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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2026

or

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

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

AT&T INC.

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

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

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

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 NYSE Texas
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. 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. Floating Rate Global Notes due September 16, 2027	T 27C	New York Stock Exchange
AT&T Inc. 1.600% Global Notes due May 19, 2028	T 28C	New York Stock Exchange
AT&T Inc. Floating Rate Global Notes due August 17, 2028	T 28E	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. 3.150% Global Notes due June 1, 2030	T 30C	New York Stock Exchange
AT&T Inc. 3.600% Global Notes due August 3, 2030	T 30E	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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
AT&T Inc. 3.550% Global Notes due December 17, 2032	T 32	New York Stock Exchange
AT&T Inc. 3.600% Global Notes due June 1, 2033	T 33A	New York Stock Exchange
AT&T Inc. 5.200% Global Notes due November 18, 2033	T 33	New York Stock Exchange
AT&T Inc. 3.375% Global Notes due March 15, 2034	T 34	New York Stock Exchange
AT&T Inc. 4.150% Global Notes due August 3, 2034	T 34E	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. 4.050% Global Notes due June 1, 2037	T 37B	New York Stock Exchange
AT&T Inc. 2.600% Global Notes due May 19, 2038	T 38C	New York Stock Exchange
AT&T Inc. 4.550% Global Notes due August 3, 2038	T 38D	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. 5.050% Global Notes due August 3, 2045	T 45B	New York Stock Exchange
AT&T Inc. 4.000% Global Notes due June 1, 2049	T 49A	New York Stock Exchange
AT&T Inc. 4.250% Global Notes due March 1, 2050	T 50	New York Stock Exchange
AT&T Inc. 3.750% Global Notes due September 1, 2050	T 50A	New York Stock Exchange
AT&T Inc. 7.050% Global Notes due August 3, 2052	T 52	New York Stock Exchange
AT&T Inc. 5.350% Global Notes due November 1, 2066	TBB	New York Stock Exchange

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

Yes ☒ No ☐

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

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

At October 15, 2026, there were 6,736,473,433 common shares outstanding.

PART I - FINANCIAL INFORMATION
Item 1. Financial Statements

AT&T INC.

CONSOLIDATED STATEMENTS OF INCOME
Dollars in millions except per share amounts
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
Operating Revenues				
Service	**$ 26,301**	$ 25,336	**$ 77,756**	$ 75,766
Equipment	**6,021**	5,373	**17,630**	16,416
Total operating revenues	**32,322**	30,709	**95,386**	92,182
Operating Expenses				
Cost of revenues				
Equipment	**6,098**	5,468	**18,144**	16,900
Other cost of revenues (exclusive of depreciation and amortization shown separately below)	**6,344**	6,351	**18,911**	19,102
Selling, general and administrative	**7,435**	7,454	**21,972**	21,544
Asset impairments and abandonments and restructuring	**3,372**	—	**3,658**	504
Depreciation and amortization	**4,978**	5,317	**14,910**	15,758
Total operating expenses	**28,227**	24,590	**77,595**	73,808
Operating Income	**4,095**	6,119	**17,791**	18,374
Other Income (Expense)				
Interest expense	**(1,979)**	(1,700)	**(5,675)**	(5,013)
Equity in net income (loss) of affiliates	**(10)**	(20)	**(80)**	1,905
Other income (expense) — net	**590**	6,254	**1,880**	7,476
Total other income (expense)	**(1,399)**	4,534	**(3,875)**	4,368
Income from Continuing Operations Before Income Taxes	**2,696**	10,653	**13,916**	22,742
Income tax expense on continuing operations	**1,390**	976	**3,353**	3,512
Income from Continuing Operations	**1,306**	9,677	**10,563**	19,230
Loss from discontinued operations, net of tax	**(37)**	—	**(103)**	—
Net Income	**1,269**	9,677	**10,460**	19,230
Net Income Attributable to Noncontrolling Interest	**(378)**	(363)	**(1,113)**	(1,065)
Net Income Attributable to AT&T	**$ 891**	$ 9,314	**$ 9,347**	$ 18,165
Preferred Stock Dividends and Redemption Gain	**(36)**	(36)	**(108)**	(28)
Net Income Attributable to Common Stock	**$ 855**	$ 9,278	**$ 9,239**	$ 18,137
Basic Earnings Per Share from continuing operations	**$ 0.13**	$ 1.29	**$ 1.34**	$ 2.51
Basic Loss Per Share from discontinued operations	**(0.01)**	—	**(0.01)**	—
Basic Earnings Per Share Attributable to Common Stock	**$ 0.12**	$ 1.29	**$ 1.33**	$ 2.51
Diluted Earnings Per Share from continuing operations	**$ 0.13**	$ 1.29	**$ 1.34**	$ 2.51
Diluted Loss Per Share from discontinued operations	**(0.01)**	—	**(0.01)**	—
Diluted Earnings Per Share Attributable to Common Stock	**$ 0.12**	$ 1.29	**$ 1.33**	$ 2.51
Weighted Average Number of Common Shares Outstanding — Basic (in millions)	**6,835**	7,156	**6,929**	7,193
Weighted Average Number of Common Shares Outstanding — with Dilution (in millions)	**6,844**	7,169	**6,938**	7,203

See Notes to Consolidated Financial Statements.

AT&T INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Dollars in millions

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
Net income	**$ 1,269**	$ 9,677	**$ 10,460**	$ 19,230
Other comprehensive income (loss), net of tax:				
Foreign currency:				
Translation adjustment, net of taxes of $(3), $25, $10 and $96	**(14)**	78	**29**	287
Securities:				
Net unrealized gains (losses), net of taxes of $(5), $2, $(5) and $6	**(16)**	8	**(17)**	20
Reclassification adjustment included in net income, net of taxes of $0, $0, $1 and $1	**2**	—	**4**	4
Derivative instruments:				
Net unrealized gains (losses), net of taxes of $126, $(62), $196 and $(233)	**427**	(194)	**648**	(722)
Reclassification adjustment included in net income, net of taxes of $4, $4, $11 and $11	**11**	11	**33**	33
Defined benefit postretirement plans:				
Amortization of net prior service credit included in net income, net of taxes of $(97), $(114), $(293) and $(343)	**(307)**	(356)	**(919)**	(1,070)
Reclassification adjustment realized in net income, net of taxes of $0, $(4), $0 and $(4)	**—**	5	**—**	5
Other comprehensive income (loss)	**103**	(448)	**(222)**	(1,443)
Total comprehensive income	**1,372**	9,229	**10,238**	17,787
Less: Total comprehensive income attributable to noncontrolling interest	**(378)**	(363)	**(1,113)**	(1,065)
Total Comprehensive Income Attributable to AT&T	**$ 994**	$ 8,866	**$ 9,125**	$ 16,722

See Notes to Consolidated Financial Statements.

AT&T INC.

CONSOLIDATED BALANCE SHEETS

Dollars in millions except per share amounts

	September 30, 2026	December 31, 2025
Assets	**(Unaudited)**	
Current Assets		
Cash and cash equivalents	**$ 10,767**	$ 18,234
Accounts receivable – net of related allowances for credit loss of $272 and $429	**7,992**	8,843
Inventories	**2,893**	2,420
Prepaid and other current assets	**19,477**	19,235
Assets held for sale	**11,216**	—
Total current assets	**52,345**	48,732
Property, plant and equipment	**349,015**	347,570
Less: accumulated depreciation and amortization	**(216,861)**	(216,011)
Property, Plant and Equipment – Net	**132,154**	131,559
Goodwill – Net	**63,865**	63,425
Licenses – Net	**149,357**	128,148
Other Intangible Assets – Net	**5,987**	5,254
Investments in and Advances to Equity Affiliates	**1,173**	1,106
Operating Lease Right-Of-Use Assets	**22,352**	22,642
Other Assets	**18,638**	19,332
Total Assets	**$ 445,871**	$ 420,198
Liabilities and Stockholders' Equity		
Current Liabilities		
Debt maturing within one year	**$ 9,483**	$ 9,011
Accounts payable and accrued liabilities	**38,335**	38,514
Advanced billings and customer deposits	**3,909**	4,266
Dividends payable	**1,912**	1,989
Liabilities held for sale	**6,636**	—
Total current liabilities	**60,275**	53,780
Long-Term Debt	**150,144**	127,089
Deferred Credits and Other Noncurrent Liabilities		
Noncurrent deferred tax liabilities	**61,551**	58,312
Postemployment benefit obligation	**8,100**	8,478
Operating lease liabilities	**18,520**	18,943
Other noncurrent liabilities	**22,521**	25,104
Total deferred credits and other noncurrent liabilities	**110,692**	110,837
Redeemable Noncontrolling Interest	**2,006**	2,001
Stockholders' Equity		
Preferred stock ($1 par value, 10,000,000 authorized at September 30, 2026 and December 31, 2025):		
Series A (48,000 issued and outstanding at September 30, 2026 and December 31, 2025)	**—**	—
Series B (0 issued and outstanding at September 30, 2026 and 20,000 issued and 0 outstanding at December 31, 2025)	**—**	—
Series C (70,000 issued and outstanding at September 30, 2026 and December 31, 2025)	**—**	—
Common stock ($1 par value, 14,000,000,000 authorized at September 30, 2026 and December 31, 2025: issued 7,620,748,598 at September 30, 2026 and December 31, 2025)	**7,621**	7,621
Additional paid-in capital	**106,239**	106,533
Retained earnings	**19,265**	15,768
Treasury stock (859,308,786 at September 30, 2026 and 583,246,242 at December 31, 2025, at cost)	**(25,268)**	(18,529)
Accumulated other comprehensive income (loss)	**(1,082)**	(860)
Noncontrolling interest	**15,979**	15,958
Total stockholders' equity	**122,754**	126,491
Total Liabilities and Stockholders' Equity	**$ 445,871**	$ 420,198

See Notes to Consolidated Financial Statements.

AT&T INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Dollars in millions

(Unaudited)

	Nine months ended September 30,	
	2026	2025
Operating Activities		
Income from continuing operations	**$ 10,563**	$ 19,230
Adjustments to reconcile income from continuing operations to net cash provided by operating activities from continuing operations:		
Depreciation and amortization	**14,910**	15,758
Provision for uncollectible accounts	**1,817**	1,592
Asset impairments and abandonments and restructuring	**3,658**	504
Pension and postretirement benefit expense (credit)	**(1,187)**	(1,191)
Net (gain) loss on investments	**(277)**	(5,722)
Changes in operating assets and liabilities:		
Receivables	**(903)**	(613)
Equipment installment receivables and related sales	**(1,016)**	806
Contract asset and cost deferral	**(617)**	(482)
Inventories, prepaid and other current assets	**(823)**	(1,952)
Accounts payable and other accrued liabilities	**(1,253)**	(2,029)
Changes in income taxes	**3,209**	2,609
Postretirement claims and contributions	**(364)**	(593)
Other - net	**1,198**	1,047
Total adjustments	**18,352**	9,734
Net Cash Provided by Operating Activities from Continuing Operations	**28,915**	28,964
Investing Activities		
Capital expenditures	**(15,638)**	(14,061)
Acquisitions, net of cash acquired	**(25,677)**	(47)
Dispositions	**858**	439
(Purchases), sales and settlements of securities - net	**(1)**	25
Other - net	**(1,062)**	(789)
Net Cash Used in Investing Activities from Continuing Operations	**(41,520)**	(14,433)
Financing Activities		
Issuance of other short-term borrowings	**3,000**	—
Repayment of other short-term borrowings	**(3,000)**	—
Issuance of long-term debt	**35,870**	14,027
Repayment of long-term debt	**(10,172)**	(1,849)
Payment of vendor financing	**(1,148)**	(823)
Redemption of preferred stock	**—**	(2,075)
Purchase of treasury stock	**(7,472)**	(2,669)
Issuance of treasury stock	**1**	19
Issuance of preferred interests in subsidiary	**—**	2,221
Dividends paid	**(5,923)**	(6,168)
Other - net	**(1,487)**	(292)
Net Cash Provided by Financing Activities from Continuing Operations	**9,669**	2,391
Net increase (decrease) in cash and cash equivalents and restricted cash from continuing operations	**(2,936)**	16,922
Cash Flows from Discontinued Operations:		
Cash provided by operating activities	**197**	—
Cash used in investing activities	**(4,607)**	—
Cash used in financing activities	**—**	—
Net increase (decrease) in cash and cash equivalents and restricted cash from discontinued operations	**(4,410)**	—
Net increase (decrease) in cash and cash equivalents and restricted cash	**$ (7,346)**	$ 16,922
Cash and cash equivalents and restricted cash beginning of year	**18,527**	3,406
Cash and Cash Equivalents and Restricted Cash End of Period	**$ 11,181**	$ 20,328

See Notes to Consolidated Financial Statements.

AT&T INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Dollars and shares in millions except per share amounts

(Unaudited)

	Three months ended				Nine months ended			
	September 30, 2026		September 30, 2025		**September 30, 2026**		September 30, 2025	
	Shares	**Amount**	Shares	Amount	**Shares**	**Amount**	Shares	Amount
Preferred Stock - Series A								
Balance at beginning of period	**—**	**$ —**	—	$ —	**—**	**$ —**	—	$ —
Balance at end of period	**—**	**$ —**	—	$ —	**—**	**$ —**	—	$ —
Preferred Stock - Series B								
Balance at beginning of period	**—**	**$ —**	—	$ —	**—**	**$ —**	—	$ —
Retirement of stock	**—**	**—**			**—**	**—**		
Balance at end of period	**—**	**$ —**	—	$ —	**—**	**$ —**	—	$ —
Preferred Stock - Series C								
Balance at beginning of period	**—**	**$ —**	—	$ —	**—**	**$ —**	—	$ —
Balance at end of period	**—**	**$ —**	—	$ —	**—**	**$ —**	—	$ —
Common Stock								
Balance at beginning of period	**7,621**	**$ 7,621**	7,621	$ 7,621	**7,621**	**$ 7,621**	7,621	$ 7,621
Balance at end of period	**7,621**	**$ 7,621**	7,621	$ 7,621	**7,621**	**$ 7,621**	7,621	$ 7,621
Additional Paid-In Capital								
Balance at beginning of period		**$ 106,161**		$ 106,381		**$ 106,533**		$ 109,108
Redemption of preferred stock		**—**		—		**—**		(2,165)
Issuance of treasury stock		**(3)**		(5)		**(290)**		(461)
Share-based compensation		**81**		85		**(4)**		(21)
Balance at end of period		**$ 106,239**		$ 106,461		**$ 106,239**		$ 106,461
Retained Earnings								
Balance at beginning of period		**$ 20,293**		$ 6,680		**$ 15,768**		$ 1,871
Net income attributable to AT&T		**891**		9,314		**9,347**		18,165
Preferred stock redemption gain		**—**		—		**—**		90
Preferred stock dividends		**(36)**		(36)		**(107)**		(157)
Common stock dividends ($0.2775, $0.2775, $0.8325 and $0.8325 per share)		**(1,883)**		(1,984)		**(5,743)**		(5,995)
Balance at end of period		**$ 19,265**		$ 13,974		**$ 19,265**		$ 13,974

See Notes to Consolidated Financial Statements.

AT&T INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY - continued

Dollars and shares in millions except per share amounts

(Unaudited)

	Three months ended				Nine months ended			
	September 30, 2026		September 30, 2025		**September 30, 2026**		September 30, 2025	
	Shares	**Amount**	Shares	Amount	**Shares**	**Amount**	Shares	Amount
Treasury Stock								
Balance at beginning of period	**(742)**	**$ (22,446)**	(459)	$ (15,210)	**(583)**	**$ (18,529)**	(445)	$ (15,023)
Repurchase and acquisition of common stock	**(117)**	**(2,830)**	(53)	(1,504)	**(298)**	**(7,502)**	(96)	(2,690)
Reissuance of treasury stock	**—**	**8**	—	14	**22**	**763**	29	1,013
Balance at end of period	**(859)**	**$ (25,268)**	(512)	$ (16,700)	**(859)**	**$ (25,268)**	(512)	$ (16,700)
Accumulated Other Comprehensive Income (Loss) Attributable to AT&T, net of tax								
Balance at beginning of period		**$ (1,185)**		$ (200)		**$ (860)**		$ 795
Other comprehensive income (loss) attributable to AT&T		**103**		(448)		**(222)**		(1,443)
Balance at end of period		**$ (1,082)**		$ (648)		**$ (1,082)**		$ (648)
Noncontrolling Interest[1]								
Balance at beginning of period		**$ 15,990**		$ 16,122		**$ 15,958**		$ 13,873
Net income attributable to noncontrolling interest		**343**		327		**1,006**		958
Issuance and acquisition by noncontrolling owners		**—**		—		**—**		2,221
Redemption of noncontrolling interest		**—**		(79)		**—**		(79)
Distributions		**(354)**		(323)		**(985)**		(926)
Balance at end of period		**$ 15,979**		$ 16,047		**$ 15,979**		$ 16,047
Total Stockholders' Equity at beginning of period		**$ 126,434**		$ 121,394		**$ 126,491**		$ 118,245
Total Stockholders' Equity at end of period		**$ 122,754**		$ 126,755		**$ 122,754**		$ 126,755

[1] Excludes redeemable noncontrolling interest

See Notes to Consolidated Financial Statements.

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

NOTE 1. PREPARATION OF INTERIM FINANCIAL STATEMENTS

Basis of Presentation Throughout this document, AT&T Inc. is referred to as "we," "AT&T" or the "Company." The consolidated financial statements include the accounts of the Company and subsidiaries and affiliates which we control. AT&T is a holding company whose subsidiaries and affiliates operate worldwide in the telecommunications and technology industries. You should read this document in conjunction with the consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2025. The results for the interim periods are not necessarily indicative of those for the full year. These consolidated financial statements include all adjustments that are necessary to present fairly the results for the presented interim periods, consisting of normal recurring accruals and other items.

On February 2, 2026, we closed our transaction with Lumen Technologies, Inc. (Lumen) and acquired substantially all of Lumen's Mass Markets fiber business for $5,756 cash, including purchase price adjustments. The acquisition included customer relationships, which we include with our advanced home internet services, and fiber network assets that were placed in a wholly owned subsidiary, Forged Fiber 37 Services, LLC (Forged Fiber). We planned to sell a controlling interest in Forged Fiber to an equity partner that would co-invest in the ongoing business. As such, Forged Fiber met the criteria of held-for-sale and accordingly is reflected as discontinued operations in the accompanying financial statements. (See Notes 8 and 12)

The consolidated financial statements include our controlled subsidiaries, as well as variable interest entities (VIE) where we are deemed to be the primary beneficiary. All significant intercompany transactions are eliminated in consolidation. Investments in entities that we do not control but have significant influence are accounted for under the equity method.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions, including estimates of fair value, probable losses and expenses, that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Unless otherwise noted, the information in Notes 1 through 11 refer only to our continuing operations and do not include discussion of balances or activity of our discontinued operations.

Effective with our first-quarter 2026 reporting, we realigned our internal management and reporting structure to reflect the evolution of our business model to focus on delivering converged advanced connectivity services across 5G and fiber to consumer and business customers. This new segment reporting structure also provides better visibility into the progress of exiting our copper-based Legacy operations. (See Note 4)

As a result of our change to this new segment reporting structure, we were required to reassess the assignment of goodwill and perform impairment testing of the previous and updated reporting units as of January 1, 2026; no impairment was recorded. The assignment of goodwill was based on the relative fair value of the reporting unit, which is deemed to be our principal operating segments or one level below. The goodwill from our previous Consumer Wireline and Mobility reporting units within the Communications segment was fully assigned to the reporting units comprising the Advanced Connectivity segment. No goodwill was assigned to the reporting unit comprising the Legacy segment as we expect sustained declines in Legacy service revenues driven by progress on our copper-based network decommissioning.

