



EXHIBIT

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE WARNER BROS. DISCOVERY,
INC. STOCKHOLDERS LITIGATION

CONSOLIDATED
C.A. No. 2022-1114-JTL

**NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF
STOCKHOLDER CLASS ACTION, SETTLEMENT HEARING, AND
RIGHT TO APPEAR**

*The Court of Chancery of the State of Delaware authorized this Notice.
This is not a solicitation from a lawyer.*

NOTICE OF PENDENCY OF STOCKHOLDER CLASS ACTION:¹ Please be advised that your rights will be affected by the above-captioned stockholder class action (the “Action”) pending in the Court of Chancery of the State of Delaware (the “Court”) if you were a record or beneficial owner of Discovery, Inc. (“Discovery”) common stock as of the closing of the merger with AT&T Inc.’s (“AT&T”) WarnerMedia Business on April 8, 2022 (the “Closing”) whose Discovery common stock was reclassified and converted into shares of Warner Bros. Discovery, Inc. (“WBD”) common stock upon the Closing.

NOTICE OF SETTLEMENT: Please also be advised that (i) plaintiffs Bricklayers Pension Fund of Western Pennsylvania, City Pension Fund for Firefighters & Police Pension Officers in the City of Pembroke Pines, Key West Police and Firefighters’ Pension Fund, and Steve Silverman (collectively, “Plaintiffs”), on behalf of themselves and all other members of the Court-certified Class (as defined in paragraph 32 below); and (ii) defendants Advance/Newhouse Partnership, Advance/Newhouse Programming Partnership, Robert Miron, Steven Miron, and Susan Swain (collectively, “Defendants”) (Plaintiffs and Defendants, together, the “Parties”) have reached a proposed settlement of the Action for \$125,000,000 (One

¹ Any capitalized terms not otherwise defined in this Notice shall have the meanings given to them in the Stipulation and Agreement of Settlement, Compromise, and Release entered into by the Parties on July 5, 2024 (the “Stipulation”). A copy of the Stipulation is available at www.WBDStockholdersLitigation.com.

Hundred, Twenty-Five Million United States Dollars) in cash (the “Settlement”). The proposed Settlement, if approved by the Court, will resolve all claims in the Action.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. This Notice explains how members of the Class (as defined in paragraph 32 below) (“Class Members,” and each a “Class Member”) will be affected by the Settlement. The following table provides a brief summary of the rights you have as a Class Member and the relevant deadlines, which are described in more detail later in this Notice.

CLASS MEMBERS’ LEGAL RIGHTS IN THE SETTLEMENT:	
RECEIVE A PAYMENT FROM THE SETTLEMENT. CLASS MEMBERS <u>DO NOT</u> NEED TO SUBMIT A CLAIM FORM.	If you are a member of the Class, you <u>may</u> be eligible to receive a <i>pro rata</i> distribution from the Settlement proceeds. Eligible Class Members <u>do not</u> need to submit a claim form in order to receive a distribution from the Settlement, if approved by the Court. If you are eligible for a distribution from the Settlement, it will be paid to you directly. <i>See</i> paragraphs 38-48 below for further discussion.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS <u>RECEIVED</u> NO LATER THAN [_____], 2024.	If you are a member of the Class and would like to object to the proposed Settlement, the proposed Plan of Allocation, or Plaintiffs’ Counsel’s ² application for an award of attorneys’ fees and expenses, including Plaintiffs’ application for Incentive Awards, you may write to the Court and explain the reasons for your objection.
ATTEND A HEARING ON [_____], 2024, AT [__:__] [__].M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT	Filing a written objection and notice of intention to appear that is received by [_____], 2024, allows you to speak in Court, at the discretion of the Court, about your objection. In the Court’s discretion, the [_____],

² “Plaintiffs’ Counsel” are Plaintiffs’ Lead Counsel—Bernstein Litowitz Berger & Grossmann LLP, Labaton Keller Sucharow LLP, and Kessler Topaz Meltzer & Check LLP—Friedman Oster & Tejtell PLLC, Kaskela Law LLC, Klausner, Kaufman, Jensen & Levinson, and Law Office of Alfred G. Yates, Jr, P.C.

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CLASS MEMBERS' LEGAL RIGHTS IN THE SETTLEMENT:

IS RECEIVED NO LATER THAN [_____], 2024.

2024 hearing may be conducted by telephone or videoconference (*see* paragraphs 56-57 below). If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.

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WHAT IS THE PURPOSE OF THIS NOTICE?

1. The purpose of this Notice is to notify Class Members of the existence of the Action and the terms of the proposed Settlement of the Action. The Notice is also being sent to inform Class Members of a hearing that the Court has scheduled

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to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation for the Settlement proceeds, and the application by Plaintiffs' Counsel for an award of attorneys' fees and expenses in connection with the Settlement, including Plaintiffs' application for Incentive Awards (the "Settlement Hearing"). See paragraphs 56-57 below for details about the Settlement Hearing, including the date and time of the hearing.

2. The Court directed that this Notice be mailed to you because you may be a member of the Class. The Court has directed us to send you this Notice because, as a Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how the Action and the proposed Settlement generally affect your legal rights. Please Note: The Court may approve the proposed Settlement with such modifications as the Parties may agree to, if appropriate, without further notice to the Class.

