

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

FORM 10-K

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

For the fiscal year ended December 31, 2024
or

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

For the transition period from _____ to _____
Commission File No. 001-7784

LUMEN®

Lumen Technologies, Inc.
(Exact name of registrant as specified in its charter)

Louisiana
(State or other jurisdiction of
incorporation or organization)
100 CenturyLink Drive,
Monroe, Louisiana
(Address of principal executive offices)

72-0651161
(I.R.S. Employer
Identification No.)

71203
(Zip Code)

(318) 388-9000
(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
Common Stock, no-par value per share	LUMN	New York Stock Exchange
Preferred Stock Purchase Rights	N/A	New York Stock Exchange

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

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

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

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-accelerated Filer ☐ Smaller Reporting Company ☐
Emerging Growth Company ☐

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

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

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

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

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

On February 18, 2025, 1,013,799,349 shares of common stock were outstanding. The aggregate market value of the voting stock held by non-affiliates as of June 30, 2024 was \$1.1 billion.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the Registrant's Proxy Statement to be furnished in connection with the 2025 annual meeting of shareholders are incorporated by reference in Part III of this report.

Auditor Name: KPMG LLP

Auditor Location: Denver, Colorado

Auditor Firm ID: 185

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Unless the context requires otherwise, references in this report on Form 10-K, for all periods presented, to "Lumen Technologies, Inc.," "Lumen Technologies" or "Lumen," "we," "us," the "Company" and "our" refer to Lumen Technologies, Inc. and its consolidated subsidiaries, unless the context otherwise requires.

PART I

Special Note Regarding Forward-Looking Statements

This report and other documents filed by us under the federal securities law include, and future oral or written statements or press releases by us and our management may include, forward-looking statements about our business, financial condition, operating results or prospects. These "forward-looking" statements are defined by, and are subject to the "safe harbor" protections under, the federal securities laws. These statements include, among others:

- forecasts of our anticipated future results of operations, cash flows or financial position;
- statements concerning our completed, pending or proposed transactions, investments, product development, Private Connectivity FabricSM and Quantum Fiber buildouts, transformation plans, participation in government programs, deleveraging plans, and other initiatives, including benefits or costs associated therewith;
- statements about our liquidity, profitability, profit margins, tax position, tax assets, tax rates, asset values, contingent liabilities, growth opportunities, growth rates, acquisition and divestiture opportunities, business prospects, regulatory and competitive outlook, market share, product capabilities, investment and expenditure plans, business strategies, securities repurchase plans, leverage, capital allocation plans, financing or refinancing alternatives and sources, and pricing plans; and
- other similar statements of our expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts, many of which are highlighted by words such as "may," "will," "would," "could," "should," "plans," "believes," "expects," "anticipates," "estimates," "forecasts," "projects," "proposes," "targets," "intends," "likely," "seeks," "hopes," or variations or similar expressions with respect to the future.

These forward-looking statements are based upon our judgment and assumptions as of the date such statements are made concerning future developments and events, many of which are beyond our control. These forward-looking statements, and the assumptions upon which they are based, (i) are not guarantees of future results, (ii) are inherently speculative and (iii) are subject to a number of risks and uncertainties. Actual events and results may differ materially from those anticipated, estimated, projected or implied by us in those statements if one or more of these risks or uncertainties materialize, or if our underlying assumptions prove incorrect. All of our forward-looking statements are qualified in their entirety by reference below to factors that could cause our actual results to differ materially from those anticipated, estimated, projected or implied by us in those forward-looking statements. These factors include but are not limited to:

- the effects of intense competition from a wide variety of competitive providers, including decreased demand for our more mature service offerings and increased pricing pressures;
- the effects of new, emerging or competing technologies, including those that could make our products less desirable or obsolete;
- our ability to successfully and timely attain our key operating imperatives, including simplifying and consolidating our network, simplifying and automating our service support systems, attaining our Quantum Fiber buildout schedule, replacing aging or obsolete plant and equipment, strengthening our relationships with customers and attaining projected cost savings;
- our ability to successfully and timely monetize our network related assets through leases, commercial service arrangements or similar transactions (including as part of our Private Connectivity FabricSM solutions), including the possibility that the benefits of these transactions may be less than anticipated, that the costs thereof may be more than anticipated or that we may be unable to satisfy any conditions of any such transactions in a timely manner, or at all;

- our ability to safeguard our network, and to avoid the adverse impact of cyber-attacks, security breaches, service outages, system failures, or similar events impacting our network or the availability and quality of our services;
- the effects of ongoing changes in the regulation of the communications industry, including the outcome of legislative, regulatory or judicial proceedings relating to content liability standards, intercarrier compensation, universal service, service standards, broadband deployment, data protection, privacy and net neutrality;
- our ability to generate cash flows sufficient to fund our financial commitments and objectives, including our capital expenditures, operating costs, debt obligations, taxes, pension contributions and other benefits payments;
- our ability to effectively retain and hire key personnel and to successfully negotiate collective bargaining agreements on reasonable terms without work stoppages;
- our ability to successfully adjust to changes in customer demand for our products and services, including increased demand for high-speed data transmission services and artificial intelligence services;
- our ability to enhance our growth products and manage the decline of our legacy products, including by maintaining the quality and profitability of our existing offerings, introducing profitable new offerings on a timely and cost-effective basis, and transitioning customers from our legacy products to our newer offerings;
- our ability to successfully and timely implement our corporate strategies, including our transformation, buildout and deleveraging strategies;
- our ability to successfully and timely realize the anticipated benefits from our 2022 and 2023 divestitures, and our 2024 debt modification and extinguishment transactions described elsewhere herein;
- changes in our operating plans, corporate strategies, or capital allocation plans, whether based upon changes in our cash flows, cash requirements, financial performance, financial position, market or regulatory conditions or otherwise;
- the impact of any future material acquisitions or divestitures that we may transact;
- the negative impact of increases in the costs of our pension, healthcare, post-employment or other benefits, including those caused by changes in capital markets, interest rates, mortality rates, demographics or regulations;
- the impact of events that harm our reputation or brands, including potential negative impact of customer or shareholder complaints, government investigations, security breaches or service outages impacting us or our industry;
- adverse changes in our access to credit markets on acceptable terms, whether caused by changes in our financial position, lower credit ratings, unstable markets, debt covenant restrictions or otherwise;
- our ability to meet the terms and conditions of our debt obligations and covenants, including our ability to make transfers of cash in compliance therewith;
- our ability to maintain favorable relations with our security holders, key business partners, suppliers, vendors, landlords and lenders;
- our ability to timely obtain necessary hardware, software, equipment, services, governmental permits and other items on favorable terms;

- the potential adverse effects arising out of allegations regarding the release of hazardous materials into the environment from network assets owned or operated by us or our predecessors, including any resulting governmental actions, removal costs, litigation, compliance costs, or penalties;
- our ability to collect our receivables from, or continue to do business with, financially-troubled customers;
- our ability to continue to use intellectual property used to conduct our operations;
- any adverse developments in legal or regulatory proceedings involving us;
- changes in tax, trade, pension, healthcare or other laws or regulations, in governmental support programs, or in general government funding levels, including those arising from governmental programs promoting broadband development;
- our ability to use our net operating loss carryforwards in the amounts projected;
- the effects of changes in accounting policies, practices or assumptions, including changes that could potentially require additional future impairment charges;
- the effects of adverse weather, terrorism, epidemics, pandemics, war, rioting, vandalism, societal unrest, political discord, or other natural or man-made disasters or disturbances;
- the potential adverse effects if our internal controls over financial reporting have weaknesses or deficiencies, or otherwise fail to operate as intended;
- the effects of changes in interest rates or inflation;
- the effects of more general factors such as changes in exchange rates, in operating costs, in public policy, in the views of financial analysts, or in general market, labor, economic, public health or geopolitical conditions; and
- other risks referenced in the "Risk Factors" section or other portions of this report or other of our filings with the U.S. Securities and Exchange Commission (the "SEC").

Additional factors or risks that we currently deem immaterial, that are not presently known to us or that arise in the future could also cause our actual results to differ materially from our expected results. Given these uncertainties, investors are cautioned not to unduly rely upon our forward-looking statements, which speak only as of the date made. We undertake no obligation to publicly update or revise any forward-looking statements for any reason, whether as a result of new information, future events or developments, changed circumstances, or otherwise. Furthermore, any information about our intentions contained in any of our forward-looking statements reflects our intentions as of the date of such forward-looking statement, and is based upon, among other things, our assessment of regulatory, technological, industry, competitive, economic and market conditions, as of such date. We may change our intentions, strategies or plans (including our capital allocation plans) at any time and without notice, based upon any changes in such factors or otherwise.

ITEM 1. BUSINESS

Business Overview and Purpose

We are a networking company with the goal of connecting people, data, and applications quickly, securely and effortlessly. We are unleashing the world's digital potential by providing a broad array of integrated products and services to our domestic and global Business customers and our domestic Mass Markets customers. We operate one of the world's most interconnected communications networks. Our platform empowers our customers to swiftly adjust digital programs to meet immediate demands, create efficiencies, accelerate market access and reduce costs, which allows our customers to rapidly evolve their IT programs to address dynamic changes. Our specific products and services are detailed below under the heading "Segments and Products & Services."

We conduct our operations under the following four brands:

- "Lumen," which is our flagship brand for serving the enterprise and wholesale markets, including our Private Connectivity FabricSM ("PCF") network architecture, Lumen Digital products, and our priority services including Edge, Network-as-a-Service and cybersecurity;
- "Quantum Fiber," which is our brand for providing fiber-based broadband services to residential and small business customers;
- "CenturyLink," which is our long-standing brand for providing primarily mass-marketed copper-based communications services, which we manage for cash flow; and
- "Black Lotus Labs," which is our cyberthreat research and intelligence arm.

With approximately 163,000 fiber on-net buildings and 340,000 route miles of fiber optic cable globally, we are among the largest providers of communications services to domestic and global enterprise customers. Our terrestrial fiber optic long-haul network throughout North America and Asia Pacific connects to metropolitan fiber networks that we operate.

As further discussed immediately below under the heading "Acquisitions and Divestitures," we sold (i) both our Latin American business and a portion of our incumbent local exchange carrier ("ILEC") business during 2022 and (ii) our business conducted in Europe, the Middle East and Africa ("EMEA") during 2023.

For a discussion of certain risks applicable to our business, see "Risk Factors" in Item 1A of Part I of this report.

Acquisitions and Divestitures

General

Since being incorporated in 1968, we have grown principally through acquisitions. By 2008, we had become one of the largest providers of rural telephone services in the United States. We subsequently acquired Embarq Corporation in mid-2009, Qwest Communications International Inc. in early 2011 and Level 3 Communications, Inc. in late 2017. These acquisitions substantially expanded our geographic footprint, reduced our focus on providing legacy telecommunications services to retail customers, and increased our focus on providing more modern technology and communications services to Business customers.