Stock Repurchase Program In December 2024, the Board of Directors authorized the repurchase of up to $10,000 of AT&T common stock. We began buying back stock under this program in the second quarter of 2025. On January 27, 2026, the Board approved an authorization to repurchase an additional $10,000 of common stock. During the third quarter of 2026, we exhausted the repurchases under the December 2024 authorization and subsequently began repurchases under the January 2026 authorization.

For the nine months ended September 30, 2026, we repurchased approximately 232 million shares totaling $5,731 under the December 2024 authorization and 59 million shares totaling $1,504 under the January 2026 authorization, excluding brokerage fees and the one percent excise tax imposed by the Inflation Reduction Act of 2022.

To implement repurchase authorizations, we use open market repurchase programs, relying on Rule 10b5-1 of the Securities Exchange Act of 1934 where feasible.

Retirement of Series B Preferred Shares On May 15, 2026, we retired all of the Series B cumulative preferred shares that were redeemed in May 2025.

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:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
Numerators				
Numerator for basic earnings per share:				
Income from Continuing Operations	**$ 1,306**	$ 9,677	**$ 10,563**	$ 19,230
Net Income Attributable to Noncontrolling Interest	**(378)**	(363)	**(1,113)**	(1,065)
Preferred Stock Dividends and Redemption Gain	**(36)**	(36)	**(108)**	(28)
Income from continuing operations attributable to common stock	**892**	9,278	**9,342**	18,137
Loss from discontinued operations, net of tax	**(37)**	—	**(103)**	—
Net Income Attributable to Common Stock	**$ 855**	$ 9,278	**$ 9,239**	$ 18,137
Dilutive impact of share-based compensation	**—**	3	**8**	9
Numerator for diluted earnings per share	**$ 855**	$ 9,281	**$ 9,247**	$ 18,146
Denominators (000,000)				
Denominator for basic earnings per share:				
Weighted average number of common shares outstanding	**6,835**	7,156	**6,929**	7,193
Dilutive impact of share-based compensation (in shares)	**9**	13	**9**	10
Denominator for diluted earnings per share	**6,844**	7,169	**6,938**	7,203

NOTE 3. OTHER COMPREHENSIVE INCOME

Changes in the balances of each component included in accumulated other comprehensive income (OCI) are presented below. All amounts are net of tax. Foreign currency translation adjustment includes approximately $800 related to our held-for-sale Mexico wireless business (See Note 8).

	Foreign Currency Translation Adjustment	Net Unrealized Gains (Losses) on Securities	Net Unrealized Gains (Losses) on Derivative Instruments	Defined Benefit Postretirement Plans	Accumulated Other Comprehensive Income (Loss)
Balance as of December 31, 2025	$ (1,401)	$ (28)	$ (1,209)	$ 1,778	$ (860)
Other comprehensive income (loss) before reclassifications	29	(17)	648	—	660
Amounts reclassified from accumulated OCI	— [1]	4 [1]	33 [2]	(919) [3]	(882)
Net other comprehensive income (loss)	29	(13)	681	(919)	(222)
Balance as of September 30, 2026	**$ (1,372)**	**$ (41)**	**$ (528)**	**$ 859**	**$ (1,082)**

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

	Foreign Currency Translation Adjustment	Net Unrealized Gains (Losses) on Securities	Net Unrealized Gains (Losses) on Derivative Instruments	Defined Benefit Postretirement Plans	Accumulated Other Comprehensive Income (Loss)
Balance as of December 31, 2024	$ (1,755)	$ (46)	$ (604)	$ 3,200	$ 795
Other comprehensive income (loss) before reclassifications	287	20	(722)	—	(415)
Amounts reclassified from accumulated OCI	— [1]	4 [1]	33 [2]	(1,065) [3]	(1,028)
Net other comprehensive income (loss)	287	24	(689)	(1,065)	(1,443)
Balance as of September 30, 2025	$ (1,468)	$ (22)	$ (1,293)	$ 2,135	$ (648)

[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 7).

[3] The amortization of prior service credit associated with postretirement benefits are included in “Other income (expense) - net” in the consolidated statements of income (see Note 6).

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 three reportable segments: Advanced Connectivity, Legacy and Latin America.

Our chief operating decision maker (CODM) is our Chairman of the Board, 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, which are primarily comprised of costs for wireless devices, network access, rents, leases, sales support, customer provisioning and commissions. Operating costs and depreciation of our shared network, including copper-based assets prior to decommissioning, are managed in our Advanced Connectivity segment. Our Legacy and Latin America segments are primarily evaluated on a direct cost basis. Our CODM does not review disaggregated assets on a segment basis, therefore, that information is not presented.

The ***Advanced Connectivity segment*** provides domestic 5G and fiber-based wireless, internet and other advanced connectivity services to consumer and business customers.

The ***Legacy segment*** provides domestic legacy voice and data services to consumer and business customers over our copper-based network. Legacy segment results include revenues derived from copper-based services and direct operating costs.

The ***Latin America segment*** provides wireless service and equipment in Mexico. On October 13, 2026, we entered into an agreement to sell our Mexico wireless business, which is the entirety of our Latin America segment. The transaction is expected to close in the first quarter of 2027. We applied held-for-sale accounting as of September 30, 2026, and continue to present results in continuing operations within the Latin America segment results, consistent with how performance was assessed and resource allocation decisions were made through September 30, 2026. (See Note 8)

Corporate and *Other* reconciles our segment results to consolidated operating income and income from continuing operations before income taxes and includes parent support costs, securitization fees, operations from businesses no longer integral to operations and significant items for which the segments are not being evaluated. Significant items typically include costs associated with the merger and integration of acquired or divested businesses, including amortization of intangible assets, legal and other items that cover historical periods, novel theories of liability and are separate and distinct from normal recurring costs, benefit-related gains and losses, employee separation charges associated with voluntary and/or strategic offers, asset impairments and abandonments and restructuring.

“Total other income (expense)” consists of “Interest expense,” “Other income (expense) – net” and “Equity in net income (loss) of affiliates” and is managed only on a total company basis and are, accordingly, reflected only in consolidated results.

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

For the three months ended September 30, 2026

	Advanced Connectivity	Legacy	Latin America	Total Segment	Corporate & Other	AT&T Inc.
Operating Revenues						
Wireless service	**$ 17,764**	**$ —**	**$ 798**	**$ 18,562**	**$ —**	**$ 18,562**
Consumer	***15,283***					
Business	***2,481***					
Advanced home internet	**2,975**	**—**	**—**	**2,975**	**—**	**2,975**
Business fiber and advanced connectivity	**1,992**	**—**	**—**	**1,992**	**—**	**1,992**
Business transitional and other	**1,023**	**—**	**—**	**1,023**	**—**	**1,023**
Other service	**148**	**1,519**	**—**	**1,667**	**82**	**1,749**
Total Service	**23,902**	**1,519**	**798**	**26,219**	**82**	**26,301**
Equipment	**5,579**	**—**	**442**	**6,021**	**—**	**6,021**
Operating Revenues	**29,481**	**1,519**	**1,240**	**32,240**	**82**	**32,322**
Operating Expenses						
Operations and support expenses	**17,151**	**1,021**	**1,004**	**19,176**	**657**	**19,833**
Asset impairments and abandonments and restructuring	**—**	**—**	**—**	**—**	**3,372**	**3,372**
Transaction, legal and other costs	**—**	**—**	**—**	**—**	**44**	**44**
Depreciation and amortization	**4,702**	**—**	**191**	**4,893**	**85**	**4,978**
Operating Expenses	**21,853**	**1,021**	**1,195**	**24,069**	**4,158**	**28,227**
Operating Income (Loss)	**$ 7,628**	**$ 498**	**$ 45**	**$ 8,171**	**$ (4,076)**	**$ 4,095**
Total other income (expense)						**(1,399)**
Income from continuing operations before income tax						**$ 2,696**

For the three months ended September 30, 2025

	Advanced Connectivity	Legacy	Latin America	Total Segment	Corporate & Other	AT&T Inc.
Operating Revenues						
Wireless service	$ 16,926	$ —	$ 696	$ 17,622	$ —	$ 17,622
Consumer	*14,594*					
Business	*2,332*					
Advanced home internet	2,411	—	—	2,411	—	2,411
Business fiber and advanced connectivity	1,832	—	—	1,832	—	1,832
Business transitional and other	1,198	—	—	1,198	—	1,198
Other service	162	2,013	—	2,175	98	2,273
Total Service	22,529	2,013	696	25,238	98	25,336
Equipment	4,974	—	399	5,373	—	5,373
Operating Revenues	27,503	2,013	1,095	30,611	98	30,709
Operating Expenses						
Operations and support expenses	16,010	1,334	896	18,240	546	18,786
Asset impairments and abandonments and restructuring	—	—	—	—	—	—
Transaction, legal and other costs	—	—	—	—	487	487
Depreciation and amortization	5,076	—	177	5,253	64	5,317
Operating Expenses	21,086	1,334	1,073	23,493	1,097	24,590
Operating Income (Loss)	$ 6,417	$ 679	$ 22	$ 7,118	$ (999)	$ 6,119
Total other income (expense)						4,534
Income from continuing operations before income tax						$ 10,653

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

For the nine months ended September 30, 2026

	Advanced Connectivity	Legacy	Latin America	Total Segment	Corporate & Other	AT&T Inc.
Operating Revenues						
Wireless service	**$ 52,118**	**$ —**	**$ 2,331**	**$ 54,449**	**$ —**	**$ 54,449**
Consumer	***44,859***					
Business	***7,259***					
Advanced home internet	**8,700**	**—**	**—**	**8,700**	**—**	**8,700**
Business fiber and advanced connectivity	**5,820**	**—**	**—**	**5,820**	**—**	**5,820**
Business transitional and other	**3,148**	**—**	**—**	**3,148**	**—**	**3,148**
Other service	**457**	**4,919**	**—**	**5,376**	**263**	**5,639**
Total Service	**70,243**	**4,919**	**2,331**	**77,493**	**263**	**77,756**
Equipment	**16,324**	**—**	**1,306**	**17,630**	**—**	**17,630**
Operating Revenues	**86,567**	**4,919**	**3,637**	**95,123**	**263**	**95,386**
Operating Expenses						
Operations and support expenses	**50,647**	**3,286**	**2,954**	**56,887**	**1,801**	**58,688**
Asset impairments and abandonments and restructuring	**—**	**—**	**—**	**—**	**3,658**	**3,658**
Transaction, legal and other costs	**—**	**—**	**—**	**—**	**339**	**339**
Depreciation and amortization	**14,094**	**—**	**580**	**14,674**	**236**	**14,910**
Operating Expenses	**64,741**	**3,286**	**3,534**	**71,561**	**6,034**	**77,595**
Operating Income (Loss)	**$ 21,826**	**$ 1,633**	**$ 103**	**$ 23,562**	**$ (5,771)**	**$ 17,791**
Total other income (expense)						**(3,875)**
Income from continuing operations before income tax						**$ 13,916**

For the nine months ended September 30, 2025

	Advanced Connectivity	Legacy	Latin America	Total Segment	Corporate & Other	AT&T Inc.
Operating Revenues						
Wireless service	$ 50,430	$ —	$ 1,973	$ 52,403	$ —	$ 52,403
Consumer	*43,523*					
Business	*6,907*					
Advanced home internet	6,908	—	—	6,908	—	6,908
Business fiber and advanced connectivity	5,356	—	—	5,356	—	5,356
Business transitional and other	3,741	—	—	3,741	—	3,741
Other service	488	6,583	—	7,071	287	7,358
Total Service	66,923	6,583	1,973	75,479	287	75,766
Equipment	15,269	—	1,147	16,416	—	16,416
Operating Revenues	82,192	6,583	3,120	91,895	287	92,182
Operating Expenses						
Operations and support expenses	48,613	3,926	2,527	55,066	1,865	56,931
Asset impairments and abandonments and restructuring	—	—	—	—	504	504
Transaction, legal and other costs	—	—	—	—	615	615
Depreciation and amortization	15,084	—	482	15,566	192	15,758
Operating Expenses	63,697	3,926	3,009	70,632	3,176	73,808
Operating Income (Loss)	$ 18,495	$ 2,657	$ 111	$ 21,263	$ (2,889)	$ 18,374
Total other income (expense)						4,368
Income from continuing operations before income tax						$ 22,742

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. Revenue is disaggregated by services provided by segment, with additional details provided for our Advanced Connectivity consumer and business relationships (see Note 4).

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

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

Consolidated Balance Sheets	**September 30, 2026**	December 31, 2025
Deferred Acquisition Costs		
Prepaid and other current assets	**$ 3,473**	$ 3,550
Other Assets	**5,142**	4,778
Total deferred customer contract acquisition costs	**$ 8,615**	$ 8,328
Deferred Fulfillment Costs		
Prepaid and other current assets	**$ 1,689**	$ 1,862
Other Assets	**2,671**	2,864
Total deferred customer contract fulfillment costs	**$ 4,360**	$ 4,726

Deferred customer contract acquisition costs included in "Assets held for sale" at September 30, 2026, include $362 of deferred acquisition costs ($116 of which were reclassified from "Other Assets") for our Mexico wireless business, reflecting held-for-sale treatment (see Note 8).

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 nine months ended:

Consolidated Statements of Income	**September 30, 2026**	September 30, 2025
Deferred acquisition cost amortization	**$ 3,098**	$ 2,830
Deferred fulfillment cost amortization	**1,438**	1,733

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:

Consolidated Balance Sheets	September 30, 2026	December 31, 2025
Contract asset	**$ 7,731**	$ 7,816
Current portion in "Prepaid and other current assets"	**4,172**	4,131
Contract liability	**4,287**	4,409
Current portion in "Advanced billings and customer deposits"	**3,857**	4,136

Our beginning of period contract liability recorded as customer contract revenue during 2026 was $3,853.

Contract assets included in "Assets held for sale" at September 30, 2026, include $419 of contract assets ($142 of which were reclassified from "Other Assets") for our Mexico wireless business, reflecting held-for-sale treatment. Contract liabilities included in "Liabilities held for sale" at September 30, 2026, include $238 of contract liabilities ($147 of which were reclassified from "Other noncurrent liabilities") for our Mexico wireless business, reflecting held-for-sale treatment. (See Note 8)

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 September 30, 2026, the aggregate amount of the transaction price allocated to remaining performance obligations was $42,922, excluding $1,279 related to our held-for-sale Mexico wireless business, of which we expect to recognize approximately 63% by the end of 2027, with the balance recognized thereafter.

NOTE 6. PENSION AND POSTRETIREMENT BENEFITS

Many of our employees are covered by one of our noncontributory pension plans. We also provide certain medical, dental, life insurance and death benefits to certain retired employees under various plans and accrue actuarially determined postretirement benefit costs. Our objective in funding these plans, in combination with the standards of the Employee Retirement Income Security Act of 1974, as amended (ERISA), is to accumulate assets sufficient to provide benefits described in the plans to employees upon their retirement. We do not have significant funding requirements in 2026. During the second quarter of 2026, we voluntarily contributed $100 to our pension plans, with an additional $250 planned in the fourth quarter of 2026.

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

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

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

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
Pension cost:				
Service cost – benefits earned during the period	**$ 101**	$ 107	**$ 302**	$ 321
Interest cost on projected benefit obligation	**361**	400	**1,084**	1,201
Expected return on assets	**(525)**	(507)	**(1,574)**	(1,523)
Amortization of prior service credit	**(11)**	(12)	**(34)**	(36)
Net pension (credit) cost	**$ (74)**	$ (12)	**$ (222)**	$ (37)
Postretirement cost:				
Service cost – benefits earned during the period	**$ 4**	$ 4	**$ 11**	$ 13
Interest cost on accumulated postretirement benefit obligation	**73**	80	**219**	239
Expected return on assets	**(6)**	(10)	**(17)**	(28)
Amortization of prior service credit	**(393)**	(459)	**(1,178)**	(1,378)
Net postretirement (credit) cost	**$ (322)**	$ (385)	**$ (965)**	$ (1,154)
Combined net pension and postretirement (credit) cost	**$ (396)**	$ (397)	**$ (1,187)**	$ (1,191)

NOTE 7. FAIR VALUE MEASUREMENTS AND DISCLOSURE

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

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

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable value or reflective of future fair values. We believe our valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used since December 31, 2025.

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:

	September 30, 2026		December 31, 2025	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Notes and debentures[1]	**$ 159,464**	**$ 141,751**	$ 134,718	$ 127,852
Investment securities[2]	**1,624**	**1,624**	1,609	1,609

[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 September 30, 2026 and December 31, 2025. Derivatives designated as hedging instruments are reflected as "Prepaid and other current assets," "Other Assets," "Accounts payable and accrued liabilities," and "Other noncurrent liabilities" on our consolidated balance sheets.

	September 30, 2026			
	Level 1	**Level 2**	**Level 3**	**Total**
Equity Securities				
Domestic equities	**$ 633**	**$ —**	**$ —**	**$ 633**
International equities	**7**	**—**	**—**	**7**
Fixed income equities	**209**	**—**	**—**	**209**
Available-for-Sale Debt Securities	**—**	**518**	**—**	**518**
Asset Derivatives				
Cross-currency swaps	**—**	**573**	**—**	**573**
Liability Derivatives				
Cross-currency swaps	**—**	**(2,109)**	**—**	**(2,109)**

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Equity Securities				
Domestic equities	$ 566	$ —	$ —	$ 566
International equities	8	—	—	8
Fixed income equities	217	—	—	217
Available-for-Sale Debt Securities	—	587	—	587
Asset Derivatives				
Cross-currency swaps	—	876	—	876
Liability Derivatives				
Cross-currency swaps	—	(2,050)	—	(2,050)

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.

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

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

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
Total gains (losses) recognized on equity securities	**$ 2**	$ 43	**$ 49**	$ 64
Gains (losses) recognized on equity securities sold	**1**	1	**1**	1
Unrealized gains (losses) recognized on equity securities held at end of period	**$ 1**	$ 42	**$ 48**	$ 63

At September 30, 2026, available-for-sale debt securities totaling $518 have maturities as follows - less than one year: $40; one to three years: $133; three to five years: $121; five or more years: $224.

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 nine months ended September 30, 2026 and 2025, 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.

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 September 30, 2026, we had posted collateral of $263 (a deposit asset) and held collateral of $208 (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 September, we would have been required to post additional collateral of $45. 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 $1,682. At December 31, 2025, we had posted collateral of $513 (a deposit asset) and held collateral of $314 (a receipt liability). We do not offset the fair value of collateral, whether the right to reclaim cash collateral (a receivable) or the obligation to return cash collateral (a payable) exists, against the fair value of the derivative instruments.