3. The issuance of this Notice is not an expression by the Court of any findings of fact or any opinion concerning the merits of any claim in the Action, and the Court has not yet decided whether to approve the Settlement. If the Court approves the Settlement, then payments to eligible Class Members (*see* paragraphs 38-48 below) will be made after any appeals are resolved.

Please Note: Receipt of this Notice does not mean that you are a Class Member or that you will be entitled to receive a payment from the Settlement.

WHAT IS THIS CASE ABOUT?

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT. THE COURT HAS MADE NO FINDINGS WITH RESPECT TO THE FOLLOWING MATTERS AND THESE RECITATIONS SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES.

4. On May 17, 2021, Discovery and AT&T jointly announced that they had entered into a definitive Agreement and Plan of Merger (the "Merger Agreement"), dated as of May 17, 2021. Pursuant to the Merger Agreement, AT&T would transfer the business, operations, and activities that constituted the WarnerMedia segment of AT&T to a subsidiary held by AT&T's stockholders,

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which would thereafter merge into a wholly-owned subsidiary of Discovery (the “Merger”). Under the Merger Agreement, Discovery’s and AT&T’s then-existing shareholders would own, respectively, approximately 29% and 71% of the outstanding shares of the new Warner Bros. Discovery, Inc. (“WBD”).

5. In connection with the Merger, each then-issued and outstanding share of Discovery Series A Common Stock, Series B Common Stock, and Series C Common Stock was reclassified and converted into one share of new Series A Common Stock in WBD. Also, in connection with the Merger, each then-issued and outstanding share of Discovery’s Series A-1 Convertible Participating Preferred Stock was reclassified and converted into 13.11346315 shares of new Series A Common Stock in WBD, and each then-issued and outstanding share of Discovery’s Series C-1 Convertible Participating Preferred Stock was reclassified and converted into 19.3648 shares of WBD common stock.

6. On May 26, 2021, pursuant to 8 *Del. C.* § 220, Steve Silverman served a demand for inspection of books and records on Discovery, seeking books and records relating to the Merger’s negotiation and approval.

7. On May 28, 2021, pursuant to 8 *Del. C.* § 220, Bricklayers Pension Fund of Western Pennsylvania (“Bricklayers”) served a demand for inspection of books and records on Discovery, seeking books and records relating to the Merger’s negotiation and approval.

8. On June 7, 2021, pursuant to 8 *Del. C.* § 220, Key West Police and Firefighters’ Pension Fund (“Key West”) served a demand for inspection of books and records on Discovery, seeking books and records relating to the Merger’s negotiation and approval.

9. On October 1, 2021, pursuant to 8 *Del. C.* § 220, City Pension Fund for Firefighters & Police Officers in the City of Pembroke Pines (“Pembroke Pines”) served a demand for inspection of books and records on Discovery, seeking books and records relating to the Merger’s negotiation and approval.

10. On February 4, 2022, Discovery filed an Amendment No. 3 to Form S-4 Registration Statement with the United States Securities and Exchange Commission (the “SEC”) in connection with the Merger.

11. On February 10, 2022, Discovery filed a Proxy Statement/Prospectus (the “Proxy”) with the SEC pursuant to Rule 424(b)(3) of the Securities Act of 1933 in connection with the Merger.

12. On April 8, 2022, the Merger closed.

13. On December 2, 2022, Plaintiffs Bricklayers, Pembroke Pines, Key West, and Steve Silverman filed a Verified Class Action Complaint (the “Bricklayers Complaint” or “Complaint”) in the Court against Defendants alleging breaches of fiduciary duty in their capacities as directors, aiders and abettors, and/or controlling stockholders of Discovery (the “Bricklayers Action”). The Bricklayers Action alleged that Defendants breached their fiduciary duties in connection with the treatment of Discovery’s Series A-1 Convertible Participating Preferred Stock (“Series A-1 Preferred”) in the Merger, and that the Merger was not entirely fair. Specifically, the Complaint alleged that, in connection with the Merger, Defendants Advance/Newhouse Partnership and Advance/Newhouse Programming Partnership (together, “A/N”) held approximately 23% of Discovery’s total voting power and contractual veto rights over certain extraordinary transactions, and that their representatives on Discovery’s board failed to recuse themselves from the board’s deliberations concerning the Merger. The Complaint further alleged that, as a result, they gained important insight into the board’s assessment of the Merger’s value; and that then, once the board—including A/N’s designees—approved the economic terms of the Merger, Defendants threatened to veto the transaction if A/N did not receive an approximately \$1 billion side payment, which came directly out of the shares in the combined company reserved for all of Discovery’s stockholders. The Complaint asserted claims for: (i) breach of fiduciary duty against A/N’s director designees, Defendants Steven Miron, Robert Miron and Susan Swain (the “Individual Defendants”); (ii) aiding and abetting breach of fiduciary duty against A/N; and (iii) an alternative count for breach of fiduciary duty against A/N in its capacity as controlling stockholder of Discovery. The Complaint sought declarations finding Defendants liable and damages together with pre- and post-judgment interest.

