

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, 2023

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: 001-33664



Charter Communications, Inc.

(Exact name of registrant as specified in its charter)

Delaware

84-1496755

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

400 Washington Blvd.

Stamford Connecticut

06902

(Address of Principal Executive Offices)

(Zip Code)

(203) 905-7801

(Registrant's telephone number, including area code)

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---------------------------------------|-------------------|---|
| Class A Common Stock \$.001 Par Value | CHTR | NASDAQ Global Select Market |

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 x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted 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 and post such files). Yes x No o

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

Large accelerated filer x Accelerated filer o Non-accelerated filer o 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. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No x

Number of shares of Class A common stock outstanding as of September 30, 2023: 147,920,285

Number of shares of Class B common stock outstanding as of September 30, 2023: 1

Charter

COMMUNICATIONS

CHARTER COMMUNICATIONS, INC.
QUARTERLY REPORT ON FORM 10-Q FOR THE PERIOD ENDED SEPTEMBER 30, 2023

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This quarterly report on Form 10-Q is for the three and nine months ended September 30, 2023. The United States Securities and Exchange Commission ("SEC") allows us to "incorporate by reference" information that we file with the SEC, which means that we can disclose important information to you by referring you directly to those documents. In this quarterly report, "Charter," "we," "us" and "our" refer to Charter Communications, Inc. and its subsidiaries.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, regarding, among other things, our plans, strategies and prospects, both business and financial including, without limitation, the forward-looking statements set forth in Part I, Item 2. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this quarterly report. Although we believe that our plans, intentions and expectations as reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions including, without limitation, the factors described under “Risk Factors” in Part I, Item 1A of our most recent Form 10-K filed with the SEC. Many of the forward-looking statements contained in this quarterly report may be identified by the use of forward-looking words such as “believe,” “expect,” “anticipate,” “should,” “planned,” “will,” “may,” “intend,” “estimated,” “aim,” “on track,” “target,” “opportunity,” “tentative,” “positioning,” “designed,” “create,” “predict,” “project,” “initiatives,” “seek,” “would,” “could,” “continue,” “ongoing,” “upside,” “increases,” “grow,” “focused on” and “potential,” among others. Important factors that could cause actual results to differ materially from the forward-looking statements we make in this quarterly report are set forth in this quarterly report on Form 10-Q, in our annual report on Form 10-K, and in other reports or documents that we file from time to time with the SEC, and include, but are not limited to:

- our ability to sustain and grow revenues and cash flow from operations by offering Internet, video, voice, mobile, advertising and other services to residential and commercial customers, to adequately meet the customer experience demands in our service areas and to maintain and grow our customer base, particularly in the face of increasingly aggressive competition, the need for innovation and the related capital expenditures;
- the impact of competition from other market participants, including but not limited to incumbent telephone companies, direct broadcast satellite (“DBS”) operators, wireless broadband and telephone providers, digital subscriber line (“DSL”) providers, fiber to the home providers and providers of video content over broadband Internet connections;
- general business conditions, unemployment levels and the level of activity in the housing sector and economic uncertainty or downturn;
- our ability to obtain programming at reasonable prices or to raise prices to offset, in whole or in part, the effects of higher programming costs (including retransmission consents and distribution requirements);
- our ability to develop and deploy new products and technologies including consumer services and service platforms;
- any events that disrupt our networks, information systems or properties and impair our operating activities or our reputation;
- the effects of governmental regulation on our business including subsidies to consumers, subsidies and incentives for competitors, costs, disruptions and possible limitations on operating flexibility related to, and our ability to comply with, regulatory conditions applicable to us;
- the ability to hire and retain key personnel;
- our ability to procure necessary services and equipment from our vendors in a timely manner and at reasonable costs including in connection with our network evolution and rural construction initiatives;
- the availability and access, in general, of funds to meet our debt obligations prior to or when they become due and to fund our operations and necessary capital expenditures, either through (i) cash on hand, (ii) free cash flow, or (iii) access to the capital or credit markets; and
- our ability to comply with all covenants in our indentures and credit facilities, any violation of which, if not cured in a timely manner, could trigger a default of our other obligations under cross-default provisions.

All forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by this cautionary statement. We are under no duty or obligation to update any of the forward-looking statements after the date of this quarterly report.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

**CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars in millions, except share data)**

| | September 30, 2023 | December 31, 2022 |
|--|-----------------------|----------------------|
| | (unaudited) | |
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 571 | \$ 645 |
| Accounts receivable, less allowance for doubtful accounts of \$256 and \$219, respectively | 2,932 | 2,921 |
| Prepaid expenses and other current assets | 613 | 451 |
| Total current assets | <u>4,116</u> | <u>4,017</u> |
| INVESTMENT IN CABLE PROPERTIES: | | |
| Property, plant and equipment, net of accumulated depreciation of \$36,885 and \$36,164, respectively | 38,617 | 36,039 |
| Customer relationships, net of accumulated amortization of \$16,285 and \$15,478, respectively | 1,983 | 2,772 |
| Franchises | 67,396 | 67,363 |
| Goodwill | 29,672 | 29,563 |
| Total investment in cable properties, net | <u>137,668</u> | <u>135,737</u> |
| OTHER NONCURRENT ASSETS | <u>4,898</u> | <u>4,769</u> |
| Total assets | <u>\$ 146,682</u> | <u>\$ 144,523</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Accounts payable and accrued liabilities | \$ 10,626 | \$ 10,555 |
| Current portion of long-term debt | 1,999 | 1,510 |
| Total current liabilities | <u>12,625</u> | <u>12,065</u> |
| LONG-TERM DEBT | <u>95,800</u> | <u>96,093</u> |
| DEFERRED INCOME TAXES | <u>18,996</u> | <u>19,058</u> |
| OTHER LONG-TERM LIABILITIES | <u>4,517</u> | <u>4,758</u> |
| SHAREHOLDERS' EQUITY: | | |
| Class A common stock; \$0.001 par value; 900 million shares authorized; 153,308,940 and 152,651,396 shares issued, respectively | — | — |
| Class B common stock; \$0.001 par value; 1,000 shares authorized; 1 share issued and outstanding | — | — |
| Preferred stock; \$0.001 par value; 250 million shares authorized; no shares issued and outstanding | — | — |
| Additional paid-in capital | 24,460 | 23,940 |
| Accumulated deficit | (11,322) | (14,821) |
| Treasury stock at cost; 5,388,655 and no shares, respectively | (2,040) | — |
| Total Charter shareholders' equity | <u>11,098</u> | <u>9,119</u> |
| Noncontrolling interests | 3,646 | 3,430 |
| Total shareholders' equity | <u>14,744</u> | <u>12,549</u> |
| Total liabilities and shareholders' equity | <u>\$ 146,682</u> | <u>\$ 144,523</u> |

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

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(dollars in millions, except per share data)
Unaudited

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|---|--------------------|--|--------------------|
| | 2023 | 2022 | 2023 | 2022 |
| REVENUES | \$ 13,584 | \$ 13,550 | \$ 40,896 | \$ 40,348 |
| COSTS AND EXPENSES: | | | | |
| Operating costs and expenses (exclusive of items shown separately below) | 8,299 | 8,247 | 25,115 | 24,574 |
| Depreciation and amortization | 2,130 | 2,177 | 6,508 | 6,711 |
| Other operating (income) expense, net | 29 | 202 | (19) | 141 |
| | <u>10,458</u> | <u>10,626</u> | <u>31,604</u> | <u>31,426</u> |
| Income from operations | <u>3,126</u> | <u>2,924</u> | <u>9,292</u> | <u>8,922</u> |
| OTHER INCOME (EXPENSES): | | | | |
| Interest expense, net | (1,306) | (1,160) | (3,869) | (3,329) |
| Other income (expenses), net | (15) | (37) | (204) | 65 |
| | <u>(1,321)</u> | <u>(1,197)</u> | <u>(4,073)</u> | <u>(3,264)</u> |
| Income before income taxes | 1,805 | 1,727 | 5,219 | 5,658 |
| Income tax expense | (369) | (360) | (1,187) | (1,194) |
| Consolidated net income | 1,436 | 1,367 | 4,032 | 4,464 |
| Less: Net income attributable to noncontrolling interests | (181) | (182) | (533) | (605) |
| Net income attributable to Charter shareholders | <u>\$ 1,255</u> | <u>\$ 1,185</u> | <u>\$ 3,499</u> | <u>\$ 3,859</u> |
| EARNINGS PER COMMON SHARE ATTRIBUTABLE TO CHARTER SHAREHOLDERS: | | | | |
| Basic | <u>\$ 8.42</u> | <u>\$ 7.51</u> | <u>\$ 23.30</u> | <u>\$ 23.51</u> |
| Diluted | <u>\$ 8.25</u> | <u>\$ 7.38</u> | <u>\$ 22.94</u> | <u>\$ 23.06</u> |
| Weighted average common shares outstanding, basic | <u>149,004,322</u> | <u>157,971,109</u> | <u>150,169,275</u> | <u>164,189,703</u> |
| Weighted average common shares outstanding, diluted | <u>152,019,159</u> | <u>160,638,186</u> | <u>152,495,273</u> | <u>167,351,777</u> |

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

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(dollars in millions)
Unaudited

| | Class A Common Stock | Class B Common Stock | Additional Paid-in Capital | Accumulated Deficit | Treasury Stock | Total Charter Shareholders' Equity | Non- controlling Interests | Total Shareholders' Equity |
|---|----------------------------|----------------------------|----------------------------------|------------------------|-------------------|--|----------------------------------|----------------------------------|
| BALANCE, December 31, 2022 | \$ — | \$ — | \$ 23,940 | \$ (14,821) | \$ — | \$ 9,119 | \$ 3,430 | \$ 12,549 |
| Consolidated net income | — | — | — | 1,021 | — | 1,021 | 162 | 1,183 |
| Stock compensation expense | — | — | 208 | — | — | 208 | — | 208 |
| Exercise of stock options | — | — | 2 | — | — | 2 | — | 2 |
| Purchases of treasury stock, including excise tax | — | — | — | — | (920) | (920) | — | (920) |
| Purchase of noncontrolling interest, net of tax | — | — | (40) | — | — | (40) | (68) | (108) |
| Change in noncontrolling interest ownership, net of tax | — | — | 28 | — | — | 28 | (37) | (9) |
| Distributions to noncontrolling interest | — | — | — | — | — | — | (3) | (3) |
| BALANCE, March 31, 2023 | — | — | 24,138 | (13,800) | (920) | 9,418 | 3,484 | 12,902 |
| Consolidated net income | — | — | — | 1,223 | — | 1,223 | 190 | 1,413 |
| Stock compensation expense | — | — | 168 | — | — | 168 | — | 168 |
| Exercise of stock options | — | — | 3 | — | — | 3 | — | 3 |
| Purchases of treasury stock, including excise tax | — | — | — | — | (330) | (330) | — | (330) |
| Purchase of noncontrolling interest, net of tax | — | — | (16) | — | — | (16) | (34) | (50) |
| Change in noncontrolling interest ownership, net of tax | — | — | (6) | — | — | (6) | 7 | 1 |
| Distributions to noncontrolling interest | — | — | — | — | — | — | (80) | (80) |
| BALANCE, June 30, 2023 | — | — | 24,287 | (12,577) | (1,250) | 10,460 | 3,567 | 14,027 |
| Consolidated net income | — | — | — | 1,255 | — | 1,255 | 181 | 1,436 |
| Stock compensation expense | — | — | 164 | — | — | 164 | — | 164 |
| Exercise of stock options | — | — | 16 | — | — | 16 | — | 16 |
| Purchases of treasury stock, including excise tax | — | — | — | — | (790) | (790) | — | (790) |
| Purchase of noncontrolling interest, net of tax | — | — | (25) | — | — | (25) | (44) | (69) |
| Change in noncontrolling interest ownership, net of tax | — | — | 18 | — | — | 18 | (23) | (5) |
| Distributions to noncontrolling interest | — | — | — | — | — | — | (35) | (35) |
| BALANCE, September 30, 2023 | \$ — | \$ — | \$ 24,460 | \$ (11,322) | \$ (2,040) | \$ 11,098 | \$ 3,646 | \$ 14,744 |

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

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(dollars in millions)
Unaudited

| | Class A Common Stock | Class B Common Stock | Additional Paid-in Capital | Accumulated Deficit | Treasury Stock | Total Charter Shareholders' Equity | Non- controlling Interests | Total Shareholders' Equity |
|---|----------------------------|----------------------------|----------------------------------|------------------------|-------------------|--|----------------------------------|----------------------------------|
| BALANCE, December 31, 2021 | \$ — | \$ — | \$ 26,725 | \$ (12,675) | \$ — | \$ 14,050 | \$ 4,106 | \$ 18,156 |
| Consolidated net income | — | — | — | 1,203 | — | 1,203 | 186 | 1,389 |
| Stock compensation expense | — | — | 147 | — | — | 147 | — | 147 |
| Exercise of stock options | — | — | 1 | — | — | 1 | — | 1 |
| Purchases of treasury stock | — | — | — | — | (3,333) | (3,333) | — | (3,333) |
| Purchase of noncontrolling interest, net of tax | — | — | (197) | — | — | (197) | (156) | (353) |
| Change in noncontrolling interest ownership, net of tax | — | — | 189 | — | — | 189 | (250) | (61) |
| Distributions to noncontrolling interest | — | — | — | — | — | — | (2) | (2) |
| BALANCE, March 31, 2022 | — | — | 26,865 | (11,472) | (3,333) | 12,060 | 3,884 | 15,944 |
| Consolidated net income | — | — | — | 1,471 | — | 1,471 | 237 | 1,708 |
| Stock compensation expense | — | — | 104 | — | — | 104 | — | 104 |
| Exercise of stock options | — | — | 4 | — | — | 4 | — | 4 |
| Purchases of treasury stock | — | — | — | — | (3,687) | (3,687) | — | (3,687) |
| Purchase of noncontrolling interest, net of tax | — | — | (256) | — | — | (256) | (238) | (494) |
| Preferred unit conversion and change in noncontrolling interest ownership, net of tax | — | — | 183 | — | — | 183 | (244) | (61) |
| Distributions to noncontrolling interest | — | — | — | — | — | — | (5) | (5) |
| BALANCE, June 30, 2022 | — | — | 26,900 | (10,001) | (7,020) | 9,879 | 3,634 | 13,513 |
| Consolidated net income | — | — | — | 1,185 | — | 1,185 | 182 | 1,367 |
| Stock compensation expense | — | — | 109 | — | — | 109 | — | 109 |
| Exercise of stock options | — | — | — | — | — | — | — | — |
| Purchases of treasury stock | — | — | — | — | (2,225) | (2,225) | — | (2,225) |
| Purchase of noncontrolling interest, net of tax | — | — | (155) | — | — | (155) | (179) | (334) |
| Change in noncontrolling interest ownership, net of tax | — | — | 96 | — | — | 96 | (127) | (31) |
| Distributions to noncontrolling interest | — | — | — | — | — | — | (49) | (49) |
| BALANCE, September 30, 2022 | \$ — | \$ — | \$ 26,950 | \$ (8,816) | \$ (9,245) | \$ 8,889 | \$ 3,461 | \$ 12,350 |

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

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in millions)
Unaudited

| | Nine Months Ended September 30, | |
|---|--|------------------------|
| | 2023 | 2022 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Consolidated net income | \$ 4,032 | \$ 4,464 |
| Adjustments to reconcile consolidated net income to net cash flows from operating activities: | | |
| Depreciation and amortization | 6,508 | 6,711 |
| Stock compensation expense | 540 | 360 |
| Noncash interest, net | 13 | (12) |
| Deferred income taxes | (46) | 165 |
| Other, net | 212 | (113) |
| Changes in operating assets and liabilities, net of effects from acquisitions and dispositions: | | |
| Accounts receivable | (11) | (262) |
| Prepaid expenses and other assets | (534) | (96) |
| Accounts payable, accrued liabilities and other | (136) | (79) |
| Net cash flows from operating activities | <u>10,578</u> | <u>11,138</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of property, plant and equipment | (8,259) | (6,456) |
| Change in accrued expenses related to capital expenditures | 110 | 284 |
| Other, net | (334) | (174) |
| Net cash flows from investing activities | <u>(8,483)</u> | <u>(6,346)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Borrowings of long-term debt | 14,591 | 21,528 |
| Repayments of long-term debt | (14,385) | (15,659) |
| Payments for debt issuance costs | (18) | (71) |
| Purchase of treasury stock | (2,021) | (9,245) |
| Proceeds from exercise of stock options | 21 | 5 |
| Purchase of noncontrolling interest | (254) | (1,379) |
| Distributions to noncontrolling interest | (118) | (56) |
| Other, net | 15 | (36) |
| Net cash flows from financing activities | <u>(2,169)</u> | <u>(4,913)</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (74) | (121) |
| CASH AND CASH EQUIVALENTS, beginning of period | 645 | 601 |
| CASH AND CASH EQUIVALENTS, end of period | <u>\$ 571</u> | <u>\$ 480</u> |
| CASH PAID FOR INTEREST | <u>\$ 3,666</u> | <u>\$ 3,251</u> |
| CASH PAID FOR TAXES | <u>\$ 1,149</u> | <u>\$ 882</u> |

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

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
(dollars in millions, except per share amounts and where indicated)

1. Organization and Basis of Presentation

Organization

Charter Communications, Inc. (together with its controlled subsidiaries, “Charter,” or the “Company”) is a leading broadband connectivity company and cable operator. Over an advanced communications network, the Company offers a full range of state-of-the-art residential and business services including Spectrum Internet[®], TV, Mobile and Voice. For small and medium-sized companies, Spectrum Business[®] delivers the same suite of broadband products and services coupled with special features and applications to enhance productivity, while for larger businesses and government entities, Spectrum Enterprise[®] provides highly customized, fiber-based solutions. Spectrum Reach[®] delivers tailored advertising and production for the modern media landscape. The Company also distributes award-winning news coverage and sports programming to its customers through Spectrum Networks.