We continue to evaluate the possibility of acquiring additional assets or divesting assets in exchange for cash, securities or other properties, and at any given time may be engaged in discussions or negotiations regarding additional acquisitions or divestitures. We generally do not announce our acquisitions or divestitures until we have entered into a preliminary or definitive agreement.

Divestitures of Businesses

On August 1, 2022, affiliates of Level 3 Parent, LLC, an indirect wholly-owned subsidiary of Lumen Technologies, Inc., sold Lumen's Latin American business. On October 3, 2022, we and certain of our affiliates sold the portion of our facilities-based ILEC business primarily conducted within 20 Midwestern and Southeastern states (and retained the remainder of this business, which is conducted in 17 states, primarily in the Western United States). On November 1, 2023, affiliates of Level 3 Parent, LLC sold Lumen's operations in EMEA.

See Note 2—Divestitures of the Latin American, ILEC and EMEA Businesses to our consolidated financial statements in Item 8 of Part II of this report for additional information on these transactions.

Financial Highlights

The following table summarizes the results of our consolidated operations:

	Years Ended December 31,		
	2024	2023 ⁽¹⁾	2022 ⁽¹⁾
	(Dollars in millions)		
Operating revenue	\$ 13,108	14,557	17,478
Operating expenses	12,648	24,141	17,383
Operating income (loss)	\$ 460	(9,584)	95
Net loss	\$ (55)	(10,298)	(1,548)

⁽¹⁾ During 2023 and 2022, we recorded non-cash, non-tax-deductible goodwill impairment charges of \$10.7 billion and \$3.3 billion, respectively. For additional information, see Note 3—Goodwill, Customer Relationships and Other Intangible Assets to our consolidated financial statements in Item 8 of Part II of this report.

During 2024, 2023 and 2022, approximately 2.8%, 6.5% and 8.6%, respectively, of our consolidated revenue was derived outside the U.S.

The following table summarizes certain selected financial information from our consolidated balance sheets:

	As of December 31,	
	2024	2023
	(Dollars in millions)	
Total assets	\$ 33,496	34,018
Total long-term debt ⁽¹⁾	17,906	19,988
Total stockholders' equity	464	417

⁽¹⁾ For additional information on our total long-term debt, see Note 7—Long-Term Debt and Credit Facilities to our consolidated financial statements in Item 8 of Part II of this report. For information on our total obligations, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Future Contractual Obligations" in Item 7 of Part II of this report.

The summary financial information appearing above should be read in conjunction with, and is qualified by reference to, our consolidated financial statements and notes thereto in Item 8 of Part II of this report and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 of Part II of this report.

Strategy

Our over-arching strategic goal is to digitally connect people, data, and applications quickly, securely, and effortlessly. To attain this goal, we strive to, among other things:

- deliver best in class infrastructure to meet network, transport, data, and computing needs;
- optimize and innovate the way locations, data centers, and clouds connect;
- limit, detect, and mitigate network and data security vulnerabilities;
- expand our product offerings and strengthen our digital self-service ordering platforms;
- create a more adaptive and integrated network;
- continue to monetize our network-related assets, principally through the sale of PCF solutions;
- expand our network capacity through our AI backbone initiative;
- execute on our Quantum Fiber buildout plan;
- manage our non-core business for cash flow; and
- strengthen our financial position and performance through our modernization and simplification initiatives, resulting in lower costs and debt reduction.

Our Stakeholders

We believe that regular communications with our stakeholders is a vital component of Lumen's success. Our "North Star" strategy focuses on the operating principles of teamwork, trust, and transparency and infuses clarity into the communications we have with all of our stakeholders, including our investors, employees, customers, vendors, partners and our local communities.

Employees and Human Capital Resources

To position Lumen for growth and success, we have made changes to our senior leadership team that have played a critical role in modernizing our business, attracting new talent and invigorating our culture. Lumen's highly competitive business requires attracting, developing and retaining a motivated team inspired by leadership, engaged in meaningful work, motivated by career growth opportunities and thriving in a culture where teamwork, trust, and transparency drive both individual and collective success. Understanding and anticipating the priorities of our current and future employees is important to our future success. We aim to bring together the best mix of talent to develop the brightest ideas to transform industries across the globe. At December 31, 2024, we had approximately 25,000 employees world-wide, including approximately 3,400 outside the U.S.

Attracting, Developing and Retaining Talent

Our recruiting, development and retention objectives focus on treating talent as a differentiator and a leading indicator of business performance. We strive to hire and retain the best talent available to provide outstanding opportunities for career advancement and to champion fair selections and best hiring practices. We have implemented a rigorous hiring process and established a framework of competency-based success profiles and regular career development and training programs, which we believe empower our employees to pursue their professional goals and improve employee engagement and retention. We invest in broad-based development for our employees in various ways such as skills-building programs, on-demand learning options, tuition reimbursement and tailored intern and mentoring programs, along with a suite of leadership development courses.

We have increased our focus on fostering internal mobility and providing more visibility and career advancement opportunities to our workforce through our internal communications platforms. We support this culture of growth through a robust learning ecosystem, offering approximately 8,900 courses within our learning management system, the majority of which are Lumen-specific content, and a vast library of over 150,000 resources on our learning platform. Developing strong leaders who can move our company forward is a priority for Lumen.

We gauge the efficacy of our programs, identify opportunities for improvement, and pursue solutions through tracking and analyzing data in a variety of ways, including conducting annual talent reviews and measuring our progress toward goals specified in our talent programs.

Positive Corporate Culture

At Lumen, we are focused on transforming our business and delivering results for our colleagues, customers, partners, and shareholders. Our employees are critical to Lumen's success and we believe creating a winning culture and teams with different skills, perspectives, experiences, and backgrounds is essential to attracting and retaining engaged employees. Lumen is transforming from the bottom up, by building a culture of teamwork, trust, and transparency. We will continue to recruit and retain the best talent based on individual merit and to create a respectful and engaged workplace. We want our employees to be proud to work with us and fully engaged to share in our purpose to unleash the world's digital potential. Lumen adheres to the principles set forth in its Code of Conduct, and will always endeavor to fully comply with local, state, and federal laws and regulations.

Health & Wellness

We are committed to promoting the health, safety and well-being of our people, partners, and the communities we serve. Lumen strives to outperform the industry average safety performance as we continue our investments in programs and training to support health and safety. Our aim is to help all of our employees to thrive, and we regularly re-evaluate how to best support our employees' well-being through benefits and resources. We invest in the physical, mental, and emotional well-being of our people through a comprehensive suite of benefits. Our benefit and wellness programs are designed to drive engagement that positively impacts our culture, job satisfaction, recruiting and retention programs. We offer progressive employee benefits and enhancements that recognize the unique needs of our people and their families.

Labor Relations

At December 31, 2024, approximately 21% of our U.S. workforce was represented by a union (either the Communications Workers of America or the International Brotherhood of Electrical Workers). A small number of our overseas employees are represented by unions or another representative body. We recognize the critical role that our supervisors and managers play in fostering a productive and respectful work environment, and we encourage employees to work directly with their supervisors, where possible, to efficiently and effectively resolve workplace concerns. We also respect our employees' rights to voluntarily establish and join unions and similar associations without unlawful interference. We strive to work collaboratively with the unions, councils and associations that represent our workers.

Customer Success

Our customers range from individual households to global enterprises. Whether our network supports remote education to under-served communities or a multi-national work-from-home enterprise, all customers are impacted by the quality and reliability of our products and services. Understanding how each customer accesses and uses our products and services informs the type of customer engagement to best meet their expectations. Our commitment to staying abreast of our customers' needs is evident in our Customer Advisory Board, a forum where some of our largest customers gather twice a year to discuss emerging technology trends. In addition, the Lumen Customer Community is an interactive online platform designed exclusively for Lumen customers which serves as a central hub where customers can connect with each other and access valuable resources. We believe a strong experience leads to satisfied customers and engaged employees who are encouraged to recommend innovative solutions.

We highly value both customer and employee suggestions. We offer our customers several channels for communicating with us, including voice, text, email, chat and social media. We are driving towards a digital-first culture that enables our customers to configure, order and rapidly deploy our services through an all-digital, self-service set of tools. Since 2019, we have hosted an annual customer experience event, during which we invite customers to collaborate directly with us.

While careful listening to customers is the best source of customer experience feedback, we believe incorporating employee feedback is the most effective way to collect comprehensive data to continuously improve. We regularly invite our front-line employees to provide feedback on opportunities to improve our capabilities.

Partners and Vendors

We leverage a digital ecosystem of trusted partners to help us innovate and grow. We seek to engage with those partners and vendors who best contribute to our customers' success. Lumen seeks to co-innovate with a comprehensive group of strategic partners to create solutions focused on our customers' business and IT requirements. Through our open and interoperable approach, we seek to identify the optimal platform for serving our customers – whether ours or a third party's. When necessary, Lumen incorporates market-leading technologies to optimize application performance and streamline integration throughout the IT stack to ensure seamless integration and interoperability. Lumen has collaborated with a host of technology partners, in an effort to integrate different technologies to improve our products and services. We believe this collaboration has strengthened our capability to tailor and manage scalable solutions that customers control.

Given these efforts to better serve our customers, we are materially reliant on a wide range of vendors to support our organization and partners to support our strategy. We work with, and rely on, other communications companies that lease us transmission capacity or sell us various services necessary for our current operations, as well as a wide range of software, hardware and equipment suppliers. We believe that co-innovating with other companies enables us to more rapidly improve our customer offerings.

Environmental Stewardship and Sustainability

We believe our commitment to environmental sustainability promotes the financial health of our business and strengthens our relations with our employees, communities, customers and investors.

Lumen's Sustainability Management Committee ("SMC") is the driving force behind our comprehensive sustainability program, including the monitoring of climate-related issues. This cross-functional committee, composed of senior and seasoned leaders from diverse areas of our business, is responsible for driving our sustainability agenda with our Board of Directors and senior leadership. The SMC often works closely with Lumen's Environment, Health and Safety ("EHS") team, a management-level group responsible for overseeing and implementing our EHS and environmental sustainability initiatives.

Our EHS program focuses on the following key areas:

- *Environmental compliance and management:* The Lumen EHS team assesses and reviews our company programs, operational facilities and waste management vendors. We monitor environmental legislative activity and collaborate with other internal groups to develop documented practices and procedures designed to support compliance with applicable laws and regulations.
- *Energy and emissions:* In an effort to reduce our carbon footprint, we continue to identify and implement energy efficiency and greenhouse gas ("GHG") emissions reduction initiatives. We recently announced early achievement of our 2018-2025 science-based GHG emissions-reduction targets and we are proud to have exceeded our targets ahead of schedule. We remain committed to exploring ways to reduce GHG emissions through our operational, customer and employee initiatives.
- *Water:* Lumen uses the World Resource Institute's Aqueduct Water Risk Atlas to assess susceptibility to future water stress across our areas of operation. We strive to reduce our water consumption, especially in the water-stressed communities where we operate. We track our usage, monitor trends, and implement measures to enhance efficiency and reduce discharge.