Following are the notional amounts of our outstanding derivative positions:

	September 30, 2026	December 31, 2025
Cross-currency swaps	**$ 41,144**	$ 35,741
Total	**$ 41,144**	$ 35,741

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

Effect of Derivatives on the Consolidated Statements of Income

	Three months ended September 30,		Nine months ended September 30,	
Fair Value Hedging Relationships	**2026**	2025	**2026**	2025
Interest rate swaps ("Interest expense"):				
Gain (loss) on interest rate swaps	**$ —**	$ —	**$ (1)**	$ (2)
Gain (loss) on long-term debt	**—**	—	**1**	2
Cross-currency swaps:				
Gain (loss) on cross-currency swaps	**(242)**	(324)	**(1,112)**	3,535
Gain (loss) on long-term debt	**242**	324	**1,112**	(3,535)
Gain (loss) recognized in accumulated OCI	**541**	(258)	**808**	(961)

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

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

	Three months ended September 30,		Nine months ended September 30,	
Cash Flow Hedging Relationships	**2026**	2025	**2026**	2025
Cross-currency swaps:				
Gain (loss) recognized in accumulated OCI	**$ 12**	$ 2	**$ 36**	$ 6
Interest rate locks:				
Interest income (expense) reclassified from accumulated OCI into income	**(15)**	(15)	**(44)**	(44)

NOTE 8. ACQUISITIONS, DISPOSITIONS AND OTHER ADJUSTMENTS

Spectrum On July 28, 2026, we completed the acquisition of 600 MHz and 3.45 GHz Federal Communications Commission (FCC) licenses from EchoStar Corporation for $22,650. The licenses will be used to expand our 5G network, meet future capacity demands and support future wireless communications services. The licenses are included on our consolidated balance sheet as of September 30, 2026 in "Licenses – Net." Interest is capitalized until the spectrum is ready for its intended use.

Fiber On February 2, 2026, we acquired substantially all of Lumen's Mass Markets fiber business for $5,756, including purchase price adjustments. The preliminary values of assets acquired were approximately $900 in customer relationships, $3,400 in property, plant and equipment, and $800 of goodwill. The customer relationships are managed in our Advanced Connectivity segment and will be amortized using the sum-of-the-months method over six years. Property, plant and equipment primarily represent the acquired fiber network, which we placed in Forged Fiber, a wholly owned subsidiary.

In connection with this transaction, we planned to sell a controlling interest in Forged Fiber to an equity partner that would co-invest in the ongoing business. As such, Forged Fiber met the criteria of held-for-sale upon acquisition and accordingly is reflected as discontinued operations. These discontinued operations include the fiber network assets, which support the acquired customer relationships through intercompany transactions. The discontinued operations were also assigned a proportionate share of goodwill and acquisition costs and related cash flows. (See Note 12)

On October 6, 2026, we entered into an agreement with affiliates of Global Infrastructure Partners (GIP), a part of BlackRock, and Canada Pension Plan Investment Board (CPP Investments) (collectively the "Investor Group") to sell a 50% interest in Composite Fiber 37, LLC (Composite Fiber 37), the parent of Forged Fiber, creating a joint venture that will own Forged Fiber and Gigapower, LLC (Gigapower). Under the agreement, AT&T and GIP will contribute their current interests in Gigapower to Composite Fiber 37 and the Investor Group will purchase equity in the joint venture, resulting in AT&T owning 50% and the Investor Group owning the remaining 50%.

Composite Fiber 37 will be jointly governed by a board with representation from both AT&T and the Investor Group, and the Investor Group will have tie-breaking authority over the appointment and removal of the chief executive officer and/or chief financial officer, a key governance decision. Based on the expected governance and economic terms, we expect to account for our investment in the joint venture under the equity method of accounting as we do not expect to be the primary beneficiary. The transaction is expected to close in the first half of 2027.

Satellite Joint Venture On September 14, 2026, we entered into an agreement with a subsidiary of Verizon Communications Inc. and T-Mobile USA, Inc. to form a joint venture aimed at eliminating wireless dead zones in the U.S. by pooling certain spectrum resources to increase capacity and enable satellite providers to reach more customers through a unified platform. The joint venture is expected to accelerate direct-to-device communications by using satellite-based technologies to address coverage gaps, especially in unserved and underserved communities. We expect to license certain intellectual property to the joint venture and also to commit to provide access to certain spectrum licenses to satellite service providers who contract with the joint venture. We account for our investment in the joint venture under the equity method of accounting.

Mexico On October 13, 2026, we entered into an agreement to sell our wireless business in Mexico. In the third quarter of 2026, we classified our Mexico wireless business as held-for-sale and reported the disposal group at fair value less cost to sell, which resulted in a noncash, pre-tax impairment charge of approximately $2,560. At September 30, 2026, our consolidated balance sheet includes approximately $600 of cash and restricted cash, $6,400 of Mexico held-for-sale assets reported in "Assets held for sale," primarily related to spectrum licenses and property, plant and equipment, and approximately $5,900 of related liabilities reported in "Liabilities held for sale," primarily related to vendor financing and finance lease obligations, associated with our Mexico wireless operations. In addition, approximately $800 of cumulative foreign currency translation adjustment is included in "Accumulated other comprehensive income (loss)." The transaction is expected to close in the first quarter of 2027, pending customary closing conditions and regulatory approvals. We expect to receive approximately $2,000 in cash at closing, subject to adjustments, plus additional contractual and contingent benefits.

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

NOTE 9. 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:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
Net cash received (paid) from equipment installment receivables program[1]	**$ (305)**	$ (250)	**$ (519)**	$ 474
Net cash received (paid) from revolving receivables program	**(34)**	(38)	**(4)**	53
Total net cash impact to cash flows from operating activities[2]	**$ (339)**	$ (288)	**$ (523)**	$ 527

[1] Cash from initial sales of $2,812 and $2,451 for the three months and $9,127 and $9,028 for the nine months ended September 30, 2026 and 2025, respectively.

[2] Net of facility fees.

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

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

	September 30, 2026		December 31, 2025	
	Equipment Installment	**Revolving**	Equipment Installment	Revolving
Gross receivables:[1]	**$ 2,690**	**$ 445**	$ 3,725	$ 425
Balance sheet classification				
Accounts receivable				
Notes receivable[1]	**1,374**	**—**	1,886	—
Trade receivables	**478**	**445**	304	425
Other Assets				
Noncurrent notes and trade receivables[1]	**838**	**—**	1,535	—
Outstanding portfolio of receivables derecognized from our consolidated balance sheets	**$ 12,162**	**$ 3,040**	$ 11,987	$ 2,940
Cash proceeds received, net of remittances[2]	**9,059**	**3,040**	9,617	2,940

[1] Gross receivables at September 30, 2026 excludes equipment installment notes receivable of $951 ($449 of which were reclassified from "Other Assets") related to our held-for-sale Mexico wireless business, which are included in "Assets held for sale."

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

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

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:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
Gross receivables sold[1]	**$ 2,812**	$ 2,476	**$ 9,191**	$ 9,118
Net receivables sold[2]	**2,683**	2,370	**8,776**	8,745
Cash proceeds received	**2,812**	2,451	**9,127**	9,028
Guarantee obligation recorded	**265**	191	**761**	690

[1] Receivables net of promotion credits.

[2] Receivables net of allowance and other reserves.

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

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

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
Fair value of repurchased receivables	**$ 827**	$ 903	**$ 2,574**	$ 3,851
Carrying value of beneficial interests	**834**	896	**2,583**	3,840
Gain (loss) on repurchases[1]	**$ (7)**	$ 7	**$ (9)**	$ 11

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

At September 30, 2026 and December 31, 2025, our beneficial interests were $2,860 and $2,067, respectively, of which $1,829 and $1,338 are included in “Prepaid and other current assets” on our consolidated balance sheets, with the remainder in “Other Assets.” The guarantee obligation at September 30, 2026 and December 31, 2025 was $473 and $410, respectively, of which $252 and $216 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
We maintain a revolving agreement that allows us to transfer up to $3,040 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 $445 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:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
Gross receivables sold/cash proceeds received[1]	**$ 7,930**	$ 7,656	**$ 23,236**	$ 22,672
Total collections under revolving agreement	**7,930**	7,656	**23,136**	22,502
Net cash proceeds received	**$ —**	$ —	**$ 100**	$ 170
Net receivables sold[2]	**$ 7,727**	$ 7,446	**$ 22,618**	$ 22,051

[1] Includes initial sales of receivables of $0 and $0 for the three months and $100 and $170 for the nine months ended September 30, 2026 and 2025, respectively.

[2] Receivables net of allowance and other reserves.

NOTE 10. SUPPLIER AND VENDOR FINANCING PROGRAMS

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

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 pay the financial institution the stated amount on average within 90 days of receipt of the invoice. We do not have pledged assets or other guarantees under our supplier financing program.

Suppliers had elected to sell to the third-party financial institutions $4,328 and $3,090 of our outstanding payment obligations as of September 30, 2026 and December 31, 2025, respectively. These amounts are included in "Accounts payable and accrued liabilities" on our consolidated balance sheets. Our supplier financing programs are reported as operating or investing (when capitalizable) activities in our consolidated statements of cash flows when paid.

Direct Supplier Financing
We also have arrangements with suppliers of handset inventory that allow us to extend the stated payment terms by up to approximately 120 days, with an average of 85 days outstanding, at an additional cost to us (variable rate extension fee). We had $4,929 of direct supplier financing outstanding as of September 30, 2026 and $6,901 as of December 31, 2025, which are included in "Accounts payable and accrued liabilities" on our consolidated balance sheets. Our direct supplier financing is reported as operating activities in our statements of cash flows when paid.

Vendor Financing
We enter into multi-year software licensing arrangements, which, consistent with industry standards, are paid over the license terms of two to five years. Additionally, in connection with capital improvements and the acquisition of other productive assets, we negotiate favorable payment terms of 120 days or more. We refer to these arrangements as vendor financing, with the balances and activities including equipment and software arrangements. Vendor financing payments are reported as financing activities in our statements of cash flows when paid. For the nine months ended September 30, 2026 and 2025, we recorded vendor financing commitments of $1,839 and $1,014, respectively. We had $2,465 of vendor financing payables at September 30, 2026, with $1,653 included in "Accounts payable and accrued liabilities" and $1,892 of vendor financing payables at December 31, 2025, with $956 included in "Accounts payable and accrued liabilities."

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

NOTE 11. ADDITIONAL FINANCIAL INFORMATION

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

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

	September 30,		December 31,	
	2026	2025	2025	2024
Cash and cash equivalents[1]	**$ 10,767**	$ 20,272	$ 18,234	$ 3,298
Restricted cash in Prepaid and other current assets[1]	**353**	2	157	1
Restricted cash in Other Assets	**61**	54	136	107
Cash and Cash Equivalents and Restricted Cash[1]	**$ 11,181**	$ 20,328	$ 18,527	$ 3,406

[1] Includes $297 of cash and cash equivalents and $287 of restricted cash related to our held-for-sale Mexico wireless business.

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

	Nine months ended September 30,	
Cash paid (received) during the period for:	**2026**	2025
Interest	**$ 5,724**	$ 5,171
Income taxes, net of refunds	**112**	897

The following table summarizes capital expenditures:

	Nine months ended September 30,	
	2026	2025
Purchase of property and equipment	**$ 15,496**	$ 13,940
Interest during construction - capital expenditures[2]	**142**	121
Total Capital Expenditures	**$ 15,638**	$ 14,061

The following table summarizes acquisitions, net of cash acquired:

	Nine months ended September 30,	
	2026	2025
Business acquisitions[1]	**$ 1,702**	$ —
Spectrum acquisitions	**23,876**	1
Interest during construction - spectrum[2]	**99**	46
Total Acquisitions[1]	**$ 25,677**	$ 47

[1] Approximately $4,100 of cash paid for acquisitions was reported as investing activities from discontinued operations.

[2] Total capitalized interest was $241 and $167 for the nine months ended September 30, 2026 and 2025, respectively.

NOTE 12. DISCONTINUED OPERATIONS

As discussed in Notes 1 and 8, on February 2, 2026, we acquired substantially all of Lumen's Mass Markets fiber business, including fiber network assets that are held in a new, wholly owned subsidiary, Forged Fiber, which is reflected as discontinued operations. Forged Fiber will continue to support the accompanying acquired fiber customers retained by our Advanced Connectivity segment. To reflect ongoing commercial arrangements following the disposal, results in the third quarter and for the first nine months of 2026 have been presented on a gross basis, with approximately $159 and $391, respectively, of operating expenses reported in continuing operations and the corresponding revenues reported in discontinued operations. Discontinued operations were also allocated a proportionate share of goodwill, acquisition-related costs and related cash flows.

A summary of operating results included in income (loss) from discontinued operations are shown in the table below:

	Three months ended September 30, 2026	Nine months ended September 30, 2026
Revenues	**$ 147**	**$ 400**
Operating Expenses		
Cost of revenues	**62**	**188**
Selling, general and administrative[1]	**108**	**279**
Total operating expenses	**170**	**467**
Other income (expense) – net	**(26)**	**(69)**
Net income (loss) before income taxes	**(49)**	**(136)**
Income tax (benefit) expense	**(12)**	**(33)**
Loss from discontinued operations, net of tax	**$ (37)**	**$ (103)**

[1] Includes proportionate transaction costs.

The following are the preliminary values for the major classes of assets and liabilities associated with our discontinued operations and classified as held-for-sale on our consolidated balance sheet at September 30:

	2026
Assets:	
Current Assets	**$ 153**
Property, Plant and Equipment[1]	**4,031**
Goodwill	**445**
Other Assets	**152**
Total Assets, discontinued operations[2]	**$ 4,781**
Liabilities:	
Current liabilities	**$ 712**
Other liabilities	**11**
Total Liabilities, discontinued operations[2]	**$ 723**

[1] Includes $509 of capital additions after acquisition.

[2] Held-for-sale assets are reported in "Assets held for sale" and held-for-sale liabilities are reported in "Liabilities held for sale."

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

RESULTS OF OPERATIONS

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). Percentage increases and decreases that are not considered meaningful are denoted with a dash.

On February 2, 2026, we closed our transaction with Lumen Technologies, Inc. (Lumen) and acquired substantially all of Lumen's Mass Markets fiber business. The acquisition included customer relationships, which we include with our advanced home internet services and fiber network assets that were placed in a wholly owned subsidiary, Forged Fiber 37 Services, LLC (Forged Fiber). Upon acquisition, we sought an equity partner to co-invest in Forged Fiber and have since agreed to sell a controlling interest in the business. As such, Forged Fiber met the criteria of held-for-sale and accordingly is reflected as discontinued operations in the accompanying financial statements and are not included in our discussion of continuing operations. (See Notes 8 and 12)

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

	Third Quarter			Nine-Month Period		
	2026	2025	Percent Change	**2026**	2025	Percent Change
Operating Revenues						
Service	**$ 26,301**	$ 25,336	3.8 %	**$ 77,756**	$ 75,766	2.6 %
Equipment	**6,021**	5,373	12.1	**17,630**	16,416	7.4
Total Operating Revenues	**32,322**	30,709	5.3	**95,386**	92,182	3.5
Operating Expenses						
Operations and support	**23,249**	19,273	20.6	**62,685**	58,050	8.0
Depreciation and amortization	**4,978**	5,317	(6.4)	**14,910**	15,758	(5.4)
Total Operating Expenses	**28,227**	24,590	14.8	**77,595**	73,808	5.1
Operating Income	**4,095**	6,119	(33.1)	**17,791**	18,374	(3.2)
Interest expense	**1,979**	1,700	16.4	**5,675**	5,013	13.2
Equity in net income (loss) of affiliates	**(10)**	(20)	50.0	**(80)**	1,905	—
Other income (expense) — net	**590**	6,254	(90.6)	**1,880**	7,476	(74.9)
Income from Continuing Operations Before Income Taxes	**2,696**	10,653	(74.7)	**13,916**	22,742	(38.8)
Income from Continuing Operations	**1,306**	9,677	(86.5)%	**10,563**	19,230	(45.1)%

Operating revenues increased in the third quarter and for the first nine months of 2026, reflecting higher Advanced Connectivity wireless service, fiber and equipment revenues, with fiber revenues including the impact of acquiring Lumen's mass markets fiber business. Operating revenues in Mexico were also higher due to growth in postpaid revenues and favorable foreign exchange impacts. Offsetting the increases were lower Legacy revenues as we continue to work towards the decommissioning of our copper-based legacy network.

Operations and support expenses increased in the third quarter and for the first nine months of 2026, primarily due to a noncash impairment charge associated with our held-for-sale Mexico wireless business, employee separation charges, higher wireless equipment sales which drove higher equipment and bad debt expenses, and incremental customer costs related to our acquired mass markets fiber business. These cost increases were partially offset by cost reductions from transformation initiatives and apportioned legal settlements in 2025. The increase for the first nine months also included an asset abandonment

charge associated with the reprioritization of our spectrum strategy in the second quarter of 2026, which was partially offset by lower content licensing fees and higher gains on tower transactions.

Depreciation and amortization expense decreased in the third quarter and for the first nine months of 2026, primarily due to lower depreciation from fully depreciated legacy assets, partially offset by ongoing capital spending for strategic initiatives such as fiber and network upgrades.

Operating income decreased in the third quarter and for the first nine months of 2026. Our operating income margin in the third quarter decreased from 19.9% in 2025 to 12.7% in 2026 and for the first nine months decreased from 19.9% in 2025 to 18.7% in 2026.

Interest expense increased in the third quarter and for the first nine months of 2026, primarily due to higher debt balances and interest rates on long-term borrowings. Interest expense is expected to remain elevated as a result of debt issued to fund our recent spectrum acquisition, partially offset by capitalized interest related to those spectrum assets not yet placed into service (see Note 8).

Equity in net income (loss) of affiliates increased in the third quarter and decreased for the first nine months of 2026. The increase in the third quarter was not meaningful and did not contain any individually material changes. The decrease for the first nine months was primarily due to the sale of our interest in DIRECTV Entertainment Holdings, LLC (DIRECTV) to TPG Capital on July 2, 2025.

Other income (expense) – net decreased in the third quarter and for the first nine months of 2026, primarily due to a gain recognized in the third quarter of 2025 associated with the sale of our interest in DIRECTV. The decrease for the first nine months was partially offset by higher interest income from higher cash balances in anticipation of our recent spectrum acquisition (see Note 8).

Income tax expense increased in the third quarter and decreased for the first nine months of 2026. The increase in the third quarter was primarily due to tax expense associated with the held-for-sale accounting of our Mexico wireless business and a lower effective tax rate in 2025 resulting from a tax-free gain on the sale of DIRECTV. The decrease for the first nine months was primarily due to lower income from continuing operations before income taxes and the resolution of certain Internal Revenue Service (IRS) examinations, partially offset by tax expense associated with the held-for-sale accounting of our Mexico wireless business and a lower effective tax rate in 2025 resulting from a tax-free gain on the sale of DIRECTV.

Our effective tax rate was 51.6% in the third quarter and 24.1% for the first nine months of 2026, versus 9.2% and 15.4% in the comparable periods in the prior year. The higher effective tax rate in the third quarter of 2026 was primarily due to the held-for-sale accounting of our Mexico wireless business and the nonrecognition of income taxes on the DIRECTV gain in 2025. The higher effective tax rate for the first nine months of 2026 was primarily due to the held-for-sale accounting of our Mexico wireless business, partially offset by the resolution of certain IRS examinations and a lower effective tax rate in 2025 resulting from a tax-free gain on the sale of DIRECTV.

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. Effective with our first-quarter 2026 reporting, we realigned our internal management and reporting structure to reflect the evolution of our business model to focus on delivering converged advanced connectivity services across 5G and fiber to consumer and business customers. This new segment reporting structure also provides better visibility into the progress of exiting our copper-based legacy operations.