Charter is a holding company whose principal asset is a controlling equity interest in Charter Communications Holdings, LLC (“Charter Holdings”), an indirect owner of Charter Communications Operating, LLC (“Charter Operating”) under which substantially all of the operations reside. All significant intercompany accounts and transactions among consolidated entities have been eliminated.

The Company’s operations are managed and reported to its Chief Executive Officer (“CEO”), the Company’s chief operating decision maker, on a consolidated basis. The CEO assesses performance and allocates resources based on the consolidated results of operations. Under this organizational and reporting structure, the Company has one reportable segment.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and the rules and regulations of the Securities and Exchange Commission (the “SEC”). Accordingly, certain information and footnote disclosures typically included in the Company’s Annual Report on Form 10-K have been condensed or omitted for this quarterly report. The accompanying consolidated financial statements are unaudited and are subject to review by regulatory authorities. However, in the opinion of management, such financial statements include all adjustments, which consist of only normal recurring adjustments, necessary for a fair presentation of the results for the periods presented. Interim results are not necessarily indicative of results for a full year.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Areas involving significant judgments and estimates include capitalization of labor and overhead costs, pension benefits and income taxes. Actual results could differ from those estimates. Certain prior period amounts have been reclassified to conform with the 2023 presentation.

Comprehensive income equaled net income attributable to Charter shareholders for the three and nine months ended September 30, 2023 and 2022.

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
(dollars in millions, except per share amounts and where indicated)

2. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following as of September 30, 2023 and December 31, 2022:

| | September 30, 2023 | December 31, 2022 |
|-----------------------------|---------------------------|--------------------------|
| Accounts payable – trade | \$ 771 | \$ 952 |
| Deferred revenue | 542 | 511 |
| Accrued liabilities: | | |
| Programming costs | 1,736 | 1,914 |
| Labor | 1,179 | 1,314 |
| Capital expenditures | 1,898 | 1,792 |
| Interest | 1,368 | 1,165 |
| Taxes and regulatory fees | 647 | 667 |
| Property and casualty | 477 | 505 |
| Operating lease liabilities | 291 | 295 |
| Other | 1,717 | 1,440 |
| | <u>\$ 10,626</u> | <u>\$ 10,555</u> |

3. Total Debt

A summary of our debt as of September 30, 2023 and December 31, 2022 is as follows:

| | September 30, 2023 | | | December 31, 2022 | | |
|--|---------------------------|-----------------------|-------------------|--------------------------|-----------------------|-------------------|
| | Principal Amount | Carrying Value | Fair Value | Principal Amount | Carrying Value | Fair Value |
| Senior unsecured notes | \$ 27,250 | \$ 27,165 | \$ 23,083 | \$ 26,650 | \$ 26,567 | \$ 22,426 |
| Senior secured notes and debentures ^(a) | 55,855 | 56,201 | 44,541 | 56,841 | 57,213 | 46,905 |
| Credit facilities ^(b) | 14,483 | 14,433 | 14,175 | 13,877 | 13,823 | 13,467 |
| | <u>\$ 97,588</u> | <u>\$ 97,799</u> | <u>\$ 81,799</u> | <u>\$ 97,368</u> | <u>\$ 97,603</u> | <u>\$ 82,798</u> |

^(a) Includes the Company's £625 million fixed-rate British pound sterling denominated notes (the "Sterling Notes") (remeasured at \$762 million and \$755 million as of September 30, 2023 and December 31, 2022, respectively, using the exchange rate at the respective dates) and the Company's £650 million aggregate principal amount of Sterling Notes (remeasured at \$793 million and \$786 million as of September 30, 2023 and December 31, 2022, respectively, using the exchange rate at the respective dates).

^(b) The Company has availability under the Charter Operating credit facilities of approximately \$3.3 billion as of September 30, 2023.

The estimated fair value of the Company's senior unsecured and secured notes and debentures as of September 30, 2023 and December 31, 2022 is based on quoted market prices in active markets and is classified within Level 1 of the valuation hierarchy, while the estimated fair value of the Company's credit facilities is based on quoted market prices in inactive markets and is classified within Level 2.

In February 2023, CCO Holdings, LLC ("CCO Holdings") and CCO Holdings Capital Corp. jointly issued \$1.1 billion of 7.375% senior unsecured notes due March 2031 at par. The net proceeds were used for general corporate purposes, including repaying certain indebtedness, funding buybacks of Charter Class A common stock and Charter Holdings common units and to pay related fees and expenses.

In February 2023, Charter Operating entered into an amendment to its credit agreement to replace London Interbank Offering Rate ("LIBOR") as the benchmark rate applicable to the Term B loans with Secured Overnight Financing Rate ("SOFR") and in

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March 2023, Charter Operating entered into another amendment to its credit agreement to incur a new Term B-3 loan with an aggregate principal amount of \$750 million maturing in 2030 concurrently with the cancellation of certain of Charter Operating's existing Term B-1 and B-2 loans, among other amendments. Pricing on the new Term B-3 loan is SOFR plus 2.25%. After giving effect to the amendments, the aggregate principal amount of Term B-1 loans is \$2.3 billion with pricing unchanged at SOFR plus 1.75% and the aggregate principal amount of Term B-2 loans is \$3.1 billion with pricing unchanged at SOFR plus 1.75%.

As of July 1, 2023, the United Kingdom's Financial Conduct Authority, which regulates LIBOR, ceased publishing remaining U.S. Dollar LIBOR rates. The Charter Operating senior secured floating rate notes due 2024 (the "Floating Rate Notes") used LIBOR as a benchmark for establishing the interest rate of the Floating Rate Notes. As of July 1, 2023, SOFR is being used as the benchmark replacement for calculations of the amount of interest payable on the Floating Rate Notes with respect to interest periods with interest determination dates occurring after June 30, 2023.

Losses on extinguishment of debt are recorded in other income (expenses), net in the consolidated statements of operations and for the nine months ended September 30, 2022 was \$3 million as a result of the Charter Operating credit facility refinancing and Charter Operating notes redemption.

4. Common Stock

The following represents the Company's purchase of Charter Class A common stock and the effect on the consolidated statements of cash flows during the three and nine months ended September 30, 2023 and 2022.

| | Three Months Ended September 30, | | | | Nine Months Ended September 30, | | | |
|------------------------|----------------------------------|---------------|------------------|-----------------|---------------------------------|-----------------|-------------------|-----------------|
| | 2023 | | 2022 | | 2023 | | 2022 | |
| | Shares | \$ | Shares | \$ | Shares | \$ | Shares | \$ |
| Share buybacks | 1,833,928 | \$ 776 | 5,006,943 | \$ 2,218 | 5,092,677 | \$ 1,963 | 17,597,370 | \$ 9,065 |
| Income tax withholding | 15,261 | 7 | 14,595 | 7 | 148,075 | 58 | 304,070 | 180 |
| Exercise cost | 94,111 | | 43,916 | | 147,903 | | 273,399 | |
| | <u>1,943,300</u> | <u>\$ 783</u> | <u>5,065,454</u> | <u>\$ 2,225</u> | <u>5,388,655</u> | <u>\$ 2,021</u> | <u>18,174,839</u> | <u>\$ 9,245</u> |

Share buybacks above include shares of Charter Class A common stock purchased from Liberty Broadband Corporation ("Liberty Broadband") as follows.

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|----------------------------|----------------------------------|-----------|---------------------------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| Number of shares purchased | — | 1,724,540 | 120,149 | 4,952,224 |
| Amount of shares purchased | \$ — | \$ 796 | \$ 42 | \$ 2,602 |

As of September 30, 2023, Charter had remaining board authority to purchase an additional \$672 million of Charter's Class A common stock and/or Charter Holdings common units, excluding purchases from Liberty Broadband. The Company also withholds shares of its Class A common stock in payment of income tax withholding owed by employees upon vesting of equity awards as well as exercise costs owed by employees upon exercise of stock options.

In 2022, Charter's board of directors approved the retirement of the then currently held treasury stock and those shares were retired as of December 31, 2022. The Company accounts for treasury stock using the cost method and includes treasury stock as a component of total shareholders' equity.

5. Noncontrolling Interests

Noncontrolling interests represents consolidated subsidiaries of which the Company owns less than 100%. The Company is a holding company whose principal asset is a controlling equity interest in Charter Holdings, the indirect owner of the

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Company's cable systems. Noncontrolling interests on the Company's balance sheet consist primarily of Advance/Newhouse Partnership's ("A/N") equity interests in Charter Holdings, which is comprised of a common ownership interest.

Net income of Charter Holdings attributable to A/N's common noncontrolling interest for financial reporting purposes is based on the weighted average effective common ownership interest of approximately 11%, and was \$181 million and \$532 million for the three and nine months ended September 30, 2023, respectively, and \$182 million and \$604 million for the three and nine months ended September 30, 2022, respectively.

The following table represents Charter Holdings' purchase of Charter Holdings common units from A/N and the effect on total shareholders' equity during the three and nine months ended September 30, 2023 and 2022.

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|----------------------------------|----------|---------------------------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| Number of units purchased | 196,409 | 836,655 | 677,584 | 2,557,256 |
| Amount of units purchased | \$ 78 | \$ 385 | \$ 254 | \$ 1,379 |
| Decrease in noncontrolling interest based on carrying value | \$ (44) | \$ (179) | \$ (146) | \$ (573) |
| Decrease in additional paid-in-capital, net of tax | \$ (25) | \$ (155) | \$ (81) | \$ (608) |

Total shareholders' equity was also adjusted during the three and nine months ended September 30, 2023 and 2022 due to the changes in Charter Holdings' ownership as follows.

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|----------------------------------|----------|---------------------------------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| Increase (decrease) in noncontrolling interest | \$ (23) | \$ (127) | \$ (53) | \$ (621) |
| Increase (decrease) in additional paid-in-capital, net of tax | \$ 18 | \$ 96 | \$ 40 | \$ 468 |

6. Accounting for Derivative Instruments and Hedging Activities

Cross-currency derivative instruments are used to manage foreign exchange risk on the Sterling Notes by effectively converting £1.275 billion aggregate principal amount of fixed-rate British pound sterling denominated debt, including annual interest payments and the payment of principal at maturity, to fixed-rate U.S. dollar denominated debt. The fair value of the Company's cross-currency derivatives, which are classified within Level 2 of the valuation hierarchy, was \$516 million and \$570 million and is included in other long-term liabilities on its consolidated balance sheets as of September 30, 2023 and December 31, 2022, respectively.

The effect of financial instruments are recorded in other income (expenses), net in the consolidated statements of operations and consisted of the following.

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|----------|---------------------------------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| Change in fair value of cross-currency derivative instruments | \$ 6 | \$ (322) | \$ 54 | \$ (482) |
| Foreign currency remeasurement of Sterling Notes to U.S. dollars | 64 | 129 | (14) | 304 |
| Gain (loss) on financial instruments, net | \$ 70 | \$ (193) | \$ 40 | \$ (178) |

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7. Revenues

The Company's revenues by product line are as follows:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---------------------------|----------------------------------|-----------|---------------------------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| Internet | \$ 5,776 | \$ 5,571 | \$ 17,227 | \$ 16,585 |
| Video | 4,004 | 4,379 | 12,446 | 13,209 |
| Voice | 379 | 391 | 1,117 | 1,180 |
| Mobile service | 581 | 435 | 1,617 | 1,237 |
| Residential revenue | 10,740 | 10,776 | 32,407 | 32,211 |
| Small and medium business | 1,085 | 1,095 | 3,270 | 3,257 |
| Enterprise | 698 | 673 | 2,070 | 2,003 |
| Commercial revenue | 1,783 | 1,768 | 5,340 | 5,260 |
| Advertising sales | 384 | 481 | 1,123 | 1,324 |
| Other | 677 | 525 | 2,026 | 1,553 |
| | \$ 13,584 | \$ 13,550 | \$ 40,896 | \$ 40,348 |

As of September 30, 2023 and December 31, 2022, accounts receivable, net on the consolidated balance sheets includes approximately \$651 million and \$577 million of current equipment installment plan receivables, respectively, and other noncurrent assets includes approximately \$547 million and \$261 million of noncurrent equipment installment plan receivables, respectively.

8. Operating Costs and Expenses

Operating costs and expenses, exclusive of items shown separately in the consolidated statements of operations, consist of the following for the periods presented:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|----------------------------|----------------------------------|----------|---------------------------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| Programming | \$ 2,595 | \$ 2,871 | \$ 8,134 | \$ 8,820 |
| Other costs of revenue | 1,385 | 1,202 | 4,080 | 3,495 |
| Costs to service customers | 2,142 | 2,066 | 6,306 | 6,022 |
| Sales and marketing | 912 | 925 | 2,753 | 2,669 |
| Other expense | 1,265 | 1,183 | 3,842 | 3,568 |
| | \$ 8,299 | \$ 8,247 | \$ 25,115 | \$ 24,574 |

Programming costs consist primarily of costs paid to programmers for basic, premium, video on demand and pay-per-view programming. Other costs of revenue include costs directly related to providing Internet, video, voice and mobile services including mobile device costs, payments to franchise and regulatory authorities, payments for sports, local and news content produced by the Company and direct costs associated with selling advertising. Also included in other costs of revenue are content acquisition costs for the Los Angeles Lakers' basketball games and Los Angeles Dodgers' baseball games, which are recorded as games are exhibited over the contract period. Costs to service customers include costs related to field operations, network operations and customer operations for the Company's products, including mobile, sold to non-bulk residential and small and medium business ("SMB") customers including internal and third-party labor for the non-capitalizable portion of installations, service and repairs, maintenance, bad debt expense, billing and collection, occupancy and vehicle costs. Sales and

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marketing costs represent the costs of selling and marketing our Internet, video, voice and mobile services to current and potential non-bulk residential and SMB customers, including labor cost. Other expense includes indirect costs associated with the Company's Spectrum Enterprise, Spectrum Reach and Spectrum Networks businesses, including sales and marketing and bad debt expenses as well as costs associated with selling to and servicing bulk properties. Other expense also includes corporate overhead and stock compensation expense, among others.

9. Other Operating (Income) Expense, Net

Other operating (income) expense, net consist of the following for the periods presented:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---------------------------------|---|---------------|--|---------------|
| | 2023 | 2022 | 2023 | 2022 |
| Special charges, net | \$ 19 | \$ 199 | \$ (23) | \$ 135 |
| Loss on disposal of assets, net | 10 | 3 | 4 | 6 |
| | <u>\$ 29</u> | <u>\$ 202</u> | <u>\$ (19)</u> | <u>\$ 141</u> |

Special charges, net primarily includes net amounts of litigation settlements and employee termination costs.

10. Other Income (Expenses), Net

Other income (expenses), net consist of the following for the periods presented:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|---|----------------|--|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| Loss on extinguishment of debt (see Note 3) | \$ — | \$ — | \$ — | \$ (3) |
| Gain (loss) on financial instruments, net (see Note 6) | 70 | (193) | 40 | (178) |
| Net periodic pension benefits | 2 | 207 | 5 | 241 |
| Gain (loss) on equity investments, net | (87) | (51) | (249) | 5 |
| | <u>\$ (15)</u> | <u>\$ (37)</u> | <u>\$ (204)</u> | <u>\$ 65</u> |

During the three and nine months ended September 30, 2022, settlements for lump-sum distributions to pension plan participants exceeded the estimated annual interest cost of the plans. As a result, the pension liability and pension asset values were reassessed utilizing rereasurement date assumptions in accordance with the Company's mark-to-market pension accounting policy to record gains and losses in the period in which a rereasurement event occurs. Therefore, net periodic pension benefits includes a \$189 million rereasurement gain recorded during the three and nine months ended September 30, 2022 which was primarily driven by changes in the discount rate offset by losses to record assets to fair value.