- *Waste:* We are committed to reusing and recycling products, carefully managing our waste and minimizing material use throughout our operations. We encourage customers to return to us their equipment, which is then either reused or sent to a certified recycler. This and other programs enable us to divert electronic and communications equipment from landfills.
- *Supplier environmental assessment:* We expect our suppliers to embrace and share our commitment to compliance and sustainability efforts. As reflected in our Supplier Code of Conduct, we expect our suppliers to use reasonable efforts to employ environmentally preferred and energy-efficient services, and to work with their own suppliers to assess and address environmental and sustainability issues within their supply chains.
- *Climate preparedness:* We evaluate various climate-related risks to our ongoing operations when we consider expanding our network or facilities. Our comprehensive business continuity program focuses on prevention, collaboration, communication, response and recovery to assist us in quickly resolving disruptive events. Weather events such as severe flooding, wildfires and hurricanes can impact our ability to deliver services, so business resiliency and adaptability is key to the long-term viability of our business.
- *Occupational health and safety:* We conduct risk assessments, review safety incident data and monitor health and safety legislation to develop policies and procedures designed to minimize safety hazards and support compliance with applicable laws and regulations. We continuously monitor safety performance to identify trends and evaluate opportunities to eliminate or reduce the risks of workplace hazards.

Our Network

Our network, through which we provide most of our products and services, consists of fiber-optic and copper cables, high-speed transport equipment, electronics, voice switches, data switches, routers, and various other equipment. We operate part of our network with leased assets, and a substantial portion of our equipment with licensed software.

At December 31, 2024, our network (owned and leased) included approximately 340,000 route miles of fiber optic plant, most of which consists of "long-haul" fiber connecting major metropolitan centers and the remainder of which is "metro" fiber that connects buildings within the metropolitan markets we serve. We also own copper-based network infrastructure and multiple gateway and transmission facilities used in connection with operating our network throughout North America.

At December 31, 2024, our domestic network connected to (i) approximately 163,000 buildings, which we refer to as "fiber on-net" buildings, located in 226 metropolitan markets serving our enterprise customer base and (ii) approximately 22.0 million broadband-enabled units capable of receiving our Mass Markets broadband services across 17 states. At December 31, 2024, approximately 4.2 million of our 22.0 million Mass Markets broadband-enabled units were capable of receiving services from our fiber-based infrastructure, with the remainder connected with copper-based infrastructure. Our domestic network also included at such date central office and other equipment that enables us to provide telephone service as an ILEC.

As discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 of Part II of this report and Note 2—Divestitures of the Latin American, ILEC and EMEA Businesses to our consolidated financial statements in Item 8 of Part II of this report, we sold portions of our network during 2022 and 2023.

As noted elsewhere in this report, we view our network as one of our most critical assets. We have devoted, and plan to continue to devote, substantial resources to (i) simplify and modernize our network and legacy systems, (ii) retire aging or obsolete systems and plant and (iii) expand our network to address demand for enhanced or new products. A key element of our network expansion plan is our Quantum Fiber buildout project. Under this project, we plan to construct additional fiber optic infrastructure over the next few years to enable us to provide Quantum Fiber broadband services to several million additional urban and suburban locations in our remaining ILEC markets.

Although we own most of our network, we lease a substantial portion of our fiber network from several other communication companies under arrangements that will periodically need to be renewed or replaced to support our current network operations.

As a critical infrastructure provider, we and our customers are a constant target of cyber-attacks from a wide range of intruders, including advanced persistent threat actors. From time to time in the ordinary course of our business, we experience security incidents and disruption in our services. We develop and maintain systems and programs designed to protect against cyber-attacks and network outages. The development, maintenance and operation of these systems and programs is costly and requires ongoing monitoring and updating as technologies change and efforts to bypass security measures become more sophisticated and evolve rapidly.

For additional information regarding risks relating to our systems, network assets, network operations, capital expenditure requirements and reliance upon third parties, see “Risk Factors” in Item 1A of Part I of this report.

Competition

We compete in a dynamic and highly competitive market in which demand for high-speed, secure data services continues to grow. We expect continued intense competition from a wide variety of sources under these evolving market conditions. In addition to competition from large international communications providers, we are facing competition from a growing number of sources, including systems integrators, hyperscalers, cloud service providers, software networking companies, infrastructure companies, cable companies, wireless service providers, device providers, resellers and smaller niche providers.

Our ability to compete hinges upon effectively enhancing and better integrating our existing products, introducing new products on a timely and cost-effective basis, meeting changing customer needs, providing high-quality information security to build customer confidence and combat cyber-attacks, extending our core technology into new applications and anticipating emerging technological and industry changes. Depending on the applicable market and services, competition can be intense, especially if competitors in the market have network assets better suited to customer needs, faster transmission speeds, lower prices, or a longer history of providing service in the market.

We compete to provide services to Business customers based on a variety of factors, including the comprehensiveness and reliability of our network, our data transmission speeds, price, the latency of our available network services, the scope of our integrated offerings, the reach and peering capacity of our IP network, digital ordering capabilities, ease of access and use, billing simplicity and customer service. We continue to experience pricing pressure for several of our products and services due to a wide array of large communications companies and systems integrators providing high-speed fiber services to enterprise and wholesale business customers and other companies that market slower-speed non-fiber services typically at lower prices to more price-sensitive customers.

Competition to provide broadband services to our Mass Markets customers remains high. Market demand for our broadband services could be adversely affected by (i) advanced wireless data transmission technologies, including fixed wireless and low-earth-orbit satellite services, and (ii) continued enhancements to cable-based services, each of which generally provides faster average broadband transmission speeds than our copper-based infrastructure. In addition, several established or new communications companies, infrastructure companies or municipalities have built or are building new fiber-based networks to provide high-speed broadband services in existing or unserved markets, frequently with the support of governmental subsidies. Our network expansion and innovation strategy is focused largely on addressing these competitive pressures. To meet these demands and remain competitive, we are continuing to invest in network capacity, security, reliability, flexibility and design innovations, including through our Quantum Fiber buildout initiatives.

For our traditional voice services, providers of wireless voice, social networking, videoconferencing and electronic messaging services are significant competitors as many customers are increasingly using these services to communicate, resulting in the long-term systemic decline in our traditional voice services. Other potential sources of competition include non-carrier systems that are capable of bypassing our local networks, either partially or completely, through various means. Developments in software have permitted new competitors to offer affordable networking products that historically required more expensive hardware investment. We anticipate that all these trends will continue to decrease use of our voice network.

We continue to operate various ILECs, which are obligated under federal law to permit competitors to interconnect their facilities to the ILEC's network and to take various other steps that are designed to promote competition, including obligations to (i) negotiate interconnection agreements in good faith, (ii) provide nondiscriminatory "unbundled" access to specific portions of the ILEC's network and (iii) permit competitors to physically or virtually collocate their plant on the ILEC's property. Consequently, our ILECs face competition from competitive local exchange carriers ("CLECs"), which typically provide competing services through (i) reselling an ILEC's local services, (ii) using an ILEC's unbundled network elements, (iii) operating their own facilities, or (iv) a combination thereof.

Additional information about competitive pressures is located under the heading "Risk Factors—Business Risks" in Item 1A of Part I of this report.

Sales and Marketing

Sales Channels

Our enterprise sales and marketing approach focuses on solving complex customer problems with advanced technology and network solutions – striving to make core networks services compatible with digital tools. We also rely on our call center personnel and a variety of channel partners to promote sales of services that meet the needs of our customers. To meet the needs of different customers, our offerings include both stand-alone services and bundled services, such as our PCF solutions, designed to provide a complete offering of integrated services.

Our Business customers range from small business offices to the world's largest global enterprise customers. Our direct sales representatives generally market our business services to members of in-house IT departments or other highly-sophisticated customers with deep technological experience. These individuals typically satisfy their IT requirements by contracting with us or a rapidly evolving group of competitors, or by deploying in-house solutions. We also market our products and services through inbound call centers, telemarketing and third parties, including telecommunications agents, system integrators, value-added resellers and other telecommunications firms. We support our distribution through digital advertising, events, television advertising, website promotions and public relations. We maintain local offices in most major and secondary markets within the U.S. and many of the primary markets of the other countries in which we provide services.

Similarly, our sales and marketing approach to our Mass Market customers emphasizes customer-oriented sales, marketing and service with a local presence. Our approach includes marketing our products and services primarily through direct sales representatives, inbound call centers, telemarketing and third parties, including retailers, satellite television providers, door to door sales agents and digital marketing firms.

Segments and Products & Services

We structure our segments and customer-facing sales channels to align with how we support our customers. We believe this reporting structure provides greater transparency into how we are performing against our strategy, including focusing on growth opportunities and managing declining legacy services.

Segments

We report our financial performance using two segments, as described below:

- *Business Segment:* Under our Business segment, we provide our products and services under five sales channels to meet the needs of our enterprise and commercial customers; and
- *Mass Markets Segment:* Under our Mass Markets segment, we provide products and services to domestic residential and small business customers.

The following table shows the composition of our operating revenue by segment for the years ended December 31, 2024, 2023 and 2022:

	Years Ended December 31,			Percent Change	
	2024	2023	2022	2024 vs 2023	2023 vs 2022
Percentage of revenue:					
Business	79 %	80 %	75 %	(1)%	5 %
Mass Markets	21 %	20 %	25 %	1 %	(5)%
Total operating revenue	100 %	100 %	100 %		

For additional information on our segment data, including information on certain centrally-managed assets and expenses not reflected in our segment results, see Note 17—Segment Information to our consolidated financial statements in Item 8 of Part II of this report and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Reporting Segments" in Item 7 of Part II of this report.