Our segment results presented in Note 4 and discussed below follow our internal management reporting. 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 (GAAP). We have three reportable segments: Advanced Connectivity, Legacy and Latin America.

The ***Advanced Connectivity segment*** provides domestic 5G and fiber-based wireless, internet and other advanced connectivity services to consumer and business customers. We also provide supplemental information on our advanced consumer and business customer relationships as the product lifecycles in these customer categories influence the growth trajectories of Advanced Connectivity segment results. The ***Legacy segment*** provides domestic legacy voice and data services to consumer

and business customers over our copper-based network. Legacy segment results include revenues derived from copper-based services and direct operating costs. The ***Latin America segment*** provides wireless service and equipment in Mexico.

ADVANCED CONNECTIVITY SEGMENT

	Third Quarter			Nine-Month Period		
	2026	2025	Percent Change	**2026**	2025	Percent Change
Segment Operating Revenues						
Wireless service	**$ 17,764**	$ 16,926	5.0 %	**$ 52,118**	$ 50,430	3.3 %
Advanced home internet	**2,975**	2,411	23.4	**8,700**	6,908	25.9
Business fiber and advanced connectivity	**1,992**	1,832	8.7	**5,820**	5,356	8.7
Business transitional and other	**1,023**	1,198	(14.6)	**3,148**	3,741	(15.9)
Other service	**148**	162	(8.6)	**457**	488	(6.4)
Total Service Revenues	**23,902**	22,529	6.1	**70,243**	66,923	5.0
Equipment	**5,579**	4,974	12.2	**16,324**	15,269	6.9
Total Segment Operating Revenues	**29,481**	27,503	7.2	**86,567**	82,192	5.3
Segment Operating Expenses						
Operations and support	**17,151**	16,010	7.1	**50,647**	48,613	4.2
Depreciation and amortization	**4,702**	5,076	(7.4)	**14,094**	15,084	(6.6)
Total Segment Operating Expenses	**21,853**	21,086	3.6	**64,741**	63,697	1.6
Operating Income	**$ 7,628**	$ 6,417	18.9 %	**$ 21,826**	$ 18,495	18.0 %

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

The following tables highlight other key measures of performance for Advanced Connectivity:

Wireless

	September 30,		
(in 000s)	**2026**	2025	Percent Change
Retail Wireless Subscribers[1]	**110,237**	108,799	1.3 %
Phone	**91,736**	90,755	1.1
Postpaid phone	**75,283**	73,801	2.0
Prepaid phone	**16,453**	16,954	(3.0)
Other	**18,501**	18,044	2.5 %

	Third Quarter			Nine-Month Period		
	2026	2025	Percent Change	**2026**	2025	Percent Change
Retail Wireless Net Adds[1, 2]	**537**	161	— %	**1,244**	744	67.2 %
Phone	**358**	322	11.2	**1,016**	993	2.3
Postpaid phone	**379**	405	(6.4)	**1,105**	1,130	(2.2)
Prepaid phone	**(21)**	(83)	74.7	**(89)**	(137)	35.0
Other	**179**	(161)	— %	**228**	(249)	— %
Phone churn[3]	**1.19 %**	1.24 %	(5) BP	**1.17 %**	1.18 %	(1) BP
Postpaid phone churn[3]	**0.92 %**	0.92 %	— BP	**0.89 %**	0.87 %	2 BP
Prepaid phone churn[3]	**2.41 %**	2.63 %	(22) BP	**2.44 %**	2.53 %	(9) BP

[1] Wireless subscribers and net additions exclude customers with free lines provided under promotional pricing until such lines are converted to paying lines.

[2] Excludes migrations between wireless subscriber categories, including connected devices, and acquisition-related activity.

[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.

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

Internet

(in 000s)	September 30, **2026**	2025	Percent Change
Internet Connections	**16,248**	12,565	29.3 %
Fiber	**13,310**	10,789	23.4
AT&T Fiber	**12,560**	10,123	24.1
AT&T Business Fiber[1]	**750**	666	12.6
Fixed Wireless	**2,938**	1,776	65.4
AT&T Internet Air (AIA)	**2,231**	1,276	74.8
Business Fixed Wireless[2]	**707**	500	41.4 %

	Third Quarter			Nine-Month Period		
	2026	2025	Percent Change	**2026**	2025	Percent Change
Internet Net Adds[3]	**769**	613	25.4 %	**1,999**	1,638	22.0 %
Fiber	**442**	309	43.0	**1,101**	861	27.9
AT&T Fiber	**416**	288	44.4	**1,033**	792	30.4
AT&T Business Fiber[1]	**26**	21	23.8	**68**	69	(1.4)
Fixed Wireless	**327**	304	7.6	**898**	777	15.6
AT&T Internet Air (AIA)	**280**	270	3.7	**734**	654	12.2
Business Fixed Wireless[2]	**47**	34	38.2 %	**164**	123	33.3 %

[1] Includes fiber broadband internet for businesses and excludes dedicated and ethernet fiber.

[2] Includes AT&T Internet Air for Business and historical fixed wireless services. Excludes integrated gateway wireless connections used for secondary or back-up connectivity.

[3] Excludes acquisition-related activity and the impact of customer disconnections resulting from the termination of AIA services in areas with unfavorable regulatory requirements in the first quarter of 2025.

Wireless service revenue increased in the third quarter and for the first nine months of 2026 driven by growth in retail wireless subscribers in underpenetrated categories and converged accounts, and pricing actions that were partially offset by promotional discounts on wireless subscriber additions. The effective management of subscriber churn is critical to our ability to maximize revenue growth and to maintain and improve margins. Phone churn was lower in the third quarter and for the first nine months of 2026.

Advanced home internet revenue increased in the third quarter and for the first nine months of 2026 driven by an increase in fiber and AIA revenues. Fiber revenues increased 18.7% in the third quarter and 20.4% for the first nine months of 2026, due to growth in fiber customers, including customers of our acquired mass markets fiber business. We expect revenue growth to continue as we invest further in building our fiber footprint.

Business fiber and advanced connectivity revenues increased in the third quarter and for the first nine months of 2026 driven by higher fiber and fixed wireless revenues.

Business transitional and other revenues decreased in the third quarter and for the first nine months of 2026 driven by lower demand for Virtual Private Network (VPN) and wholesale services, both of which we expect to continue.

Other service revenues decreased in the third quarter and for the first nine months of 2026, reflecting the continued decline in the number of consumer VoIP customers.

Equipment revenue increased in the third quarter and for the first nine months of 2026, primarily due to higher wireless device sales driven by higher device prices, partially offset by lower hardware sales to business customers.

Operations and support expenses increased in the third quarter and for the first nine months of 2026. The increase for the third quarter was primarily driven by growth in wireless retail subscribers which drove higher equipment and bad debt

expenses, higher advertising expenses and incremental customer costs related to our acquired mass markets fiber business. These increases were partially offset by cost reductions from transformation initiatives.

The increase for the first nine months was primarily due to higher wireless revenue, which drove higher equipment and bad debt expenses and higher advertising expenses. The increase was also due to higher network costs that included vendor credits in the prior year and incremental customer costs related to our acquired mass markets fiber business, which were partially offset by cost reductions from transformation initiatives, lower content licensing fees and higher gains on tower transactions.

Depreciation expense decreased in the third quarter and for the first nine months of 2026, primarily due to lower depreciation from fully depreciated legacy assets, partially offset by ongoing capital spending for strategic initiatives such as fiber and network upgrades. Depreciation of our shared network, including copper-based assets prior to decommissioning, is managed in our Advanced Connectivity segment, consistent with our composite group depreciation methodology.

Operating income increased in the third quarter and for the first nine months of 2026. Our Advanced Connectivity operating income margin in the third quarter increased from 23.3% in 2025 to 25.9% in 2026 and for the first nine months increased from 22.5% in 2025 to 25.2% in 2026. Our Advanced Connectivity EBITDA margin in the third quarter remained consistent at 41.8% in 2025 and 2026 and for the first nine months increased from 40.9% in 2025 to 41.5% in 2026.

LEGACY SEGMENT	Third Quarter			Nine-Month Period		
	2026	2025	Percent Change	**2026**	2025	Percent Change
Segment Operating Revenues	**$ 1,519**	$ 2,013	(24.5)%	**$ 4,919**	$ 6,583	(25.3)%
Segment Operating Expenses						
Operations and support	**1,021**	1,334	(23.5)	**3,286**	3,926	(16.3)
Depreciation and amortization	**—**	—	—	**—**	—	—
Total Segment Operating Expenses	**1,021**	1,334	(23.5)	**3,286**	3,926	(16.3)
Operating Income	**$ 498**	$ 679	(26.7)%	**$ 1,633**	$ 2,657	(38.5)%

Operating revenues decreased in the third quarter and for the first nine months of 2026, driven by lower demand for legacy services, which we expect to continue as we decommission our copper-based legacy network.

Operations and support represent direct operating costs and decreased in the third quarter and for the first nine months of 2026. Expense declines were primarily driven by lower personnel and other costs resulting from the decommissioning of our legacy network and lower fulfillment cost amortization, which we expect to continue. These decreases were partially offset by vendor settlements.

Operating income decreased in the third quarter and for the first nine months of 2026. Our Legacy operating income and EBITDA margins in the third quarter decreased from 33.7% in 2025 to 32.8% in 2026 and for the first nine months decreased from 40.4% in 2025 to 33.2% in 2026.

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

LATIN AMERICA SEGMENT	Third Quarter			Nine-Month Period		
	2026	2025	Percent Change	**2026**	2025	Percent Change
Segment Operating Revenues						
Service	**$ 798**	$ 696	14.7 %	**$ 2,331**	$ 1,973	18.1 %
Equipment	**442**	399	10.8	**1,306**	1,147	13.9
Total Segment Operating Revenues	**1,240**	1,095	13.2	**3,637**	3,120	16.6
Segment Operating Expenses						
Operations and support	**1,004**	896	12.1	**2,954**	2,527	16.9
Depreciation and amortization	**191**	177	7.9	**580**	482	20.3
Total Segment Operating Expenses	**1,195**	1,073	11.4	**3,534**	3,009	17.4
Operating Income	**$ 45**	$ 22	— %	**$ 103**	$ 111	(7.2)%

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

Subscribers

	September 30,		
(in 000s)	**2026**	2025	Percent Change
Postpaid	**7,939**	6,423	23.6 %
Prepaid	**15,317**	17,508	(12.5)
Reseller	**77**	218	(64.7)
Total Mexico Wireless Subscribers	**23,333**	24,149	(3.4)%

Mexico Wireless Net Additions

	Third Quarter			Nine-Month Period		
(in 000s)	**2026**	2025	Percent Change	**2026**	2025	Percent Change
Postpaid	**482**	243	98.4 %	**1,188**	586	— %
Prepaid	**(512)**	68	—	**(2,413)**	22	—
Reseller	**(72)**	(5)	—	**(122)**	(35)	—
Total Mexico Wireless Net Additions	**(102)**	306	— %	**(1,347)**	573	— %

On October 13, 2026, we entered into an agreement to sell our Mexico wireless business, which is the entirety of our Latin America segment (see Note 8). We applied held-for-sale accounting in continuing operations as of September 30, 2026, and continue to present results within the Latin America segment.

Service revenues increased in the third quarter and for the first nine months of 2026, primarily due to favorable foreign exchange impacts and growth in postpaid subscribers and total ARPU.

Equipment revenues increased in the third quarter and for the first nine months of 2026, primarily due to favorable foreign exchange impacts and higher equipment sales.

Operations and support expenses increased in the third quarter and for the first nine months of 2026, driven by unfavorable foreign exchange rates, higher bad debt expenses and higher equipment costs.

Depreciation and amortization expense increased in the third quarter and for the first nine months of 2026, driven by unfavorable foreign exchange rates. For the first nine months of 2026, expenses also increased due to spectrum renewal fees, with accelerated depreciation impacting the first three months of the year, partially offset by lower in-service assets. Beginning

in the fourth quarter, due to classification of our Mexico wireless business as held-for-sale, all depreciation and amortization expense will cease.

Operating income increased in the third quarter and decreased for the first nine months of 2026. Our Mexico operating income margin in the third quarter increased from 2.0% in 2025 to 3.6% in 2026 and for the first nine months decreased from 3.6% in 2025 to 2.8% in 2026. Our Mexico EBITDA margin in the third quarter increased from 18.2% in 2025 to 19.0% in 2026 and for the first nine months decreased from 19.0% in 2025 to 18.8% in 2026.

SUPPLEMENTAL INFORMATION

The following tables present supplemental information on the consumer and business relationships within our Advanced Connectivity segment.

Advanced Connectivity

Consumer

	Third Quarter			Nine-Month Period		
	2026	2025	Percent Change	**2026**	2025	Percent Change
Operating revenues						
Wireless service	**$ 15,283**	$ 14,594	4.7 %	**$ 44,859**	$ 43,523	3.1 %
Advanced home internet	**2,975**	2,411	23.4	**8,700**	6,908	25.9
Other service	**148**	162	(8.6)	**457**	488	(6.4)
Total Service Revenues	**18,406**	17,167	7.2	**54,016**	50,919	6.1
Equipment	**4,642**	4,107	13.0	**13,513**	12,626	7.0
Total Operating Revenues	**23,048**	21,274	8.3	**67,529**	63,545	6.3
Operating expenses						
Operations and support	**12,735**	11,573	10.0	**37,558**	35,240	6.6
Depreciation and amortization	**2,973**	3,069	(3.1)	**8,971**	9,136	(1.8)
Total Operating Expenses	**15,708**	14,642	7.3	**46,529**	44,376	4.9
Operating Income	**$ 7,340**	$ 6,632	10.7 %	**$ 21,000**	$ 19,169	9.6 %

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

Advanced Connectivity

Business

	Third Quarter			Nine-Month Period		
	2026	2025	Percent Change	**2026**	2025	Percent Change
Operating revenues						
Wireless service	**$ 2,481**	$ 2,332	6.4 %	**$ 7,259**	$ 6,907	5.1 %
Fiber and advanced connectivity	**1,992**	1,832	8.7	**5,820**	5,356	8.7
Transitional and other service	**1,023**	1,198	(14.6)	**3,148**	3,741	(15.9)
Total Service Revenues	**5,496**	5,362	2.5	**16,227**	16,004	1.4
Equipment	**937**	867	8.1	**2,811**	2,643	6.4
Total Operating Revenues	**6,433**	6,229	3.3	**19,038**	18,647	2.1
Operating expenses						
Operations and support	**4,416**	4,437	(0.5)	**13,089**	13,373	(2.1)
Depreciation and amortization	**1,729**	2,007	(13.9)	**5,123**	5,948	(13.9)
Total Operating Expenses	**6,145**	6,444	(4.6)	**18,212**	19,321	(5.7)
Operating Income (Loss)	**$ 288**	$ (215)	— %	**$ 826**	$ (674)	— %

COMPETITIVE AND REGULATORY ENVIRONMENT

Overview AT&T subsidiaries operating within the United States are subject to federal and state regulations. AT&T subsidiaries operating outside the United States are subject to the jurisdiction of national and supranational regulations in the markets where service is provided. Complying with these regulations may affect our results of operations and cash flow, and compliance may be very costly.

For a discussion of these regulations, please see "Management's Discussion and Analysis of Financial Condition and Results of Operation—Regulatory Landscape" in our Annual Report on Form 10-K for the year-ended December 31, 2025 and "Management's Discussion and Analysis of Financial Condition and Results of Operation—Competitive and Regulatory Environment" in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2026.

LIQUIDITY AND CAPITAL RESOURCES

Continuing operations for the nine months ended September 30,	**2026**	2025
Cash provided by operating activities	**$ 28,915**	$ 28,964
Cash used in investing activities	**(41,520)**	(14,433)
Cash provided by financing activities	**9,669**	2,391

	September 30, 2026	December 31, 2025
Cash and cash equivalents	**$ 10,767**	$ 18,234
Total debt	**159,627**	136,100

We had $10,767 in cash and cash equivalents available at September 30, 2026, decreasing $7,467 since December 31, 2025, reflecting the completion of our spectrum acquisition. Cash and cash equivalents included cash of $3,523 and money market funds and other cash equivalents of $7,244. Approximately $1,387 of our cash and cash equivalents, including $297 related to our held-for-sale Mexico wireless business, were held in accounts outside of the U.S. and may be subject to restrictions on repatriation.

For the first nine months of 2026, cash inflows were primarily provided by cash receipts from operations, including cash from our sale and transfer of our receivables to third parties. These inflows exceeded 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 primarily used to fund capital improvements and business acquisitions, repay long-term debt, repurchase common stock and make dividend payments to stockholders. We maintain availability under our credit facilities and our commercial paper program to meet our short-term liquidity requirements.

Cash Provided by Operating Activities from Continuing Operations
During the first nine months of 2026, cash provided by operating activities was $28,915, compared to $28,964 for the first nine months of 2025, with the prior year benefiting from $1,675 of cash received from DIRECTV, net of related tax payments. Cash from operations in 2026 includes increases resulting from lower cash tax payments and the timing of working capital payments, which were partially offset by $100 of voluntary contributions to our pension plans.

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 approximately 120 days, with an average of 85 days outstanding, at an additional cost to us (referred to as direct supplier financing). The net impact of supplier financing and direct supplier financing, including principal and interest payments, was to decrease cash from operating activities approximately $1,784 and $2,430 for the nine months ended September 30, 2026 and 2025, respectively. All supplier financing payments are due within one year. (See Note 10)

Cash Provided by or Used in Investing Activities from Continuing Operations
For the first nine months of 2026, cash used in investing activities totaled $41,520 and consisted primarily of $15,638 (including interest during construction) for capital expenditures, and $22,650 related to the July acquisition of Federal Communications Commission (FCC) licenses from EchoStar Corporation (see Note 8). During the first nine months of 2026, investing activities also included $615 of FirstNet sustainability payments, net of reinvestment, and approximately $574 related to the note receivable payment from DIRECTV. In addition, we paid $1,018 in connection with our January 2026 acquisition of select spectrum licenses from United States Cellular Corporation (UScellular) and $5,756 in connection with our February 2026 acquisition of Lumen's Mass Markets fiber business, of which $1,656 was included in investing activities from continuing operations and $4,100 was included as investing activities from discontinued operations (see Notes 1, 8 and 12).

We enter into multi-year software licensing arrangements, which are typically paid over the license terms of two to five years and referred to as vendor financing. Additionally, for capital improvements, we have negotiated favorable vendor payment terms of 120 days or more with some of our vendors, which are also referred to as vendor financing. Vendor financing is excluded from capital expenditures and reported as financing activities. For the first nine months of 2026, vendor financing payments were $1,148, compared to $823 for the first nine months of 2025. Capital expenditures for the first nine months of 2026 were $15,638, and when including $1,148 cash paid for vendor financing, capital investment was $16,786 ($1,902 higher than the prior-year comparable period).

The vast majority of our capital expenditures are spent on our networks, including product development and related support systems. During the first nine months of 2026, we placed $1,839 of productive assets in service under vendor financing arrangements (compared to $1,014 in the prior-year comparable period). The amount of capital expenditures is influenced by demand for services and products, capacity needs and network enhancements.

Cash Provided by or Used in Financing Activities from Continuing Operations
For the first nine months of 2026, cash provided by financing activities totaled $9,669 and was comprised of issuances of long-term debt, partially offset by debt repayments, common stock repurchases, dividend payments, and vendor financing payments.