Loss on equity investments, net for the three and nine months ended September 30, 2023 is primarily related to our joint venture in Xumo, a next generation streaming platform jointly owned with Comcast Corporation.

11. Stock Compensation Plans

Charter's stock incentive plans provide for grants of nonqualified stock options, incentive stock options, stock appreciation rights, dividend equivalent rights, performance units and performance shares, share awards, phantom stock, restricted stock units and restricted stock. Directors, officers and other employees of the Company and its subsidiaries, as well as others performing consulting services for the Company, are eligible for grants under the stock incentive plans.

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Charter granted the following equity awards for the periods presented.

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|------------------------|----------------------------------|---------|---------------------------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| Stock options | 9,500 | 50,700 | 4,266,700 | 1,455,100 |
| Restricted stock | — | — | 10,300 | 6,800 |
| Restricted stock units | 10,900 | 175,600 | 1,546,800 | 618,700 |

Stock options and restricted stock units generally cliff vest three years from the date of grant. Certain stock options and restricted stock units vest based on achievement of stock price hurdles. Stock options generally expire ten years from the grant date and restricted stock units have no voting rights. Restricted stock generally vests one year from the date of grant.

As of September 30, 2023, total unrecognized compensation remaining to be recognized in future periods totaled \$472 million for stock options, \$2 million for restricted stock and \$524 million for restricted stock units and the weighted average period over which they are expected to be recognized is three years for stock options, seven months for restricted stock and two years for restricted stock units.

The Company recorded stock compensation expense of \$164 million and \$540 million for the three and nine months ended September 30, 2023, respectively, and \$109 million and \$360 million for the three and nine months ended September 30, 2022, respectively, which is included in operating costs and expenses.

12. Earnings Per Share

Basic earnings per common share is computed by dividing net income attributable to Charter shareholders by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per common share considers the impact of potentially dilutive securities using the treasury stock and if-converted methods and is based on the weighted average number of shares used for the basic earnings per share calculation, adjusted for the dilutive effect of stock options, restricted stock, restricted stock units, equity awards with market conditions and Charter Holdings common units. Charter Holdings common units of 18 million for the three and nine months ended September 30, 2023 and 19 million and 20 million for the three and nine months ended September 30, 2022, respectively, were not included in the computation of diluted earnings per share as their effect would have been antidilutive.

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The following is the computation of diluted earnings per common share for the three and nine months ended September 30, 2023 and 2022.

| | <u>Three Months Ended September 30,</u> | | <u>Nine Months Ended September 30,</u> | |
|--|---|--------------------|--|--------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Numerator: | | | | |
| Net income attributable to Charter shareholders | \$ 1,255 | \$ 1,185 | \$ 3,499 | \$ 3,859 |
| Denominator: | | | | |
| Weighted average common shares outstanding, basic | 149,004,322 | 157,971,109 | 150,169,275 | 164,189,703 |
| Effect of dilutive securities: | | | | |
| Assumed exercise or issuance of shares relating to stock plans | 3,014,837 | 2,667,077 | 2,325,998 | 3,162,074 |
| Weighted average common shares outstanding, diluted | <u>152,019,159</u> | <u>160,638,186</u> | <u>152,495,273</u> | <u>167,351,777</u> |
| Basic earnings per common share attributable to Charter shareholders | \$ 8.42 | \$ 7.51 | \$ 23.30 | \$ 23.51 |
| Diluted earnings per common share attributable to Charter shareholders | \$ 8.25 | \$ 7.38 | \$ 22.94 | \$ 23.06 |

13. Contingencies

On April 27, 2022, Entropic Communications, LLC (“Entropic”) filed a complaint in the United States District Court for the Eastern District of Texas alleging that Charter infringed six patents relating to the deployment of certain set-top boxes, cable modems and cable modem termination systems. Entropic seeks monetary damages, including future license fees. Trial is scheduled for December 4, 2023. On February 10, 2023, Entropic filed a separate lawsuit against Charter in the United States District Court for the Eastern District of Texas. The lawsuit alleges infringement of two patents that also relate to the deployment of certain set-top boxes and cable modems. Entropic seeks monetary damages. Trial is scheduled for October 7, 2024. On February 10, 2023, Entropic filed two more lawsuits against Charter in the United States District Court for the Eastern District of Texas. The two lawsuits allege infringement of a total of twelve patents that relate to certain set-top boxes. Entropic seeks monetary damages, including future license fees. The two cases have been consolidated for pre-trial purposes. The first trial is scheduled for December 9, 2024. While the Company is vigorously defending these suits and is unable to predict the outcome of the Entropic lawsuits, the Company does not expect that the litigation will have a material effect on its operations, financial condition, or cash flows.

In addition to the Entropic litigation described above, the Company is a defendant or co-defendant in several lawsuits involving alleged infringement of various intellectual property relating to various aspects of its businesses. Other industry participants are also defendants in certain of these cases or related cases. In the event that a court ultimately determines that the Company infringes on any intellectual property, the Company may be subject to substantial damages and/or an injunction that could require the Company or its vendors to modify certain products and services the Company offers to its subscribers, as well as negotiate royalty or license agreements with respect to the intellectual property at issue. While the Company believes the lawsuits are without merit and intends to defend the actions vigorously, no assurance can be given that any adverse outcome would not be material to the Company’s operations, consolidated financial condition, results of operations, or liquidity. The Company cannot predict the outcome of any such claims nor can it reasonably estimate a range of possible loss.

The Company is party to other lawsuits, claims and regulatory inquiries that arise in the ordinary course of conducting its business. The ultimate outcome of these other legal matters pending against the Company cannot be predicted, and although such lawsuits and claims are not expected individually to have a material adverse effect on the Company’s operations, consolidated financial condition, results of operations or liquidity, such lawsuits could have, in the aggregate, a material adverse effect on the Company’s operations, consolidated financial condition, results of operations or liquidity. Whether or not the

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Company ultimately prevails in any particular lawsuit or claim, litigation can be time consuming and costly and injure the Company's reputation.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

General

Charter Communications, Inc. (together with its controlled subsidiaries, "Charter") is a leading broadband connectivity company and cable operator serving more than 32 million customers in 41 states through our Spectrum brand. Over an advanced communications network, we offer a full range of state-of-the-art residential and business services including Spectrum Internet, TV, Mobile and Voice. For small and medium-sized companies, Spectrum Business delivers the same suite of broadband products and services coupled with special features and applications to enhance productivity, while for larger businesses and government entities, Spectrum Enterprise provides highly customized, fiber-based solutions. Spectrum Reach delivers tailored advertising and production for the modern media landscape. We also distribute award-winning news coverage and sports programming to our customers through Spectrum Networks.

Charter is a holding company whose principal asset is a controlling equity interest in Charter Communications Holdings, LLC ("Charter Holdings"), an indirect owner of Charter Communications Operating, LLC ("Charter Operating") under which substantially all of the operations reside. All significant intercompany accounts and transactions among consolidated entities have been eliminated.

Overview

During the third quarter of 2023, we added 594,000 mobile lines, 63,000 Internet customers and 8,000 residential and small and medium business ("SMB") customer relationships, which excludes mobile-only customer relationships. We spent \$512 million and \$1.4 billion on our subsidized rural construction initiative during the three and nine months ended September 30, 2023, respectively, and activated approximately 78,000 and 190,000 subsidized rural passings, respectively. Our mobile line and Internet customer additions in the third quarter were supported by our Spectrum One offering, which brings together Spectrum Internet, Advanced WiFi and Unlimited Spectrum Mobile to offer consumers fast, reliable and secure online connections on their favorite devices at home and on-the-go in a high-value package and was further supported by growth in our legacy and new subsidized rural markets.

We continue to upgrade our network to provide higher Internet speeds and reliability and invest in our products and customer service platforms. We currently offer Spectrum Internet products with speeds up to 1 Gbps across our entire footprint and we plan to upgrade our network to provide multi-gigabit speeds. Our Advanced WiFi, a managed WiFi service that provides customers an optimized home network while providing greater control of their connected devices with enhanced security and privacy, is available to all Internet customers. We continue to invest in our ability to provide a differentiated Internet connectivity experience for our mobile and fixed Internet customers with increasing availability of out-of-home WiFi access points across our footprint. In addition, we continue to work towards the construction of our own 5G mobile data-only network in targeted areas of our footprint leveraging our Citizen Broadband Radio Service ("CBRS") Priority Access Licenses.

We also continue to evolve our video product. In September 2023, we entered into a new affiliation agreement with Disney which provides a template for a new programming affiliation approach where we partner with content providers to provide access to both linear and app-based direct-to-consumer content. In October 2023, we began deploying Xumo Stream Boxes to new video customers. The Xumo Stream Box combines a live TV experience with access to hundreds of direct-to-consumer TV apps and features unified search and discovery along with a curated content offering based on the customer's interests and subscriptions. By continually improving our product set and offering consumers the opportunity to save money by switching to our services, we believe we can continue to penetrate our expanding footprint and sell additional products to our existing customers. We are also beginning to see benefits from the targeted investments we are making in employee wages and benefits inside of our operations to build employee skill sets and tenure, as well as the continued investments in digitization of our customer service platforms and proactive maintenance, all with the goal of improving the customer experience, reducing transactions and driving customer growth and retention.

We realized revenue, Adjusted EBITDA and income from operations during the periods presented as follows (in millions; all percentages are calculated using whole numbers; minor differences may exist due to rounding):

| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
|------------------------|----------------------------------|-----------|----------|---------------------------------|-----------|----------|
| | 2023 | 2022 | % Change | 2023 | 2022 | % Change |
| Revenues | \$ 13,584 | \$ 13,550 | 0.2 % | \$ 40,896 | \$ 40,348 | 1.4 % |
| Adjusted EBITDA | \$ 5,449 | \$ 5,412 | 0.7 % | \$ 16,321 | \$ 16,134 | 1.2 % |
| Income from operations | \$ 3,126 | \$ 2,924 | 6.9 % | \$ 9,292 | \$ 8,922 | 4.2 % |

Adjusted EBITDA is defined as net income attributable to Charter shareholders plus net income attributable to noncontrolling interest, interest expense, net, income taxes, depreciation and amortization, stock compensation expense, other income (expenses), net and other operating (income) expenses, net, such as special charges and (gain) loss on sale or retirement of assets. See “Use of Adjusted EBITDA and Free Cash Flow” for further information on Adjusted EBITDA and free cash flow.

Growth in total revenue was primarily due to growth in residential Internet customers and residential mobile lines partly offset by lower residential video and advertising sales revenues. Adjusted EBITDA growth and changes in income from operations were impacted by growth in revenue and increases in operating costs and expenses, primarily other costs of revenue and costs to service customers partly offset by a decrease in programming expense.

The following table summarizes our customer statistics for Internet, video, voice and mobile as of September 30, 2023 and 2022 (in thousands except per customer data and footnotes).

| | Approximate as of September 30, | |
|---|------------------------------------|---------------------|
| | 2023 ^(a) | 2022 ^(a) |
| Customer Relationships ^(b) | | |
| Residential | 30,012 | 29,946 |
| SMB | 2,224 | 2,195 |
| Total Customer Relationships | 32,236 | 32,141 |
| Monthly Residential Revenue per Residential Customer ^(c) | \$ 119.28 | \$ 120.00 |
| Monthly SMB Revenue per SMB Customer ^(d) | \$ 162.94 | \$ 166.84 |
| Internet | | |
| Residential | 28,606 | 28,320 |
| SMB | 2,043 | 2,008 |
| Total Internet Customers | 30,649 | 30,328 |
| Video | | |
| Residential | 13,751 | 14,642 |
| SMB | 628 | 649 |
| Total Video Customers | 14,379 | 15,291 |
| Voice | | |
| Residential | 6,960 | 7,929 |
| SMB | 1,296 | 1,287 |
| Total Voice Customers | 8,256 | 9,216 |
| Mobile Lines ^(e) | | |
| Residential | 6,987 | 4,516 |
| SMB | 233 | 161 |
| Total Mobile Lines | 7,220 | 4,677 |
| Enterprise Primary Service Units ("PSUs") ^(f) | 298 | 282 |

(a) We calculate the aging of customer accounts based on the monthly billing cycle for each account. On that basis, as of September 30, 2023 and 2022, customers include approximately 143,300 and 151,700 customers, respectively, whose accounts were over 60 days past due, approximately 53,400 and 55,500 customers, respectively, whose accounts were over 90 days past due and approximately 261,700 and 149,300 customers, respectively, whose accounts were over 120 days past due. Bad debt expense associated with these past due accounts has been reflected in our consolidated statements of operations. The increase in accounts past due more than 120 days is predominately due to pre-existing and incremental unsubsidized amounts of customers' bills for those customers participating in government assistance programs, including video services. These customers are downgraded to a subsidized Internet-only service.

(b) Customer relationships include the number of customers that receive one or more levels of service, encompassing Internet, video, voice and mobile services, without regard to which service(s) such customers receive. Customers who reside in residential multiple dwelling units ("MDUs") and that are billed under bulk contracts are counted based on the number of billed units within each bulk MDU. Total customer relationships exclude enterprise and mobile-only customer relationships.

(c) Monthly residential revenue per residential customer is calculated as total residential quarterly revenue divided by three divided by average residential customer relationships during the respective quarter and excludes mobile-only customers.

(d) Monthly SMB revenue per SMB customer is calculated as total SMB quarterly revenue divided by three divided by average SMB customer relationships during the respective quarter and excludes mobile-only customers.

- (e) Mobile lines include phones and tablets which require one of our standard rate plans (e.g., "Unlimited" or "By the Gig"). Mobile lines exclude wearables and other devices that do not require standard phone rate plans.
- (f) Enterprise PSUs represent the aggregate number of fiber service offerings counting each separate service offering at each customer location as an individual PSU.

Critical Accounting Policies and Estimates

For a discussion of our critical accounting policies and the means by which we develop estimates therefore, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2022 Annual Report on Form 10-K. There have been no material changes from the critical accounting policies described in our Form 10-K.

Results of Operations

The following table sets forth the consolidated statements of operations for the periods presented (dollars in millions, except per share data):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|-------------|---------------------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Revenues | \$ 13,584 | \$ 13,550 | \$ 40,896 | \$ 40,348 |
| Costs and Expenses: | | | | |
| Operating costs and expenses (exclusive of items shown separately below) | 8,299 | 8,247 | 25,115 | 24,574 |
| Depreciation and amortization | 2,130 | 2,177 | 6,508 | 6,711 |
| Other operating (income) expense, net | 29 | 202 | (19) | 141 |
| | 10,458 | 10,626 | 31,604 | 31,426 |
| Income from operations | 3,126 | 2,924 | 9,292 | 8,922 |
| Other Income (Expenses): | | | | |
| Interest expense, net | (1,306) | (1,160) | (3,869) | (3,329) |
| Other income (expenses), net | (15) | (37) | (204) | 65 |
| | (1,321) | (1,197) | (4,073) | (3,264) |
| Income before income taxes | 1,805 | 1,727 | 5,219 | 5,658 |
| Income tax expense | (369) | (360) | (1,187) | (1,194) |
| Consolidated net income | 1,436 | 1,367 | 4,032 | 4,464 |
| Less: Net income attributable to noncontrolling interests | (181) | (182) | (533) | (605) |
| Net income attributable to Charter shareholders | \$ 1,255 | \$ 1,185 | \$ 3,499 | \$ 3,859 |
| EARNINGS PER COMMON SHARE ATTRIBUTABLE TO CHARTER SHAREHOLDERS: | | | | |
| Basic | \$ 8.42 | \$ 7.51 | \$ 23.30 | \$ 23.51 |
| Diluted | \$ 8.25 | \$ 7.38 | \$ 22.94 | \$ 23.06 |
| Weighted average common shares outstanding, basic | 149,004,322 | 157,971,109 | 150,169,275 | 164,189,703 |
| Weighted average common shares outstanding, diluted | 152,019,159 | 160,638,186 | 152,495,273 | 167,351,777 |

Revenues. Total revenues grew \$34 million and \$548 million for the three and nine months ended September 30, 2023, respectively, compared to the corresponding periods in 2022 primarily due to growth in residential Internet customers and residential mobile lines partly offset by lower residential video and advertising sales revenues as well as \$68 million of total customer credits related to the temporary loss of Disney programming during the third quarter of 2023.