Products & Services

At December 31, 2024, we categorized our products and services revenue among the following product categories for the Business segment:

- *Grow, which includes products and services that we anticipate will grow, including:*
 - *Dark Fiber and Conduit.* We control an extensive array of unlit optical fiber known as "dark fiber" which has been laid but not yet been equipped with the equipment necessary for it to transmit data. We provide access to this unlit optical fiber to customers who are interested in building their networks with this high-bandwidth, highly secure optical technology. We also provide access to conduit, which are ducts installed underground to house and protect fiber optic cables. Additionally, we provide professional services to engineer these networks, and in some cases, manage them for customers;
 - *Edge Cloud Services.* We provide access to both public and private cloud solutions that allow our customers to optimize cost and performance by offloading workloads. Lumen's cloud access products are designed to leverage our network edge to provide low-latency secure services for our customers. Additionally, we provide cloud orchestration tools that allow customers to shift work between cloud environments dynamically;
 - *Internet Protocol ("IP").* Our IP services provide global internet access over a high performance, diverse network. Our fiber network spans approximately 340,000 route miles globally with extensive off-net access solutions across North America and Asia Pacific;
 - *Communications (Voice over IP, "VoIP").* We offer a VoIP portfolio, including session initiation protocol ("SIP") trunking, and our Cloud Voice Solution, which combines hosted voice, SIP trunking, and branded collaboration. Our Cloud Communications platform moves voice communications to the cloud for seamless communication, operational efficiency, and reliable, cost-effective support for critical safety systems;
 - *Managed Security Services.* We provide enterprise security solutions that help our customers secure networks, mitigate malicious attacks and identify potential security threats. These services include DDoS mitigation, remote and premise-based firewalls, professional consulting and management services, and threat intelligence services;
 - *Software-Defined Wide Area Networks ("SD WAN").* We offer Lumen-managed and co-managed SD-WAN solutions to help reduce the complexity and business risk of network transformation on a single, automated platform that coordinates the full spectrum of connectivity types. Our tools, technology and hands-on expertise provide the ability to design, deploy and evolve with business needs while maintaining complete visibility, security and control;

- *Unified Communications and Collaboration ("UC&C")*. We provide access to various unified communications platforms. This offering includes both individual, license-based service models and more robust enterprise-wide options that transform a customer's various communication tools into a single platform; and
- *Optical Services*. We deliver high bandwidth optical wavelength networks to customers requiring an end-to-end solution with ethernet technology for a scalable amount of bandwidth connecting sites or providing high-speed access to cloud computing resources.
- *Nurture, which includes our more mature offerings, such as:*
 - *Ethernet*. We deliver a robust array of networking services built on ethernet technology. Ethernet services include point-to-point and multi-point equipment configurations that facilitate data transmissions across metropolitan areas and larger enterprise-class wide area networks. Our ethernet technology is also used by wireless service providers for data transmission via our fiber-optic cables connected to their towers; and
 - *VPN Data Networks*. Leveraging our extensive fiber-optic network, we create private networks tailored to our customers' needs. These technologies enable enterprises, government entities and service providers to streamline multiple networks into a cost-effective solution that simplifies the transmission of voice, video, and data over a single secure network.
- *Harvest, which includes our legacy services managed for cash flow, including:*
 - *Voice Services*. We offer our customers a complete portfolio of traditional Time Division Multiplexing voice services including primary rate interface service, local inbound service, switched one-plus, toll free, long distance and international services; and
 - *Private Line*. We deliver private line services, a direct circuit or channel specifically dedicated for connecting two or more organizational sites. Private line service offers a high-speed, secure solution for frequent transmission of large amounts of data between sites, including wireless backhaul transmissions.
- *Other, which includes:*
 - *Equipment*. We sell and install certain communications equipment.
 - *Managed and Professional Service Solutions*. We craft technology solutions for our customers and often manage these solutions on an ongoing basis. These services frequently enhance equipment or networks owned, acquired, or controlled by the customer and often include our consulting or software development services; and
 - *Other Legacy Services*. We continue to provide certain services based on older platforms to support our customers as they transition to newer technology. These services include Synchronous Optical Network (SONET) based ethernet, legacy data hosting services, and conferencing services.

At December 31, 2024, we reported our products and services revenue among the following categories for the Mass Markets segment:

- *Fiber Broadband*, under which we provide high speed broadband services to residential and small business customers utilizing our fiber-based network infrastructure;
- *Other Broadband*, under which we provide primarily lower speed broadband services to residential and small business customers utilizing our copper-based network infrastructure; and
- *Voice and Other*, under which we derive revenues from (i) providing local and long-distance voice services, professional services, and other ancillary services, and (ii) federal broadband and state support programs.

Research, Development & Intellectual Property

As of December 31, 2024, we held approximately 2,400 patents and patent applications in the U.S. and other countries. We have also received licenses to use patents held by others. We plan to continue to file new patent applications as we enhance and develop products and services, and we plan to continue to seek opportunities to expand our patent portfolio through strategic acquisitions and licensing.

In addition to our patent rights, we have rights in various trade names, trademarks, copyrights and other intellectual property that we use to conduct our business. Our services often use the intellectual property of others, including licensed software. We also occasionally license our intellectual property to others as we deem appropriate.

For information on various litigation risks associated with owning and using intellectual property rights, see “Risk Factors—Business Risks” in Item 1A of Part I of this report, and Note 18—Commitments, Contingencies and Other Items to our consolidated financial statements in Item 8 of Part II of this report.

Regulation of Our Business

Our domestic operations are regulated by the Federal Communications Commission (the “FCC”), by various state regulatory commissions and occasionally by local agencies. Our non-domestic operations are regulated by supranational groups (such as the European Union, or “EU”), national agencies and frequently state, provincial or local bodies. Generally, we must obtain and maintain operating licenses from these bodies in most areas where we offer regulated services.

Changes in the composition and leadership of the FCC, state regulatory commissions and other agencies that regulate our business could have significant impacts on our revenue, expenses, competitive position and prospects. Changes in the composition and leadership of these agencies are often difficult to predict, which makes future planning more difficult.

The following description discusses some of the major regulations affecting our operations, but others could have a substantial impact on us as well. For additional information, see “Risk Factors” in Item 1A of Part I of this report.

Federal Regulation of Domestic Operations

General

The FCC regulates the interstate services we provide, including the business data service charges we bill for wholesale network transmission and intercarrier compensation, including the interstate access charges that we bill other communications companies in connection with the origination and termination of interstate phone calls. Additionally, the FCC regulates several aspects of our business related to international communications services, privacy, public safety and network infrastructure, including (i) our access to and use of local telephone numbers, (ii) our provision of emergency 911 services, and (iii) our use or removal (potentially on a reimbursable basis) of equipment produced by certain vendors deemed to cause potential national security risks. We could incur substantial penalties if we fail to comply with the FCC’s applicable regulations.

Many of the FCC's regulations adopted in recent years remain subject to judicial review and additional rule-makings, thus increasing the difficulty of determining the ultimate impact of these changes on us and our competitors.

Universal Service

For several years, the federal government has instituted various funding programs to facilitate greater access to broadband services, including those noted below.

Between 2015 and 2021, we received approximately \$500 million annually through Phase II of the FCC's Connect America Fund ("CAF II"), a broadband support program that ended on December 31, 2021. In connection with the CAF II funding, we were required to meet certain specified infrastructure buildout requirements in 33 states by the end of 2021, which required substantial capital expenditures. In the first quarter of 2022, we recognized \$59 million of previously deferred revenue related to the conclusion of the CAF II program based upon our final buildout and filing submissions. The government has the right to audit our compliance with the CAF II program. The ultimate outcome of any remaining examinations is unknown, but could result in a liability to us in excess of our accruals established for these matters.

In January 2020, the FCC created the Rural Digital Opportunity Fund ("RDOF") program, a federal support program designed to fund broadband deployment in rural America. For the first phase of this program, RDOF Phase I, the FCC awarded \$6.4 billion in support payments to be paid in equal monthly installments over 10 years. We were awarded RDOF funding in several of the states in which we operate and began receiving monthly support payments during the second quarter of 2022. We received approximately \$17 million in annual RDOF Phase I support payments for each of the years ended December 31, 2023 and 2022. In the third quarter of 2024, we relinquished rights to develop certain RDOF census blocks in four states, which resulted in (i) a reduction of our anticipated RDOF Phase I support payments to approximately \$16 million for the year ending December 31, 2024 and \$15 million each remaining year thereafter and (ii) an expectation of payment to the federal government, which we anticipate will be approximately \$10 million.

Federal officials have proposed changes to current programs and laws that could impact us, including proposals designed to increase broadband access, increase competition among broadband providers, lower broadband costs and re-adopt "net neutrality" rules similar to those adopted by a few states. In late 2021, the U.S. Congress enacted legislation that appropriated \$65 billion to improve broadband affordability and access, primarily through federally funded state grants. As of the date of this report, various state and federal agencies are continuing to take steps to make this funding available to eligible applicants. We believe that the release of this funding could increase competition for broadband customers.

In mid-2024, a federal appellate court ruled that the FCC's universal service funding system, which levied fees against us and other telecommunication companies, was unlawful. Due to pending judicial and legislative proceedings, it is unclear how this development may ultimately impact us.

For additional information about these programs, see (i) Note 4—Revenue Recognition to our consolidated financial statements in Item 8 of Part II of this report and (ii) "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 of Part II of this report.

Broadband Regulation

In February 2015, the FCC adopted an order regulating broadband internet access services ("BIAS") as a common carrier service under Title II of the Communications Act of 1934. In December 2017, the FCC voted to repeal this order. In May 2024, the FCC adopted a new order regulating BIAS as a Title II utility service, but a federal appeals court vacated this order in January 2025. Several states have proposed, implemented or enacted laws or orders focused on state-specific Internet service regulation. In addition, certain members of Congress and various consumer interest groups have advocated in favor of classifying BIAS as a Title II utility service. These developments make it difficult to predict the future degree of regulation of BIAS. Any imposition of heightened regulation of our Internet operations could potentially hamper our ability to operate our data networks efficiently, restrict our ability to implement network management practices necessary to ensure quality service, increase the cost of operating, maintaining and upgrading our network, and otherwise negatively impact our current operations.

State Regulation of Domestic Operations

Historically ILECs, including ours, have been regulated as “common carriers,” and state regulatory commissions have generally exercised jurisdiction over intrastate voice telecommunications services and their associated facilities. In recent years, most states have reduced their regulation of ILECs. State regulatory commissions generally continue to (i) set the rates that telecommunications companies charge each other for exchanging traffic, (ii) exercise some control over the rates telecommunications companies charge their customers for regulated services, (iii) require ILECs to provide voice service throughout their territories, particularly in areas where alternative voice service is not available, (iv) administer support programs designed to subsidize the provision of services to high-cost rural areas, (v) regulate the purchase and sale of ILECs, (vi) require ILECs to provide service under publicly-filed tariffs setting forth the terms, conditions and prices of regulated services, (vii) limit ILECs’ ability to borrow and pledge their assets, (viii) regulate transactions between ILECs and their affiliates and (ix) impose various other service standards.

In most states, switched and business data services and interconnection services are subject to price regulation, although the extent of regulation varies by type of service and geographic region. State agencies also regulate certain aspects of non-ILEC communications businesses, including determining carriers’ eligibility to receive federal universal service fund support.

Data Privacy Laws and Regulations

Various foreign, federal and state laws govern our storage, maintenance and use of customer data, including a wide range of consumer protection, data protection, privacy, intellectual property and similar laws. Data privacy regulations are complex and vary across jurisdictions. As a company providing global services, we must comply with various jurisdictional data privacy regulations, including the General Data Protection Regulation (“GDPR”) in the EU and similar laws adopted by various other jurisdictions in certain of our domestic and overseas markets. Domestically, the number of state privacy laws continues to increase. The application, interpretation and enforcement of these laws are often uncertain, and may be interpreted and applied inconsistently from jurisdiction to jurisdiction. These regulations require careful handling of personal and customer data and could have a significant impact on our business, especially if we violate any of those regulations.