14. On December 2, 2022, Monroe County Employees’ Retirement System, Plumbers Local Union No. 519, and Davant Scarborough filed a Verified Class Action and Stockholder Derivative Complaint in the Court captioned *Monroe County Employees’ Retirement System, et al. v. Zaslav, et al.*, C.A. No. 2022-1115-JTL (Del. Ch.) (the “Monroe Action”).

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15. On January 11, 2023, the Court entered an order consolidating the Monroe Action and the Bricklayers Action into the Action.

16. On March 9, 2023, the Court appointed Plaintiffs Bricklayers, Pembroke Pines, and Key West as Co-Lead Plaintiffs in the Action, and designated the law firms of Labaton Keller Sucharow LLP, Kessler Topaz Meltzer & Check LLP, and Bernstein Litowitz Berger & Grossmann LLP as Co-Lead Counsel for Co-Lead Plaintiffs.

17. On May 30, 2023, Defendants filed their respective answers to the Complaint, denying Plaintiffs' allegations of wrongdoing and maintaining that Defendants acted appropriately in all respects. Specifically, Defendants' asserted defenses included that: (i) it was entirely appropriate for A/N to have received compensation for the valuable and long-held economic and governance rights that A/N lost as part of the Merger, and the amount paid was reasonable; (ii) Defendants' actions are protected by the business judgment rule; (iii) the entire fairness standard does not apply in this case and, alternatively, that the challenged actions were entirely fair; and (iv) the Merger and related transactions (including the compensation paid to Advance) were approved by an independent and disinterested majority of Discovery's directors, and overwhelmingly ratified by Discovery's stockholders

18. Beginning on May 31, 2023, Plaintiffs served 29 subpoenas on third parties.

19. On June 7, 2023, Plaintiffs served their First Set of Requests for Production of Discovery Materials to Defendants. Plaintiffs served a Second Set of Requests for Production of Discovery Materials to Defendants on October 31, 2023. Plaintiffs served a First Set of Joint Requests for Production of Discovery Materials and Interrogatories to certain Defendants on February 2, 2024.

20. On June 13, 2023, Plaintiffs served their First Set of Interrogatories to Defendants. On April 12, 2024, Plaintiffs served their Third Set of Interrogatories to Defendants.

21. Defendants served responses and objections to Plaintiffs' First Set of Requests for Production of Discovery Materials on July 7, 2023. Defendants served responses and objections to Plaintiffs' Second Set of Requests for Production of Discovery Materials on November 30, 2023. Defendants served responses and

objections to Plaintiffs' First Set of Joint Requests for Production of Discovery Materials and Interrogatories on March 4, 2024 and April 4, 2024, respectively.

22. Defendants served responses and objections to Plaintiffs' First Set of Interrogatories on July 27, 2023, which were later supplemented multiple times. Defendants served responses and objections to Plaintiffs' Third Set of Interrogatories on May 13, 2024.

23. On September 1, 2023, Defendants served their First Requests for the Production of Documents Directed to Plaintiffs and their First Set of Interrogatories Directed to Plaintiffs, to which Plaintiffs served responses and objections on October 2, 2023, and October 16, 2023, respectively.

24. Between May 31, 2023 and May 2024, the Parties and non-Parties conducted extensive fact discovery. Plaintiffs received 130,299 documents totaling 973,419 pages from Defendants and third parties in connection with document discovery in this Action. Plaintiffs also produced 233 documents totaling 1,935 pages to Defendants in connection with document discovery in this Action.

25. Between May 31, 2023 and May 31, 2024, Plaintiffs served three sets of interrogatories totaling more than 60 interrogatories. Plaintiffs caused Defendants to supplement their responses to Plaintiffs' first set of interrogatories twice, although Defendants maintained the appropriateness of their original responses. Plaintiffs responded to 28 interrogatories.

26. On May 7, 2024, Plaintiffs' Counsel and Defendants' Counsel participated in a mediation session before the Honorable Layn R. Phillips (the "Mediator"). At that time, the Parties had scheduled six depositions of Defendants (and their representatives), the first of which was set to take place on June 7, 2024. Plaintiffs' Counsel had also scheduled or were working to schedule an additional twenty depositions of third parties.

27. In advance of the mediation session, the Parties exchanged mediation statements, reply mediation statements, and exhibits, which addressed the issues of liability and damages. Although the session ended without any agreement being reached, on May 9, 2024, the Mediator made a recommendation to settle the Action.

28. On May 17, 2024, the Parties accepted the Mediator's recommendation, reaching an agreement in principle to settle the Action. That agreement in principle was memorialized in a binding Settlement Term Sheet executed on June 5, 2024 (the

“Settlement Term Sheet”). The Settlement Term Sheet set forth, among other things, the Parties’ agreement to settle and release all claims against Defendants in the Action in return for a cash payment of \$125,000,000 (One Hundred, Twenty-Five Million United States Dollars), subject to certain terms and conditions and the execution of a customary “long form” stipulation and agreement of settlement and related papers.

29. On June 11, 2024, the Parties informed the Court of the Settlement Term Sheet and agreed to suspend all upcoming deadlines in the Action.

30. After additional negotiations regarding the specific terms of their agreement, the Parties entered into the Stipulation on July __, 2024. The Stipulation, which reflects the final and binding agreement between the Parties on the terms and conditions of the Settlement and supersedes the Settlement Term Sheet, can be viewed at www.WBDStockholdersLitigation.com.