Revenues by service offering were as follows (dollars in millions; all percentages are calculated using whole numbers; minor differences may exist due to rounding):

| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
|---------------------------|----------------------------------|------------------|----------|---------------------------------|------------------|----------|
| | 2023 | 2022 | % Change | 2023 | 2022 | % Change |
| Internet | \$ 5,776 | \$ 5,571 | 3.7 % | \$ 17,227 | \$ 16,585 | 3.9 % |
| Video | 4,004 | 4,379 | (8.6)% | 12,446 | 13,209 | (5.8)% |
| Voice | 379 | 391 | (3.0)% | 1,117 | 1,180 | (5.3)% |
| Mobile service | 581 | 435 | 33.8 % | 1,617 | 1,237 | 30.7 % |
| Residential revenue | 10,740 | 10,776 | (0.3)% | 32,407 | 32,211 | 0.6 % |
| Small and medium business | 1,085 | 1,095 | (0.9)% | 3,270 | 3,257 | 0.4 % |
| Enterprise | 698 | 673 | 3.7 % | 2,070 | 2,003 | 3.3 % |
| Commercial revenue | 1,783 | 1,768 | 0.8 % | 5,340 | 5,260 | 1.5 % |
| Advertising sales | 384 | 481 | (20.3)% | 1,123 | 1,324 | (15.2)% |
| Other | 677 | 525 | 28.8 % | 2,026 | 1,553 | 30.4 % |
| | <u>\$ 13,584</u> | <u>\$ 13,550</u> | 0.2 % | <u>\$ 40,896</u> | <u>\$ 40,348</u> | 1.4 % |

The increase in Internet revenues from our residential customers is attributable to the following (dollars in millions):

| | Three months ended September 30, 2023 compared to three months ended September 30, 2022 Increase / (Decrease) | Nine months ended September 30, 2023 compared to nine months ended September 30, 2022 Increase / (Decrease) |
|--|--|--|
| Increase related to rate and product mix changes | \$ 146 | \$ 499 |
| Increase in average residential Internet customers | 59 | 143 |
| | <u>\$ 205</u> | <u>\$ 642</u> |

The increase related to rate and product mix was primarily due to promotional rate step-ups and rate adjustments, partly offset by lower bundled revenue allocation. Residential Internet customers grew by 286,000 customers from September 30, 2022 to September 30, 2023.

Video revenues consist primarily of revenues from video services provided to our residential customers, as well as franchise fees, equipment service fees and video installation revenue. The decrease in video revenues is attributable to the following (dollars in millions):

| | Three months ended September 30, 2023 compared to three months ended September 30, 2022 Increase / (Decrease) | Nine months ended September 30, 2023 compared to nine months ended September 30, 2022 Increase / (Decrease) |
|---|--|--|
| Decrease in average residential video customers | \$ (232) | \$ (699) |
| Change related to rate and product mix changes | (143) | (64) |
| | <u>\$ (375)</u> | <u>\$ (763)</u> |

Residential video customers decreased by 891,000 from September 30, 2022 to September 30, 2023. The change related to rate and product mix was affected by a higher mix of lower cost video packages within our video customer base and \$63 million of customer credits related to the temporary loss of Disney programming in the third quarter of 2023, offset by the pass-through of programming cost increases and promotional rate step-ups.

The decrease in voice revenues from our residential customers is attributable to the following (dollars in millions):

| | Three months ended September 30, 2023 compared to three months ended September 30, 2022 Increase / (Decrease) | Nine months ended September 30, 2023 compared to nine months ended September 30, 2022 Increase / (Decrease) |
|---|--|--|
| Decrease in average residential voice customers | \$ (46) | \$ (136) |
| Increase related to rate adjustments | 34 | 73 |
| | <u>\$ (12)</u> | <u>\$ (63)</u> |

Residential wireline voice customers decreased by 969,000 customers from September 30, 2022 to September 30, 2023.

The increase in mobile service revenues from our residential customers is attributable to the following (dollars in millions):

| | Three months ended September 30, 2023 compared to three months ended September 30, 2022 Increase / (Decrease) | Nine months ended September 30, 2023 compared to nine months ended September 30, 2022 Increase / (Decrease) |
|--|--|--|
| Increase in average residential mobile lines | \$ 239 | \$ 656 |
| Decrease related to rate | (93) | (276) |
| | <u>\$ 146</u> | <u>\$ 380</u> |

Residential mobile lines increased by 2,471,000 mobile lines from September 30, 2022 to September 30, 2023. The decrease related to rate is primarily related to the Spectrum One offering and is partly offset by higher bundled revenue allocation.

The change in SMB revenues is attributable to the following (dollars in millions):

| | Three months ended September 30, 2023 compared to three months ended September 30, 2022 Increase / (Decrease) | Nine months ended September 30, 2023 compared to nine months ended September 30, 2022 Increase / (Decrease) |
|--|--|--|
| Increase in SMB customers | \$ 16 | \$ 66 |
| Decrease related to rate and product mix changes | (26) | (53) |
| | <u>\$ (10)</u> | <u>\$ 13</u> |

SMB customers grew by 29,000 from September 30, 2022 to September 30, 2023. The decrease related to rate and product mix changes were primarily due to a higher mix of lower priced video packages and a lower number of voice lines per SMB customer relationship.

Enterprise revenues increased \$25 million and \$67 million during the three and nine months ended September 30, 2023, respectively, compared to the corresponding periods in 2022 primarily due to an increase in Internet PSUs partly offset by lower wholesale PSUs. Enterprise PSUs increased 16,000 from September 30, 2022 to September 30, 2023.

Advertising sales revenues consist primarily of revenues from commercial advertising customers, programmers and other vendors, as well as local cable and advertising on regional sports and news channels. Advertising sales revenues decreased \$97 million and \$201 million during the three and nine months ended September 30, 2023, respectively, as compared to the corresponding periods in 2022 primarily due to a decrease in political ad revenue.

Other revenues consist of revenue from mobile and video device sales, processing fees, regional sports and news channels (excluding intercompany charges or advertising sales on those channels), subsidy revenue, home shopping, wire maintenance fees and other miscellaneous revenues. Other revenues increased \$152 million and \$473 million during the three and nine

months ended September 30, 2023, respectively, compared to the corresponding periods in 2022 primarily due to higher mobile device sales partially offset by lower processing fees.

Operating costs and expenses. The increase in our operating costs and expenses, exclusive of items shown separately in the consolidated statements of operations, are attributable to the following (dollars in millions):

| | Three months ended September 30, 2023 compared to three months ended September 30, 2022 Increase / (Decrease) | Nine months ended September 30, 2023 compared to nine months ended September 30, 2022 Increase / (Decrease) |
|----------------------------|--|--|
| Programming | \$ (276) | \$ (686) |
| Other costs of revenue | 183 | 585 |
| Costs to service customers | 76 | 284 |
| Sales and marketing | (13) | 84 |
| Other | 82 | 274 |
| | <u>\$ 52</u> | <u>\$ 541</u> |

Programming costs were approximately \$2.6 billion and \$2.9 billion for the three months ended September 30, 2023 and 2022, representing 31% and 35% of total operating costs and expenses, respectively, and \$8.1 billion and \$8.8 billion for the nine months ended September 30, 2023 and 2022, representing 32% and 36% of total operating costs and expenses, respectively. Programming costs consist primarily of costs paid to programmers for basic, premium, video on demand, and pay-per-view programming. Programming costs decreased as a result of fewer customers, a higher mix of lower cost video packages within our video customer base and a \$61 million benefit related to the temporary loss of Disney programming during the third quarter of 2023, partly offset by contractual rate adjustments, including renewals and increases in amounts paid for retransmission consent.

Other costs of revenue increased \$183 million and \$585 million during the three and nine months ended September 30, 2023, respectively, compared to the corresponding periods in 2022 primarily due to higher mobile device sales and higher other mobile direct costs due to an increase in mobile lines, partially offset by lower regulatory pass-through fees and original content costs.

Costs to service customers increased \$76 million and \$284 million during the three and nine months ended September 30, 2023, respectively, compared to the corresponding periods in 2022 primarily due to adjustments to job structure, pay and benefits to build a more skilled and longer tenured workforce resulting in lower frontline employee attrition compared to 2022, and additional activity to support the accelerated growth of Spectrum Mobile.

Sales and marketing costs decreased \$13 million and increased \$84 million during the three and nine months ended September 30, 2023, respectively, compared to the corresponding periods in 2022. The increase during the nine months ended September 30, 2023 compared to the prior year period is primarily due to higher staffing across sales channels and the accelerated growth of Spectrum Mobile.

The increase in other expense is attributable to the following (dollars in millions):

| | Three months ended September 30, 2023 compared to three months ended September 30, 2022 Increase / (Decrease) | Nine months ended September 30, 2023 compared to nine months ended September 30, 2022 Increase / (Decrease) |
|---|--|--|
| Stock compensation expense | \$ 55 | 180 |
| Corporate costs | 22 | 57 |
| Costs to sell and service bulk properties | 11 | 36 |
| Enterprise | 2 | 26 |
| Property tax and insurance | 4 | (18) |
| Other | (12) | (7) |
| | <u>\$ 82</u> | <u>\$ 274</u> |

Stock compensation expense increased during the three and nine months ended September 30, 2023 compared to the corresponding prior periods primarily due to an increase in equity awards granted. Corporate and enterprise costs increased during the three and nine months ended September 30, 2023 compared to the corresponding prior periods in 2022 primarily due to higher labor costs. Property tax and insurance expense decreased during the nine months ended September 30, 2023 compared to the corresponding prior periods primarily as a result of an adjustment related to favorable development on prior year workers' compensation claims.

Depreciation and amortization. Depreciation and amortization expense decreased by \$47 million and \$203 million during the three and nine months ended September 30, 2023, respectively, compared to the corresponding periods in 2022 primarily due to certain assets acquired in acquisitions becoming fully depreciated partly offset by an increase in depreciation as a result of more recent capital expenditures.

Other operating (income) expense, net. The change in other operating (income) expense, net is attributable to the following (dollars in millions):

| | Three months ended September 30, 2023 compared to three months ended September 30, 2022 Increase / (Decrease) | Nine months ended September 30, 2023 compared to nine months ended September 30, 2022 Increase / (Decrease) |
|---------------------------------|--|--|
| Special charges, net | \$ (180) | \$ (158) |
| Loss on disposal of assets, net | 7 | (2) |
| | <u>\$ (173)</u> | <u>\$ (160)</u> |

See Note 9 to the accompanying consolidated financial statements contained in "Item 1. Financial Statements" for more information.

Interest expense, net. Net interest expense increased by \$146 million and \$540 million for the three and nine months ended September 30, 2023, respectively, compared to the corresponding periods in 2022. The increase in net interest expense is the result of an increase in weighted average interest rates as well as an increase in weighted average debt outstanding of approximately \$1.2 billion and \$2.7 billion during the three and nine months ended September 30, 2023, respectively, compared to the corresponding periods in 2022. The increase in weighted average debt outstanding is primarily due to an increase in the Charter Operating credit facilities.

Other income (expenses), net. The change in other income (expenses), net is attributable to the following (dollars in millions):

| | Three months ended September 30, 2023 compared to three months ended September 30, 2022 Increase / (Decrease) | Nine months ended September 30, 2023 compared to nine months ended September 30, 2022 Increase / (Decrease) |
|--|--|--|
| Loss on extinguishment of debt (see Note 3) | \$ — | \$ 3 |
| Gain (loss) on financial instruments, net (see Note 6) | 263 | 218 |
| Net periodic pension benefits | (205) | (236) |
| Gain (loss) on equity investments, net | (36) | (254) |
| | <u>\$ 22</u> | <u>\$ (269)</u> |

See Note 10 and the Notes referenced above to the accompanying consolidated financial statements contained in “Item 1. Financial Statements” for more information.

Income tax expense. We recognized income tax expense of \$369 million and \$1.2 billion for the three and nine months ended September 30, 2023, respectively, and \$360 million and \$1.2 billion for the three and nine months ended September 30, 2022, respectively.

Net income attributable to noncontrolling interest. Net income attributable to noncontrolling interest for financial reporting purposes represents Advance/Newhouse Partnership’s (“A/N”) portion of Charter Holdings’ net income based on its effective common unit ownership interest. For more information, see Note 5 to the accompanying consolidated financial statements contained in “Item 1. Financial Statements.”

Net income attributable to Charter shareholders. Net income attributable to Charter shareholders increased \$70 million and decreased \$360 million during the three and nine months ended September 30, 2023 compared to the corresponding periods in 2022, respectively, primarily as a result of the factors described above.

Use of Adjusted EBITDA and Free Cash Flow

We use certain measures that are not defined by U.S. generally accepted accounting principles (“GAAP”) to evaluate various aspects of our business. Adjusted EBITDA and free cash flow are non-GAAP financial measures and should be considered in addition to, not as a substitute for, net income attributable to Charter shareholders and net cash flows from operating activities reported in accordance with GAAP. These terms, as defined by us, may not be comparable to similarly titled measures used by other companies. Adjusted EBITDA and free cash flow are reconciled to net income attributable to Charter shareholders and net cash flows from operating activities, respectively, below.

Adjusted EBITDA eliminates the significant non-cash depreciation and amortization expense that results from the capital-intensive nature of our businesses as well as other non-cash or special items, and is unaffected by our capital structure or investment activities. However, this measure is limited in that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenues and our cash cost of financing. These costs are evaluated through other financial measures.

Free cash flow is defined as net cash flows from operating activities, less capital expenditures and changes in accrued expenses related to capital expenditures.

Management and Charter’s board of directors use Adjusted EBITDA and free cash flow to assess our performance and our ability to service our debt, fund operations and make additional investments with internally generated funds. In addition, Adjusted EBITDA generally correlates to the leverage ratio calculation under our credit facilities or outstanding notes to determine compliance with the covenants contained in the facilities and notes (all such documents have been previously filed with the Securities and Exchange Commission (the “SEC”). For the purpose of calculating compliance with leverage covenants, we use Adjusted EBITDA, as presented, excluding certain expenses paid by our operating subsidiaries to other Charter entities. Our debt covenants refer to these expenses as management fees, which were \$345 million and \$1.1 billion for the three and nine months ended September 30, 2023, respectively, and \$342 million and \$1.0 billion for the three and nine months ended September 30, 2022, respectively.

A reconciliation of Adjusted EBITDA and free cash flow to net income attributable to Charter shareholders and net cash flows from operating activities, respectively, is as follows (dollars in millions):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|----------|---------------------------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| Net income attributable to Charter shareholders | \$ 1,255 | \$ 1,185 | \$ 3,499 | \$ 3,859 |
| Plus: Net income attributable to noncontrolling interest | 181 | 182 | 533 | 605 |
| Interest expense, net | 1,306 | 1,160 | 3,869 | 3,329 |
| Income tax expense | 369 | 360 | 1,187 | 1,194 |
| Depreciation and amortization | 2,130 | 2,177 | 6,508 | 6,711 |
| Stock compensation expense | 164 | 109 | 540 | 360 |
| Other, net | 44 | 239 | 185 | 76 |
| Adjusted EBITDA | \$ 5,449 | \$ 5,412 | \$ 16,321 | \$ 16,134 |
| Net cash flows from operating activities | \$ 3,944 | \$ 3,757 | \$ 10,578 | \$ 11,138 |
| Less: Purchases of property, plant and equipment | (2,961) | (2,406) | (8,259) | (6,456) |
| Change in accrued expenses related to capital expenditures | 114 | 156 | 110 | 284 |
| Free cash flow | \$ 1,097 | \$ 1,507 | \$ 2,429 | \$ 4,966 |

Liquidity and Capital Resources

Introduction

This section contains a discussion of our liquidity and capital resources, including a discussion of our cash position, sources and uses of cash, access to credit facilities and other financing sources, historical financing activities, cash needs, capital expenditures and outstanding debt.

Recent Events

In February 2023, CCO Holdings, LLC (“CCO Holdings”) and CCO Holdings Capital Corp. jointly issued \$1.1 billion of 7.375% senior unsecured notes due March 2031 at par. The net proceeds were used for general corporate purposes, including repaying certain indebtedness, funding buybacks of Charter Class A common stock and Charter Holdings common units and to pay related fees and expenses.