Anti-Bribery and Corruption Regulations

As a provider of global services, we must comply with complex foreign and U.S. laws and regulations governing business ethics and practices, such as the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and other local laws prohibiting corrupt payments to governmental officials and anti-competition regulations. We have compliance policies, programs and training designed to prevent non-compliance with such anti-corruption regulations in the U.S. and other jurisdictions.

Regulation of International Operations

Our subsidiaries operating outside of the U.S. are subject to various regulations in the markets where service is provided. The scope of regulation varies from country to country. The communications regulatory regimes in certain of our non-domestic markets are in the process of development and do not fully address many issues, including the pricing of services.

Our overseas operations are also subject to various other domestic or non-domestic laws or regulations, including various laws or regulations governing (i) exports and imports of various goods or technologies, (ii) certain sanctioned business activities, and (iii) competition.

Other Regulations

Our networks and properties are subject to numerous federal, state and local laws and regulations, including laws and regulations governing the use, storage and disposal of hazardous materials, the release of pollutants into the environment and the remediation of contamination. Our contingent liabilities under these laws are further described in Note 18—Commitments, Contingencies and Other Items. Certain federal and state agencies, including attorneys general, monitor and exercise oversight related to consumer protection issues. We are also subject to codes that regulate our trenching and construction operations or that require us to obtain permits, licenses or franchises to operate. Such regulations are enacted by municipalities, counties, state, federal or other regional governmental bodies, and can vary widely from jurisdiction to jurisdiction as a result. Such regulations may also require us to pay substantial fees or impact our network buildout initiatives.

Seasonality

Overall, our business is not materially impacted by seasonality. Our network-related operating expenses are, however, generally higher in the second and third quarters of the year. From time to time, weather-related problems have resulted in increased costs to repair our network and respond to service calls in some of our markets. The amount and timing of these costs are subject to the weather patterns of any given year but have generally been highest during the third quarter and have been related to damage from severe storms, including hurricanes, tropical storms and tornadoes.

Additional Information

From time to time, we may make investments in other communications or technology companies. For further information on regulatory, technological and competitive factors that could impact our revenue, see "Risk Factors" below under Item 1A. For more information on the financial contributions of our various services, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 of Part II of this report.

Website Access and Important Investor Information

We were incorporated in Louisiana in 1968. Our website is www.lumen.com. We routinely post important investor information in the "Investor Relations" section of our website at ir.lumen.com. The information contained on, or that may be accessed through, our website is not part of this report or any other periodic reports that we file with the SEC. Any references to our website in this report or any other periodic reports that we file with the SEC are provided for convenience only, and are not intended to make any of our website information a part of this or such other reports. You may obtain free electronic copies of our annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K (i) in the "Investor Relations" section of our website (ir.lumen.com) under the heading "FINANCIALS" and subheading "SEC Filings" or (ii) on the SEC's website at www.sec.gov. In like manner, you may obtain free electronic copies of reports filed by two of our principal subsidiaries, which contain supplemental information about us that you may find useful. From time to time, we also use our website to webcast our earnings calls and certain of our meetings with investors or other members of the investment community.

We have adopted a written Code of Conduct that serves as the code of ethics applicable to our directors, officers and employees, in accordance with applicable laws and rules promulgated by the SEC and the New York Stock Exchange. In the event that we make any changes (other than by a technical, administrative or non-substantive amendment) to, or provide any waivers from, the provisions of our Code of Conduct applicable to our directors or executive officers, we intend to disclose these events on our website. The Code of Conduct, as well as various other governance documents, are also available in the "Governance" section of our website at www.lumen.com/en-us/about/governance or in print to any shareholder who requests them by sending a written request to our Corporate Secretary at Lumen Technologies, Inc., 100 CenturyLink Drive, Monroe, Louisiana, 71203.

In connection with filing this report, our chief executive officer and chief financial officer made the certifications regarding our financial disclosures required under the Sarbanes-Oxley Act of 2002, and its related regulations. In addition, during 2024, our chief executive officer certified to the New York Stock Exchange that she was unaware of any violations by us of the New York Stock Exchange's corporate governance listing standards.

As a large complex organization, we are from time to time subject to litigation, disputes, governmental or internal investigations, consent decrees, service outages, security breaches or other adverse events. We typically publicly disclose these occurrences (and their ultimate outcomes) only when we determine these disclosures to be material to investors or otherwise required by applicable law.

We typically disclose material non-public information by disseminating press releases, making public filings with the SEC, or disclosing information during publicly accessible meetings or conference calls. Nonetheless, from time to time we have used, and intend to continue to use, our website and social media accounts to augment our disclosures.

Although at various times we answer questions raised by securities analysts, it is against our policy to disclose to them selectively any material non-public information or other confidential information. Investors should not assume that we agree with any statement or report issued by an analyst with respect to our past or projected performance. To the extent that reports issued by securities analysts contain any projections, forecasts or opinions, such reports are not our responsibility.

Unless otherwise indicated, information contained in this report and other documents filed by us under the federal securities laws concerning our views and expectations regarding industry conditions are based on estimates made by us using data from industry sources and making assumptions based on our industry knowledge and experience. You should be aware that we have not independently verified data from industry or other third-party sources and cannot guarantee its accuracy or completeness.

We have developed methodologies for calculating certain of our statistical data, including route miles, fiber miles (determined by multiplying the route miles of fiber cables by the cable's fiber strands), broadband subscribers, broadband-enabled units, fiber on-net buildings (which are buildings in metropolitan markets connected to our network) and similar metrics. We may calculate these amounts differently from other industry participants.

Our principal executive offices and telephone number are listed on the cover page of this report.

ITEM 1A. RISK FACTORS

The following discussion identifies material factors that could (i) materially and adversely affect our business, financial condition, results of operations or prospects or (ii) cause our actual results to differ materially from our anticipated results, projections or other expectations. The following information should be read in conjunction with the other portions of this annual report, including “Special Note Regarding Forward-Looking Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Item 7 and our consolidated financial statements and related notes in Item 8. All references to “Notes” in this Item 1A of Part I refer to the Notes to Consolidated Financial Statements included in Item 8 of Part II of this report. Please note the following discussion is not intended to comprehensively list all risks or uncertainties faced by us. Our operations or actual results could also be similarly impacted by additional risks and uncertainties that are not currently known to us, that we currently deem to be immaterial, that arise in the future or that are not specific to us. In addition, certain of the risks described below apply only to a part or segment of our business.

Business Risks

Challenges with integrating or modernizing our existing applications and systems could harm our performance.

To attain our operational and strategic goals and our projected cost savings, we need to integrate, simplify, upgrade, and modernize our existing applications and systems, including many legacy systems from past acquisitions. This process will require us to, among other things, timely retire aging or obsolete systems, deploy a master data management platform, and integrate various legacy IT systems into a new, simplified structure. These modernization efforts will require efficient allocation of resources, development capacity, greater use of artificial intelligence (“AI”) and other emerging technologies, access to subject-matter experts, development of a sustainable and resilient operating model, advanced project management capabilities, and successful collaboration among personnel with differing expertise. We cannot assure you these efforts will be successful. Any failure to timely accomplish these initiatives may negatively affect our (i) ability to deliver services to our customers at required speed and scale, (ii) ability to realize anticipated efficiencies and attain our operational cost reduction projections, (iii) network stability, (iv) ability to timely repair infrastructure and respond to service outages or (v) ability to meet regulatory, legal or contractual obligations.

We may not be able to create the global digital experience expected by customers.

Our customers expect us to create and maintain a global digital platform, including (i) automation and simplification of our offerings and (ii) digital self-service access to our products, services and customer support. To do so, we must timely and successfully complete the digital transformation of our operations that is currently underway. Effective digital transformation is a complex, dynamic process requiring efficient allocation and prioritization of resources, simplification of our product portfolio, faster product deployments, retirement of obsolete systems, migration of data, and corresponding transformations of our workforce and systems. We cannot assure you we will be able to timely effect the successful digital transformation necessary to develop or deliver a global digital experience expected by our customers. If we are unable to do so, we could lose existing customers or fail to attract new ones, either of which could prevent us from attaining our financial goals.

We may not realize the anticipated benefits of our strategic focus on selling PCF solutions.

During the second half of 2024, we announced that Lumen and its subsidiaries had recently sold several billion dollars of new PCF solutions. Full payment for certain deals involving construction of new routes depends on fulfilling certain delivery obligations or other performance conditions, and revenue under our PCF agreements may be less than anticipated. Our costs under these agreements may be greater than anticipated due to construction delays or cost overruns as a result of weather, supply chain, labor, permitting, or other unforeseen issues. If demand for data center connectivity declines or customer needs or preferences change for any other reason, future demand for, and the profitability of, our PCF solutions could decline or cease.

Our attempts to capitalize on emerging market opportunities may not be as successful as envisioned.

Growth in AI products and other recent industry changes have fueled demand for higher transmission speeds, greater bandwidth, lower latency and more advanced networking services. In response, we are endeavoring to build a digital networking services ecosystem that enables us to offer attractive products and services (including PCF solutions) that fulfill this market demand. But, as indicated by other disclosures in this Item 1A, our success will be dependent on improving and integrating our systems and meeting evolving customer demands in a highly competitive industry experiencing rapid advances in technology. For these reasons and others, our attempts to capitalize on emerging market opportunities may not be as successful as we currently envision.

In connection with establishing our strategies and earnings guidance, we have assumed that the continued development of AI will continue to drive robust demand for our products and services, which subjects us to the risk of misallocating our resources if AI-related demand fails to meet current expectations.

We operate in an intensely competitive industry and existing and future competitive pressures could harm our performance.

Each of our Business and Mass Market offerings faces increasingly intense competition from a wide range of sources under evolving market conditions that have increased the number and variety of companies that compete with us. Some of our current and potential competitors: (i) offer products or services that are substitutes for our traditional wireline services, including wireless broadband, wireless voice and non-voice communication services, (ii) offer a more comprehensive range of communications products and services, (iii) operate systems that are newer, more integrated or more advanced, which enable them to provision services faster and more efficiently, (iv) have greater financial, provisioning, technical, engineering, research, development, marketing, customer relations or other resources, (v) conduct operations or raise capital at a lower cost, (vi) are subject to less regulation, (vii) have stronger brand names, (viii) have deeper or more long-standing relationships with key customers, or (ix) have larger operations than ours, any of which may enable them to compete more successfully for customers, strategic partners and acquisitions. In recent years, competitive pressures have commoditized pricing for some of our products and services and lowered market prices for many of our other products and services. Continued competitive pressures will likely place further downward pressure on market pricing.

Our ability to successfully compete could be hampered if we fail to timely develop and market innovative technology solutions that address changing customer demands.