31. On [_____], 2024, the Court entered a Scheduling Order directing that notice of the Settlement be provided to potential Class Members, and scheduling the Settlement Hearing to, among other things, consider whether to grant final approval to the Settlement.

HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?

32. If you are a member of the Class, you are subject to the Settlement. The Class means the class as certified by the Court in its order dated April 12, 2024 and without any change to that order, i.e., a non-opt-out class consisting of:

All record holders and beneficial owners of Discovery common stock as of the closing of the merger with AT&T’s WarnerMedia Business on April 8, 2022 (“Closing”) whose Discovery common stock was reclassified and converted into shares of WBD common stock upon Closing, including, as necessary for relief, the legal representatives, heirs, and assignees of all such foregoing holders and beneficial owners of Discovery common stock, but excluding (i) defendants in this Action; (ii) any person who is, or was at the Closing, a director of Discovery; (iii) any person who is, or was at the Closing, an officer, director, or partner of Advance/Newhouse Partnership or Advance/Newhouse Programming Partnership; (iv) the immediate family members of any of the foregoing; (v) any trusts, estates, entities,

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or accounts that held Discovery common stock for the benefit of any of the persons listed in (i)-(iv); (vi) parents, subsidiaries, and affiliates of Discovery, Advance/Newhouse Partnership, or Advance/Newhouse Programming Partnership, and (vii) the legal representatives, heirs, successors-in-interest, successors, transferees, and assigns of any of the foregoing persons listed in (i)-(vi).

Please Note: The Class was certified as a non-“opt-out” class pursuant to Delaware Court of Chancery Rules 23(a), 23(b)(1), and 23(b)(2). Accordingly, Class Members do not have the right to exclude themselves from the Class.

WHAT ARE THE TERMS OF THE SETTLEMENT?

33. In consideration of the settlement of the Released Plaintiffs’ Claims (defined in paragraph 50 below) against Defendants and the other Released Defendants’ Persons (defined in paragraph 50 below), Defendants will cause to be deposited \$125,000,000 (One Hundred, Twenty-Five Million United States Dollars) (the “Settlement Amount”) into an interest-bearing escrow account for the benefit of the Class.

34. The Settlement Amount plus any and all interest earned thereon is referred to the “Settlement Fund.” The Settlement Fund less: (i) any Taxes; (ii) any Notice and Administration Costs; (iii) any attorneys’ fees and/or Litigation Expenses awarded by the Court from the Settlement Fund, including any incentive awards to Plaintiffs to be deducted solely from any award of attorneys’ fees to Plaintiffs’ Counsel; and (iv) any other costs or fees approved by the Court, is referred to as the “Net Settlement Fund.” See paragraphs 38-48 below for details about the distribution of the Net Settlement Fund to Eligible Class Members (defined in paragraph 42 below).

WHAT ARE THE PARTIES’ REASONS FOR THE SETTLEMENT?

35. Plaintiffs, through Plaintiffs’ Counsel, have conducted an investigation and pursued discovery relating to the claims and the underlying events alleged in the Action. Plaintiffs’ Counsel have analyzed the evidence adduced during the investigation and discovery as described above and have also researched the applicable law with respect to the claims asserted in the Action and the potential defenses thereto. This investigation and discovery, and the settlement negotiations

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between the Parties, have provided Plaintiffs with a detailed basis upon which to assess the relative strengths and weaknesses of Plaintiffs' positions and Defendants' positions in the Action.

36. Based on their investigation, prosecution, and mediation of the Action, Plaintiffs and Plaintiffs' Counsel have concluded that the terms and conditions of the Settlement and the Stipulation are fair, reasonable, and adequate to Plaintiffs and the other members of the Class and in their best interests. Based on Plaintiffs' direct oversight of the prosecution of the Action, along with the input of Plaintiffs' Counsel, Plaintiffs have agreed to settle the claims raised in the Action pursuant to the terms and provisions of the Stipulation, after considering: (i) the substantial benefits that Plaintiffs and the other members of the Class will receive from the resolution of the Action; (ii) the attendant risks of litigation; and (iii) the desirability of permitting the Settlement to be consummated as provided by the terms of the Stipulation. The Settlement and the Stipulation shall in no event be construed as, or deemed to be, evidence of a concession by Plaintiffs of any infirmity in the claims asserted in the Action.

37. Defendants deny all allegations of wrongdoing, fault, liability, or damage to Plaintiffs or the Class, and further deny that Plaintiffs have asserted a valid claim as to any of them. Defendants further deny that they engaged in any wrongdoing or committed any violation of law or breach of duty and believe that they acted properly, in good faith, and in a manner consistent with their legal duties and are entering into the Settlement and the Stipulation solely to avoid the substantial burden, expense, inconvenience, and distraction of continued litigation and to finally resolve each of Plaintiffs' claims against Defendants in the Action. The Settlement and the Stipulation shall in no event be construed as, or deemed to be, evidence of or an admission or concession on the part of any of the Defendants with respect to any claim or factual allegation or of any fault or liability or wrongdoing or damage whatsoever or any infirmity in the defenses that any of the Defendants have or could have asserted.