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

A tabular summary of our debt activities for the nine months ended September 30, 2026 is as follows:

	First Quarter	Second Quarter	Third Quarter	Nine months ended September 30, 2026
Issuance of Notes and Debentures:				
364-Day Term Loan Facility	$ —	$ —	$ 3,000	$ 3,000
Issuance of other short-term borrowings	$ —	$ —	$ 3,000	$ 3,000
USD notes	$ 6,465	$ 5,939	$ 1,098	$ 13,502
CAD notes	1,633	—	—	1,633
EUR notes	—	—	6,025	6,025
GBP notes	—	—	727	727
Two-Year Term Loan Facility	—	—	11,486	11,486
Private Financing	—	—	2,497	2,497
Issuance of long-term debt	$ 8,098	$ 5,939	$ 21,833	$ 35,870
Repayments:				
364-Day Term Loan Facility	$ —	$ —	$ (3,000)	$ (3,000)
Repayment of other short-term borrowings	$ —	$ —	$ (3,000)	$ (3,000)
USD notes	$ (3,741)	$ —	$ (408)	$ (4,149)
EUR notes	(1,103)	(32)	(1,677)	(2,812)
AUD notes	(216)	—	—	(216)
Two-Year Term Loan Facility	—	—	(2,500)	(2,500)
Other	(187)	(119)	(189)	(495)
Repayment of long-term debt	$ (5,247)	$ (151)	$ (4,774)	$ (10,172)

The weighted average interest rate of our long-term debt portfolio, including credit agreement borrowings and the impact of derivatives, was approximately 4.5% as of September 30, 2026 and 4.2% as of December 31, 2025. We had $159,464 of total notes and debentures outstanding at September 30, 2026. This also included Euro, British pound sterling, Canadian dollar, Australian dollar, and Swiss franc denominated debt that totaled approximately $39,468.

At September 30, 2026, we had $9,483 of long-term debt maturing within one year. We had no outstanding commercial paper or other short-term borrowings on September 30, 2026.

For the first nine months of 2026, we paid $1,148 of cash under our vendor financing program, compared to $823 in the prior-year comparable period. Total vendor financing payables included in our September 30, 2026 consolidated balance sheet were $2,465, with $1,653 due within one year (in "Accounts payable and accrued liabilities") and the remainder predominantly due within five years (in "Other noncurrent liabilities").

We exhausted the $10,000 common stock repurchase authorization approved by the Board of Directors in December 2024 (the "2024 Authorization") during the third quarter of 2026 and subsequently began repurchases under an additional $10,000 common stock repurchase authorization approved by the Board of Directors in January 2026 (the "2026 Authorization"). During the first nine months of 2026, we repurchased approximately 232 million shares totaling $5,731 under the 2024 Authorization and approximately 59 million shares totaling $1,504 under the 2026 Authorization, excluding brokerage fees and the one percent excise tax imposed by the Inflation Reduction Act of 2022. At September 30, 2026, approximately $8,496 remained available for repurchases under the 2026 Authorization.

We paid dividends on common and preferred shares of $5,923 during the first nine months of 2026, compared with $6,168 for the first nine months of 2025.

Dividends on common stock declared by our Board of Directors totaled $0.8325 per share in the first nine months of 2026 and 2025. Our dividend policy considers the expectations and requirements of stockholders, capital funding requirements of AT&T and long-term growth opportunities.

Credit Facilities
The following summary of our various credit and loan agreements does not purport to be complete. The summaries of the Revolving Credit Agreement and Term Loan (each as defined below) are qualified in their entirety by reference to each agreement filed as exhibits to our Annual Report on Form 10-K.

We use credit facilities as a tool in managing our liquidity status. We currently have one $12,000 revolving credit agreement that terminates on November 3, 2030 (Revolving Credit Agreement). No amount was outstanding under the Revolving Credit Agreement as of September 30, 2026.

In November 2025, we entered into a $17,500 Delayed Draw Term Loan Credit Agreement (Term Loan), with Bank of America, N.A., as agent. The Term Loan is comprised of (i) a $6,000 364-day delayed draw term loan facility (364-Day Term Loan Facility) and (ii) a $11,500 two-year delayed draw term loan facility (Two-Year Term Loan Facility). On July 28, 2026, we borrowed $11,500 under the Two-Year Term Loan Facility and $3,000 under the 364-Day Term Loan Facility to fund the acquisition of FCC licenses from EchoStar. In August 2026, the 364-Day Term Loan Facility was repaid in full and terminated. We also repaid $2,500 of borrowings under the Two-Year Term Loan Facility. As of September 30, 2026, $9,000 was outstanding under the Two-Year Term Loan Facility.

In March 2026, we entered into two bilateral term loan facilities totaling $1,500. In July 2026, we drew $500 under one facility maturing in 2031 and $1,000 under one facility maturing in 2033. Borrowings under these facilities bear interest at a variable rate based on the secured overnight financing rate (SOFR) plus a margin. As of September 30, 2026, $1,500 was outstanding under these facilities.

In May 2026, we entered into a $1,000 bilateral term loan facility and subsequently drew $1,000 under the facility during July 2026. The borrowing bears interest at a variable rate based on SOFR plus a margin. As of September 30, 2026, $1,000 was outstanding and is due on July 28, 2029.

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.

The Revolving Credit Agreement and the Term Loan contain covenants that are customary for an issuer with investment grade senior debt credit ratings, including a net debt-to-EBITDA financial ratio covenant requiring us to maintain, as of the last day of each fiscal quarter, a ratio of not more than 3.75-to-1. As of September 30, 2026, we were in compliance with the covenants for our credit facilities.

Collateral Arrangements
Most of our counterparty collateral arrangements require AT&T to post cash collateral only when net derivative exposures are unfavorable to AT&T and exceed specified exposure thresholds or upon certain credit rating downgrades. In contrast, counterparties are generally required to post collateral when net derivative positions are in AT&T's favor, with no minimum exposure threshold. These arrangements cover the majority of our approximate $41,144 derivative portfolio. During the first nine months of 2026, we received $144 of cash collateral, on a net basis. Cash postings under these arrangements vary with changes in credit ratings and netting agreements. (See Note 7)

Other
Our total capital consists of debt (long-term debt and debt maturing within one year), redeemable noncontrolling interest and stockholders' equity. Our capital structure does not include debt issued by our equity method investments. At September 30, 2026, our debt ratio was 56.1%, compared to 52.0% at September 30, 2025 and 51.4% at December 31, 2025. 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.

On October 13, 2026, we entered into an agreement to sell our wireless business in Mexico. In the third quarter of 2026, we classified our Mexico wireless business as held-for-sale (See Note 8). The transaction is expected to close in the first quarter of

2027, pending customary closing conditions and regulatory approvals. We expect to receive approximately $2,000 in cash at closing, subject to adjustments, plus additional contractual and contingent benefits.

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

DISCUSSION AND RECONCILIATION OF NON-GAAP MEASURES

We also evaluate segment 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 operations. 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.

	Third Quarter			Nine-Month Period		
	2026	2025	Percent Change	**2026**	2025	Percent Change
Advanced Connectivity Segment						
Operating income	**$ 7,628**	$ 6,417	18.9 %	**$ 21,826**	$ 18,495	18.0 %
Add: Depreciation and amortization	**4,702**	5,076	(7.4)	**14,094**	15,084	(6.6)
EBITDA	**$ 12,330**	$ 11,493	7.3 %	**$ 35,920**	$ 33,579	7.0 %
Operating income margin	**25.9 %**	23.3 %		**25.2 %**	22.5 %	
EBITDA margin	**41.8 %**	41.8 %		**41.5 %**	40.9 %	
Legacy Segment						
Operating income	**$ 498**	$ 679	(26.7)%	**$ 1,633**	$ 2,657	(38.5)%
Add: Depreciation and amortization	**—**	—	—	**—**	—	—
EBITDA	**$ 498**	$ 679	(26.7)%	**$ 1,633**	$ 2,657	(38.5)%
Operating income margin	**32.8 %**	33.7 %		**33.2 %**	40.4 %	
EBITDA margin	**32.8 %**	33.7 %		**33.2 %**	40.4 %	
Latin America Segment						
Operating income	**$ 45**	$ 22	— %	**$ 103**	$ 111	(7.2)%
Add: Depreciation and amortization	**191**	177	7.9	**580**	482	20.3
EBITDA	**$ 236**	$ 199	18.6 %	**$ 683**	$ 593	15.2 %
Operating income margin	**3.6 %**	2.0 %		**2.8 %**	3.6 %	
EBITDA margin	**19.0 %**	18.2 %		**18.8 %**	19.0 %	

Item 3. Quantitative and Qualitative Disclosures About Market Risk

At September 30, 2026, we had no interest rate swaps.

We have fixed-to-fixed and floating-to-fixed cross-currency swaps on foreign currency-denominated debt instruments with a U.S. dollar notional value of $41,144 to hedge our exposure to changes in foreign currency exchange rates and interest rates. These derivatives have been designated as fair value or cash flow hedges with a net fair value of $(1,536) at September 30, 2026.

Item 4. Controls and Procedures

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

September 30, 2026. 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 September 30, 2026.

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.

CAUTIONARY LANGUAGE CONCERNING FORWARD-LOOKING STATEMENTS

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

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

- Adverse economic and political changes, 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, results of pending governmental investigations; 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.
- U.S. and foreign laws and regulations regarding intellectual property rights protection and privacy, personal data protection and user consent.
- Our ability to compete in a 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, including artificial intelligence.
- 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 and coverage areas 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; 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 imposition of tariffs and their duration and uncertainty surrounding further tariffs and congressional action regarding spending and taxation, which may result in changes in government spending and affect business and consumer spending trends.
- 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 acquisitions, divestitures and joint venture transactions, as well as achieve our expectations regarding the financial impact of completed and/or pending transactions.

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

PART II – OTHER INFORMATION

Dollars in millions except per share amounts

Item 1A. Risk Factors

We discuss in our Annual Report on Form 10-K for the year ended December 31, 2025 various risks that may materially affect our business. We use this section to update this discussion to reflect material developments. For the third quarter of 2026, there were no such material developments.

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

(c) A summary of our repurchases of common stock during the third quarter of 2026 is as follows:

	(a)	(b)	(c)	(d)
Period	**Total Number of Shares (or Units) Purchased[1,2]**	**Average Price Paid Per Share (or Unit)**	**Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs[1]**	**Maximum Number (or Approximate Dollar Value) of Shares (or Units) That May Yet Be Purchased Under The Plans or Programs**
July 1, 2026 - July 31, 2026	44,035,953	$ 21.81	44,026,014	$ 10,336
August 1, 2026 - August 31, 2026	40,654,206	$ 24.44	40,626,043	$ 9,343
September 1, 2026 - September 30, 2026	32,861,572	$ 25.82	32,820,956	$ 8,496
Total	117,551,731	$ 23.84	117,473,013	

[1] In December 2024, our Board of Directors approved, and we announced, an authorization to repurchase up to $10,000 of common stock. In January 2026, our Board of Directors approved, and we announced, an authorization to repurchase an additional $10,000 of common stock. The authorizations have no expiration date. During the third quarter of 2026, we exhausted the repurchase capacity under the December 2024 authorization.

[2] Of the shares repurchased or transferred, 78,718 were acquired through the withholding of taxes on the vesting of restricted stock and performance shares or in respect of the exercise price of options.

Item 5. Other Information

(c) During the quarter ended September 30, 2026, no director or officer (as defined in Rule 16a-1(f)) of the Company adopted or terminated a contract, instruction or written plan for the purchase or sale of securities of the Company intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) and/or a non-Rule 10b5-1 trading arrangement.

Item 6. Exhibits

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

Exhibit Number	Exhibit Description
10.1	AT&T Executive Physical Program
10.2	AT&T Inc. Health Plan
10.3	Supplemental Life Insurance Plan
31	Rule 13a-14(a)/15d-14(a) Certifications 31.1 Certification of Principal Executive Officer 31.2 Certification of Principal Financial Officer
32	Section 1350 Certifications
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2026, formatted in Inline XBRL: (i) Consolidated Statements of Cash Flows, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Balance Sheets, and (v) Notes to Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2026, (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURE

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

AT&T Inc.

October 21, 2026

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

AT&T EXECUTIVE PHYSICAL PROGRAM

Effective: January 1, 2027

TABLE OF CONTENTS

The table of contents is empty. Heading styles must be applied in the document and be selected in the table of contents properties panel.

ARTICLE 1 PURPOSE

The AT&T Executive Physical Program ("Program") is a self-insured medical program that provides reimbursement of expenses incurred by Eligible Employees for a physical exam. The Program is intended to provide nontaxable benefits within the meaning of Treasury Regulation Section 1.105-11(g) that also constitute preventive care within the meaning of IRS Notice 2004-23.

ARTICLE 2 DEFINITIONS

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

1.1 AT&T. “AT&T” shall mean AT&T Inc. References to “Company” shall mean AT&T.

1.2 Authorized Provider. "Authorized Provider" shall mean those entities that provide Medical Diagnostic Procedures as contracted by AT&T.

1.3 Basic Plan. “Basic Plan” shall mean the AT&T Medical Plan or, for Eligible Employees serving in expatriate positions with the Company, the AT&T International Health Plan.

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

1.5 COBRA. “COBRA” shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

1.6 Code. “Code” shall mean the Internal Revenue Code of 1986, as amended, and the Treasury Regulations issued thereunder.

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

1.8 Covered Benefits. “Covered Benefits” shall mean the benefits provided by the Program, as provided for and governed by Article 4 of the Program, but only to the extent not paid under the Basic Plans.

1.9 Disability. "Disability" shall mean qualification for long term disability benefits under the AT&T Disability Income Program or the Officer Disability Program, as applicable.

1.10 Eligible Employee. "Eligible Employee" shall mean an Officer or Senior Manager while in active service, on a Leave of Absence, or while receiving short term disability benefits under the AT&T Disability Income Program or the Officer Disability Program, as applicable. Notwithstanding the foregoing, the

CEO may, from time to time, exclude any employee or group of employees from being an “Eligible Employee” under this Program. Employees of a company acquired by AT&T (or any Subsidiary thereof) shall not be considered an Eligible Employee unless designated as such by the CEO. Notwithstanding the foregoing, only the Committee shall have the authority to exclude from participation or take any action with respect to an Executive Officer.

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

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

1.13 Leave of Absence. “Leave of Absence” shall mean a Company-approved leave of absence.

1.14 Medical Diagnostic Procedures. “Medical Diagnostic Procedures” shall have the meaning provided in Section 4.1(a) of this Program.

1.15 Officer. "Officer" shall mean an individual who is designated, on or after March 23, 2010, as an officer level employee for compensation purposes on the records of AT&T.

1.16 Program Administrator. “Program Administrator” shall mean the SEVP- HR, or any other person or persons whom the SEVP-HR or the Committee may appoint to administer the Program; provided that the Committee may act as the Program Administrator at any time.

1.17 Program Year. ”Program Year” shall mean the calendar year.

1.18 Qualifying Event. “Qualifying Event” shall mean any of the following events if, but for COBRA continuation coverage, they would result in an Eligible Employee’s loss of coverage under this Program:

(a) termination (other than by reason of such Eligible Employee’s gross misconduct) of an Eligible Employee’s employment;

(b) reduction in an Eligible Employee’s hours of employment; or

(c) an Eligible Employee’s entitlement to Medicare benefits.

1.19 Senior Manager. "Senior Manager" shall mean an individual who is designated as a senior manager level employee for compensation purposes on the records of AT&T.

1.20 SEVP-HR. “SEVP-HR” shall mean AT&T’s highest ranking officer, specifically responsible for human resources matters.

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

ARTICLE 3 ELIGIBILITY

1.1 Eligible Employees. Each Eligible Employee shall be eligible to participate in this Program beginning on the effective date of becoming an Eligible Employee. The Eligible Employee's spouse and dependents are not participants in the Program and are not eligible for Covered Benefits.

1.2 Requirement to Enroll and Participate in Basic Plan. Notwithstanding any provision in this Program to the contrary, as a condition to receiving Covered Benefits, each Eligible Employee must be enrolled in, paying required contributions for, and participating in a Basic Plan.

ARTICLE 4 COVERED BENEFITS

1.1 Covered Benefits. Subject to the limitations in this Program (including but not limited to the limits and conditions set forth in this Article 4), this Program provides reimbursement of Medical Diagnostic Procedures and Transportation Expenses described below.

(a) **Medical Diagnostic Procedures** - Medical Diagnostic Procedures are those described in Attachment A, which:

(1) are incurred for services rendered by an Authorized Provider;

(2) are 'preventive care' services within the meaning of Section 1871 of the Social Security Act, except as otherwise provided by the United States Secretary of the Treasury; and

(3) are performed at a facility that provides no services (directly or indirectly) other than medical, and ancillary, services.

Medical Diagnostic Procedures shall not include expenses incurred for:

(1) the treatment, cure or testing of a known illness or disability or for the treatment of any existing illness, injury, or condition;

(2) the treatment or testing for a physical injury, complaint or specific symptom of a bodily malfunction; or

(3) any activity undertaken for exercise, fitness, nutrition, recreation, or the general improvement of health unless they are for medical care as defined in Code Section 213(e).

(b) **Transportation Expenses** - Transportation Expenses are expenses incurred primarily to travel to a facility to receive Medical Diagnostic Procedures, but only to the extent they are ordinary and necessary.

Transportation Expenses shall not include amounts incurred:

(1) for transportation undertaken merely for the general improvement of health,

(2) in connection with a vacation,

(3) for any incidental expenses for food or lodging, or

(4) for travel to an Approved Provider's facility if there is an Approved Provider's facility within fifty (50) miles of the Eligible Employee's principal place of work or residence.

1.2 Covered Benefit Limits. Covered Benefits eligible for reimbursement hereunder shall not exceed $5,000 per Program Year per Eligible Employee; provided, however, the SEVP-HR shall have the discretionary authority to increase this annual limit for any Program Year after 2011 but not in excess of the cumulative increase in the Medical Consumer Price Index issued by the United States Department of Labor Bureau of Labor Statistics measured from 2011. Amounts paid to or on behalf of an Eligible Employee under any other AT&T sponsored group health Program will not be included in these limits. Unused balances in one Program Year may not be carried over into a subsequent Program Year.

1.3 Priority of Paying Covered Claims. Claims for Covered Services will be coordinated with, applied against, and paid by the Basic Plan to the extent covered under the Basic Plan, prior to coverage under the Program.

1.4 Procedural Matters.

(a) At the Program Administrator's discretion, Covered Benefits may be provided to Eligible Employees by:

(1) reimbursing the Eligible Employee;

(2) paying amounts billed to the Company or any of its Subsidiaries; or

(3) any other method determined by the Program Administrator.

(b) Eligible Employees who pay or make arrangements to pay for Covered Benefits and who seek reimbursement, must pay bills for such Covered Benefits prior to requesting reimbursement through the Company's or its Subsidiary's appropriate reimbursement system. Amounts incurred for items that are not Covered Benefits under the Program are not eligible for reimbursement under this Program and cannot be submitted for reimbursement. Reimbursements will be audited for compliance with this Program, and a request for reimbursement outside of the prescribed limits or for items not provided under this Program is a violation of the AT&T Code of Business Conduct.

(c) Expenses for Covered Benefits will be charged against the Covered Benefit Limit for the Program Year based on the date of the invoice, regardless of when an invoice is submitted for reimbursement.