In February 2023, Charter Operating entered into an amendment to its credit agreement to replace London Interbank Offering Rate (“LIBOR”) as the benchmark rate applicable to the Term B loans with Secured Overnight Financing Rate (“SOFR”) and in March 2023, Charter Operating entered into another amendment to its credit agreement to incur a new Term B-3 loan with an aggregate principal amount of \$750 million maturing in 2030 concurrently with the cancellation of certain of Charter Operating’s existing Term B-1 and B-2 loans, among other amendments. Pricing on the new Term B-3 loan is SOFR plus 2.25%. After giving effect to the amendments, the aggregate principal amount of Term B-1 loans is \$2.3 billion with pricing unchanged at SOFR plus 1.75% and the aggregate principal amount of Term B-2 loans is \$3.1 billion with pricing unchanged at SOFR plus 1.75%.

As of July 1, 2023, the United Kingdom’s Financial Conduct Authority, which regulates LIBOR, ceased publishing remaining U.S. Dollar LIBOR rates. The Charter Operating senior secured floating rate notes due 2024 (the “Floating Rate Notes”) used LIBOR as a benchmark for establishing the interest rate of the Floating Rate Notes. As of July 1, 2023, SOFR is being used as the benchmark replacement for calculations of the amount of interest payable on the Floating Rate Notes with respect to interest periods with interest determination dates occurring after June 30, 2023.

Overview of Our Contractual Obligations and Liquidity

We have significant amounts of debt. The principal amount of our debt as of September 30, 2023 was \$97.6 billion, consisting of \$14.5 billion of credit facility debt, \$55.9 billion of investment grade senior secured notes and \$27.3 billion of high-yield senior unsecured notes. Our business requires significant cash to fund principal and interest payments on our debt.

Our projected cash needs and projected sources of liquidity depend upon, among other things, our actual results, and the timing and amount of our expenditures. As we continue to grow our market penetration of our mobile product, we will continue to experience negative working capital impacts from the timing of device-related cash flows when we sell devices to customers pursuant to equipment installment plans. Further, in 2022, Charter became a meaningful federal cash tax payer as the majority of our net operating losses have been utilized. Free cash flow was \$1.1 billion and \$2.4 billion for the three and nine months ended September 30, 2023, respectively, and \$1.5 billion and \$5.0 billion for the three and nine months ended September 30, 2022, respectively. See the table below for factors impacting free cash flow during the three and nine months ended September 30, 2023 compared to the corresponding prior periods. As of September 30, 2023, the amount available under our credit facilities was approximately \$3.3 billion and cash on hand was approximately \$571 million. We expect to utilize free cash flow, cash on hand and availability under our credit facilities as well as future refinancing transactions to further extend the maturities of our obligations. The timing and terms of any refinancing transactions will be subject to market conditions among other considerations. Additionally, we may, from time to time, and depending on market conditions and other factors, use cash on hand and the proceeds from securities offerings or other borrowings to retire our debt through open market purchases, privately negotiated purchases, tender offers or redemption provisions. We believe we have sufficient liquidity from cash on hand, free cash flow and Charter Operating's revolving credit facility as well as access to the capital markets to fund our projected cash needs.

We continue to evaluate the deployment of our cash on hand and anticipated future free cash flow including to invest in our business growth and other strategic opportunities, including our network evolution and expansion initiatives, the build-out and deployment of our CBRS spectrum, and mergers and acquisitions as well as stock repurchases and dividends. Charter's target leverage of net debt to the last twelve months Adjusted EBITDA remains at 4 to 4.5 times Adjusted EBITDA, and up to 3.5 times Adjusted EBITDA at the Charter Operating first lien level. Our leverage ratio was 4.5 times Adjusted EBITDA as of September 30, 2023. As Adjusted EBITDA grows, we expect to increase the total amount of our indebtedness to maintain leverage within Charter's target leverage range. Excluding purchases from Liberty Broadband Corporation ("Liberty Broadband") discussed below, during the three and nine months ended September 30, 2023, Charter purchased in the public market approximately 1.8 million and 5.0 million shares of Charter Class A common stock, respectively, for approximately \$776 million and \$1.9 billion, respectively, and during the three and nine months ended September 30, 2022, Charter purchased in the public market approximately 3.3 million and 12.6 million shares of Charter Class A common stock, respectively, for approximately \$1.4 billion and \$6.5 billion, respectively. Since the beginning of its buyback program in September 2016 through September 30, 2023, Charter has purchased approximately 155.1 million shares of Class A common stock and Charter Holdings common units for approximately \$70.7 billion, including purchases from Liberty Broadband and A/N discussed below.

In February 2021, Charter and Liberty Broadband entered into a letter agreement (the "LBB Letter Agreement"). The LBB Letter Agreement implements Liberty Broadband's obligations under the Amended and Restated Stockholders Agreement among Charter, Liberty Broadband and A/N, dated as of May 23, 2015 (as amended, the "Stockholders Agreement") to participate in share repurchases by Charter. Under the LBB Letter Agreement, Liberty Broadband will sell to Charter, generally on a monthly basis, a number of shares of Charter Class A common stock representing an amount sufficient for Liberty Broadband's ownership of Charter to be reduced such that it does not exceed the ownership cap then applicable to Liberty Broadband under the Stockholders Agreement at a purchase price per share equal to the volume weighted average price per share paid by Charter for shares repurchased during such immediately preceding calendar month other than (i) purchases from A/N, (ii) purchases in privately negotiated transactions or (iii) purchases for the withholding of shares of Charter Class A common stock pursuant to equity compensation programs of Charter. Charter purchased from Liberty Broadband 0.1 million shares of Charter Class A common stock for approximately \$42 million during the nine months ended September 30, 2023, and 1.7 million and 5.0 million shares of Charter Class A common stock for approximately \$796 million and \$2.6 billion during the three and nine months ended September 30, 2022, respectively.

In December 2016, Charter and A/N entered into a letter agreement, as amended in December 2017 (the "A/N Letter Agreement"), that requires A/N to sell to Charter or to Charter Holdings, on a monthly basis, a number of shares of Charter Class A common stock or Charter Holdings common units that represents a pro rata participation by A/N and its affiliates in any repurchases of shares of Charter Class A common stock from persons other than A/N effected by Charter during the

immediately preceding calendar month, at a purchase price equal to the average price paid by Charter for the shares repurchased from persons other than A/N during such immediately preceding calendar month. A/N and Charter both have the right to terminate or suspend the pro rata repurchase arrangement on a prospective basis. During the three and nine months ended September 30, 2023, Charter Holdings purchased from A/N 0.2 million and 0.7 million Charter Holdings common units for approximately \$78 million and \$254 million, respectively, and during the three and nine months ended September 30, 2022, Charter Holdings purchased from A/N 0.8 million and 2.6 million Charter Holdings common units for approximately \$385 million and \$1.4 billion, respectively.

As of September 30, 2023, Charter had remaining board authority to purchase an additional \$672 million of Charter's Class A common stock and/or Charter Holdings common units, excluding purchases from Liberty Broadband. Although Charter expects to continue to buy back its common stock consistent with its leverage target range, Charter is not obligated to acquire any particular amount of common stock, and the timing of any purchases that may occur cannot be predicted and will largely depend on market conditions and other potential uses of capital. Purchases may include open market purchases, tender offers or negotiated transactions.

As possible acquisitions, swaps or dispositions arise, we actively review them against our objectives including, among other considerations, improving the operational efficiency, geographic clustering of assets, product development or technology capabilities of our business and achieving appropriate return targets, and we may participate to the extent we believe these possibilities present attractive opportunities. However, there can be no assurance that we will actually complete any acquisitions, dispositions or system swaps, or that any such transactions will be material to our operations or results.

Free Cash Flow

Free cash flow decreased \$410 million and \$2.5 billion during the three and nine months ended September 30, 2023 compared to the corresponding prior periods in 2022 due to the following (dollars in millions):

| | Three months ended September 30, 2023 compared to three months ended September 30, 2022 Increase / (Decrease) | Nine months ended September 30, 2023 compared to nine months ended September 30, 2022 Increase / (Decrease) |
|--|--|--|
| Increase in capital expenditures | \$ (555) | \$ (1,803) |
| Changes in working capital, excluding mobile devices | (114) | (529) |
| Increase in cash paid for interest, net | (131) | (403) |
| Decrease (increase) in cash paid for taxes, net | 169 | (255) |
| Changes in working capital, mobile devices | 4 | (170) |
| Increase in Adjusted EBITDA | 37 | 187 |
| Other, net | 180 | 436 |
| | <u>\$ (410)</u> | <u>\$ (2,537)</u> |

Limitations on Distributions

Distributions by our subsidiaries to a parent company for payment of principal on parent company notes are restricted under CCO Holdings indentures governing CCO Holdings' indebtedness, unless there is no default under the applicable indenture, and unless CCO Holdings' leverage ratio test is met at the time of such distribution. As of September 30, 2023, there was no default under any of these indentures, and CCO Holdings met its leverage ratio test based on September 30, 2023 financial results. There can be no assurance that CCO Holdings will satisfy its leverage ratio test at the time of the contemplated distribution.

In addition to the limitation on distributions under the various indentures, distributions by our subsidiaries may be limited by applicable law, including the Delaware Limited Liability Company Act, under which our subsidiaries may only make distributions if they have "surplus" as defined in the act.

Historical Operating, Investing, and Financing Activities

Cash and Cash Equivalents. We held \$571 million and \$645 million in cash and cash equivalents as of September 30, 2023 and December 31, 2022, respectively.

Operating Activities. Net cash provided by operating activities decreased \$560 million during the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, primarily due to negative changes in working capital and an increase in cash paid for interest and taxes, partly offset by an increase in Adjusted EBITDA of \$187 million and the payment of litigation settlements in 2022.

Investing Activities. Net cash used in investing activities was \$8.5 billion and \$6.3 billion for the nine months ended September 30, 2023 and 2022, respectively. The increase in cash used was primarily due to an increase in capital expenditures and changes in accrued expenses related to capital expenditures.

Financing Activities. Net cash used in financing activities decreased \$2.7 billion during the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 primarily due to a decrease in the purchase of treasury stock and noncontrolling interest partly offset by a decrease in the amount by which borrowings of long-term debt exceeded repayments.

Capital Expenditures

We have significant ongoing capital expenditure requirements. Capital expenditures were \$3.0 billion and \$8.3 billion for the three and nine months ended September 30, 2023, respectively, and \$2.4 billion and \$6.5 billion for the three and nine months ended September 30, 2022, respectively. The increase was primarily due to an increase in line extensions in connection with our subsidized rural construction initiative and continued residential and commercial network expansion. The increase in capital expenditures excluding line extensions was primarily driven by higher spend on network evolution, support capital and customer premise equipment, particularly Xumo Stream boxes. See the table below for more details.

We currently expect full year 2023 capital expenditures, excluding line extensions, to be approximately \$7.2 billion. We continue to expect 2023 line extensions capital expenditures to total approximately \$4 billion. The actual amount of capital expenditures in 2023 will depend on a number of factors including, but not limited to, the pace of our network evolution and expansion initiatives, supply chain timing and growth rates in our residential and commercial businesses.

Our capital expenditures are funded primarily from cash flows from operating activities and borrowings on our credit facility. In addition, our accrued liabilities related to capital expenditures increased by \$110 million and \$284 million for the nine months ended September 30, 2023 and 2022, respectively.

The following tables present our major capital expenditures categories in accordance with National Cable and Telecommunications Association (“NCTA”) disclosure guidelines for the three and nine months ended September 30, 2023 and 2022. These disclosure guidelines are not required disclosures under GAAP, nor do they impact our accounting for capital expenditures under GAAP (dollars in millions):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|----------------------------------|----------|---------------------------------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| Customer premise equipment ^(a) | \$ 659 | \$ 577 | \$ 1,772 | \$ 1,606 |
| Scalable infrastructure ^(b) | 308 | 413 | 1,015 | 1,156 |
| Upgrade/rebuild ^(c) | 509 | 218 | 1,190 | 566 |
| Support capital ^(d) | 420 | 372 | 1,245 | 1,068 |
| Capital expenditures, excluding line extensions | 1,896 | 1,580 | 5,222 | 4,396 |
| Subsidized rural construction line extensions | 498 | 427 | 1,398 | 897 |
| Other line extensions | 567 | 399 | 1,639 | 1,163 |
| Total line extensions ^(e) | 1,065 | 826 | 3,037 | 2,060 |
| Total capital expenditures | \$ 2,961 | \$ 2,406 | \$ 8,259 | \$ 6,456 |
| Of which: | | | | |
| Commercial services | \$ 403 | \$ 369 | \$ 1,179 | \$ 1,110 |
| Subsidized rural construction initiative ^(f) | \$ 512 | \$ 440 | \$ 1,444 | \$ 937 |
| Mobile | \$ 76 | \$ 96 | \$ 235 | \$ 265 |

^(a) Customer premise equipment includes equipment and devices located at the customer's premise used to deliver our Internet, video and voice services (e.g., modems, routers and set-top boxes), as well as installation costs.

^(b) Scalable infrastructure includes costs, not related to customer premise equipment or our network, to secure growth of new customers or provide service enhancements (e.g., headend equipment).

^(c) Upgrade/rebuild includes costs to modify or replace existing fiber/coaxial cable networks, including our network evolution initiative which started in 2022.

^(d) Support capital includes costs associated with the replacement or enhancement of non-network assets (e.g., back-office systems, non-network equipment, land and buildings, vehicles, tools and test equipment).

^(e) Line extensions include network costs associated with entering new service areas (e.g., fiber/coaxial cable, amplifiers, electronic equipment, make-ready and design engineering).

^(f) The subsidized rural construction initiative subcategory includes projects for which we are receiving subsidies from federal, state and local governments (for which separate reporting was initiated in 2022), excluding customer premise equipment and installation.

Recently Issued Accounting Standards

See Note 22 to the Annual Report on Form 10-K for the year ended December 31, 2022 for a discussion of recently issued accounting standards. There have been no material changes from the recently issued accounting standards described in our Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes to the interest rate risk as previously disclosed in Part II, Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2022. See Note 3 to the accompanying consolidated financial statements contained in “Item 1. Financial Statements” for a discussion of notes issued during the nine months ended September 30, 2023.

Item 4. Controls and Procedures.

As of the end of the period covered by this report, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our design and operation of disclosure controls and procedures with respect to the information generated for use in this quarterly report. The

evaluation was based upon reports and certifications provided by a number of executives. Based on, and as of the date of that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective to provide reasonable assurances that information required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

In designing and evaluating the disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based upon the evaluation, we believe that our controls provide such reasonable assurances.

During the quarter ended September 30, 2023, there was no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings.*

See Note 20 to our Annual Report on Form 10-K for the year ended December 31, 2022 for a discussion of legal proceedings, as updated by Note 13 to the consolidated financial statements contained in “Item 1. Financial Statements” of our quarterly report on Form 10-Q for the quarter ended June 30, 2023 and as further updated by Note 13 to the accompanying consolidated financial statements contained in “Item 1. Financial Statements” of this quarterly report.

Item 1A. *Risk Factors.*

Our Annual Report on Form 10-K for the year ended December 31, 2022 includes "Risk Factors" under Item 1A of Part I. There have been no material changes from the risk factors described in our Form 10-K.

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

Purchases of Equity Securities by the Issuer

The following table presents Charter’s purchases of equity securities completed during the third quarter of 2023 (dollars in millions, except per share amounts):

| Period | Total Number of Shares Purchased ⁽¹⁾ | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽²⁾ | Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ⁽²⁾ |
|------------------------|---|------------------------------|---|---|
| July 1 - 31, 2023 | 206,069 | \$383.28 | 194,440 | \$465 |
| August 1 - 31, 2023 | 988,538 | \$422.51 | 916,847 | \$943 |
| September 1 - 30, 2023 | 748,693 | \$436.37 | 722,641 | \$672 |

⁽¹⁾ Includes 11,629, 71,691 and 26,052 shares withheld from employees for the payment of taxes and exercise costs upon the exercise of stock options or vesting of other equity awards for the months of July, August and September 2023, respectively.

⁽²⁾ During the three months ended September 30, 2023, Charter purchased approximately 1.8 million shares of its Class A common stock for approximately \$776 million. Charter Holdings purchased 0.2 million Charter Holdings common units from A/N at an average price per unit of \$399.19, or \$78 million, during the three months ended September 30, 2023. As of September 30, 2023, Charter had remaining board authority to purchase an additional \$672 million of Charter’s Class A common stock and/or Charter Holdings common units, excluding purchases from Liberty Broadband. In addition to open market purchases including pursuant to Rule 10b5-1 plans adopted from time to time, Charter may also buy shares of Charter Class A common stock, from time to time, pursuant to private transactions outside of its Rule 10b5-1 plan and any such repurchases may also trigger the repurchases from A/N pursuant to and to the extent provided in the A/N Letter Agreement or Liberty Broadband pursuant to the LBB Letter Agreement.

Item 5. *Other Information.*

On October 24, 2023, we amended and restated our Bylaws (the “Bylaws”) to update the Director Emeritus provision therein to remove the position of Chairman Emeritus.