The technology and communications industry has been and continues to be impacted by significant technological changes, which are increasing demand for digitally-integrated products and enabling an increasing variety of companies to compete with us. Many of these technological changes are (i) displacing or reducing demand for certain of our services, (ii) enabling the development of competitive products or services, (iii) enabling customers to reduce or bypass use of our networks or (iv) reducing our profit margins. For example, our competitors may overbuild in our markets and roll out high speed connectivity products.

Increasingly, customers are demanding higher transmission speeds and more technologically advanced products that suit their evolving needs, including traditional and generative AI services. As we note below, several of our competitors have dedicated substantially more resources to developing such advanced services. If we fail to develop competitive services, our business and financial performance could be adversely impacted.

To remain competitive, we will need to accurately predict and respond to changes in technology, to continue developing and offering products and services attractive to our customers, to migrate our customers from legacy to newer products and services, to timely provision our products and services, to maintain and expand our network to enable it to support customer demands for significantly greater transmission capacity and speeds, and to discontinue outdated products and services on a cost-effective basis. Our ability to do so could be restricted by various factors, including limitations of our existing network, technology, capital or personnel. If we fail at that, we could fail to retain customers or attract new ones.

As we continue to transform our organization, we may be unable to attract, develop and retain leaders and employees with the right skill sets and technical expertise.

As we continue to transform into a company that primarily serves Business customers requiring newer advanced products, we may be unable to attract and retain skilled and motivated leaders and employees who possess the technical, development, operational, sales or managerial expertise to execute our plans for transformation, innovation and strategic growth. We operate in a highly competitive and expanding industry, where competition for highly skilled employees has grown increasingly intense and competitors have targeted hiring our employees. The prevalence of remote working arrangements has expanded the pool of companies that can compete for our employees and employee candidates. We believe some of our competitors with greater resources and fewer cost constraints than us have from time to time been able to offer compensation or benefits in excess of what we are able to offer. These risks to attracting and retaining key personnel may have been exacerbated by the impacts of the relatively low trading price of our common stock, which, as discussed below, has diminished the attractiveness of our equity incentive compensation programs. Our failure to successfully attract and retain key personnel could materially adversely impact our business or financial performance.

Over half of our employees work fully from home, and a substantial portion of the remainder work partly from home under "hybrid" work schedules. These work arrangements may impair our ability to maintain our collaborative and innovative culture, and may lower the productivity and collegiality of our workforce.

Uncertainty regarding our future prospects could adversely impact our ability to maintain satisfactory relations with our employees, customers, vendors and others.

For several years we have experienced declining revenues and high debt levels, which has created uncertainties regarding our future prospects and ability to discharge our obligations. Despite the positive impacts of our 2024 PCF agreements and debt transactions, these uncertainties persist.

Concerns regarding our future prospects and ability to discharge our obligations, coupled with a relatively low stock trading price and recent reductions of our workforce, could adversely impact our ability to attract, retain and motivate our employees. We grant equity-based incentive awards to key personnel, the value of which is tied to our stock price, our financial performance or both. If recipients of those awards are concerned about our future stock price or financial performance, they may view less favorably the value of their equity awards and the competitiveness of their total compensation package.

Similarly, customers, vendors, landlords, banks or other third parties may be less willing to transact business with us if they believe our future is uncertain, any of which could adversely impact our business, financial performance, financial position or future prospects.

In addition, a relatively low stock price could limit our ability to raise capital through the issuance of capital stock and could limit the number of financial analysts willing to publish reports about us.

We could be harmed if our reputation is damaged.

We believe our Lumen and other brand names and our reputation are important corporate assets that help us attract and retain customers and talented employees. However, our corporate reputation is susceptible to material damage by events such as disputes with customers or competitors, cyber-attacks, service outages, data breaches, internal control deficiencies, performance failures, compliance violations, employee misconduct, government investigations or legal proceedings. Similar events impacting one of our competitors could result in negative publicity for our entire industry that indirectly harms our business. We may also experience reputational damage if customers, vendors, employees, advocacy groups, regulators, investors, the media, social media influencers or others criticize our services, operations or public positions. For instance, we could be harmed if our customer experience scores, as measured by "NPS" (Net Promoter Score) and "CHS" (Customer Health Score), for our products and services are low or declining relative to our competitors. In addition, the reputational risk of unauthorized disclosure of confidential company or customer data could increase to the extent our employees inappropriately use social networking sites or other emerging technologies, such as generative AI tools.

There is a risk that negative or inaccurate information about Lumen, even if based on rumor or misunderstanding, could adversely affect our business. Damage to our reputation could be difficult, expensive and time-consuming to repair. Damage to our reputation could also reduce the value and effectiveness of the Lumen brand name and could reduce investor confidence in us, having a material adverse impact on the value of our securities.

We could be harmed by cyber-attacks.

As a critical infrastructure service provider, we transmit large amounts of data over our systems, and process and store highly sensitive customer data. Consequently we, our third-party service providers, and our customers are under constant threat of cyber attacks. The number and sophistication of these attacks continues to increase. Despite our efforts to prevent these events, some of these attacks could result in a material adverse impact to our operations due to distributed denial of service attacks, ransomware attacks, malware, virus, credential harvesting, man-in-the-middle attacks, or social engineering attacks. As previously disclosed in our 2023 reports to the SEC and various 2024 media reports, (i) sophisticated threat actors accessed our internal information technology systems in 2023 and 2024 and (ii) we experienced a ransomware attack on a limited number of our servers in 2023. The ransomware attack did not impact any operations or customer data. We do not believe these incidents had or are likely to have a material adverse impact on our ability to serve our customers or our business, operations or financial results.

As further described in Item 1C of this annual report, cyber-attacks on our systems may stem from a variety of sources and take many forms. Cyber-attacks can put at risk personally identifiable information, customer data or protected health information, thereby implicating stringent domestic and foreign data protection laws. These threats may also arise from failure or intrusions of systems owned, operated or controlled by other unaffiliated third-party operators, upon whom we are materially reliant to operate our business. Various other factors could intensify these risks, including, (i) our maintenance of information in digital form stored on servers connected to the Internet, (ii) our use of open- and software-defined networks, (iii) the challenges of operating and maintaining our complex multi-continent network composed of legacy and acquired properties, which is more difficult to safeguard than newer fully-integrated networks, (iv) growth in the size and sophistication of our customers and their service requirements, (v) increased use of our network due to greater demand for data services, (vi) the large number of our employees working from remote locations, (vii) our IT support agreements with purchasers of businesses we have divested over the past few years and (viii) as further discussed below, the difficulty of defending against increasingly sophisticated attacks.

Cyber-attacks could (i) disrupt the proper functioning of our networks and systems, which could in turn disrupt the operations of our customers, (ii) result in the destruction, loss, theft, misappropriation or release of proprietary, confidential, sensitive, classified or otherwise valuable information of ours, our employees, our customers or our customers' end users, (iii) require us to notify customers, regulatory agencies or the public of data incidents, (iv) damage our reputation or result in a loss of business, (v) require us to provide credits for future service to our customers or to offer expensive incentives to retain customers, (vi) subject us to claims by our customers or regulators for damages, fines, penalties, license or permit revocations or other remedies, (vii) result in the loss of industry certifications or (viii) require significant management attention or financial resources to remedy the resulting damages or to change our systems. Any or all of the foregoing developments could have a material adverse impact on us.

We believe the importance of our network to global internet data flows will continue to make it a target to a wide range of threat actors, including nation state actors and other advanced persistent threat actors. Moreover, the risk of incidents is likely to continue to increase due to several factors, including (i) the increasing use of machine learning, AI and other sophisticated techniques to initiate cyber and phishing attacks, (ii) the wider accessibility of cyber-attack tools that can circumvent security controls and evade detection, which can delay and limit our ability to accurately assess and fully remediate the impact of the attack, and (iii) growing threats from Chinese, Russian and other state actors due to heightened geopolitical tensions and rivalries, and the attendant increased possibility of cyber warfare targeting us in the event of a direct conflict. It should also be noted that defenses against cyber-attacks currently available to us and others are unlikely to prevent intrusions by a highly-determined, highly-sophisticated threat actor. Consequently, you should assume that we will continue to experience cyber incidents in the future. Thus far, none of our past security incidents have had a material adverse effect on us, and we continue to take steps designed to limit our cyber risks. Nonetheless, we cannot assure you that future cyber incidents or events will not ultimately have a material adverse impact on our business, operations or financial results.

Although we maintain insurance coverage that may, subject to policy terms and conditions (including self-insured deductibles, coverage restrictions and monetary coverage caps), cover certain aspects of our cyber risks, such insurance coverage may be unavailable or insufficient to cover our losses.

We could be harmed by outages in our network or various platforms, or other failures of our services.

From time to time in the ordinary course of our business, we experience outages in our network, hosting, cloud or IT platforms, or failures of our products or services (including basic and enhanced 911 emergency services) to perform in the manner anticipated. These disruptions expose us to several of the same risks listed above for cyber-attacks, including the loss of customers, the issuance of credits or refunds, and regulatory fines. We remain vulnerable to future disruptions due to several factors, including the challenges of maintaining and replacing aging or obsolete network elements, human error, continuous changes in our network, the introduction of new products or technologies, vulnerabilities in our vendors or supply chain, aberrant employees and hardware and software limitations. The process for remediating any interruptions, outages, delays or cessations of service could be more expensive, time-consuming, disruptive and resource intensive than planned. Delayed sales, lower margins, fines or lost customers resulting from future disruptions could have a material adverse impact on our business, reputation, results of operations, financial condition, cash flows and stock price.

Several of our services continue to experience declining revenue, and our efforts to offset these declines may not be successful.

Primarily as a result of the competitive and technological changes discussed above, we have experienced a prolonged systemic decline in our local voice, long-distance voice, network access and private line revenues. Consequently, we have experienced declining consolidated revenues (excluding acquisitions) for a prolonged period and have not been able to realize cost savings sufficient to fully offset the decline. More recently, wholesale pricing pressure and other factors have caused us to experience declines in revenue derived from a broader array of our products and services, including those marketed to our Business customers as our “nurture” and “harvest” offerings. In addition, most of our more recent product and service offerings generate lower profit margins and may have shorter lifespans than our traditional communication services, and some can be expected to experience slowing or no growth in the future. Some of our new product offerings have reduced or displaced our sale of older higher-margin product offerings. Accordingly, the operating and strategic plans that we have implemented to address these challenges may not succeed in attaining our goal of achieving future revenue growth in the time frames we project, or at all.

Our operations, financial performance and liquidity are materially reliant on key suppliers, vendors and other third parties.

Our ability to conduct our operations could have a material adverse impact on us if certain of our arrangements with third parties were terminated, including those further described below.