(d) Amounts eligible for reimbursement under this Program must be submitted to/under the Company's or its Subsidiary's appropriate reimbursement system no later than March 15 of the Program Year immediately following the Program Year in which the Covered Benefits were provided. Bills submitted for reimbursement on or after March 16 of the Program Year following the Program Year of the date on the invoice are not eligible for reimbursement and are not Covered Benefits under this Program.

(e) Eligible Employees may not use a company-issued credit or purchasing card to pay for Covered Benefits under this Program.

ARTICLE 5 TERMINATION OF PARTICIPATION

1.1 Termination of Participation. Participation will cease upon the occurrence of any of the following events:

(a) The Eligible Employee's termination of employment, including by reason of the Eligible Employee's death, Disability, or retirement;

(b) The demotion or designation of an individual so as to no longer be an Eligible Employee; or

(c) Discontinuance of the Program by AT&T, or, with respect to a Subsidiary's Eligible Employees, such Subsidiary's failure to make the Covered Benefits hereunder available to Eligible Employees employed by it.

Expenses for Covered Benefits incurred by an Eligible Employee prior to termination of participation, except with respect to termination of participation pursuant to Section 5.1(c), may be reimbursed subject to the Procedural Matters provisions of Section 4.3.

ARTICLE 6 DISABILITY

1.1 Disability. With respect to any Eligible Employee who commences receipt of short term or long term disability benefits under the AT&T Disability Income Program or Officer Disability Program, as applicable, participation under this Program will be as follows:

(a) The Eligible Employee will continue to participate in this Program for the period during which he/she receives short term disability benefits under the AT&T Disability Income Program or Officer Disability Program, as applicable.

(b) An Eligible Employee who commences Disability shall cease participation in this Program effective as of the commencement of Disability.

ARTICLE 7 MISCELLANEOUS

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

these functions, these individuals or entities have been delegated responsibility and discretion for interpreting the provisions of the Program, making findings of fact, determining the rights and status of Eligible Employees under the Program, and deciding disputes under the Program and such interpretations, findings, determinations and decisions shall be final, binding and conclusive on all persons for all purposes of the Program.

7.2 Amendments and Termination. This Program may be modified or terminated at any time in accordance with the provisions of AT&T's Schedule of Authorizations; provided, however, the Program Administrator shall have the authority to amend Attachment A, or B at any time in the Program Administrator's sole discretion.

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

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

ARTICLE 8 COBRA

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

1.2 COBRA Continuation Coverage for Terminated Eligible Employees. An Eligible Employee may elect COBRA continuation coverage, at his/her own expense, if his participation under this Program would terminate as a result of an Eligible Employee's termination of employment or reduction of hours with an Employer.

8.3 Period of Continuation Coverage for Eligible Employee. An Eligible Employee who qualifies for COBRA continuation coverage as a result of his/her termination of employment or reduction in hours of employment described in Section 8.2 may elect COBRA continuation coverage for up to 18 months measured from the date of the Qualifying Event. COBRA coverage may not continue beyond the:

(a) date on which the Eligible Employee's Employer ceases to maintain this Program;

(b) last day of the month for which premium payments have been made with respect to this Program, if the individual fails to make premium payments on time, in accordance with Section 9.4;

(c) date the Eligible Employee becomes entitled to Medicare; or

(d) date the Eligible Employee is no longer subject to a pre-existing condition exclusion under the Eligible Employee's other coverage or new employer Program for the type of coverage available under the COBRA eligible program for which the COBRA election was made.

1.4 Contribution Requirements for COBRA Continuation Coverage. An Eligible Employee who elects COBRA continuation coverage as a result of a Qualifying Event will be required to pay continuation coverage payments. Continuation coverage payments are the payments required for COBRA continuation coverage that is an amount equal to a reasonable estimate of the cost to this Program of providing coverage for all Eligible Employees at the time of the Qualifying Event plus a 2% administrative expense. In the case of a disabled individual who receives an additional 11-month extended coverage period under COBRA, the Employer may assess up to 150% of the cost for this extended coverage period. Such cost shall be determined on an actuarial basis and take into account such factors as the Secretary of the Treasury may prescribe in regulations.

An Eligible Employee must make the continuation coverage payment prior to the first day of the month in which such coverage will take effect. However, an Eligible Employee has 45 days from the date of an affirmative election to pay the continuation coverage payment for the first month's payment and the cost for the period between the date medical coverage would otherwise have terminated due

to the Qualifying Event and the date the Eligible Employee actually elects COBRA continuation coverage.

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

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

1.5 **Limitation on Eligible Employee's Rights to COBRA Continuation Coverage**. An Eligible Employee must complete and return the required enrollment materials within 60 days from the later of (a) the date of loss of coverage, or (b) the date the Program Administrator sends notice of eligibility for COBRA continuation coverage. Failure to enroll for COBRA continuation coverage during this 60-day period will terminate all rights to COBRA continuation coverage under this Article.

1.6 **Subsequent Qualifying Event**. If a second Qualifying Event occurs during an 18-month extension explained above, coverage may be continued for a maximum of 36 months from the date of the first Qualifying Event.

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

ARTICLE 9 PRIVACY OF MEDICAL INFORMATION

9.1 **Definitions**. For purposes of this Article, the following defined terms shall have the meaning assigned them below:

(a) "Business Associate" shall have the meaning assigned to such phrase at 45 C.F.R. § 160.103;

(b) "Health Care Operations" shall have the meaning assigned to such phrase at 45 C.F.R. § 164.501;

(c) "HIPAA" shall mean Parts 160 ("General Administrative Requirements") and 164 ("Security and Privacy") of Title 45 of the Code of Federal Regulations as such parts are amended from time to time;

(d) "Payment" shall have the meaning assigned to such phrase at 45 C.F.R § 160.103;

(e) "Protected Health Information" or "PHI" shall have the meaning assigned to such phrase at 45 C.F.R. § 160.103; and

(f) "Treatment" shall have the meaning assigned to such phrase at 45 C.F.R. § 164.501.

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

1.3 **Disclosure of De-Identified or Summary Health Information**. The HIPAA Program, or, with respect to the HIPAA Program, a health insurance issuer, may disclose summary health information (as that phrase is defined at 45 A.A.R. § 160.5049a)) to the Program Sponsor of the HIPAA Program (and its affiliates) if such entity requests such information for the purpose of:

(a) Obtaining premium bids from health Programs for providing health insurance coverage under the HIPAA Program;

(b) Modifying, amending or terminating the group health benefits under the HIPAA Program.

In addition, the HIPAA Program or a health insurance insurer with respect to the HIPAA Program may disclose to the Program Sponsor of the HIPAA Program (or its affiliates) information on whether an individual is participating in the group

health benefits provided by the HIPAA Program or is enrolled in, or has ceased enrollment with health insurance offered by the HIPAA Program.

1.4 The HIPAA Program Will Use and Disclose PHI as Required by Law or as Permitted by the Authorization of the Eligible Employee or Beneficiary.

Upon submission of an authorization signed by an Eligible Employee, beneficiary, subscriber or personal representative that meets HIPAA requirements, the HIPAA Program will disclose PHI. In addition, PHI will be disclosed to the extent permitted or required by law, without the submission of an authorization form.

1.5 Disclosure of PHI to the Program Sponsor. The HIPAA Program will disclose information to the Program Sponsor only upon certification from the Program Sponsor that the HIPAA Program documents have been amended to incorporate the assurances provided below.

The Program Sponsor agrees to:

(a) not use or further disclose PHI other than as permitted or required by the HIPAA Program document or as required by law;

(b) ensure that any affiliates or agents, including a subcontractor, to whom the Program Sponsor provides PHI received from the HIPAA Program, agrees to the same restrictions and conditions that apply to the Program Sponsor with respect to such PHI;

(c)not use or disclose PHI for employment-related actions and decisions unless authorized by the individual to whom the PHI relates;

(d) not use or disclose PHI in connection with any other benefits or employee benefit Program of the Program Sponsor or its affiliates unless permitted by the Program or authorized by an individual to whom the PHI relates;

(e) report to the Program any PHI use or disclosure that is inconsistent with the uses or disclosures provided for of which it becomes aware;

(f) make PHI available to an individual in accordance with HIPAA's access rules;

(g) make PHI available for amendment and incorporate any amendments to PHI in accordance with HIPAA;

(h) make available the information required to provide an accounting of disclosures;

(i) make internal practices, books and records relating to the use and disclosure of PHI received from the HIPAA Program available to the Secretary of the United States Department of Health and Human Resources for purposes of determining the Program's compliance with HIPAA; and

(j) if feasible, return or destroy all PHI received from the HIPAA Program that the Program Sponsor still maintains in any form, and retain no copies of such PHI when no longer needed for the purpose for which disclosure was made (or if return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction infeasible).

Separation Between the Program Sponsor and the HIPAA Program. In accordance with HIPAA, only the following employees and Business Associate personnel shall be given access to PHI:

(a) employees of the AT&T Benefits and/or AT&T Executive Compensation organizations responsible for administering group health program benefits under the HIPAA Program, including those employees whose functions in the regular course of business include Payment, Health Care Operations or other matters pertaining to the health care programs under a HIPAA Program;

(b) employees who supervise the work of the employees described in Section 9.6(a), above;

(c)support personnel, including other employees outside of the AT&T Benefits or AT&T Executive Compensation organizations whose duties require them to rule on health Program-related appeals or perform functions concerning the HIPAA Program;

(d) investigatory personnel to the limited extent that such PHI is necessary to conduct investigations of possible fraud;

(e) outside and in-house legal counsel providing counsel to the HIPAA Program;

(f) consultants providing advice concerning the administration of the HIPAA Program; and

(g) the employees of Business Associates charged with providing services to the HIPAA Program.

The persons identified above shall have access to and use PHI to the extent that such access and use is necessary for the administration of group health benefits under a HIPAA Program. If these persons do not comply with this Program document, the Program Sponsor shall provide a mechanism for resolving issues of noncompliance, including disciplinary sanctions.

1.6 Enforcement. Enforcement of this Article shall be as provided for by HIPAA. In particular, Eligible Employees are not authorized to sue with regard to purported breaches of this Article except as explicitly permitted by HIPAA.

ARTICLE 10 CLAIM AND APPEAL PROCESS

1.1 Claims for Benefits under the Program. – See Attachment B.

10.2 Claims Related to Program Eligibility.

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

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

If the claim is denied by the AT&T Executive Compensation Administration Department, in whole or in part, the AT&T Executive Compensation Administration Department shall provide a written decision using language calculated to be understood by the Claimant and setting forth: (i) the specific reason or reasons for such denial; (ii) specific references to pertinent provisions of this Program on which such denial is based; (iii) a description of any additional material or information necessary for the Claimant to perfect his or her claim and an explanation of why such material or such information is necessary; (iv) a description of the Program's procedures for review of denied claims and the steps to be

taken if the Claimant wishes to submit the claim for review; (v) the time limits for requesting a review of a denied claim under this Section and for conducting the review under this Section ; and (vi) a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA if the claim is denied following review under this Section .

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

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

During its review of the claim, the Program Administrator shall:

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

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

(c)Follow reasonable procedures to ensure that the applicable Program provisions are applied to the Eligible Employee to whom the claim relates in a manner consistent with how such provisions have been applied to other similarly-situated Eligible Employees.

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

In any case, an Eligible Employee or Beneficiary may have further rights under ERISA. The Program provisions require that Eligible Employees or Beneficiary pursue all claim and appeal rights described in this Section before they seek any other legal recourse regarding claims for benefits.

ATTACHMENT A

Medical Diagnostic Procedures

Subject to Section 4.1(a), Medical Diagnostic Procedures may include:

- **Routine medical examinations, blood tests, and X-rays;**
- **Immunizations;**
- **Screening services, as follows:**
  - **Cancer Screening**
    - Breast Cancer (e.g., Mammogram)
    - Cervical Cancer (e.g., Pap Smear)
    - Colorectal Cancer
    - Prostate Cancer (e.g., PSA Test)
    - Skin Cancer
    - Oral Cancer
    - Ovarian Cancer
    - Testicular Cancer
    - Thyroid Cancer
  - **Heart and Vascular Diseases Screening**
    - Abdominal Aortic Aneurysm
    - Carotid Artery Stenosis
    - Coronary Heart Disease
    - Hemoglobinopathies
    - Hypertension
    - Lipid Disorders
  - **Infectious Diseases Screening**
    - Bacteriuria
    - Chlamydial Infection
    - Gonorrhea
    - Hepatitis B Virus Infection
    - Hepatitis CvHuman Immunodeficiency Virus (HIV) Infection
    - Syphilis
    - Tuberculosis Infection
  - **Mental Health Conditions and Substance Abuse Screening**
    - Dementia
    - Depression
    - Drug Abuse
    - Problem Drinking
    - Suicide Risk
    - Family Violence
  - **Metabolic, Nutritional, and Endocrine Conditions Screening**
    - Anemia, Iron Deficiency
    - Dental and Periodontal Disease
    - Diabetes Mellitus
    - Obesity in Adults
    - Thyroid Disease

- **Musculoskeletal Disorders Screening**
    - Osteoporosis
- **Obstetric and Gynecologic Conditions Screening**
    - Bacterial Vaginosis in Pregnancy
    - Gestational Diabetes Mellitus
    - Home Uterine Activity Monitoring
    - Neural Tube Defects
    - Preeclampsia
    - Rh Incompatibility
    - Rubella
    - Ultrasonography in Pregnancy
- **Vision and Hearing Disorders Screening**
    - Glaucoma
    - Hearing Impairment in Older Adults

ATTACHMENT B

Claims Procedure Applicable to Claims for Benefits under the Program

Claim for Benefits Procedures

You or a duly authorized person has the right under ERISA and the Program to file a written claim for benefits under the Program. The following describes the procedures used by the Program to process claims for benefits, along with your rights and responsibilities. These procedures were designed to comply with the rules of the Department of Labor (DOL) concerning claims for Benefits. It is important that you follow these procedures to make sure that you receive full benefits under the Program.

The Program is an ERISA Program, and you may file suit in federal court if you are denied benefits you believe are due you under the Program. However, you must complete the full claims and appeal process offered under the Program before filing a lawsuit.

Filing a Claim for Benefits

When filing a claim for benefits, you should file the claim with the Claims Administrator. The Claims Administrator is the third party to whom claims and appeal responsibility has been delegated as permitted under Section 7.1 of the Program.

A claim related to basic eligibility for coverage under the Program (See Section 10.2 of the Program) is not considered claims for benefits under the Program

Claim Filing Limits

A request for payment of benefits must be submitted within one year after the date of service or the date the prescription was provided.

Required Information

When you request payment of benefits from the Program, you must provide certain information as requested by the Claims Administrator.

Benefit Determinations Post-Service Claims

Post-service claims are those claims that are filed for payment of benefits after medical care has been received. If your post-service claim is denied, you will receive a written notice from the Claims Administrator within 30 days of receipt of the claim, as long as all needed information identified above and any other information that the Claims Administrator may request in connection with services rendered to you was provided with the claim. The Claims Administrator will notify you within this 30-day period if additional information is needed to process the Claim and may request a one- time extension not longer than 15 days and pend your Claim until all information is received.

Once notified of the extension, you then have 45 days to provide this information. If all of the needed information is received within the 45-day time frame and the claim is denied, the claims Administrator will notify you of the denial within 15 days after the information is received. If you don't provide the needed information within the 45-day period, your claim will be denied.

A denial notice will explain the reason for denial, refer to the part of the Program on which the denial is based, and provide the claim appeal procedures.

Pre-Service Claims

Pre-service claims are those claims that require notification or approval prior to receiving medical care or require notification within a specified time period after service begins as required under the Program provisions. If your claim is a pre-service claim and is submitted properly with all needed information, you will receive written notice of the claim decision from the Claims Administrator within 15 days of receipt of the claim. If you file a pre-service claim improperly, the Claims Administrator will notify you of the improper filing and how to correct it within five days after the pre-service claim is received. If additional information is needed to process the pre-service claim, the Claims Administrator will notify you of the information needed within 15 days after the claim was received and may request a one-time extension not longer than 15 days and pend your claim until all information is received. Once notified of the extension, you then have 45 days to provide this information. If all of the needed information is received within the 45-day time frame, the Claims Administrator will notify you of the determination within 15 days after the information is received. If you don't provide the needed information within the 45-day period, your claim will be denied. A denial notice will explain the reason for denial, refer to the part of the Program on which the denial is based, and provide the claim appeal procedures.

Urgent Care Claims That Require Immediate Action

Urgent care claims are those claims that require notification or approval prior to receiving medical care in which a delay in treatment could seriously jeopardize your life or health or the ability to regain maximum function or, in the opinion of a physician with knowledge of your medical condition, could cause severe pain. In these situations:

- You will receive notice of the benefit determination in writing or electronically within 72 hours after the Claims Administrator receives all necessary information, taking into account the seriousness of your condition.
- Notice of denial may be oral with a written or electronic confirmation to follow within three days.

If you filed an urgent claim improperly, the Claims Administrator will notify you of the improper filing and how to correct it within 24 hours after the urgent claim was received. If additional information is needed to process the claim, the Claims Administrator will notify you of the information needed within 24 hours after the claim was received. You then have 48 hours to provide the requested information.

You will be notified of a determination no later than 48 hours after either:

- The Claims Administrator's receipt of the requested information.
- The end of the 48-hour period within which you were to provide the additional information, if the information is not received within that time.

A denial notice will explain the reason for denial, refer to the part of the Program on which the denial is based, and provide the claim appeal procedures.

Concurrent Care Claims

If an ongoing course of treatment was previously approved for a specific period of time or number of treatments, and your request to extend the treatment is an urgent care claim as defined above, your request will be decided within 24 hours, provided your request is made at least 24 hours prior to the end of the approved treatment. The Claims Administrator will make a determination on your request for the extended treatment within 24 hours from receipt of your request.

If your request for extended treatment is not made at least 24 hours prior to the end of the approved treatment, the request will be treated as an urgent care claim and decided according to the time

frames described above. If an ongoing course of treatment was previously approved for a specific period of time or number of treatments, and you request to extend treatment in a non-urgent circumstance, your request will be considered a new claim and decided according to post-service or pre-service timeframes, whichever applies.

How to Appeal a Claim Decision

If you disagree with a pre-service or post-service claim determination after following the above steps, you can contact the applicable Claims Administrator in writing to formally request an appeal. Your first appeal request must be submitted to the Claims Administrator within 180 days after you receive the Claim denial.

Appeal Process

A qualified individual who was not involved in the decision being appealed will be appointed to decide the appeal. The Claims Administrator may consult with, or seek the participation of, medical experts as part of the appeal resolution process. You must consent to this referral and the sharing of pertinent medical claim information. Upon written request and free of charge you have the right to reasonable access to and copies of all documents, records and other information relevant to your claim for benefits.

Appeals Determinations

Pre-Service and Post-Service Claim Appeals

You will be provided written or electronic notification of the decision on your appeal as follows:

- For appeals of pre-service claims, the first-level appeal will be conducted and you will be notified by the Claims Administrator of the decision within 15 days from receipt of a request for appeal of a denied Claim. The second-level appeal will be conducted and you will be notified by the Claims Administrator of the decision within 15 days from receipt of a request for review of the first-level appeal decision.
- For appeals of post-service claims, the first-level appeal will be conducted and you will be notified by the Claims Administrator of the decision within 30 days from receipt of a request for appeal of a denied claim. The second-level appeal will be conducted and you will be notified by the Claims Administrator of the decision within 30 days from receipt of a request for review of the first-level appeal decision.
- For procedures associated with urgent Claims, refer to the following "Urgent Claim Appeals That Require Immediate Action" Section.
- If you are not satisfied with the first-level appeal decision of the Claims Administrator, you have the right to request a second-level appeal from the Claims Administrator. Your second level appeal request must be submitted to the Claims Administrator in writing within 60 days from receipt of the first-level appeal decision.
- For pre-service and post-service claim appeals, the Program Administrator has delegated to the Claims Administrator the exclusive right to interpret and administer the provisions of the Program. The Claims Administrator's decisions are conclusive and binding.