The foregoing description of the amendment to the Bylaws does not purport to be complete and is qualified in its entirety by reference to the full text of the amended and restated Bylaws, attached hereto as Exhibit 3.1 and incorporated herein by reference.

Item 6. *Exhibits.*

See Exhibit Index.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, Charter Communications, Inc. has duly caused this quarterly report to be signed on its behalf by the undersigned, thereunto duly authorized.

CHARTER COMMUNICATIONS, INC.
Registrant

By: /s/ Kevin D. Howard
Kevin D. Howard
Executive Vice President, Chief Accounting Officer and Controller

Date: October 27, 2023

Exhibit Index

| Exhibit | Description |
|----------------|---|
| 3.1 | <u>Amended and Restated Bylaws of Charter Communications, Inc. as of October 24, 2023.</u> |
| 10.1 | <u>Employment Agreement, dated as of August 15, 2023, by and between Charter Communications, Inc. and David G. Ellen (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Charter Communications, Inc. on August 21, 2023).</u> |
| 31.1 | <u>Certificate of Chief Executive Officer pursuant to Rule 13a-14(a)/Rule 15d-14(a) under the under the Securities Exchange Act of 1934.</u> |
| 31.2 | <u>Certificate of Chief Financial Officer pursuant to Rule 13a-14(a)/Rule 15d-14(a) under the Securities Exchange Act of 1934.</u> |
| 32.1 | <u>Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer).</u> |
| 32.2 | <u>Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer).</u> |
| 101 | The following financial information from Charter Communications, Inc.'s Quarterly Report on Form 10-Q for the three and nine months ended September 30, 2023, filed with the Securities and Exchange Commission on October 27, 2023, formatted in iXBRL (inline eXtensible Business Reporting Language) includes: (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Operations; (iii) the Consolidated Statements of Changes in Shareholders' Equity; (iv) the Consolidated Statements of Cash Flows; and (vi) the Notes to the Consolidated Financial Statements. |
| 104 | Cover Page, formatted in iXBRL and contained in Exhibit 101. |

AMENDED AND RESTATED BYLAWS**OF****CHARTER COMMUNICATIONS, INC.**

(As adopted and in effect on October 24, 2023)

ARTICLE I**OFFICES**

SECTION 1.1 Delaware Office. The office of Charter Communications, Inc. (the “Corporation”) within the State of Delaware shall be in the City of Wilmington, County of New Castle.

SECTION 1.2 Other Offices. The Corporation may also have an office or offices and keep the books and records of the Corporation, except as otherwise may be required by law, in such other place or places, either within or without the State of Delaware, as the Board of Directors of the Corporation (the “Board”) may from time to time determine or the business of the Corporation may require.

ARTICLE II**MEETINGS OF STOCKHOLDERS**

SECTION 2.1 Place of Meetings. All meetings of holders of shares of capital stock of the Corporation shall be held at the office of the Corporation in the State of Delaware or at such other place, within or without the State of Delaware, as may from time to time be fixed by the Board or specified or fixed in the respective notices or waivers of notice thereof. The Board, acting in its sole discretion, may determine that any meeting of stockholders will not be held at any place but will be held solely by means of remote communication, and may establish guidelines and procedures in accordance with applicable provisions of the General Corporation Law of the State of Delaware, as it may be amended (the “DGCL”) and any other applicable law or regulation for stockholder and proxyholder participation in a stockholder meeting by means of remote communication. Subject to such guidelines and procedures as the chairman of the meeting may adopt, stockholders and proxyholders not physically present at a stockholder meeting held by means of remote communication may be deemed present in person, may participate in the meeting and may vote, whether such meeting is to be held at a designated place or solely by means of remote communication; provided, however, that (a) the Corporation shall implement measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (b) the Corporation shall implement measures to provide such stockholders and proxyholders an opportunity to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings and (c) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation or a delegate thereof.

SECTION 2.2 Annual Meetings. An annual meeting of stockholders of the Corporation for the election of directors and for the transaction of such other business as may properly come before the meeting (an “Annual Meeting”) shall, if required by law, be held at such place, on such date, and at such time as the Board shall fix.

SECTION 2.3 Special Meetings. Except as required by law and subject to the rights of holders of any series of Preferred Stock (as defined below), special meetings of stockholders may be called at any time only by the Chairman of the Board, the Chief Executive Officer or by the Board pursuant to a resolution approved by a majority of the then authorized number of directors. Any such call must specify the matter or matters to be acted upon at such meeting and only such matter or matters shall be acted upon thereat.

SECTION 2.4 Notice of Meetings. Except as otherwise required by law, notice of each meeting of stockholders, whether an Annual Meeting or a special meeting, shall state the purpose or purposes of the meeting, the place, date and hour of the meeting and, unless it is an Annual Meeting, shall indicate that the notice is being issued by or at the direction of the person or persons calling the meeting and shall be given not less than ten (10) or more than sixty (60) days before the date of said meeting, to each stockholder entitled to vote at such meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to each stockholder at such stockholder's address as it appears on the stock records of the Corporation. Notice of an adjourned meeting need not be given if the date, time and place to which the meeting is to be adjourned was announced at the meeting at which the adjournment was taken, unless (1) the adjournment is for more than thirty (30) days, or (2) the Board shall fix a new record date for such adjourned meeting after the adjournment. The attendance of a stockholder at a meeting, in person or by proxy, without protesting at the commencement of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by the stockholder. Any meeting of the stockholders may be rescheduled, postponed or cancelled by the Board, and the Corporation shall publicly announce such rescheduling, postponement or cancellation.

SECTION 2.5 Quorum. At each meeting of stockholders of the Corporation, the holders of shares having a majority of the voting power of the capital stock of the Corporation issued and outstanding and entitled to vote thereat present or represented by proxy shall constitute a quorum for the transaction of business, except as otherwise provided by law. Where a separate vote by a class or classes or series is required, a majority of the voting power of the shares of such class or classes or series in person or represented by proxy shall constitute a quorum entitled to take action with respect to that vote on that matter.

SECTION 2.6 Adjournments. Any meeting of the stockholders may be adjourned from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place, if any, thereof and the means of remote communications, if any, by which holders of shares having a majority of the voting power of the capital stock of the Corporation may be deemed to be present or represented by proxy and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. Regardless of the presence of a quorum, a meeting of the stockholders may be adjourned only by the chairman of the meeting or holders of shares having a majority of the voting power of the capital stock of the Corporation present or represented by proxy at such meeting. If a quorum is present at a meeting that is later adjourned, then a quorum shall also be deemed present at the adjourned session of such meeting, unless a new record date is, or is required by law or these Bylaws to be, set for an adjournment. At the adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting in accordance with the requirements of Section 2.4 hereof shall be given to each stockholder of record entitled to notice of and to vote at the meeting.

SECTION 2.7 Notice of Stockholder Business and Director Nomination.

- (a) Annual Meetings of Stockholders.

(1) Nominations of persons for election to the Board and the proposal of business to be considered by the stockholders may be made at an Annual Meeting only (A) pursuant to the Corporation's notice of meeting (or any supplement thereto), (B) by or at the direction of the Board or (C) by any stockholder of the Corporation who is a stockholder of record of the Corporation at the time the notice provided for in this Section 2.7 is delivered to the Secretary of the Corporation through the date of the Annual Meeting, who is entitled to vote at the meeting for such director and who complies with the notice and delivery procedures set forth in this Section 2.7.

(2) For nominations or other business to be properly brought before an Annual Meeting by a stockholder pursuant to clause (C) of paragraph (a)(1) of this Section 2.7, (A) the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and (B) any such proposed business other than nominations of persons for election to the Board must constitute a proper matter for stockholder action. In addition to complying with the provisions of Rule 14a-19 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), to be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the first anniversary of the date of the preceding year's Annual Meeting (provided, however, that in the event that the date of the Annual Meeting is more than thirty (30) days before or more than seventy (70) days after the anniversary date of the preceding year's Annual Meeting, notice by the stockholder must be so delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to such Annual Meeting and not later than the later of (x) close of business on the ninetieth (90th) day prior to such Annual Meeting or (y) the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation). In no event shall the adjournment, postponement or rescheduling of an Annual Meeting (or the public announcement thereof) commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(3) Such stockholder's notice shall set forth:

(A) as to each person whom the stockholder proposes to nominate for election as a director (each, a "proposed nominee"): (I) the name, age, business address and residential address of such proposed nominee; (II) a written questionnaire with respect to the background and qualifications of such proposed nominee, completed by such proposed nominee in the form required by the Corporation (which form such stockholder shall request in writing from the Secretary prior to submitting notice, and which the Secretary shall provide to such stockholder within ten (10) days of receiving such request); (III) a completed written representation and agreement in the form required by the Corporation (which form such stockholder shall request in writing from the Secretary prior to submitting notice and which the Secretary shall provide to such stockholder within ten (10) days of receiving such request) signed by the proposed nominee stating that such proposed nominee: (i) is not and will not become party to any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such proposed nominee, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or any Voting Commitment that could limit or interfere with such proposed nominee's ability to comply, if elected as a director of the Corporation, with such proposed nominee's fiduciary duties under applicable law; (ii) is not and will not become a party to any agreement, arrangement, or

understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement, or indemnification in connection with service or action as a director that has not been disclosed to the Corporation; (iii) if elected as a director, will comply with applicable rules of the exchange upon which the Corporation's shares of common stock trade, the Certificate of Incorporation, these Bylaws, and all of the Corporation's corporate governance, business conduct, ethics, conflict of interest, confidentiality, or other policies and guidelines generally applicable to the Corporation's directors, and applicable fiduciary duties under state law, and currently would be in compliance with any such policies and guidelines that have been publicly disclosed; (iv) consents to being named in the proxy statement for the meeting as a director nominee and to serving a full term as a director of the Corporation if elected; and (v) will provide facts, statements and other information in all communications with the Corporation and its stockholders that are or will be true and correct in all material respects, and that do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading; (IV) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three (3) years, and any other material relationships, between or among such proposed nominee, on the one hand, and the stockholder giving notice and any Stockholder Associated Person, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 promulgated under Regulation S-K if the stockholder making the nomination and any Stockholder Associated Person were the "registrant" for purposes of such rule and the proposed nominee was a director or executive officer of such registrant; and (V) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest or otherwise, or is otherwise required, in each case pursuant to Section 14 of the Exchange Act, and the rules and regulations promulgated thereunder;

(B) as to any other business that the stockholder proposes to bring before the meeting: (I) a reasonably brief description of the business desired to be brought before the meeting; (II) the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend these Bylaws of the Corporation, the language of the proposed amendment); (III) the reasons for conducting such business at the meeting; (IV) a complete and accurate description of any material interest of such stockholder and any Stockholder Associated Person in the proposed business; and (V) all other information relating to such proposed business that would be required to be disclosed in a proxy statement or other filing required to be made by the stockholder in connection with the solicitation of proxies in support of such proposed business pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder; and

(C) as to the stockholder giving the notice and any Stockholder Associated Person: (I) the name and address of such stockholder, as they appear on the Corporation's books, and of such Stockholder Associated Person, if any; (II) the class and number of shares of capital stock of the Corporation which are owned, directly or indirectly, beneficially and of record by such stockholder and any Stockholder Associated Person, the dates such shares were acquired and the investment intent of such acquisition; (III) the name of each nominee holder for securities of the Corporation owned beneficially but not of record by such person, and any pledge by such person for any of such securities;

(IV) a complete and accurate description of any agreement, arrangement or understanding, written or oral, (i) between or among such stockholder and any Stockholder Associated Person or (ii) between or among such stockholder, any Stockholder Associated Person and/or any other person or entity (including their names), in each case in connection with the proposal of such nomination or other business, including, without limitation (x) any proxy, contract, arrangement, understanding or relationship pursuant to which such stockholder or Stockholder Associated Person has the right to vote any shares of capital stock of the Corporation, (y) that the stockholder or any of the Stockholder Associated Persons may have reached with any stockholder of the Corporation (including the name of such stockholder) with respect to how such stockholder will vote its shares in the Corporation at any meeting of the Corporation's stockholders or take other action in support of any such nomination or other business, or other action to be taken by such stockholder or any of the Stockholder Associated Persons, and (z) any other agreements that would be required to be disclosed by such stockholder, any Stockholder Associated Person or any other person or entity pursuant to Item 5 or Item 6 of a Schedule 13D in connection with such nomination or other business that would be filed pursuant to Section 13 of the Exchange Act and the rules and regulations promulgated thereunder (regardless of whether the requirement to file a Schedule 13D is applicable to such stockholder, any proposed nominee, any Stockholder Associated Person or any other person or entity); (V) a description of any agreement, arrangement or understanding, written or oral (including any derivative or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions and borrowed or loaned shares or similar rights with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of capital stock of the Corporation or with a value derived in whole or in part from the value of any class or series of capital stock of the Corporation (a "Derivative Instrument")) that has been entered into by or on behalf of, or any other agreement, arrangement or understanding that has been made, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder, Stockholder Associated Person or any such nominee with respect to the Corporation's securities and any other information about such Derivative Instrument that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies for the election of directors in an election contest or otherwise, or is otherwise required, in each case pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder, if such Derivative Instruments were treated the same as securities of the Corporation under such requirements; (VI) any rights to dividends on the shares of the capital stock of the Corporation owned beneficially by such person; (VII) any proportionate interest in shares of capital stock of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership or similar entity in which such person (i) is a general partner or, directly or indirectly, beneficially owns an interest in a general partner or (ii) is the manager, managing member or, directly or indirectly, beneficially owns an interest in the manager or managing member of a limited liability company or similar entity; (VIII) any substantial interest, direct or indirect (including, without limitation, any existing or prospective commercial, business or contractual relationship with the Corporation), by security holdings or otherwise, of such person, in the Corporation or any affiliate thereof, other than an interest arising from the ownership of securities of the Corporation where such person receives no extra or special benefit not shared on a pro rata basis by all other

holders of the same class or series; (IX) a complete and accurate description of any performance-related fees (other than an asset-based fee) to which such person may be entitled as a result of any increase or decrease in the value of shares of the capital stock of the Corporation or any Derivative Instruments; (X) the investment strategy or objective, if any, of such stockholder giving notice and each such Stockholder Associated Person who is not an individual and a copy of the prospectus, offering memorandum or similar document, if any, provided to investors or potential investors in such stockholder and each such Stockholder Associated Person; (XI) a complete and accurate description of any pending or, to such person's knowledge, threatened, legal proceeding in which such person is a party or participant involving the Corporation or any publicly-disclosed officer, affiliate or associate of the Corporation; (XII) whether and the extent to which any agreement, arrangement or understanding has been made, the effect or intent of which is to increase or decrease the voting power of such person with respect to any shares of the capital stock of the Corporation, without regard to whether such transaction is required to be reported on a Schedule 13D under the Exchange Act and the rules and regulations promulgated thereunder; and (XIII) any other information relating to such person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies for such business or the election of any proposed nominee, or is otherwise required, pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder;

(D) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination, and an acknowledgment that, if such stockholder (or a Qualified Representative of such stockholder) does not appear to present such nomination or business at the meeting, the Corporation need not present such nomination or business for a vote at such meeting, notwithstanding that proxies in respect of such vote may have been received by the Corporation; and

(E) a representation whether the stockholder or a Stockholder Associated Person, if any, intends or is part of a group which intends to (I) deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (II) otherwise to solicit proxies from stockholders in support of such proposal or nomination.

A stockholder who has given notice of nomination as provided above shall promptly (and in any event prior to the applicable meeting of stockholders) certify to the Corporation, and notify the Corporation in writing, that it has met the requirements of Rule 14a-19(a) of the Exchange Act (including the requirement to solicit holders of shares representing at least 67% of the voting power of shares entitled to vote on the election of directors set forth in Rule 14a-19(a)(3) of the Exchange Act) and, upon request of the Corporation, shall, not later than five (5) business days prior to date of the applicable meeting of stockholders, deliver to the Corporation reasonable evidence of such compliance.

In addition to the information required above, the Corporation may require the stockholder giving notice to furnish such other information as the Corporation may reasonably require to determine the eligibility or suitability of a proposed nominee to serve as a director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such proposed nominee, under the listing standards of each securities exchange upon which the shares of the Corporation are

listed, any applicable rules of the Securities and Exchange Commission, any publicly disclosed standards used by the Board in determining and disclosing the independence of the Corporation's directors, including those applicable to a director's service on any of the committees of the Board, or the requirements of any other laws or regulations applicable to the Corporation. If requested by the Corporation, any supplemental information required under this paragraph shall be provided by such stockholder within ten (10) days after it has been requested by the Corporation.