WILL I RECEIVE A PAYMENT FROM THE SETTLEMENT? HOW MUCH WILL MY PAYMENT FROM THE SETTLEMENT, IF ANY, BE? HOW WOULD I RECEIVE MY PAYMENT?

38. Please Note: If you are eligible to receive a payment from the Net Settlement Fund, you do *not* have to submit a claim form in order to receive your payment.

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39. If the Settlement is approved by the Court and the Effective Date of the Settlement occurs, the Net Settlement Fund will be distributed in accordance with the proposed Plan of Allocation stated below or such other plan of allocation as may be approved by the Court.

40. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and the Effective Date of the Settlement has occurred. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

41. The Court may approve the Plan of Allocation as proposed or it may modify the Plan of Allocation without further notice to the Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the Settlement website, www.WBDStockholdersLitigation.com.

PROPOSED PLAN OF ALLOCATION

42. The Net Settlement Fund will be distributed on a *pro rata* basis to Eligible Class Members. “Eligible Class Members” means Eligible Beneficial Holders (defined in paragraph 43 below) and Eligible Record Holders (defined in paragraph 44 below).

43. “Eligible Beneficial Holder” means the ultimate beneficial owner of any Eligible Shares (defined in paragraph 45 below) held of record by Cede & Co. (“Cede”), provided that no Excluded Stockholder³ may be an Eligible Beneficial Holder.

44. “Eligible Record Holder” means the record holder of any Eligible Shares, other than Cede, provided that no Excluded Stockholder may be an Eligible Record Holder.

45. “Eligible Shares” means shares of Discovery common stock held at the Closing of the Merger which were reclassified and converted into shares of WBD common stock upon the Closing of the Merger.

³ “Excluded Stockholders” means the persons and entities that Defendants will identify to be excluded from the Class by definition, in accordance with paragraph 24 of the Stipulation.

46. Each Eligible Class Member will be eligible to receive a *pro rata* payment from the Net Settlement Fund equal to the product of (i) the number of Eligible Shares held by the Eligible Class Member and (ii) the “Per-Share Recovery” for the Settlement, which will be determined by dividing the total amount of the Net Settlement Fund by the total number of Eligible Shares held by all Eligible Class Members.

47. Payments from the Net Settlement Fund to Eligible Class Members will be made in the same manner in which Eligible Class Members received their shares of WBD common stock upon the Closing of the Merger. Accordingly, if your Eligible Shares were held in “street name” and your shares of WBD common stock were paid into your brokerage account upon the Closing of the Merger, your broker will be responsible for depositing your Settlement payment into that same brokerage account.

48. Subject to Court approval in the Class Distribution Order,⁴ Plaintiffs’ Lead Counsel will direct the Settlement Administrator to conduct the distribution of the Net Settlement Fund to Eligible Class Members as follows:

(i) With respect to Eligible Shares held of record by the Depository Trust & Clearing Corporation, including its subsidiary the Depository Trust Company (collectively, the “DTC”), through its nominee Cede, the Settlement Administrator will obtain from the DTC, and the DTC will provide to the Settlement Administrator, a copy of the position report generated by the DTC in anticipation of the Closing of the Merger (the “DTC Position Report”), which will include the number of Eligible Shares for each DTC participant listed (the “DTC Participants”) and any additional information necessary to conduct a distribution of the Net Settlement Fund to Eligible Beneficial Holders, including contact information used to communicate with the appropriate representatives of each DTC Participant that held Eligible Shares.

Using that information, the Settlement Administrator will cause that portion of the Net Settlement Fund to be allocated to Eligible Beneficial Holders who held their Eligible Shares through DTC Participants to be paid to the DTC Participants by paying each the Per-Share Recovery times its respective Closing

⁴ “Class Distribution Order” means any order entered by the Court permitting the distribution of the Net Settlement Fund to Eligible Class Members.

Security Position,⁵ subject to payment suppression instructions with respect to Excluded Shares and any other shares ineligible for recovery from the Settlement. The DTC Participants and their respective customers, including any intermediaries, shall then ensure *pro rata* payment to each Eligible Beneficial Holder based on the number of Eligible Shares beneficially owned by such Eligible Beneficial Holder.

(ii) With respect to Eligible Shares held of record other than by Cede, as nominee for DTC (a “Non-Cede Record Position”), the payment with respect to each such Non-Cede Record Position will be made by the Settlement Administrator from the Net Settlement Fund directly to the Eligible Record Holder of each Non-Cede Record Position in an amount equal to the Per-Share Recovery times the number of Eligible Shares comprising such Non-Cede Record Position.

(iii) A person or entity who purchased Eligible Shares but had not settled those Eligible Shares before the Closing of the Merger on April 8, 2022 (“Non-Settled Shares”) *shall be* treated as an Eligible Class Member with respect to those Non-Settled Shares, and a person or entity who sold those Non-Settled Shares before the closing of the Merger on April 8, 2022 *shall not be* treated as an Eligible Class Member with respect to those Non-Settled Shares.

(iv) In the event that any payment from the Net Settlement Fund is undeliverable or in the event a check is not cashed by the stale date (*i.e.*, more than six months from the check’s issue date), the DTC Participants or the holder of a Non-Cede Record Position shall follow their respective policies with respect to further attempted distribution.

