set his or her hand the date set forth opposite their name.

/s/ John T. Stankey	1/30/2025
John T. Stankey Chief Executive Officer, President and Director	Date

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

THAT, AT&T INC., a Delaware corporation, hereinafter referred to as the “Corporation,” proposes to file with the Securities and Exchange Commission at Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, an annual report on Form 10-K; and

NOW, THEREFORE, each of the undersigned hereby constitutes and appoints John T. Stankey, Pascal Desroches, David R. McAtee II, George B. Goeke, Sabrina Sanders or any one of them, all of the City of Dallas and State of Texas, the attorneys for the undersigned and in the undersigned’s name, place and stead, and in the undersigned’s office and capacity in the Corporation, to execute and file such annual report, and thereafter to execute and file any amendment or amendments thereto, hereby giving and granting to said attorneys full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and concerning the premises, as fully to all intents and purposes as the undersigned might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

IN WITNESS WHEREOF, each of the undersigned has hereunto set his or her hand the date set forth opposite their name.

/s/ Cynthia B. Taylor	1/30/2025
Cynthia B. Taylor Director	Date

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

THAT, AT&T INC., a Delaware corporation, hereinafter referred to as the “Corporation,” proposes to file with the Securities and Exchange Commission at Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, an annual report on Form 10-K; and

NOW, THEREFORE, each of the undersigned hereby constitutes and appoints John T. Stankey, Pascal Desroches, David R. McAtee II, George B. Goeke, Sabrina Sanders or any one of them, all of the City of Dallas and State of Texas, the attorneys for the undersigned and in the undersigned’s name, place and stead, and in the undersigned’s office and capacity in the Corporation, to execute and file such annual report, and thereafter to execute and file any amendment or amendments thereto, hereby giving and granting to said attorneys full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and concerning the premises, as fully to all intents and purposes as the undersigned might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do, or cause to be done, by virtue hereof.

IN WITNESS WHEREOF, each of the undersigned has hereunto set his or her hand the date set forth opposite their name.

/s/ Luis A. Ubiñas	1/30/2025
Luis A. Ubiñas Director	Date

Exhibit 31.1

CERTIFICATION

I, John T. Stankey, certify that:

1. I have reviewed this report on Form 10-K of AT&T Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 12, 2025

/s/John T. Stankey
John T. Stankey
Chief Executive Officer
and President

Exhibit 31.2

CERTIFICATION

I, Pascal Desroches, certify that:

1. I have reviewed this report on Form 10-K of AT&T Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 12, 2025

/s/Pascal Desroches
Pascal Desroches
Senior Executive Vice President
and Chief Financial Officer

Certification of Periodic Financial Reports

Pursuant to 18 U.S.C. Section 1350, each of the undersigned officers of AT&T Inc. (the "Company") hereby certifies that the Company's Annual Report on Form 10-K for the year ended December 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 12, 2025

By: /s/ John T. Stankey
John T. Stankey
Chief Executive Officer
and President

February 12, 2025

By: /s/ Pascal Desroches
Pascal Desroches
Senior Executive Vice President
and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document. This certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 ("Exchange Act") or otherwise subject to liability under that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act except to the extent this Exhibit 32 is expressly and specifically incorporated by reference in any such filing.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to AT&T Inc. and will be retained by AT&T Inc. and furnished to the Securities and Exchange Commission or its staff upon request.