



2024 AT&T Proxy Voting Recommendations

Item 1. Election of Directors

Recommendation: Vote your conscience

Background: The company is proposing a [board with 11 directors](#) for one year terms. Appointed director Marissa A. Mayer is being ratified by shareholders for the first time. All Director nominees except for CEO Stankey are considered independent according to the company. Shareholders may wish to vote on a case by case basis.

Item 2. Ratification of the Appointment of Ernst & Young LLP as Independent Auditor

Recommendation: Vote AGAINST

Background: Ernst & Young has been the auditor for AT&T, and previously SBC, since 1995. The Board's Audit Committee has re-appointed the firm for another fiscal year, through December 31, 2024. With [this vote](#), shareholders are asked to affirm the Committee's decision. Corporate governance experts believe that such lengthy relationships can compromise the independent perspective necessary for a trustworthy review of financial results.¹ Regular auditor refreshment is a key corporate governance principle. Votes AGAINST this proposal are warranted for the lack of regular auditor refreshment.

Item 3. Advisory Approval of Executive Compensation

Recommendation: Vote AGAINST

Background: The proposal asks shareholders to approve a [compensation program](#) already in place. The vote is only advisory and would not be binding on the company. The proxy statement includes principles for setting pay and a detailed discussion of all aspects of executive pay.

CEO John Stankey received total compensation of \$26.45 million (including health benefits and other perquisites) in 2023. Personal perquisites for certain named executive officers remains high, in particular for Stankey and McAfee, both with cumulative amounts for "unearned" compensation in excess of \$200,000. This is the seventh year public companies must report the ratio of CEO pay to median compensation at the company. In 2023, AT&T's [ratio](#) was 193 to 1, down again from 2022 (219 to 1) and 2021 (231 to 1). However, the company's 3-year total shareholder return of -5.4%, ranking AT&T in the 33rd percentile of their peer group in 2023, remains a cause for shareholder concern. Considering the level of pay for inconsistent performance votes AGAINST the approval of the executive compensation plan are warranted.

Item 4. Shareholder Proposal - Independent Board Chairman

Recommendation: Vote FOR

Background: This proposal from shareholder Kenneth Steiner requests that the Chair of AT&T's Board of Directors be independent – that is, not employed by or otherwise connected to AT&T. This proposal is supported by many institutional shareholders because it is a structure designed to ensure greater board

¹ See, for example, Council of Institutional Investors, "Policies on Corporate Governance," last updated March 6, 2023. CII recommends "a fact specific explanation for not changing the company's auditor if the committee chooses to renew the engagement of an auditor with more than 10 consecutive years of service." https://www.cii.org/corp_gov_policies

oversight of management. In 2020, this proposal received 40%; it was not filed in 2021, and in 2022 received 33.1% of the shareholder vote. In 2023 the proposal received 34.4% support from shareholders. The Company separated the Chair and CEO role after Randall Stephenson retired but has not modified its bylaws to reflect this as a formal policy.

The board should be led by an independent chair.² Establishing a policy requiring a truly independent board chair is an increasingly common corporate governance practice. An independent board chair provides balance to the influence of the executives and an unbiased view of company operations. Accordingly, support FOR the proposal is warranted.

Item 5. Shareholder Proposal - Improve Clawback Policy for Unearned Pay for Each NEO

Recommendation: Vote FOR

Background: Proponent John Chevedden proposes to ask the Board of Directors to amend the Company Policy on recoupment of incentive pay to apply to each Named Executive Officer. The policy would allow for the clawback in all cases of conduct or negligence – not merely serious misconduct. Also the Board is to report to shareholders in an EDGAR filing the results of any deliberations about whether or not to cancel or seek recoupment of compensation paid, granted or awarded to NEOs. The current AT&T policy applies only to knowing fraudulent or illegal conduct. The current AT&T policy requires no report to shareholders. Independent advisory firm ISS has recommended support for this type of proposal as the company's current clawback policy does not provide for the disclosure of the amounts and circumstances surrounding any recoupments. This policy would empower the board to take action against unscrupulous NEO behavior at any level which would guard against reputational risks and benefit shareholders. Therefore support FOR this proposal is warranted.

Item 6: Shareholder Proposal - Report on Respecting Workforce Civil Liberties

Recommendation: Vote AGAINST

Background: The National Center for Public Policy Research requests the Board of Directors to conduct an evaluation and issue a report evaluating how AT&T's policies and practices impact employees and prospective employees based on their religion (including religious views) or political, social and environmental view, and the risks those impacts present to Company's business. Taken in context of the supporting statement, the proponent is seeking to restrain the company from supporting Diversity Equity & Inclusion (DEI) initiatives focused on the LGBTQ community based on an [ultra-conservative definition of religious civil liberty](#)² and related analysis. The NCPPR is a right wing think tank which promotes anti-Environmental, Social, Governance (anti-ESG) shareholder proposals designed to urge issuers to adopt policies or disclose data which is intended to make a political point. Votes AGAINST this proposal are warranted.

Meeting Logistics

2024 Annual Meeting of Stockholders of AT&T Inc. will be conducted virtually on the Internet. There will be no in-person meeting. You will need the control number on your proxy card to enter the meeting.

When: Thursday, May 16, 2024 at 3:30 p.m. Central time

Where: meetnow.global/ATT2024

² See, for example, Council of Institutional Investors, "Policies on Corporate Governance," last updated March 6, 2023. CII recommends "a fact specific explanation for not changing the company's auditor if the committee chooses to renew the engagement of an auditor with more than 10 consecutive years of service." https://www.cii.org/corp_gov_policies

³ The 1792 Exchange describes itself as "non-profit protecting faith-based and conservative institutions and philanthropy" and posts this evaluation of AT&T's practices: https://1792exchange.com/pdf/?c_id=705