**WHAT WILL HAPPEN IF THE SETTLEMENT IS APPROVED?
WHAT CLAIMS WILL THE SETTLEMENT RELEASE?**

49. If the Settlement is approved, the Court will enter an Order and Final Judgment (the “Judgment”). Pursuant to the Judgment, the claims asserted against Defendants in the Action will be dismissed with prejudice and the following releases will occur:

(i) Upon the Effective Date of the Settlement, Plaintiffs, on behalf of themselves and the Class, shall be deemed to have, and by operation of law and of

⁵ For each DTC Participant, the “Closing Security Position” is the number of Eligible Shares held by such DTC Participant, as reflected on the DTC Position Report.

the Judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged the Released Plaintiffs' Claims (as defined below) against the Released Defendants' Persons (as defined below), and shall forever be barred and enjoined from prosecuting the Released Plaintiffs' Claims against the Released Defendants' Persons.

(ii) Upon the Effective Date of the Settlement, Defendants and the Discovery/WBD Entities and Individuals shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged the Released Defendants' Claims (as defined below) against the Released Plaintiffs' Persons (as defined below), and shall forever be barred and enjoined from prosecuting the Released Defendants' Claims against the Released Plaintiffs' Persons.

50. The following capitalized terms used above shall have the meanings specified below:

“Released Claims” means, collectively, the Released Plaintiffs' Claims and the Released Defendants' Claims.

“Released Defendants' Claims” means all claims, causes of action, judgments, executions, debts, demands, rights, damages, costs, and expenses of every kind, nature, and character whatsoever, whether in law or in equity, including Unknown Claims, in connection with, related to, or arising out of the institution, prosecution, or settlement of the claims against Defendants in the Action, except for claims relating to the enforcement of the Settlement.

“Released Defendants' Persons” means Defendants and the Discovery/WBD Entities and Individuals, and each of their current and former officers, directors, employees, direct or indirect parents, subsidiaries, affiliates, controlling persons, stockholders, agents, advisors, attorneys (including Defendants' Counsel), members, predecessors, and successors.

“Released Plaintiffs' Claims” means all claims, causes of action, judgments, executions, debts, demands, rights, damages, costs, and expenses of every kind, nature, and character whatsoever, whether in law or in equity, including Unknown Claims: (1) that were asserted in the Complaint; (2) that were asserted in the Monroe Complaint; or (3) that could have been asserted in this Action or in any other forum that are (a) based on the same set of operative facts as those set forth in the Complaint or the Monroe Complaint, including

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any such claims arising out of the Merger, the public filings made in connection with the Merger, or a breach of Discovery's charter, including the terms of preferred stock certificates of designation; *and* (b) relate to or involve the ownership of Discovery common stock as of, or prior to, the Closing, except for claims asserted in the action styled *Ohio Public Employees Retirement System, et al. v. Discovery, Inc., et al.*, No. 1:22-CV-08171 (VEC) (S.D.N.Y.), *appeal docketed*, No. 24-646 (2d. Cir. Mar. 4, 2024) (the "New York Securities Action"), or claims relating to the enforcement of the Settlement.

"Released Plaintiffs' Persons" means Plaintiffs and their current and former direct or indirect parents, subsidiaries, affiliates, controlling persons, stockholders, officers, directors, employees, agents, advisors, attorneys (including Plaintiffs' Counsel), members, predecessors, and successors.

"Unknown Claims" means any Released Plaintiffs' Claims that any Plaintiff or any other Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, and any Released Defendants' Claims which any Defendant or any of the Discovery/WBD Entities and Individuals does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which, if known by him, her, or it, might have affected his, her, or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Plaintiffs, Defendants, and the Discovery/WBD Entities and Individuals shall expressly waive, and each of the other Class Members shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

With respect to any and all Released Claims, the Parties also stipulate and agree that Plaintiffs, Defendants, and the Discovery/WBD Entities and

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Individuals may discover facts in addition to or different from those now known or believed to be true with respect to the Released Claims, but that it is the intention of the Parties to hereby completely, fully, finally, and forever compromise, settle, release, discharge, and extinguish any and all claims known or unknown, suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery or existence of additional or different facts. Plaintiffs, Defendants, and the Discovery/WBD Entities and Individuals acknowledge, and each of the other Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

51. By Order of the Court, (i) all proceedings in the Action, except for proceedings related to the Settlement, have been completely and totally stayed pending a final decision on the Settlement; and (ii) pending final determination of whether the Settlement should be approved, Plaintiffs and each of the other Class Members are barred and enjoined from commencing, prosecuting, instigating, or in any way participating in the commencement, prosecution, or instigation of any Released Plaintiffs' Claims, either directly, representatively, derivatively, or in any other capacity, against any Released Defendants' Persons.

HOW WILL PLAINTIFFS' COUNSEL BE PAID?

52. Plaintiffs' Counsel have not received any payment for their services in pursuing claims in the Action on behalf of the Class, nor have Plaintiffs' Counsel been paid for their expenses incurred in connection with the Action. In connection with the Settlement, Plaintiffs' Counsel will apply to the Court for a collective award of attorneys' fees and payment of Litigation Expenses (the "Fee and Expense Award") to be paid solely from (and out of) the Settlement Fund, if the Settlement is approved by the Court. In connection with Plaintiffs' Counsel's application for a Fee and Expense Award (the "Fee and Expense Application"), Plaintiffs may petition the Court for incentive awards (the "Incentive Awards") to be paid solely from any Fee and Expense Award to Plaintiffs' Counsel.