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting (or supplement thereto). Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (1) by or at the direction of the Board or (2) provided that the Board has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time the notice provided for in this Section 2.7 is delivered to the Secretary of the Corporation through the date of the special meeting, who is entitled to vote at the meeting upon such election of such director and who complies with the notice and delivery procedures set forth in this Section 2.7. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board, any such stockholder entitled to vote in such election of such directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice including all information required by paragraph (a)(3) of this Section 2.7 shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120th) day prior to such special meeting and not later than the close of business on the later of (x) the ninetieth (90th) day prior to such special meeting and (y) the tenth (10th) day following the day on which the public announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. In no event shall the adjournment, postponement or rescheduling of a special meeting (or the public announcement thereof) commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(c) General.

(1) Other than persons nominated or business brought before a meeting by the Board, only such persons who are nominated in accordance with the procedures set forth in this Section 2.7 shall be eligible to be elected at an Annual Meeting or special meeting of stockholders of the Corporation to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 2.7. The number of nominees a stockholder may nominate for election at a meeting may not exceed the number of directors serving on the Board on the date the notice is first given. Except as otherwise provided by law, the chairman of the meeting shall have the power and duty (A) to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 2.7 and (B) if any proposed nomination or business was not made or proposed in compliance with this Section 2.7, to declare that such nomination shall be disregarded or that such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. Notwithstanding the foregoing provisions of this Section 2.7, unless otherwise required by law, if the stockholder (or a Qualified Representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or other proposed business, such nomination shall be disregarded or such proposed business shall not be transacted, as the case

may be, and no vote shall be taken with respect to such nomination or proposed business, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

(2) A stockholder giving notice of any nomination or business to be considered at a meeting of stockholders pursuant to this Section 2.7 or request for a Consent Record Date pursuant to Section 2.11 shall further update in writing any notice provided pursuant to this Section 2.7 or Section 2.11, respectively, if necessary, such that the information provided or required to be provided in such notice shall be true and correct (A) as of the record date for determining the stockholders entitled to receive notice of the meeting or act by written consent and (B) with respect to a meeting of stockholders, as of the date that is ten (10) business days prior to the meeting (or any adjournment, postponement or rescheduling thereof), and such update shall be received by the Secretary at the principal executive offices of the Corporation (x) not later than the close of business five (5) business days after the record date for determining the stockholders entitled to receive notice of such meeting or act by written consent (in the case of an update required to be made under clause (A)) and (y) not later than seven (7) business days prior to the date for the meeting, if practicable, or, if not practicable, on the first practicable date prior to the meeting or any adjournment, postponement or rescheduling thereof (in the case of an update required to be made pursuant to clause (B)). For the avoidance of doubt, any information provided pursuant to this Section 2.7(b) shall not be deemed to cure any deficiencies in a previously delivered notice pursuant to this Section 2.7 or Section 2.11, as applicable, and shall not extend the time period for the delivery of notice pursuant to this Section 2.7 or 2.11. If the stockholder fails to provide such written update within such period, the information as to which written update relates may be deemed to not have been provided in accordance with this Section 2.7 or Section 2.11, as applicable.

(3) If any information submitted pursuant to this Section 2.7 or Section 2.11 is inaccurate in any respect, such information shall be deemed not to have been provided in accordance with these Bylaws. The stockholder providing the notice shall notify the Secretary in writing at the principal executive offices of the Corporation of any inaccuracy or change in any such information within two (2) business days of becoming aware of such inaccuracy or change. Upon written request by the Secretary, the Board (or a duly authorized committee thereof), any such stockholder shall provide, within seven (7) business days of delivery of such request (or such other period as may be specified in such request), (A) written verification, reasonably satisfactory to the Board, any committee thereof or any authorized officer of the Corporation, to demonstrate the accuracy of any information submitted by the stockholder, and (B) a written update of any information (including written confirmation by such stockholder that it continues to intend to bring such nomination or business before or meeting or by written consent) submitted by the stockholder as of an earlier date. If the stockholder fails to provide such written verification or within such period, the information as to which written verification was requested may be deemed not to have been provided in accordance with this Section 2.7 or Section 2.11, as applicable.

(4) Notwithstanding the foregoing provisions of this Section 2.7, a stockholder shall also comply with all applicable requirements of state law and the Exchange Act and the rules and regulations promulgated thereunder with respect to the matters set forth in this Section 2.7. Nothing in this Section 2.7 shall be deemed to affect any rights (A) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act, (B) of the holders of any series of Preferred Stock to elect directors pursuant to any applicable provisions of the Certificate of Incorporation or (C) of the Investor Parties to

designate Investor Nominees (as such terms are defined in the Certificate of Incorporation) pursuant to any applicable provisions of the Certificate of Incorporation.

(5) As used in these Bylaws, (A) “affiliate” and “associate” each have the respective meanings set forth in Rule 12b-2 under the Exchange Act (or any successor provision at law), (B) “beneficial owner” or “beneficially owned” each have the respective meanings set forth in Section 13(d) of the Exchange Act (or any successor provision at law), (C) “public announcement” includes disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder, (D) a “Qualified Representative” of a stockholder means (I) a duly authorized officer, manager or partner of such stockholder or (II) a person authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders, which writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, must be produced at the meeting of stockholders, and (E) “Stockholder Associated Person” shall mean, with respect to any stockholder giving notice, (I) any person who is a member of a “group” (as such term is used in Rule 13d-5 under the Exchange Act (or any successor provision at law)) with or otherwise acting in concert with such stockholder giving notice, (II) any beneficial owner of shares of stock of the Corporation owned of record by such stockholder (other than a stockholder that is a depository), (III) any affiliate or associate of such stockholder or any Stockholder Associated Person, (IV) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A under the Exchange Act) with such stockholder or other Stockholder Associated Person in respect of any proposals or nominations, as applicable, and (V) any proposed nominee.

SECTION 2.8 Proxies and Voting. At each meeting of stockholders, all matters (except in cases where a larger vote is required by law or by the Certificate of Incorporation or these Bylaws) shall be decided by a majority of the votes cast at such meeting by the holders of shares of capital stock present or represented by proxy and entitled to vote thereon, a quorum being present. At any meeting of the stockholders, every stockholder entitled to vote may vote in person or by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to this Section 2.8 may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

SECTION 2.9 Inspectors. In advance of any meeting of stockholders, the Board may, and shall if required by law, appoint an inspector or inspectors. If, for any election of directors or the voting upon any other matter, any inspector appointed by the Board shall be unwilling or unable to serve, the chairman of the meeting shall appoint the necessary inspector or inspectors. The inspectors so appointed, before entering upon the discharge of their duties, shall be sworn faithfully to execute the duties of inspectors with strict impartiality, and according to the best of their ability, and the oath so taken shall be subscribed by them. Such inspectors shall determine the number of shares of capital stock of the Corporation outstanding and the voting power of each of the shares represented at the meeting, the existence of a quorum, and the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with

fairness to all stockholders. The inspectors shall make a report in writing of any challenge, question or matter determined by them and shall execute a certificate of any fact found by them. No director or candidate for the office of director shall act as an inspector of election of directors. Inspectors need not be stockholders.

SECTION 2.10 Conduct of Meetings. The Chairman of the Board or, at the election of the Chairman of the Board, the Chief Executive Officer or, in the absence of both of the foregoing, any such other person as may be designated by the Board, shall call meetings of the stockholders to order and shall act as chairman of such meetings. The Secretary, or, in his or her absence, an Assistant Secretary, shall act as secretary of all meetings of stockholders, or, in the absence of said officers, the chairman of the meeting may appoint any person to act as secretary of the meeting. The Board may adopt by resolution such rules or regulations for the conduct of meetings of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chair, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairman of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order and security at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman shall permit; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; (e) limitations on the time allotted to questions or comments by participants; (f) determining when and for how long the polls should be opened and when the polls should be closed; and (g) restricting the use of audio/video recording devices, cell phones and other electronic devices. Unless and to the extent determined by the Board or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

SECTION 2.11 Consent of Stockholders in Lieu of Meeting.

(a) Any action required to be taken at any Annual Meeting or special meeting of stockholders of the Corporation, or any action which may be taken at any Annual Meeting or special meeting of the stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the books in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested.

(b) The record date for determining stockholders entitled to express consent to corporate action in writing without a meeting (the "Consent Record Date") shall be fixed by the Board at the written request or requests of stockholders of record of the Corporation. The Board shall, within ten (10) days after the date on which such a request is received, adopt a resolution fixing the Consent Record Date, which such Consent Record Date shall be not more than ten (10) days after the date upon which the resolution fixing the Consent Record Date is adopted by the Board. A request for a Consent Record Date shall be signed and dated by such stockholder, shall comply with this Section 2.11 and shall include (1) a description of all matters to be acted upon by written consent of the stockholders and (2) all information required to be set forth in a notice under Section 2.7(a)(3) of these Bylaws as if each matter to be acted

upon by written consent were to be conducted at an Annual Meeting. In addition, such stockholder shall update and correct the request for the Consent Record Date in accordance with Sections 2.7(c)(2) and (3) and shall promptly provide any other information reasonably requested by the Corporation in connection with the request for a Consent Record Date.

(c) Every written consent shall bear the date of signature of each stockholder who signs the consent. Any stockholder may revoke a consent with respect to his or her shares at any time by written revocation delivered to the Secretary. No written consent shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated consent delivered to the Corporation in the manner prescribed in the first paragraph of this Section, unrevoked written consents signed by a sufficient number of holders to take action are delivered to the Corporation in the manner prescribed in the first paragraph of this Section. In the event of the delivery to the Corporation of a written consent or consents purporting to represent the requisite voting power to authorize or take corporate action and/or related revocations, the Secretary shall provide for the safekeeping of such consents and revocations.

(d) In addition to the requirements of this Section 2.11, all actions by written consent in lieu of a meeting and related stockholder solicitations shall comply with all requirements of applicable law, including all requirements of the Exchange Act and the rules and regulations promulgated thereunder.

(e) Notwithstanding the foregoing provisions of this Section 2.11, the Board shall not set a Consent Record Date and shall disregard any consents received in connection with a request for a Consent Record Date if (1) the request for a Consent Record Date does not comply with this Section 2.11, (2) the request for a Consent Record Date relates to an item of business that is not a proper subject for stockholder action under applicable law or (3) the request for a Consent Record Date was made in a manner that involved a violation of Regulation 14A under the Exchange Act and the rules and regulations promulgated thereunder or other applicable law. The Board of Directors shall determine in good faith whether the requirements set forth in this Section 2.11(e) have been satisfied.

(f) Notwithstanding anything to the contrary set forth above, none of the provisions in this Section 2.11 shall apply to any solicitation of stockholder action by written consent in lieu of a meeting by or at the direction of the Board, and the Board shall be entitled to solicit stockholder action by written consent in accordance with applicable law.

ARTICLE III

DIRECTORS

SECTION 3.1 Powers. The business of the Corporation shall be managed by or under the direction of the Board. The Board may, except as otherwise required by law, exercise all such powers and do all such acts and things as may be exercised or done by the Corporation.

SECTION 3.2 Number; Terms and Vacancies. The number of directors, which shall constitute the whole Board, shall be fixed at thirteen (13) persons. The directors of the Corporation shall be elected by majority vote of the holders of Class A Common Stock and Class B Common Stock voting together as one class (or if any holders of shares of Preferred Stock are entitled to vote thereon together with the holders of Class A Common Stock and Class B Common Stock, as one class with such holders of shares of Preferred Stock). Any vacancies on the Board resulting from death, resignation, disqualification, removal from office or other cause shall be filled in the manner provided in the Certificate of Incorporation and, if and to the extent applicable, the Second Amended and Restated Stockholders

Agreement (as defined in the Certificate of Incorporation) or the Existing Stockholders Agreement (as defined in the Certificate of Incorporation).

SECTION 3.3 Place of Meetings. Meetings of the Board shall be held at the Corporation's office in the State of Delaware or at such other places, within or without such State, as the Board may from time to time determine or as shall be specified or fixed in the notice or waiver of notice of any such meeting.

SECTION 3.4 Regular Meetings. Regular meetings of the Board shall be held in accordance with a yearly meeting schedule as determined by the Board; or such meetings may be held on such other days and at such other times as the Board may from time to time determine. Regular meetings of the Board shall be held not less frequently than quarterly.

SECTION 3.5 Special Meetings. Special meetings of the Board may be called by a majority of the directors then in office (rounded up to the nearest whole number) or by the Chairman of the Board and shall be held at such place, on such date, and at such time as they or he shall fix.

SECTION 3.6 Notice of Meetings. Notice of each special meeting of the Board stating the time, place and purposes thereof, shall be (i) mailed to each director not less than five (5) days prior to the meeting, addressed to such director at his or her residence or usual place of business, or (ii) shall be sent to him by facsimile or other means of electronic transmission, or shall be given personally or by telephone, on not less than twenty four (24) hours' notice.

SECTION 3.7 Quorum and Manner of Acting. The presence of at least a majority of the authorized number of directors shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the Board. If a quorum shall not be present at any meeting of the Board, a majority of the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. Except where a different vote is required or permitted by law, the Certificate of Incorporation or these Bylaws, the act of a majority of the directors present at any meeting at which a quorum shall be present shall be the act of the Board. Any action required or permitted to be taken by the Board may be taken without a meeting if all the directors consent in writing or by electronic transmission to the adoption of a resolution authorizing the action. The resolution and the written consents or copies of electronic consents thereto by the directors shall be filed with the minutes of the proceedings of the Board. Any one or more directors may participate in any meeting of the Board by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall be deemed to constitute presence in person at a meeting of the Board.

SECTION 3.8 Resignation. Any director may resign at any time by giving written notice to the Corporation; provided, however, that written notice to the Board, the Chairman of the Board, the Chief Executive Officer of the Corporation or the Secretary of the Corporation shall be deemed to constitute notice to the Corporation. Such resignation shall take effect upon receipt of such notice or at any later time specified therein and, unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective.

SECTION 3.9 Removal of Directors. Directors may be removed as provided by law and in the Certificate of Incorporation.

SECTION 3.10 Compensation of Directors. The Board may provide for the payment to any of the directors, other than officers or employees of the Corporation, of a specified amount for services as

director or member of a committee of the Board, or of a specified amount for attendance at each regular or special Board meeting or committee meeting, or of both, and all directors shall be reimbursed for expenses of attendance at any such meeting; provided, however, that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

SECTION 3.11 Director Emeritus Positions. The Board may, from time to time in its discretion, by majority vote, designate one or more of its former directors a Director Emeritus. Each such designation shall be for a one-year term or until such Director Emeritus' earlier death, resignation, retirement or removal (for any reason or no reason by a majority of the Board). Each Director Emeritus may be re-appointed for one or more additional one-year terms. Directors Emeritus may provide advisory services to the Board and its committees as requested from time to time by the Board. Directors Emeritus may attend Board meetings as and when invited by the Board and attend meetings of any committee of the Board as and when invited by the committee, but they shall not be entitled to notice of any such meetings or to vote or be counted for quorum purposes at any such meetings. If present, Directors Emeritus may participate in the discussions occurring at such meetings. Any person holding the position of Director Emeritus shall not be considered a director or officer for any purpose, including the Corporation's Certificate of Incorporation and Bylaws, applicable federal securities laws and the DGCL, and a Director Emeritus shall have no power or authority to manage the affairs of the Corporation. Directors Emeritus shall not have any of the responsibilities or liabilities of a director or officer of the Corporation under the DGCL, nor any of a director's or officer's rights, powers or privileges in their capacities as Directors Emeritus. Reference in these Bylaws to "directors" or "officers" shall not mean or include Directors Emeritus. Directors Emeritus will be entitled to receive fees for such service in such form and amount as approved by the Board, and shall be reimbursed for reasonable travel and other out-of-pocket business expenses incurred in connection with attendance at meetings of the Board and its committees. Directors Emeritus shall remain subject to the reporting requirements of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder, and shall remain subject to all of the Corporation's policies applicable to directors.

ARTICLE IV

COMMITTEES OF THE BOARD

SECTION 4.1 Committees. The Board may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided herein or in the resolution of the Board designating such committee, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the Certificate of Incorporation or Delaware law to be submitted to stockholders for approval or (ii) adopting, amending or repealing any Bylaws of the Corporation.