Reliance on other communications providers. To offer certain services in certain of our markets, we must either purchase services or lease network capacity from, or interconnect our network with, the infrastructure of other communications carriers or cloud companies who typically compete against us in those markets. Our reliance on these supply or interconnection arrangements limits our control over the delivery, quality and quantity of these purchased services. In addition, we are exposed to the risk that other companies may be unwilling or unable to continue or renew these arrangements in the future for several reasons, including bankruptcy. Those risks are heightened when we contract with a competitor who may have incentives to act in ways unfavorable to us, including by terminating those contracts, imposing price increases or favoring their transmissions over ours. Additionally, several companies rely on our network to transmit their data or voice traffic. Their reliance on our network exposes us to the risk that they may transfer all or a portion of this traffic from our network to alternative networks owned, constructed or leased by them, thereby reducing our revenue. For instance, certain of our hyperscaler customers have built infrastructure that has reduced their reliance on us.

Reliance on key suppliers and vendors. We depend on a limited number of suppliers and vendors to provide us, directly or through other suppliers, with equipment and services relating to our network infrastructure, including fiber optic cable, software, optronics, transmission electronics, digital switches, routing equipment, customer premise equipment, and related components. We also rely on software and service vendors or other parties to assist us with operating, maintaining and administering our business, including billing, security, provisioning and general operations. Our operations could be adversely affected in the future if any of these vendors are unable or unwilling for any reason to continue to deliver their products or services on terms acceptable to us, including due to business interruptions, security incidents, litigation, financial distress, bankruptcy or changes in their operations or business strategies.

Reliance on key licensors. We rely on key technologies licensed from third parties to deliver certain of our products and services. Our agreements with these licensors may expire or be terminated, and some of the licenses may not be available to us in the future on terms acceptable to us or at all, including if the third-party licensor violates, or is alleged to have violated, the intellectual property rights of others. Moreover, if we incorporate licensed technology into our network, we may have limited flexibility to deploy different technologies from alternative licensors.

Reliance on key customer contracts. We have several complex high-value national and global customer contracts. These contracts are frequently impacted by a variety of factors that could reduce or eliminate the profitability of these contracts. Moreover, we would be adversely impacted if we fail to renew major contracts upon their expiration.

Reliance on landowners. We rely on rights-of-way, colocation agreements, franchises, licenses and other authorizations granted by governmental bodies, railway companies, utilities, carriers and other third parties to locate a portion of our network equipment over, on or under their respective properties, or to conduct operations within their jurisdictions. A significant number of these authorizations are scheduled to lapse over the next five to 10 years, unless we are able to extend or renew them. Our operations could be adversely affected if any of these authorizations are cancelled, or otherwise terminate or lapse, or if the landowner requests price increases. Similarly, our buildout plans can be delayed if we cannot receive necessary landowner authorizations or governmental permits. We cannot assure you we will be able to successfully extend these arrangements when their terms expire, or to enter into new arrangements that may be necessary to implement our network expansion opportunities.

Extreme weather conditions and climate changes could disrupt our operations, cause us to incur substantial additional capital and operating costs or negatively affect our business.

A substantial number of our domestic facilities are located in areas that subject them to the risks associated with severe tropical storms, hurricanes, tornadoes, earthquakes, floods, wildfires or other similar casualty events. From time to time these events (including Hurricane Ian in 2022 in Florida) have disrupted our operations, and similar future events could cause substantial damages, including downed transmission lines, flooded facilities, power outages, fuel shortages, network delays or failures, damaged or destroyed property and equipment, and business interruptions. Due to substantial deductibles, coverage limits and exclusions, and limited availability, we have typically recovered only a portion of our losses through insurance. Our system redundancy and other measures we take to protect our infrastructure and operations from the impacts of such events may be ineffective or inadequate to sustain our operations following such events. Any of these occurrences could result in lost revenues from business interruption, damage to our reputation and reduced profits.

Climate changes may increase the frequency or severity of natural disasters and other extreme weather events in the future, which would increase our exposure to the above-cited risks and could disrupt our supply chain from our key suppliers and vendors. Climate changes could also require us to continue to increase our spending on network resilience initiatives, and could result in additional regulation impacting our operations or profitability.

Our environmental programs and disclosures may expose us to reputational, legal and business risks.

Our reputation and brands could be impacted by our public environmental initiatives, including our environmental sustainability initiatives. These initiatives, goals, or targets could be difficult to achieve and costly to implement. To the extent that our required or voluntary disclosures about environmental initiatives increase, we could be criticized for their accuracy, adequacy, or completeness. We could fail to achieve, or be perceived to fail to achieve, our environmental-related initiatives, goals, or targets. Our actual or perceived failure to achieve our environmental-related initiatives, goals, targets, or to meet evolving stakeholder expectations or standards, could adversely impact us by resulting in legal or regulatory proceedings against us, customer or employee attrition, reputational damage, or other negative impacts on our business. Conversely, we may fail to attract or retain customers, vendors, employees or other stakeholders who are opposed to our environmental-related initiatives, or may face claims from stakeholders who believe such initiatives harmed them or us.

We face other business risks.

We face other business risks, including among others, (i) the difficulties of managing and administering an organization that offers a complex set of products to a diverse range of customers across several continents, (ii) the possibility that supply constraints, labor shortages, construction delays or other factors could hamper our ability to attain our infrastructure buildout plans, (iii) the risk that the continuation of high vacancy rates in the fiber on-net buildings we serve could reduce demand for our services, and (iv) the risks and uncertainties inherent in acquiring or disposing of businesses, or engaging in other strategic transactions.

Legal and Regulatory Risks

We are subject to an extensive, evolving regulatory framework that could create operational or compliance costs.

As explained in greater detail elsewhere in this annual report, (i) our domestic operations are regulated by the FCC and other federal, state and local agencies and (ii) our international operations are regulated by a wide range of various foreign and international bodies. We cannot assure you we will be successful in obtaining or retaining all regulatory licenses necessary to carry out our business in our various markets. Even if we are, the prescribed service standards and conditions imposed on us under these licenses and related laws may increase our costs, limit our operational flexibility or result in third-party claims.

We are subject to numerous requirements and interpretations under various international, federal, state and local laws, rules and regulations, which are often quite detailed or unclear and are occasionally in conflict with each other. Accordingly, we cannot ensure we will always be in compliance with all these requirements at any particular time.

Various governmental agencies, including state attorneys general with jurisdiction over our operations, have routinely in the past investigated our business practices either in response to customer complaints or on their own initiative, and are expected to continue to do the same in the future. Certain of these investigations have resulted in substantial fines in the past. On occasion, we have resolved such matters by entering into consent decrees, which are court orders that frequently restrict our future conduct. If breached by us, these consent decrees expose us not only to contractual remedies, but also to judicial enforcement via contempt of court proceedings, any of which could have material adverse consequences. Additionally, future investigations can potentially result in enforcement actions, litigation, fines, settlements or reputational harm, or could cause us to change our sales practices or operations.

Our prior or current participation in certain of the FCC's buildout programs subjects us to certain financial risks. For example, if we are not in compliance with FCC measures by the end of the CAF II or RDOF programs, we could incur substantial penalties or forfeitures, including but not limited to being suspended or barred from future governmental programs or contracts, which could have a material adverse impact on our financial condition. From time to time, legislative or regulatory bodies create new subsidy programs designed to enhance the communications infrastructure in the U.S. (such as Congress's creation of a \$65 billion broadband connectivity fund in 2021), which in the past have typically increased the number of companies offering competing products in certain of our markets.

We provide products or services to various federal, state and local agencies. Our failure to comply with complex governmental regulations and laws applicable to these programs, or the terms of our governmental contracts, could result in us suffering substantial negative publicity or penalties, being suspended or debarred from future governmental programs or contracts for a significant period of time and, in certain instances, could lead to the revocation of our FCC licenses. Moreover, certain governmental agencies frequently reserve the right to terminate their contracts for convenience or if funding is unavailable. If our governmental contracts are terminated for any reason, or if we are suspended or debarred from governmental programs or contracts, it could have a material adverse impact on our results of operations and financial condition.

A variety of state, national, foreign and international laws and regulations apply to the collection, use, retention, protection, security, disclosure, transfer and other processing of personal and other data. The European Union and other international regulators, as well as some state governments, have recently enacted or enhanced data privacy legal requirements, and other governments are considering establishing similar or stronger protections. Many of these laws are complex and change frequently and often conflict with the laws in other jurisdictions. Some of our customers impose similar requirements on us that are equally or more demanding. If we fail to comply with any of these governmental or contractual requirements, we could incur potential substantial penalties and reputational damage.

For years, the laws governing our operations have been unsettled, which has impacted our ability to plan for the future. We expect regulatory uncertainty to increase following a 2024 U.S. Supreme Court decision reversing a prior ruling that required courts to defer to reasonable agency interpretations of ambiguous federal laws. New laws or court decisions could affect our services or expose us to burdensome requirements or liabilities. In particular, our business could be materially impacted if the U.S. Congress amends or eliminates current federal law limitations on the liability of private network providers, such as us, against claims related to third-party content stored or transmitted on private networks, as currently proposed by certain governmental officials, legislative leaders and consumer interest groups. We could also be materially affected if proposals to increase the regulation of internet service providers or to further strengthen data privacy laws are enacted or implemented. In addition, federal and state agencies that regulate the support program payments we receive or the fees that we charge for certain of our regulated services can, and from time to time do, reduce the amounts we receive or can charge. Finally, we expect that expanded regulation of 911 emergency services will increase our costs and exposure to fines for noncompliance.

As a carrier of last resort for certain of our Mass Market customers, we could be required to provide services under circumstances that are economically disadvantageous or that divert resources from other business priorities.

Third-party content stored or transmitted on our networks could result in liability or otherwise damage our reputation.

While we disclaim liability for third-party content in most of our service contracts, as a private network provider we potentially could be exposed to legal claims relating to third-party content stored or transmitted on our networks. Such claims could involve, among others, allegations of defamation, invasion of privacy, copyright infringement, or aiding and abetting restricted activities such as online gambling or pornography. Although we believe our liability for these types of claims is limited under current law, suits against other carriers have been successful and we cannot assure you that our defenses will prevail. Such third-party content could also result in adverse publicity and damage our reputation. Moreover, as noted above, pending proposals to change the law could materially heighten our legal exposure and potentially require us to implement changes to manage this exposure.

Our pending legal proceedings could have a material adverse impact on us.

There are several potentially material proceedings pending against us, including several derivative and class action suits. Results of these legal proceedings cannot be predicted with certainty. As of any given date we could have exposure to losses under proceedings in excess of our accrued liability. For each of these reasons, any of the proceedings described in Note 18—Commitments, Contingencies and Other Items, as well as current litigation not described therein or future litigation, could have a material adverse effect on our business, reputation, financial position, operating results, the trading price of our securities and our ability to access the capital markets. We can give you no assurances as to the ultimate impact of these matters on us.

We may not be successful in protecting and enforcing our intellectual property rights.

We rely on various patents, copyrights, trade names, trademarks, service marks, trade secrets and other similar intellectual property rights, as well as confidentiality agreements and procedures, to establish and protect our proprietary rights. For a variety of reasons, however, these steps may not fully protect us, including due to inherent limitations on the ability to enforce these rights. If we are unsuccessful in protecting or enforcing our intellectual property rights, our business, competitive position, results of operations and financial condition could be adversely affected.