Please note that the Claims Administrator's decision is based only on whether or not benefits are available under the Program for the proposed treatment or procedure. The determination as to whether the pending health service is necessary or appropriate is between you and your physician.

Urgent Claim Appeals That Require Immediate Action

Your appeal may require immediate action if a delay in treatment could significantly increase the risk to your health or the ability to regain maximum function or cause severe pain.

In these urgent situations, the appeal does not need to be submitted in writing. You or your physician should call the Claims Administrator as soon as possible. The Claims Administrator will provide you with a written or electronic determination within 72 hours following receipt by the Claims Administrator of your request for review of the determination taking into account the seriousness of your condition.

For urgent claim appeals, the Program Administrator has delegated to the applicable Claims Administrator the exclusive right to interpret and administer the provisions of the Program. The Claims Administrator's decisions are conclusive and binding.

In any case, an Eligible Employee or Beneficiary may have further rights under ERISA. The Program provisions require that Eligible Employees or Beneficiary pursue and exhaust all claim and appeal rights described in this Section before they seek any other legal recourse regarding claims for benefits.

ATTACHMENT C

Claims and Appeals Procedures (Related to “Disability” or Being “Disabled” under the Plan)

Claims Regarding “Disability” or Being “Disabled”

When you make a claim based on a "Disability" or being "Disabled" under the Plan, the Plan's claims administrator will notify you of the decision regarding your claim within 45 days of the date your claim is received by the claims administrator. The claims administrator may extend this 45-day period for up to 30 days (plus an additional 30 days if needed) if it determines that special circumstances outside of the Plan's control require more time to determine your claim. You will be notified within the initial 45- day period (and within the first 30-day extension period if an additional 30 days are needed) whether additional time is needed and what special circumstances require the extra time. If extensions are required because the claims administrator needs additional information from you, you will have 45 days from the claims administrator's notification to provide that information.

Once you have provided the information. the claims administrator will decide your claim within the time remaining within either the initial or the extended review period. If you do not receive a written response within the time limits described in this paragraph, your claim will be deemed denied and you will have the right to file an appeal.

If your claim for benefits is denied in whole or in part, the claims administrator will provide you with a written or electronic notification or the denial that will include:

- Information sufficient to identify the claim (including the health care provider or vocational expert whose opinion was relied on in denying your claim), the claim amount (If applicable), a statement describing the availability, upon request, or the diagnosis code and its corresponding meaning and the treatment code and its corresponding meaning.
- Specific reasons for the denial.
- A full description of why the Plan denied the claim, including, if applicable, why the claims administrator disagreed with the disability determination made by your treating physician, a Social Security Administration disability determination or a third-party disability payer.
- Specific reference(s) to the Plan provisions. or applicable law upon which the denial is based, where applicable.
- If applicable, a statement that an internal rule, guideline, protocol, or other similar criterion was relied upon in making the determination and that a copy of the rule, guideline, protocol or criterion will be provided free of charge upon request.
- An explanation of the scientific or clinical judgment for the determination and how the terms of the Plan were applied to your medical circumstances if the determination Is based on medical necessity, experimental treatment or a similar exclusion or limit and that a copy of this explanation will be provided free of charge upon request.
- A statement that the entire claim file is available for your review and that you can present evidence and testimony during the Appeal process.
- If applicable, a description or any additional information needed to make your claim acceptable and the reason the information is needed.
- A description or the Plan's appeal procedures.
- A statement that you have an opportunity to respond to any new evidence in advance or any appeal decision. You will be given adequate notice and an opportunity to respond to any new evidence in advance of a claim denial being Issued.
- A statement concerning your right to file a civil action under ERISA after the required review and all appeals have been completed.
- A statement that If the Plan does not follow tile claims procedures, except for minor errors. you will be deemed to have exhausted your administrative remedies and your claim is deemed denied.
- Where applicable, a statement in the relevant non-English language about the availability of language services.

How to Appeal a Denial Related to a Claim of “Disability” or Being “Disabled”

When You May File an Appeal

If your claim of "Disability" or being "Disabled" under the Plan is denied in whole or in part (or you have **not** received **a** decision or a notice of extension within the applicable period) and you disagree with the decision, you or your authorized representative may appeal the decision by filing a written request for review. You or your authorized representative must make the request for review within 180 days of receipt of the denial notice (or within 180 days atter the review period has expired).

Who Decides Your Appeal

The Plan administrator has delegated discretion and authority to decide appeals to the claims administrator. The claims administrator will have full and exclusive authority and discretion to grant and deny appeals under the Plan. The decision of the claims administrator regarding any appeal will be final and conclusive.

How to Appeal a Denied Claim

If you or your authorized representative sends a written request for review of a denied claim, you or your representative has the right to:

- Send a written statement of the issues and any other comments along with any new or additional evidence or materials In
- support of your appeal.
- Upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to your claim for benefits.
- Request and receive, free of charge, documents that bear on your claim, such as any internal rule, guideline, protocol or other similar criterion relied on in denying your claim. In your appeal, you should state as clearly and specifically as possible any facts and/or reasons why you believe the claims administrator's action is incorrect. You should also include any new or additional evidence or materials in support of your appeal that you wish the claims administrator to consider. Such evidence or material must be submitted along with your written statement at the time you file your appeal.

Your appeal will be assigned to a qualified individual or committee who has had no involvement with the denial or your claim for benefits. This individual or committee will decide the appeal based upon the evidence that was considered by the claims administrator without regard to the information in the claims denial; the issues, records and comments submitted by you; and such other evidence as the Individual or committee may independently discover.

If your claim was denied based upon medical judgment. the review will be done in consultation with a health care professional with appropriate expertise in the field and who was not Involved in the initial determination. The claims administrator may consult with, or seek the participation of, medical experts as part of the appeal resolution process. When you file your appeal, you consent to this referral and the sharing or pertinent information.

Your appeal may be denied entirely on the basis of evidence submitted in writing. You are not entitled to a hearing, nor do you have the right to present oral testimony or cross-examine authors of written evidence submitted. You will be provided with the identity of any medical or vocational experts whose advice the Plan obtained in connection with denial of your appeal without regard to whether the advice was retied upon in making the benefit determination.

Unless you are notified in writing that more time is needed, a review and decision on your appeal must be made within 45 days after your appeal is received. If special circumstances require more lime to consider your appeal, the claims administrator may take an additional 45 days to reach a decision, but you must be notified in writing that there will be a delay.

If your appeal Is denied in whole or in part, the claims administrator will provide you with written or electronic notification that will contain:

- Information sufficient to identify the claim (including the health care provider or vocational expert whose opinion was relied on in denying your claim). the claim amount (if applicable), a statement describing the availability, upon request. or the diagnosis code and its corresponding meaning and the treatment code and its corresponding meaning.
- Specific reasons for the denial.
- A full description of why the Plan denied the claim, including, if applicable, why the claims administrator disagreed with the disability determination made by your treating physician, a Social Security Administration disability determination, or a third-party disability payer.
- Specific references to the Plan provisions on which the denial is based.
- A statement that you are entitled to receive, upon request and free of charge, reasonable access to. and copies of, all documents, records, and other information relevant to your claim.
- If applicable, a statement that an internal rule, guideline. protocol or other similar criterion was relied upon in making the determination and that a copy of the rule, guideline, protocol or criterion will be provided free of charge upon request.
- An explanation of the scientific or clinical judgment for the determination and how the terms of the Plan were applied to your medical circumstances if the determination Is based on medical necessity, experimental treatment or a similar exclusion or limit and that a copy of the explanation will be provided free of charge upon request.
- A statement that the entire claim file is available for your review and that you can present evidence and testimony during the Appeal process.
- A description of any additional material or Information required for payment of benefits under the Plan.
- A statement of your right to file a civil action under ERISA after you have exhausted all opportunities to appeal under the Plan and the date on which the contractual time limit to file a lawsuit will expire.
- The following statement:

You and your plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State Insurance regulatory agency.

The appeal will take into account all comments, documents, records, and other information you submit relating to the claim for benefits, without regard to whether such information was submitted or considered in the initial claim for benefits determination. If you wish, you or your authorized representative may review the appropriate Plan and Plan documents and submit written information supporting your claim for benefits to the claims administrator or Plan Administrator.

The process is intended to be interactive, and you will be provided a reasonable period of time to respond to any new evidence or information before a final decision is made. Prior to denying your appeal, the claims administrator will provide you with any new evidence it plans to rely upon in making a decision. This information will be provided to you as soon as possible and provide you with a reasonable amount or time to address the new evidence or rationale before the decision on appeal Is made. As part of this process, the claims administrator must also consider any response made by you to this new Information as part of Its decision-making process.

Contact the Plan administrator for information regarding the claims administrator and the address or other contact Information for the claims administrator.

AT&T HEALTH PLAN

Effective January 1, 2027

ARTICLE 1 PURPOSE

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

ARTICLE 2 DEFINITIONS

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

2.1 **Active Participant**. “Active Participant” shall mean an Active Employee Participant and his Dependents.

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

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

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

2.5 **AT&T**. “AT&T” shall mean AT&T Inc. References to “Company” shall mean AT&T.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) death of a covered Eligible Employee;
(2) termination (other than by reason of such Eligible Employee’s gross misconduct) of an Employee’s employment;

(3) reduction in hours of an Eligible Employee;
(4) divorce or legal separation of an Eligible Employee or dissolution of an Eligible Employee's registered domestic partnership;
(5) an Eligible Employee's entitlement to Medicare benefits; or
(6) a Dependent child ceasing to qualify as a Dependent

2.30 Retire, Retired or Retirement. "Retire," "Retired" or "Retirement" shall mean the termination of an Active Employee Participant's employment with AT&T or any of its Subsidiaries, for reasons other than death, on or after the earlier of the following dates: (1) the date such Active Employee Participant has attained age 55, and, for an Active Employee Participant on or after January 1, 2002, has five (5) years of service, or (2) the date the Active Employee Participant has attained one of the following combinations of age and service at termination of employment on or after April 1, 1997:

Net Credited Service	Age
25 years or more	50 or older
30 years or more	Any age

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

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

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

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

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

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

ARTICLE 3 ELIGIBILITY

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

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

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

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

ARTICLE 4 BENEFITS

4.1 Covered Benefits. Subject to the limitations in this Plan, this Plan provides the benefits described below. Monthly Contributions for participation in this Plan, the International Plan, Medicare, or any other health plan are not considered "services", and are therefore are not Covered Benefits under this Plan.

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

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

(b) Active Participants (Dental Services and Vision Services) -
100% payment, through reimbursement or otherwise, of all Dental Services and Vision Services not paid under the Active Participant's (i) Medicare, or (ii) International Plan,

provided expenses for such services would qualify as deductible medical expenses for federal income tax purposes, whether deducted or not.

(c) Retired Participants

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

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

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

ARTICLE 5 TERMINATION OF PARTICIPATION

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

(1) A Participant ceases to meet the definition of a Dependent (as set forth in Section 2.13 of this Plan) for any reason, in which case participation ceases for such Participant;

(2) A Participant eligible to enroll in Medicare is no longer a participant in all parts of Medicare for which such Participant is eligible to enroll and for which Medicare would be primary if enrolled therein, except for Medicare Part D relating to prescription drug coverage, in which case participation ceases for such Participant;

(3) The Active Employee Participant's termination of employment for reasons other than Death, Disability, or Retirement by an individual who meets the applicable requirements of Section 3.2 in order to qualify for Plan benefits in Retirement, in which case participation ceases for the Participant and his/her Dependent(s);

(4) The demotion or designation of an Active Employee Participant so as to no longer be eligible to participate in the Plan, in which case participation ceases for the Participant and his/her Dependent(s); or

(5) Discontinuance of the Plan by AT&T, or, with respect to a Subsidiary's Active Employee Participants (or Retired Employee Participants), such Subsidiary's failure to make the benefits hereunder available to Active

Employee Participants employed by it (or its Retired Employee Participants).

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

(1) In the event of the death of a Retired Employee Participant such Retired Employee Participant's Dependents may continue participation in this Plan, eligible for the Covered Benefits described in Section 4.1(c) of the Plan, for so long as such Dependents would have otherwise been eligible to participate under the terms of the AT&T Medical Program, are paying any applicable contributions for this Plan as provided in Article 7, and are participating in Medicare if eligible. If a surviving spouse of such deceased Active Employee Participant otherwise eligible for participation in the Plan remarries, his/her participation and the participation of any otherwise eligible Dependents will cease with the effective date of his/ her marriage.

(2) In the event of an in-service death of an Active Employee Participant eligible to participate in the Plan in Retirement as provided under Article 3.2, who was Retirement eligible, within the meaning of Section 2.30, at the time of death, such Active Employee Participant's surviving Dependents may continue participation in this Plan, eligible for the Covered Benefits described in Section 4.1(a) and (b), for so long as such Dependents would have otherwise been eligible for participation under the terms of the AT&T Medical Program, are paying any applicable contributions for this Plan as provided in Article 7, and are participating in Medicare if eligible. If a surviving spouse of such deceased Active Employee Participant otherwise eligible for participation in the Plan remarries, his/her participation and the participation of any otherwise eligible Dependents will cease with the effective date of his/ her marriage.

(3) In the event of (i) an in-service death of an Active Employee Participant not eligible to participate in the Plan in Retirement as provided in Article 3.2 or (ii) an in-service death of an Active Employee Participant eligible to participate in the Plan in Retirement as provided in Article 3.2 but the individual was not Retirement eligible, within the meaning of Section 2.30, at the time of death, such Active Employee Participant's Dependent(s) may continue participation in this Plan, eligible for the Covered Benefits described in Sections 4.1(a) and (b), for a 36-month period commencing the month following the month in which such Active Employee Participant dies as long as such Dependent(s) would have otherwise been eligible for participation under the terms of the AT&T Medical Program and subject to the payment of Active Participant Contributions for the first 12 months and payment of Active COBRA Contributions for the remaining 24 months, as provided by Articles 7 and 9.1. If the Active Employee Participant's Dependent(s) are eligible for COBRA, they will automatically be enrolled in COBRA so that there is no lapse in coverage, and this 36-month coverage will be integrated and run concurrently with COBRA coverage.

ARTICLE 6 DISABILITY

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

(1) The Participant will continue to participate in this Plan, eligible for the Covered Benefits described in Section 4.1(a) and (b), for as long as he/she receives short term disability benefits under the Officer Disability Plan and pays the applicable contributions for this Plan as provided by Article 7.

(2) An Active Employee Participant not eligible to participate in the Plan in Retirement as provided in Article 3.2 who commences long term disability benefits under the Officer Disability Plan or an Active Employee Participant eligible to participate in the Plan in Retirement as provided in Article 3.2 but who is not Retirement eligible, within the meaning of Section 2.30, at the time long term disability benefits under the Officer Disability Plan commence, will cease participation in this Plan (along with his/her Dependents) effective as of the last day of the calendar month in which such long term disability benefits commence, unless such benefits commence on the first day of a calendar month, in which case participation in this Plan shall cease effective as of the last day of the prior month.

(3) An Active Employee Participant eligible to participate in the Plan in Retirement as provided in Article 3.2 ,who is Retirement eligible, within the meaning of Section 2.30, at the time long term disability benefits under the Officer Disability Plan commence, will be eligible to continue participation in this Plan on the same terms and conditions that participation would be available to such Participant in Retirement, subject to the payment of applicable contributions for this Plan as provided by Article 7, regardless of his/her continued receipt of long term disability benefits under the Officer Disability Plan.

ARTICLE 7 COSTS

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

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

required Monthly Contributions for Executive Officers shall be approved by the Committee.

7.3 **Retired Participant Contributions**. Retired Participants who elect to participate will pay Monthly Contributions to participate in the Plan. The Monthly Contribution for participation may change annually, effective at the beginning of each Plan Year. Contributions to be made by Retired Participants who elect to participate shall be set annually by the SEVP-HR (in his/her sole and absolute discretion), to the extent their contributions have not previously been provided for in a separate agreement.

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

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

ARTICLE 8 MISCELLANEOUS

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

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

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

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

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

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

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

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

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

ARTICLE 9 COBRA

9.1 Continuation of Coverage Under COBRA. Participants shall have all COBRA continuation rights required by federal law and all conversion rights. COBRA continuation coverage shall be continued as provided in this Article 9.

1.2 COBRA Continuation Coverage for Terminated Participants. A covered Active Employee Participant may elect COBRA continuation coverage, at his/her own expense, if his participation under this Plan would terminate as a result of one of the following Qualifying Events: an Employee’s termination of employment or reduction of hours with an Employer.

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

1.4 Period of Continuation Coverage for Covered Participants. A covered Active Employee Participant who qualifies for COBRA continuation coverage as a result of a Participant's termination of employment or reduction in hours of employment described in Subsection 9.2 may elect COBRA continuation coverage for up to 18 months measured from the date of the Qualifying Event.

Coverage under this Subsection 9.4 may not continue beyond the:

(1) date on which the Active Employee Participant's Employer ceases to maintain this Plan;
(2) last day of the month for which premium payments have been made with respect to this Plan, if the individual fails to make premium payments on time, in accordance with Subsection 9.6;
(3) date the covered Active Employee Participant becomes entitled to Medicare; or
(4) date the covered Participant is no longer subject to a pre-existing condition exclusion under the Participant's other coverage or new employer plan for the type of coverage available under the COBRA eligible program for which the COBRA election was made.

1.5 Period of COBRA Continuation Coverage for Dependents. If a Qualified Dependent elects COBRA continuation coverage under a COBRA eligible program as a result of an Active Employee Participant's termination of employment as described in Subsection 9.2, continuation coverage may be continued for up to 18 months measured from the date of the Qualifying Event. COBRA continuation coverage for all other Qualifying Events may continue for up to 36 months.

Continuation coverage under this Subsection 9.5 with respect to a COBRA eligible program may not continue beyond the date:

(1) on which premium payments have not been made, in accordance with Subsection 9.6 below;
(2) the Qualified Dependent becomes entitled to Medicare;
(3) on which the Employer ceases to maintain this Plan; or
(4) the Qualified Dependent is no longer subject to a pre-existing condition exclusion under the Participant's other coverage or new employer plan for the type of coverage available under this Plan.

1.6 Contribution Requirements for COBRA Continuation Coverage. Covered Participants and Qualified Dependents who elect COBRA continuation coverage as a result of a Qualifying Event will be required to pay continuation coverage payments. Continuation coverage payments are the payments required for COBRA continuation coverage that is an

amount equal to a reasonable estimate of the cost to this Plan of providing coverage for all covered Participants at the time of the Qualifying Event plus a 2% administrative expense. In the case of a disabled individual who receives an additional 11-month extended coverage under COBRA, the Employer may assess up to 150% of the cost for this extended coverage period. Such cost shall be determined on an actuarial basis and take into account such factors as the Secretary of the Treasury may prescribe in regulations.