53. The Fee and Expense Application will include a request for an award of attorneys' fees and expenses in an amount not to exceed 22% of the Settlement Fund. In connection with the Fee and Expense Application, each Plaintiff may petition the Court for an Incentive Award not to exceed \$10,000 (for a total aggregate amount not

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to exceed \$40,000) to be paid solely from any Fee and Expense Award to Plaintiffs' Counsel.

54. The Court will determine the amount of any Fee and Expense Award to Plaintiffs' Counsel and any Incentive Awards to Plaintiffs. Any Fee and Expense Award will be paid out of the Settlement Fund and any Incentive Awards will be paid solely from any Fee and Expense Award. Class Members are not personally liable for any such fees or expenses.

**WHEN AND WHERE WILL THE SETTLEMENT HEARING BE HELD?
DO I HAVE TO ATTEND THE HEARING? MAY I SPEAK AT THE
HEARING IF I DON'T LIKE THE SETTLEMENT?**

55. **Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Class Member does not attend the Settlement Hearing. Class Members can recover from the Settlement without attending the Settlement Hearing.**

56. Please Note: The date and time of the Settlement Hearing may change without further written notice to Class Members. In addition, the Court may decide to conduct the Settlement Hearing remotely by telephone or videoconference, or otherwise allow Class Members to appear at the hearing remotely by phone or video, without further written notice to Class Members. **In order to determine whether the date and time of the Settlement Hearing have changed, or whether Class Members must or may participate remotely by phone or video, it is important that you monitor the Court's docket and the Settlement website, www.WBDStockholdersLitigation.com, before making any plans to attend the Settlement Hearing. Any updates regarding the Settlement Hearing, including any changes to the date or time of the hearing, or updates regarding in-person or remote appearances at the hearing, will be posted to the Settlement website, www.WBDStockholdersLitigation.com. Also, if the Court requires or allows Class Members to participate in the Settlement Hearing remotely by telephone or videoconference, the information needed to access the conference will be posted to the Settlement website, www.WBDStockholdersLitigation.com.**

57. The Settlement Hearing will be held on [_____], 2024, at [__:__] [__].m., before The Honorable J. Travis Laster, Vice Chancellor, either in person at the Court of Chancery of the State of Delaware, New Castle County,

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Leonard L. Williams Justice Center, 500 North King Street, Wilmington, DE 19801, or remotely by telephone or videoconference (in the discretion of the Court), to, among other things: (i) determine whether the proposed Settlement should be approved as fair, reasonable, and adequate to Plaintiffs and the other members of the Class; (ii) determine whether the proposed Order and Final Judgment approving the Settlement, dismissing the Action with prejudice, and granting the Releases provided under the Stipulation should be entered; (iii) determine whether the proposed Plan of Allocation of the Net Settlement Fund is fair and reasonable, and should therefore be approved; (iv) determine whether and in what amount any Fee and Expense Award should be paid out of the Settlement Fund, including any Incentive Awards to Plaintiffs to be paid solely from any Fee and Expense Award; (v) hear and rule on any objections to the Settlement, the proposed Plan of Allocation, and/or Plaintiffs' Counsel's Fee and Expense Application, including Plaintiffs' application for Incentive Awards to be paid solely from any Fee and Expense Award; and (vi) consider any other matters that may properly be brought before the Court in connection with the Settlement.

58. Any Class Member may object to the Settlement, the proposed Plan of Allocation, or Plaintiffs' Counsel's Fee and Expense Application, including Plaintiffs' application for Incentive Awards ("Objector"); *provided, however*, that no Objector shall be heard or entitled to object unless, **on or before** [_____], **2024**, such person: **(1)** files his, her, or its written objection, together with copies of all other papers and briefs supporting the objection, with the Register in Chancery at the address set forth below; **(2)** serves such papers (electronically by File & Serve*Xpress*, by hand, by first-class U.S. mail, or by express service) on Plaintiffs' Lead Counsel and Defendants' Counsel at the addresses set forth below; and **(3)** emails a copy of the written objection to jeroen@blbglaw.com, nweinberger@labaton.com, lrudy@ktmc.com, jjanghorbani@paulweiss.com, and ptrainer@ashbygeddes.com.

REGISTER IN CHANCERY
Court of Chancery of the State of Delaware New Castle County Leonard L. Williams Justice Center 500 North King Street Wilmington, DE 19801

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www.WBDStockholdersLitigation.com

PLAINTIFFS' LEAD COUNSEL	
<p>Jeroen van Kwawegen Bernstein Litowitz Berger & Grossmann LLP 1251 Avenue of the Americas 44th Floor New York, NY 10020</p>	<p>Ned Weinberger Labaton Keller Sucharow LLP 222 Delaware Avenue Suite 1510 Wilmington, DE 19801</p>
<p>Lee D. Rudy Kessler Topaz Meltzer & Check LLP 280 King of Prussia Road Radnor, PA 19087</p>	
DEFENDANTS' COUNSEL	
<p>Jaren Janghorbani Paul, Weiss, Rifkind, Wharton & Garrison LLP 1285 Avenue of the Americas New York, NY 10019</p>	<p>Philip Trainer, Jr. Ashby & Geddes, P.A. 500 Delaware Avenue 8th Floor Wilmington, DE 19801</p>