SECTION 4.2 Audit Committee. Subject to Section 4.1, the Board may designate an Audit Committee of the Board, which shall consist of such number of members as the Board shall determine. The Audit Committee shall: (i) make recommendations to the Board as to the independent accountants to be appointed by the Board; (ii) review with the independent accountants the scope of their examinations; (iii) receive the reports of the independent accountants and meet with representatives of such accountants for the purpose of reviewing and considering questions relating to their examination and such reports; (iv) review, either directly or through the independent accountants, the internal accounting and auditing procedures of the Corporation; (v) review related party transactions; and (vi) perform such other functions as may be assigned to it from time to time by the Board. The Audit Committee may determine its manner of acting, and fix the time and place of its meetings, unless the Board shall otherwise provide.

SECTION 4.3 Compensation Committee. Subject to Section 4.1, the Board may designate members of the Board to constitute a Compensation Committee which shall consist of such number of directors as the Board may determine. The Compensation Committee may determine its manner of acting and fix the time and place of its meetings, unless the Board shall otherwise provide.

SECTION 4.4 Action by Consent; Participation by Telephone or Similar Equipment. Unless the Board shall otherwise provide, any action required or permitted to be taken by any committee may be taken without a meeting if all the members of the committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the committee shall be filed with the minutes of the proceedings of the committee. Unless the Board shall otherwise provide, any one or more members of any such committee may participate in any meeting of the committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation by such means shall constitute presence in person at a meeting of the committee.

SECTION 4.5 Resignations; Removals. Any member of any committee may resign at any time by giving notice to the Corporation; provided, however, that notice to the Board, the Chairman of the Board, the Chief Executive Officer of the Corporation, the chairman of such committee or the Secretary of the Corporation shall be deemed to constitute notice to the Corporation. Such resignation shall take effect upon receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective. Any member of any such committee may be removed at any time, either with or without cause, by the affirmative vote of a majority of the authorized number of directors at any meeting of the Board called for that purpose.

ARTICLE V

OFFICERS

SECTION 5.1 Number, Titles and Qualification. The Corporation shall have such officers as may be necessary or desirable for the business of the Corporation. The officers of the Corporation may include a Chairman of the Board, a Chief Executive Officer, a President, one or more Vice Presidents, a Chief Financial Officer, a Secretary, one or more Assistant Secretaries, a Treasurer, and one or more Assistant Treasurers. The Chairman of the Board, Chief Executive Officer, President, Executive Vice Presidents, and Chief Financial Officer shall be elected by the Board, which shall consider that subject at its first meeting after every Annual Meeting of stockholders. The Corporation shall have such other officers as may from time to time be appointed by the Board or the Chief Executive Officer. Each officer shall hold office until his or her successor is elected or appointed, as the case may be, and qualified or until his or her earlier resignation or removal. Any number of offices may be held by the same person.

SECTION 5.2 Chairman of the Board. The Chairman of the Board shall be elected from among the directors, and the Chairman of the Board, or at the election of the Chairman of the Board, the Chief Executive Officer (or, in the absence of both of the foregoing, any such other person as may be designated by the Board) shall preside at all meetings of the stockholders and directors, and the Chairman of the Board shall have such other powers and perform such other duties as may be prescribed by the Board or provided in these Bylaws. The Chief Executive Officer shall report to the Chairman of the Board.

SECTION 5.3 Chief Executive Officer. The Chief Executive Officer shall have general and active responsibility for the management of the business of the Corporation, shall be responsible for implementing all orders and resolutions of the Board, shall supervise the daily operations of the business of the Corporation, and shall report to the Chairman of the Board. Subject to the provisions of these Bylaws and to the direction of the Chairman of the Board or the Board, he or she shall perform all duties which are commonly incident to the office of Chief Executive Officer or which are delegated to him or her by the Chairman of the Board or the Board. To the fullest extent permitted by law, he or she shall have power to sign all contracts and other instruments of the Corporation which are authorized and shall have general supervision and direction of all of the other officers, employees and agents of the Corporation. The Chief Executive Officer shall perform the duties and exercise the powers of the Chairman of the Board in the event of the Chairman of the Board's absence or disability.

SECTION 5.4 President. The President shall have such powers and duties as may be delegated to him or her by the Chairman of the Board, the Board, or the Chief Executive Officer. The President shall perform the duties and exercise the powers of the Chief Executive Officer in the event of the Chief Executive Officer's absence or disability.

SECTION 5.5 Vice President. Each Vice President shall have such powers and duties as may be delegated to him or her by the Board or the Chief Executive Officer.

SECTION 5.6 Chief Financial Officer. The Chief Financial Officer shall have responsibility for maintaining the financial records of the Corporation. He or she shall render from time to time an account of all such transactions and of the financial condition of the Corporation. The Chief Financial Officer shall also perform such other duties as the Board or the Chief Executive Officer may from time to time prescribe.

SECTION 5.7 Treasurer. The Treasurer shall have the responsibility for investments and disbursements of the funds of the Corporation as are authorized and shall render from time to time an account of all such transactions. The Treasurer shall also perform such other duties as the Board or the Chief Executive Officer may from time to time prescribe.

SECTION 5.8 Secretary. The Secretary shall issue all authorized notices for, and shall keep minutes of, all meetings of the stockholders and the Board. He or she shall have charge of the corporate books and shall perform such other duties as the Board or the Chief Executive Officer may from time to time prescribe.

SECTION 5.9 Delegation of Authority. The Chairman of the Board, the Board, or the Chief Executive Officer may from time to time delegate the powers or duties of any officer to any other officers or agents, notwithstanding any provision hereof.

SECTION 5.10 Removal. Any officer of the Corporation may be removed at any time, with or without cause, by the Chairman of the Board, by the Board, or, except as to the Chairman of the Board, by the Chief Executive Officer.

SECTION 5.11 Resignations. Any officer may resign at any time by giving written notice to the Corporation; provided, however, that notice to the Chairman of the Board, the Chief Executive Officer or the Secretary shall be deemed to constitute notice to the Corporation. Such resignation shall take effect upon receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 5.12 Vacancies. Any vacancy among the officers, whether caused by death, resignation, removal or any other cause, shall be filled in the manner prescribed for election or appointment to such office.

SECTION 5.13 Action with Respect to Securities of Other Corporations. Unless otherwise directed by the Board, the Chairman of the Board, the Chief Executive Officer or any other officer of the Corporation authorized by the Chairman of the Board or the Chief Executive Officer shall have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders of or with respect to any action of stockholders of any other corporation in which this Corporation may hold securities and otherwise to exercise any and all rights and powers which this Corporation may possess by reason of its ownership of securities in such other corporation.

SECTION 5.14 Bonds of Officers. If required by the Chairman of the Board, the Board, or the Chief Executive Officer, any officer of the Corporation shall give a bond for the faithful discharge of his or her duties in such amount and with such surety or sureties as the Chairman of the Board, the Board or the Chief Executive Officer may require.

SECTION 5.15 Officers of Operating Companies, Regions or Divisions. The Chief Executive Officer shall have the power to appoint, remove and prescribe the terms of office, responsibilities and duties of the officers of the operating companies, regions or divisions, other than those who are officers of the Corporation appointed by the Board.

ARTICLE VI

CONTRACTS, CHECKS, LOANS, DEPOSITS, ETC.

SECTION 6.1 Contracts. The Board may authorize any officer or officers, agent or agents, in the name and on behalf of the Corporation, to enter into any contract or to execute and deliver any instrument, which authorization may be general or confined to specific instances; and, unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily for any purpose or for any amount.

SECTION 6.2 Checks, etc. All checks, drafts, bills of exchange or other orders for the payment of money out of the funds of the Corporation, and all notes or other evidences of indebtedness of the Corporation, shall be signed in the name and on behalf of the Corporation in such manner as shall from time to time be authorized by the Board or the Chief Executive Officer, which authorization may be general or confined to specific instances.

SECTION 6.3 Loans. No loan shall be contracted on behalf of the Corporation, and no negotiable paper shall be issued in its name, unless authorized by the Board, which authorization may be general or confined to specific instances, and bonds, debentures, notes and other obligations or evidences of indebtedness of the Corporation issued for such loans shall be made, executed and delivered as the Board shall authorize.

SECTION 6.4 Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as may be selected by or in the manner designated by the Board, the Chief Executive Officer or the Chief Financial Officer. The Board or its designees may make such special rules and regulations with respect to such bank accounts, not inconsistent with the provisions of the Certificate of Incorporation or these Bylaws, as they may deem advisable.

ARTICLE VII

CAPITAL STOCK

SECTION 7.1 Certificates of Stock. The shares of the capital stock of the Corporation shall be represented by certificates, provided that the Board by resolution or resolutions may provide that some or all of any or all classes or series of capital stock of the Corporation shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Notwithstanding the adoption of such a resolution by the Board, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the Corporation by, the Chairman of the Board, President or a Vice President, and by the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer, certifying the number of shares owned by him or her. Any or all of the signatures on the certificate may be by facsimile.

SECTION 7.2 Transfers of Stock. Transfers of stock shall be made only upon the transfer books of the Corporation kept at an office of the Corporation or by transfer agents designated to transfer shares of the stock of the Corporation. Except where a certificate is issued in accordance with Section 7.4 of these Bylaws, an outstanding certificate for the number of shares involved, if certificated, shall be surrendered for cancellation before a new certificate is issued therefor.

SECTION 7.3 Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders, or to receive payment of any dividend or other distribution or allotment of any rights or to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of any meeting of stockholders, nor more than sixty (60) days prior to the time for such other action as hereinbefore described; provided, however, that if no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, and, for determining stockholders entitled to receive payment of any dividend or other distribution or allotment of rights or to exercise any rights of change, conversion or exchange of stock or for any other purpose, the record date shall be at the close of business on the day on which the Board adopts a resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall be not more than ten (10) days after the date upon which the resolution fixing the record date is adopted. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall comply with Section 2.11 hereof. If no record date has been fixed by the Board and no prior action by the Board is required by the Delaware General Corporation Law, the record date shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in the manner prescribed by Section 2.11 hereof. If no record date has been fixed by the Board and prior action by the Board is required by the Delaware General Corporation Law with respect to the proposed action by written consent of the stockholders, the record date for determining stockholders entitled to consent to corporate action in writing shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.

SECTION 7.4 Lost, Stolen or Destroyed Certificates. In the event of the loss, theft or destruction of any certificate of stock, another may be issued in its place pursuant to such regulations as the Board may establish concerning proof of such loss, theft or destruction and concerning the giving of satisfactory bond or bonds of indemnity.

SECTION 7.5 Regulations. The issue, transfer, conversion and registration of certificates of stock shall be governed by such other regulations as the Board may establish.

ARTICLE VIII

NOTICES

SECTION 8.1 Notices. Except as otherwise specifically provided herein or required by law, all notices required to be given to any stockholder, director, officer, employee or agent may in every instance be effectively given by hand delivery to the recipient thereof, by depositing such notice in the mails, postage-paid, or with a recognized overnight-delivery service or by sending such notice by facsimile or other means of electronic transmission, or such other means as is provided by law. Any such notice shall be addressed to such stockholder, director, officer, employee or agent at such person's last known address as the same appears on the books of the Corporation. The time when such notice is received, if hand delivered, or dispatched, if delivered through the mails or by overnight delivery service, or by telegram, mailgram or facsimile, shall be the time of the giving of the notice.

SECTION 8.2 Waivers. A written waiver of any notice, signed by a stockholder, director, officer, employee or agent, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such stockholder, director, officer, employee, agent. Neither the business nor the purpose of any meeting need be specified in such a waiver.

ARTICLE IX

MISCELLANEOUS

SECTION 9.1 Facsimile Signatures. In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board or a committee thereof.

SECTION 9.2 Corporate Seal. The Board may provide a suitable seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary of the Corporation. If and when so directed by the Board or a committee thereof, duplicates of the seal may be kept and used by the Corporation's Treasurer or by an Assistant Secretary or Assistant Treasurer.

SECTION 9.3 Reliance Upon Books, Reports and Records. Each director, each member of any committee designated by the Board, and each officer of the Corporation shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books of account or other records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers or employees, or committees of the Board so designated, or by any other person as to matters which such director or committee member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care or on behalf of the Corporation.

SECTION 9.4 Fiscal Year. The fiscal year of the Corporation shall be as fixed by the Board.

SECTION 9.5 Time Periods. In applying any provision of these Bylaws which requires that an act be done or not be done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

ARTICLE X

INDEMNIFICATION OF DIRECTORS AND OFFICERS

SECTION 10.1 Right to Indemnification. Each person who was or is made a party or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter, a "proceeding"), by reason of the fact that he or she is or was a director or an officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter, a "Covered Person"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended, against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such Covered Person in connection therewith; provided, however, that, except as provided in Section 10.3 hereof with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such Covered Person in connection with a proceeding (or part thereof) initiated by such Covered Person only if such proceeding (or part thereof) was authorized by the Board.

SECTION 10.2 Right to Advancement of Expenses. The Corporation shall pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any such proceeding in advance of its final disposition (hereinafter, an "advancement of expenses"), provided, however, that, if the Delaware General Corporation Law so requires, an advancement of expenses incurred by a Covered Person in his or her

capacity as such shall be made only upon delivery to the Corporation of an undertaking (hereinafter, an “undertaking”), by or on behalf of such Covered Person, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter, a “final adjudication”) that such Covered Person is not entitled to be indemnified for such expenses under this Section 10.2 or otherwise. The rights to indemnification and to the advancement of expenses conferred in Sections 10.1 and 10.2 hereof shall be contract rights and such rights shall continue as to a Covered Person who has ceased to be such and shall inure to the benefit of the Covered Person’s heirs, executors and administrators.

SECTION 10.3 Right of Covered Person to Bring Suit. If a claim under Section 10.1 or 10.2 hereof is not paid in full by the Corporation within sixty (60) days after a written claim therefor has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) days, the Covered Person may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Covered Person shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the Covered Person to enforce a right to indemnification hereunder (but not in a suit brought by the Covered Person to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking the Corporation shall be entitled to recover such expenses upon a final adjudication that, the Covered Person has not met the applicable standard for indemnification set forth in the Delaware General Corporation Law. To the fullest extent permitted by law, neither the failure of the Corporation (including its disinterested directors, committee thereof, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the Covered Person is proper in the circumstances because the Covered Person has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its disinterested directors, committee thereof, independent legal counsel or its stockholders) that the Covered Person has not met such applicable standard of conduct, shall create a presumption that the Covered Person has not met the applicable standard of conduct or, in the case of such a suit brought by the Covered Person, be a defense to such suit. In any suit brought by the Covered Person to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Covered Person is not entitled to be indemnified, or to such advancement of expenses, under this Article X or otherwise shall, to the extent permitted by law, be on the Corporation.

SECTION 10.4 Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses conferred in this Article X shall not be exclusive of any other right which any person may have or hereafter acquire by any statute, the Corporation’s Certificate of Incorporation or Bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

SECTION 10.5 Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

SECTION 10.6 Indemnification of Employees and Agents of the Corporation. The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the

advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article X with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

SECTION 10.7 Amendment or Repeal. Any repeal or modification of the provisions of this Article X shall not adversely affect any right or protection hereunder of any Covered Person in respect of any proceeding (regardless of when such proceeding is first threatened, commenced or completed) arising out of, or related to, any act or omission occurring prior to the time of such repeal or modification.

ARTICLE XI

AMENDMENTS

The Board may from time to time adopt, make, amend, supplement or repeal these Bylaws by vote of a majority of the Board, subject to Section 8.2 of the Second Amended and Restated Stockholders Agreement.

I, Christopher L. Winfrey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Charter Communications, 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.
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 27, 2023

/s/ Christopher L. Winfrey

Christopher L. Winfrey
President and Chief Executive Officer

I, Jessica M. Fischer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Charter Communications, 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.
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 27, 2023

/s/ Jessica M. Fischer

Jessica M. Fischer
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF CHIEF EXECUTIVE
OFFICER REGARDING PERIODIC REPORT CONTAINING
FINANCIAL STATEMENTS**

I, Christopher L. Winfrey, the President and Chief Executive Officer of Charter Communications, Inc. (the "Company") in compliance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that, the Company's Quarterly Report on Form 10-Q for the three and nine months ended September 30, 2023 (the "Report") filed with the Securities and Exchange Commission:

- fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christopher L. Winfrey

Christopher L. Winfrey
President and Chief Executive Officer
October 27, 2023

**CERTIFICATION OF CHIEF FINANCIAL
OFFICER REGARDING PERIODIC REPORT CONTAINING
FINANCIAL STATEMENTS**

I, Jessica M. Fischer, the Chief Financial Officer of Charter Communications, Inc. (the "Company"), in compliance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that, the Company's Quarterly Report on Form 10-Q for the three and nine months ended September 30, 2023 (the "Report") filed with the Securities and Exchange Commission:

- fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jessica M. Fischer

Jessica M. Fischer
Chief Financial Officer
(Principal Financial Officer)
October 27, 2023