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

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

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

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

(1) If a Qualified Dependent loses, or will lose medical coverage under this Plan as a result of divorce, legal separation, entitlement to Medicare, or ceasing to be a Dependent, such Qualified Dependent is responsible for notifying the Plan Administrator in writing within 60 days of the Qualifying Event. Failure to make timely notification will terminate the Qualified Dependent's rights to COBRA continuation coverage under this Article.

(2) A Participant must complete and return the required enrollment materials within 60 days from the later of (a) the date of loss of coverage, or (b) the date the Plan Administrator sends notice of eligibility for COBRA continuation coverage. Failure to enroll for COBRA continuation coverage during this 60-day period will terminate all rights to COBRA continuation coverage under this Article. An affirmative election of COBRA continuation coverage by a Participant or his/her spouse shall be deemed to be an

election for that Participant's Dependent(s) who would otherwise lose coverage under the Plan.

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

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

ARTICLE 10 PRIVACY OF MEDICAL INFORMATION

10.1 Definitions. For purposes of this Article 10, the following defined terms shall have the meaning assigned to such terms in this subsection:

(1) "Business Associate" shall have the meaning assigned to such phrase at 45 C.F.R. § 160.103;

(2) "Health Care Operations" shall have the meaning assigned to such phrase at 45 C.F.R. § 164.501;

(3) "HIPAA" shall mean Parts 160 ("General Administrative Requirements") and 164 ("Security and Privacy") of Title 45 of the Code of Federal Regulations as such parts are amended from time to time;

(4) "Payment" shall have the meaning assigned to such phrase at 45 C.F.R § 160.103;

(5) "Protected Health Information" or "PHI" shall have the meaning assigned to such phrase at 45 C.F.R. § 160.103; and

(6) "Treatment" shall have the meaning assigned to such phrase at 45 C.F.R. § 164.501.

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

limitation, for purposes of Treatment, Payment, and Health Care Operations.

1.3 Disclosure of De-Identified or Summary Health Information. The HIPAA Plan, or, with respect to the HIPAA Plan, a health insurance issuer, may disclose summary health information (as that phrase is defined at 45 C.F.R. § 160.5049a)) to the Plan Sponsor of the HIPAA Plan (and its affiliates) if such entity requests such information for the purpose of:

(1) Obtaining premium bids from health plans for providing health insurance coverage under the HIPAA Plan;

(2) Modifying, amending or terminating the group health benefits under the HIPAA Plan.

In addition, the HIPAA Plan or a health insurance insurer with respect to the HIPAA Plan may disclose to the Plan Sponsor of the HIPAA Plan (or its affiliates) information on whether an individual is participating in the group health benefits provided by the HIPAA Plan or is enrolled in, or has ceased enrollment with health insurance offered by the HIPAA Plan.

1.4 The HIPAA Plan Will Use and Disclose PHI as Required by Law or as Permitted by the Authorization of the Participant or Beneficiary.

Upon submission of an authorization signed by a Participant, beneficiary, subscriber or personal representative that meets HIPAA requirements, the HIPAA Plan will disclose PHI.

In addition, PHI will be disclosed to the extent permitted or required by law, without the submission of an authorization form.

1.5 Disclosure of PHI to the Plan Sponsor. The HIPAA Plan will disclose information to the Plan Sponsor only upon certification from the Plan Sponsor that the HIPAA Plan documents have been amended to incorporate the assurances provided below.

The Plan Sponsor agrees to:

(1) not use or further disclose PHI other than as permitted or required by the HIPAA Plan document or as required by law;

(2) ensure that any affiliates or agents, including a subcontractor, to whom the Plan Sponsor provides PHI received from the HIPAA Plan, agrees to the same restrictions and conditions that apply to the Plan Sponsor with respect to such PHI;

(3) not use or disclose PHI for employment-related actions and decisions unless authorized by the individual to whom the PHI relates;

(4) not use or disclose PHI in connection with any other benefits or employee benefit plan of the Plan Sponsor or its affiliates unless permitted by the Plan or authorized by an individual to whom the PHI relates;

(5) report to the Plan any PHI use or disclosure that is inconsistent with the uses or disclosures provided for of which it becomes aware;

(6) make PHI available to an individual in accordance with HIPAA's access rules;

(7) make PHI available for amendment and incorporate any amendments to PHI in accordance with HIPAA;

(8) make available the information required to provide an accounting of disclosures;

(9) make internal practices, books and records relating to the use and disclosure of PHI received from the HIPAA Plan available to the Secretary of the United States Department of Health and Human Resources for purposes of determining the Plan's compliance with HIPAA; and

(10) if feasible, return or destroy all PHI received from the HIPAA Plan that the Plan Sponsor still maintains in any form, and retain no copies of such PHI when no longer needed for the purpose for which disclosure was made (or if return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction infeasible).

1.6 Separation Between the Plan Sponsor and the HIPAA Plan. In accordance with HIPAA, only the following employees and Business Associate personnel shall be given access to PHI:

(1) employees of the AT&T Benefits and/or AT&T Executive Compensation organizations responsible for administering group health plan benefits under the HIPAA Plan, including those employees whose functions in the regular course of business include Payment, Health Care Operations or other matters pertaining to the health care programs under a HIPAA Plan;

(2) employees who supervise the work of the employees described in (1), above;

(3) support personnel, including other employees outside of the AT&T Benefits or AT&T Executive Compensation organizations whose duties require them to rule on health plan-related appeals or perform functions concerning the HIPAA Plan;

(4) investigatory personnel to the limited extent that such PHI is necessary to conduct investigations of possible fraud;

(5) outside and in-house legal counsel providing counsel to the HIPAA Plan;

(6) consultants providing advice concerning the administration of the HIPAA Plan; and

(7) the employees of Business Associates charged with providing services to the HIPAA Plan.

The persons identified above shall have access to and use PHI to the extent that such access and use is necessary for the administration of group health benefits under a HIPAA Plan. If these persons do not comply with this Plan document, the Plan Sponsor shall provide a mechanism for resolving issues of noncompliance, including disciplinary sanctions.

1.7 Enforcement.

Enforcement of this Article 10 shall be as provided for by HIPAA. In particular, participants and beneficiaries are not authorized to sue with regard to purported breaches of this Article 10 except as explicitly permitted by HIPAA.

ARTICLE 11 CLAIM AND APPEAL PROCESS

11.1 Claims for Benefits under the Plan. – See Appendix B.

11.2 Claims Related to Basic Eligibility for Coverage under the Plan.

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

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

If the claim is denied by the AT&T Executive Compensation Administration Department, in whole or in part, the AT&T Executive Compensation Administration Department shall provide a written decision using language calculated to be understood by the Claimant and setting forth: (i) the specific reason or reasons for such denial; (ii) specific references to pertinent provisions of this Plan on which such denial is based; (iii) a description of any additional material or information necessary for the Claimant to perfect his or her claim and an explanation of why such material or such information is necessary; (iv) a description of the Plan's procedures for review of denied claims and the steps to be taken if the Claimant wishes to submit the claim for review; (v) the time limits for requesting a review of a denied claim under this section and for conducting the review under this section ; and (vi) a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA if the claim is denied following review under this section.

(c) Request for Review. Within sixty (60) days after the receipt by the Claimant of the written decision on the claim provided for in this section, the Claimant may request in writing that the Plan Administrator review the determination of the AT&T Executive Compensation Administration Department. Such request must be addressed to the Plan Administrator at the address provided in the written decision regarding the claim. To assist the Claimant in deciding whether to request a review of a denied claim or in preparing a request for review of a denied claim, a Claimant shall be provided, upon written request to the Plan Administrator and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim. The Claimant or his or her duly authorized

representative may, but need not, submit a statement of the issues and comments in writing, as well as other documents, records or other information relating to the claim for consideration by the Committee. If the Claimant does not request a review by the Plan Administrator of the AT&T Executive Compensation Administration Department's decision within such sixty (60)-day period, the Claimant shall be barred and estopped from challenging the determination of the AT&T Executive Compensation Administration Department.

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

During its review of the claim, the Plan Administrator shall:

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

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

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

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

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

Appendix A

AT&T Health Plan
2027 Monthly Contributions, Annual Deductible, Coinsurance Percentages and Annual Out-of-Pocket Maximum

Active Participants

Monthly Contributions	Individual - $360 Individual + Spouse - $589 Individual + 1 or More Children - $387 Individual + Spouse + 1 or More Children - $917
Annual Deductible	Individual - $1,800 All other tiers - $3,600
Coinsurance Percentage	10% after the Annual Deductible is met. Coinsurance applies until the Annual Out-of-Pocket Maximum is reached.
Annual Out-of-Pocket Maximum	Individual - $7,050 All other tiers- $14,100 (individual amount of $7,050)

Retired Participants – Monthly Contributions

Retired Prior to August 31, 1992 and Surviving Spouses	Individual - $381 Individual + Spouse - $381 Individual + 2 or More - $381	
Retired on or after September 1, 1992 and Surviving Spouses *Note: The Plan Administrator shall maintain records governing whether a Retired Participant is in Class A, B, C or D.*	Class A	Individual - $1,157 Individual + Spouse - $1,853 Individual + 1 or More Children - $1,157 Individual + Spouse + 1 or More Children - $2,059
	Class B	Individual - $1,378 Individual + Spouse - $2,069 Individual + 1 or More Children - $1,378 Individual + Spouse + 1 or More Children - $2,510
	Class C	Individual - $1,712 Individual + Spouse - $2,398 Individual + 1 or More Children - $1,712 Individual + Spouse + 1 or More Children - $3,047
	Class D	Individual - $2,388 Individual + Spouse - $3,584 Individual + 1 or More Children - $2,388 Individual + Spouse + 1 or More Children - $4,156

COBRA Continuation Coverage – Monthly Contributions

Active COBRA	Individual - $5,118 Individual + Spouse - $10,487 Individual + 1 or More Children - $8,317 Individual + Spouse + 1 or More Children - $15,001
Retired Prior to August 31, 1992 and Surviving Spouses COBRA	Individual - $2,794 Individual + 1 - $5,808 Individual + 2 or More - $8,338
Retired on or after September 1, 1992 and Surviving Spouses COBRA	Individual - $2,861 Individual + Spouse - $5,862 Individual + 1 or More Children - $4,649 Individual + Spouse + 1 or More Children - $ 8,385

APPENDIX B

CLAIMS PROCEDURE APPLICABLE TO CLAIMS FOR BENEFITS UNDER THE PLAN

Claim for Benefits Procedures

You, your covered dependents or a duly authorized person has the right under ERISA and the Plan to file a written claim for benefits under the Plan. The following describes the procedures used by the Plan to process claims for benefits, along with your rights and responsibilities. These procedures were designed to comply with the rules of the Department of Labor (DOL) concerning claims for Benefits. It is important that you follow these procedures to make sure that you receive full benefits under the Plan.

The Plan is an ERISA plan, and you may file suit in federal court if you are denied benefits you believe are due you under the Plan. However, you must complete the full claims and appeal process offered under the Plan before filing a lawsuit.

Filing a Claim for Benefits

When filing a claim for benefits, you should file the claim with the Claims Administrator. The Claims Administrator is the third party to whom claims and appeal responsibility has been delegated as permitted under Section 8.1 of the Plan.

The following are not considered claims for benefits under the Plan:

A claim related to basic eligibility for coverage under the Plan is not considered claims for benefits under the Plan (See Section 11.2 of the Plan).

Claim Filing Limits

A request for payment of benefits must be submitted within one year after the date of service or the date the prescription was provided.

Required Information

When you request payment of benefits from the Plan, you must provide certain information as requested by the Claims Administrator.

Benefit Determinations

Post-Service Claims

Post-service claims are those claims that are filed for payment of benefits after medical care has been received. If your post-service claim is denied, you will receive a written notice from the Claims Administrator within 30 days of receipt of the claim, as long as all needed information identified above and any other

information that the Claims Administrator may request in connection with services rendered to you was provided with the claim. The Claims Administrator will notify you within this 30-day period if additional information is needed to process the Claim and may request a one-time extension not longer than 15 days and pend your Claim until all information is received.

Once notified of the extension, you then have 45 days to provide this information. If all of the needed information is received within the 45-day time frame and the claim is denied, the claims Administrator will notify you of the denial within 15 days after the information is received. If you don't provide the needed information within the 45-day period, your claim will be denied.

A denial notice will explain the reason for denial, refer to the part of the Plan on which the denial is based, and provide the claim appeal procedures.

Pre-Service Claims

Pre-service claims are those claims that require notification or approval prior to receiving medical care or require notification within a specified time period after service begins as required under the Plan provisions. If your claim is a pre-service claim and is submitted properly with all needed information, you will receive written notice of the claim decision from the Claims Administrator within 15 days of receipt of the claim. If you file a pre-service claim improperly, the Claims Administrator will notify you of the improper filing and how to correct it within five days after the pre-service claim is received. If additional information is needed to process the pre-service claim, the Claims Administrator will notify you of the information needed within 15 days after the claim was received and may request a one-time extension not longer than 15 days and pend your claim until all information is received. Once notified of the extension, you then have 45 days to provide this information. If all of the needed information is received within the 45-day time frame, the Claims Administrator will notify you of the determination within 15 days after the information is received. If you don't provide the needed information within the 45-day period, your claim will be denied. A denial notice will explain the reason for denial, refer to the part of the Plan on which the denial is based, and provide the claim appeal procedures.

Urgent Care Claims That Require Immediate Action

Urgent care claims are those claims that require notification or approval prior to receiving medical care in which a delay in treatment could seriously jeopardize your life or health or the ability to regain maximum function or, in the opinion of a physician with knowledge of your medical condition, could cause severe pain. In these situations:

- You will receive notice of the benefit determination in writing or electronically within 72 hours after the Claims Administrator receives all necessary information, taking into account the seriousness of your condition.
- Notice of denial may be oral with a written or electronic confirmation to follow within three days.

If you filed an urgent claim improperly, the Claims Administrator will notify you of the improper filing and how to correct it within 24 hours after the urgent claim was received. If additional information is needed to process the claim, the Claims Administrator will notify you of the information needed within 24 hours after the claim was received. You then have 48 hours to provide the requested information.

You will be notified of a determination no later than 48 hours after either:

- The Claims Administrator's receipt of the requested information.
- The end of the 48-hour period within which you were to provide the additional information, if the information is not received within that time.

A denial notice will explain the reason for denial, refer to the part of the Plan on which the denial is based, and provide the claim appeal procedures.

Concurrent Care Claims

If an ongoing course of treatment was previously approved for a specific period of time or number of treatments, and your request to extend the treatment is an urgent care claim as defined above, your request

will be decided within 24 hours, provided your request is made at least 24 hours prior to the end of the approved treatment. The Claims Administrator will make a determination on your request for the extended treatment within 24 hours from receipt of your request.

If your request for extended treatment is not made at least 24 hours prior to the end of the approved treatment, the request will be treated as an urgent care claim and decided according to the time frames described above. If an ongoing course of treatment was previously approved for a specific period of time or number of treatments, and you request to extend treatment in a non-urgent circumstance, your request will be considered a new claim and decided according to post-service or pre-service timeframes, whichever applies.

How to Appeal a Claim Decision

If you disagree with a pre-service or post-service claim determination after following the above steps, you can contact the applicable Claims Administrator in writing to formally request an appeal. Your first appeal request must be submitted to the Claims Administrator within 180 days after you receive the Claim denial.

Appeal Process

A qualified individual who was not involved in the decision being appealed will be appointed to decide the appeal. The Claims Administrator may consult with, or seek the participation of, medical experts as part of the appeal resolution process. You must consent to this referral and the sharing of pertinent medical claim information. Upon written request and free of charge you have the right to reasonable access to and copies of all documents, records and other information relevant to your claim for benefits.

Appeals Determinations

Pre-Service and Post-Service Claim Appeals

You will be provided written or electronic notification of the decision on your appeal as follows:

- For appeals of pre-service claims, the first-level appeal will be conducted and you will be notified by the Claims Administrator of the decision within 15 days from receipt of a request for appeal of a denied Claim. The second-level appeal will be conducted and you will be notified by the Claims Administrator of the decision within 15 days from receipt of a request for review of the first-level appeal decision.
- For appeals of post-service claims, the first-level appeal will be conducted and you will be notified by the Claims Administrator of the decision within 30 days from receipt of a request for appeal of a denied claim. The second-level appeal will be conducted and you will be notified by the Claims Administrator of the decision within 30 days from receipt of a request for review of the first-level appeal decision.
- For procedures associated with urgent Claims, refer to the following "Urgent Claim Appeals That Require Immediate Action" section.
- If you are not satisfied with the first-level appeal decision of the Claims Administrator, you have the right to request a second-level appeal from the Claims Administrator. Your second level appeal request must be submitted to the Claims Administrator in writing within 60 days from receipt of the first-level appeal decision.
- For pre-service and post-service claim appeals, the Plan Administrator has delegated to the Claims Administrator the exclusive right to interpret and administer the provisions of the Plan. The Claims Administrator's decisions are conclusive and binding.

Please note that the Claims Administrator's decision is based only on whether or not benefits are available under the Plan for the proposed treatment or procedure. The determination as to whether the pending health service is necessary or appropriate is between you and your physician.

Urgent Claim Appeals That Require Immediate Action

Your appeal may require immediate action if a delay in treatment could significantly increase the risk to your health or the ability to regain maximum function or cause severe pain.

In these urgent situations, the appeal does not need to be submitted in writing. You or your physician should call the Claims Administrator as soon as possible. The Claims Administrator will provide you with a written or electronic determination within 72 hours following receipt by the Claims Administrator of your request for review of the determination taking into account the seriousness of your condition.

For urgent claim appeals, the Plan Administrator has delegated to the applicable Claims Administrator the exclusive right to interpret and administer the provisions of the Plan. The Claims Administrator's decisions are conclusive and binding.

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

APPENDIX C

DISCLOSURE OF GRANDFATHERED STATUS

MODEL NOTICE

AT&T, as plan sponsor, believes this Plan is a “grandfathered health plan” under the Patient Protection and Affordable Care Act (the “Affordable Care Act”). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that the plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections of the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the plan administrator at P.O. Box 30558, Salt Lake City, Utah 84130-0558**.** You may also contact the Employee Benefits Security Administration, U.S. Department of labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

APPENDIX D

Notwithstanding the provisions and limitations of Section 2.15 of the Plan, the following Officers shall be included in the term “Eligible Employee” and shall be eligible to participate in the Plan (along with any Dependents) subject to all applicable provisions of the Plan:

Name	Title	Effective Date of Participation
David McAtee	Senior Executive Vice President & General Counsel	February 1, 2018

SUPPLEMENTAL LIFE INSURANCE PLAN

Effective: January 1, 1986

Revisions Effective: January 1, 2027

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. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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.

Exhibit 31.1

CERTIFICATION

I, John T. Stankey, certify that:

1. I have reviewed this report on Form 10-Q of AT&T Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 21, 2026

/s/ John T. Stankey
John T. Stankey
Chairman of the Board,
Chief Executive Officer and President

Exhibit 31.2

CERTIFICATION

I, Pascal Desroches, certify that:

1. I have reviewed this report on Form 10-Q of AT&T Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 21, 2026

/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 Quarterly Report on Form 10-Q for the three months ended September 30, 2026 (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.

October 21, 2026

By: /s/ John T. Stankey
John T. Stankey
Chairman of the Board,
Chief Executive Officer and President

October 21, 2026

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.