59. Any objections must: (i) identify the case name and civil action number, “*In re Warner Bros. Discovery, Inc. S’holders Litig.*, C.A. No. 2022-1114-JTL”; (ii) state the name, address, and telephone number of the Objector and, if represented by counsel, the name, address, and telephone number of the Objector’s counsel; (iii) be signed by the Objector; (iv) state with specificity the grounds for and purpose of the objection, including a detailed statement of the specific legal and factual basis for each and every objection and whether the objection applies only to the objector, to a specific subset of the Class, or to the entire Class; (v) if the Objector has indicated that he, she, or it intends to appear at the Settlement Hearing, state the identity of any witnesses the Objector may call to testify, and any exhibits the Objector intends to introduce into evidence at the hearing; and (vi) include documentary evidence sufficient to prove that the Objector is a member of the Class. Plaintiffs’ Lead Counsel are authorized to request from any Objector additional information or documentation sufficient to prove that the Objector is a member of the Class.

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60. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, unless the Court orders otherwise.

61. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, or Plaintiffs' Counsel's Fee and Expense Application, including Plaintiffs' application for Incentive Awards (assuming you timely file and serve a written objection as described above), you must also file a notice of appearance with the Register in Chancery and serve it on Plaintiffs' Lead Counsel and Defendants' Counsel at the mailing and email addresses set forth in paragraph 58 above so that the notice is *received on or before* [_____], 2024. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

62. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Plaintiffs' Lead Counsel and Defendants' Counsel at the mailing and email addresses set forth in paragraph 58 above so that the notice is *received on or before* [_____], 2024.

63. The Settlement Hearing may be adjourned by the Court without further written notice to Class Members. If you intend to attend the Settlement Hearing, you should confirm the date, time, and location with Plaintiffs' Lead Counsel.

64. Unless the Court orders otherwise, any Class Member who does not object in the manner described above will be deemed to have waived any objection (including the right to appeal) and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, Plaintiffs' Counsel's Fee and Expense Application, including Plaintiffs' application for Incentive Awards, or any other matter related to the Settlement or the Action, and will otherwise be bound by the Judgment to be entered and the Releases to be given. Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

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CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

65. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in the Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Register in Chancery in the Court of Chancery of the State of Delaware, New Castle County, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, DE 19801. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the Settlement website, www.WBDStockholdersLitigation.com. If you have questions regarding the Settlement, you may contact the Settlement Administrator by mail at WBD Stockholders Litigation, c/o A.B. Data, Ltd., P.O. Box 173114, Milwaukee, WI 53217; by telephone at 1-877-236-1413; or by email at info@WBDStockholdersLitigation.com. You may also contact Plaintiffs' Lead Counsel: Jeroen van Kwawegen, Bernstein Litowitz Berger & Grossmann LLP, 1251 Avenue of the Americas, 44th Floor, New York, NY 10020, 800-380-8496 (telephone), and settlements@blbglaw.com (email); Ned Weinberger, Labaton Keller Sucharow LLP, 222 Delaware Avenue, Suite 1510, Wilmington, DE 19801, 866-640-7254 (telephone), delawaresettlements@labaton.com (email); and Lee D. Rudy, Kessler Topaz Meltzer & Check LLP, 280 King of Prussia Road, Radnor, PA 19087, 610-667-7706 (telephone), and info@ktmc.com (email). Do not contact the Court or its staff with questions about the terms of the proposed Settlement.

WHAT IF I HELD SHARES ON SOMEONE ELSE'S BEHALF?

66. If you are a broker or other nominee that held Discovery common stock as of the Closing of the Merger with AT&T's WarnerMedia Business on April 8, 2022, as a record holder for the beneficial interest of persons or entities other than yourself, you are requested to either: (i) within seven (7) calendar days of receipt of this Notice, request from the Settlement Administrator sufficient copies of this Notice to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notices forward them to all such beneficial owners; or (ii) within seven (7) calendar days of receipt of this Notice, provide a list of the names, addresses, and, if available, email addresses of all such beneficial owners to WBD

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Stockholders Litigation, c/o A.B. Data, Ltd., P.O. Box 173114, Milwaukee, WI 53217; by telephone at 1-877-236-1413; or by email at info@WBDSStockholdersLitigation.com. If you choose the second option, the Settlement Administrator will send a copy of the Notice to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred by providing the Settlement Administrator with proper documentation supporting the expenses for which reimbursement is sought. A copy of this Notice may also be obtained from the Settlement website, www.WBDSStockholdersLitigation.com, by calling the Settlement Administrator toll free at 1-877-236-1413, or by emailing the Settlement Administrator at info@WBDSStockholdersLitigation.com.

DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE REGISTER IN CHANCERY ABOUT THIS NOTICE OR QUESTIONS ABOUT THE TERMS OF THE PROPOSED SETTLEMENT.

Dated: [_____], 2024

BY ORDER OF THE COURT
OF CHANCERY OF THE
STATE OF DELAWARE

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