Issues related to the use of artificial intelligence (AI) could give rise to legal or regulatory actions, damage our reputation or otherwise materially harm our business.

We currently incorporate AI technology in certain of our products and services and in our business operations. Due to the complexity of its design and algorithms, AI presents various risks and challenges, and its use could cause operational disruptions or have other unintended adverse consequences. While we aim to use AI responsibly and attempt to identify and mitigate ethical and legal issues presented by its use, we may be unsuccessful in identifying or resolving issues before they arise. Our use of AI may give rise to risks related to harmful content, inaccurate output, bias, intellectual property infringement or misappropriation, defamation, privacy incidents, and cybersecurity vulnerabilities, among others. The United States, the European Union and other governmental bodies have taken initial steps to regulate AI, which could ultimately increase AI's legal risks or decrease its usefulness. For all these reasons, our use of AI could materially harm our business, operations or reputation.

We have been accused of infringing the intellectual property rights of others and will likely face similar accusations in the future.

We routinely receive notices from third parties or are named in lawsuits filed by third parties claiming we have infringed or are infringing their intellectual property rights. We are currently responding to several of these notices and claims and expect this industry-wide trend will continue. If these claims succeed, we could be required to pay significant monetary damages, to cease using the applicable technology or to make royalty payments to continue using the applicable technology. If we are required to take one or more of these actions, our revenues or profit margins may decline, our operations could be materially impaired or we may be required to stop selling or redesign one or more of our products or services, any of which could have a material adverse impact on our business. Similarly, from time to time, we may need to obtain the right to use certain patents or other intellectual property from third parties to be able to offer new products and services. If we cannot obtain rights to use any required technology from a third party on reasonable terms, our ability to offer new products and services may be prohibited, restricted, made more costly or delayed.

Failure to extend or renegotiate our collective bargaining agreements or work stoppages could have a material impact on us.

As of December 31, 2024, approximately 21% of our employees were members of various bargaining units represented by labor unions. Although we have agreements with these labor unions, we cannot predict the outcome of our future negotiations of these agreements. We may be unable to reach new agreements, and union employees may engage in strikes, work slowdowns or other labor actions, which could materially disrupt our ability to provide services and increase our costs. Even if we succeed in reaching new or replacement agreements, they may impose significant new costs on us that impair our competitive position.

Our international operations expose us to various regulatory, currency, tax, legal and other risks.

Our international operations are subject to a wide range of U.S. and non-U.S. laws, regulations, treaties, tariffs and other directives governing our operations in international jurisdictions in which we provide services, either directly or indirectly through our contractual arrangements with other carriers. Many of these laws or other directives are complex, change frequently and conflict with the laws in other jurisdictions to which we are bound. There is a risk that these laws or other directives could materially restrict our ability to deliver services in various international jurisdictions or expose us to the risk of potential penalties, license revocations or contract terminations if we violate them. In addition, if the U.S. continues increasing its tariffs, we could incur additional expense we may be unable to recover from our customers.

In addition to these international regulatory risks, some of the other risks inherent in conducting business internationally include: economic, social and political instability, with the attendant risks of terrorism, kidnapping, extortion, civic unrest, potential seizure or nationalization of assets; currency and exchange controls, repatriation restrictions and fluctuations in currency exchange rates, problems collecting accounts receivable; the difficulty or inability in certain jurisdictions to enforce contract or intellectual property rights; reliance on certain third parties with whom we lack extensive experience; supply chain challenges; and challenges in securing and maintaining the necessary physical and telecommunications infrastructure.

Media reports concerning our legacy infrastructure could expose us to governmental actions, removal costs, litigation, compliance costs, penalties or reputational damage.

Media reports issued in mid-2023 alleged that certain lead-sheathed cables that are part of our copper-based network infrastructure pose public health and environmental risks. These allegations have resulted in regulatory inquiries and lawsuits, and could in the future subject us to legislative or regulatory actions, removal costs, compliance costs or penalties. Accordingly, we may incur substantial expenses, which could have a material adverse impact on our financial results or condition.

We may also experience reputational harm from negative assertions about the public health or environmental impact of our lead-sheathed cables, which could adversely affect our business, even if such allegations ultimately prove to be inaccurate. Such damage to our reputation could be difficult, expensive and time-consuming to repair, and could negatively impact our business or the value of our securities.

Financial Risks

Our significant debt levels expose us to a broad range of risks.

As of December 31, 2024, we had approximately \$13.7 billion of outstanding consolidated secured indebtedness, \$4.6 billion of outstanding consolidated unsecured indebtedness (excluding (i) finance lease obligations, (ii) unamortized premiums, net and (iii) unamortized debt issuance costs) and approximately \$737 million of unused borrowing capacity under our revolving credit facilities.

Our significant levels of debt and related debt service obligations could adversely affect us in several respects, including:

- requiring us to dedicate a substantial portion of our cash flow from operations to the payment of interest and principal on our debt, thereby reducing the funds available to us for other purposes, including acquisitions, capital expenditures and strategic initiatives;
- hindering our ability to capitalize on business opportunities and to plan for or react to changing market, industry, competitive or economic conditions;
- making us more vulnerable to economic or industry downturns, including interest rate increases (especially with respect to our variable rate debt);
- placing us at a competitive disadvantage compared to less leveraged companies;
- adversely impacting other parties' perception of Lumen, including but not limited to existing or potential customers, vendors, employees, creditors or investors;
- making it more difficult or expensive for us to obtain any necessary future financing or refinancing, including the risk that this could force us to sell assets or take other less desirable actions to raise capital; and
- increasing the risk that we may not meet the covenants contained in our debt agreements or timely make all required debt payments, either of which could result in the acceleration of some or all of our outstanding indebtedness.

The effects of each of these factors could be intensified if we increase our borrowings or experience any downgrade in our credit ratings or those of our affiliates. Subject to certain limitations and restrictions, the current terms of our debt instruments and our subsidiaries' debt instruments permit us or them to incur additional indebtedness.

We expect to periodically require financing, and we cannot assure you we will be able to obtain such financing on terms that are acceptable to us, or at all.

We expect to periodically require financing in the future to refinance existing indebtedness and potentially for other purposes. Our ability to arrange additional financing will depend on, among other factors, our financial position, performance, credit ratings, and debt covenants. Our ability to obtain additional financing could also depend on prevailing market conditions, which could be adversely affected by (i) general market conditions, such as disruptions in domestic or overseas sovereign or corporate debt markets, geo-political instabilities, trade restrictions, pandemics, weak economic conditions or other similar adverse economic developments in the U.S. or abroad, and (ii) specific conditions in the communications industry. Instability in the domestic or global financial markets has from time to time resulted in periodic volatility and disruptions in capital markets that have partially or severely limited the ability of leveraged companies like us to obtain debt financing. For these and other reasons, we can give no assurance additional financing for any of these purposes will be available on terms acceptable to us, or at all.

If we are unable to make required debt payments or refinance our debt, we would likely have to consider other options, such as selling assets, issuing additional securities, cutting or delaying costs or otherwise reducing our cash requirements, or negotiating with our lenders to restructure our applicable debt. Our current and future debt instruments may restrict, or market or business conditions may limit, our ability to complete some of these actions on favorable terms, or at all. For these and other reasons, we cannot assure you we could implement these steps in a sufficient or timely manner, or at all. Even if successfully implemented, these transactions could be detrimental to our operations, financial performance or future prospects.

We have a highly complex debt structure, which could impact the rights of our investors.

Lumen Technologies, Inc. and various of its subsidiaries owe substantial sums pursuant to various debt and financing arrangements, certain of which are guaranteed by other principal subsidiaries. Roughly three-quarters of the debt of Lumen Technologies, Inc. is guaranteed by certain of its principal domestic subsidiaries, some of which have pledged substantially all of their assets (including certain of their respective subsidiaries) to secure their guarantees. The remainder of the debt of Lumen Technologies, Inc. is neither guaranteed nor secured. Most of the debt of Level 3 Financing, Inc. is (i) secured by a pledge of substantially all of its assets and (ii) guaranteed on a secured basis by certain of its affiliates. The remainder of the debt of Level 3 Financing, Inc. is not secured by any of its assets, but is guaranteed on an unsecured basis by certain of its affiliates. As of the date of this annual report, substantial amounts of debt are also owed by two direct or indirect subsidiaries of Qwest Communications International Inc. Most of the over 200 subsidiaries of Lumen Technologies, Inc. have neither borrowed money nor guaranteed any of the debt of Lumen Technologies, Inc. or its affiliates. As such, our investors should be aware that (i) determining the priority of the rights of holders of our consolidated debt instruments is a complex matter which is substantially dependent upon the assets and earning power of the entities that issued or guaranteed (if any) the applicable debt and (ii) such debt is structurally subordinated to all liabilities of the non-guarantor subsidiaries of Lumen Technologies, Inc. to the extent of the value of those subsidiaries that are obligors.

As disclosed in the periodic reports for our subsidiaries Level 3 Parent, LLC and Qwest Corporation, Lumen Technologies, Inc. also enters into debt arrangements with its subsidiaries from time to time. Any such intercompany transactions with its consolidated subsidiaries are eliminated in accordance with U.S. generally accepted accounting principles ("GAAP") and, accordingly, are not reflected on the consolidated balance sheets of Lumen Technologies, Inc. For instance, at December 31, 2024, Lumen Technologies, Inc. owed approximately \$2.7 billion to Level 3 Financing, Inc., (i) \$1.2 billion of which was owed under a secured \$1.2 billion revolving loan agreement and (ii) \$1.5 billion of which was owed under an unsecured \$1.825 billion revolving loan agreement. Qwest Corporation is also currently permitted to borrow up to \$2.0 billion from a subsidiary of Lumen Technologies, Inc. under a revolving promissory note, but no amounts were outstanding thereunder at December 31, 2024. Lumen Technologies, Inc.'s debt arrangements with its subsidiaries may be revised from time to time, including to increase or decrease the amount thereof.

Our various debt agreements include restrictions and covenants that could (i) limit our ability to conduct operations or borrow additional funds, (ii) restrict our ability to engage in inter-company transactions, and (iii) lead to the acceleration of our repayment obligations in certain instances.

Under our consolidated debt and financing arrangements, the issuer of the debt is subject to various covenants and restrictions, the most restrictive of which pertain to the debt of Lumen Technologies, Inc. and Level 3 Financing, Inc.

Lumen Technologies, Inc.'s senior secured credit facilities and secured notes contain several significant limitations restricting our ability to, among other things, borrow additional money or issue guarantees; pay dividends or other distributions to shareholders; make loans; create liens on assets; sell assets; transact with its affiliates and engage in mergers, consolidations or other similar transactions. These restrictive covenants could have a material adverse impact on our ability to operate or reconfigure our business, to issue additional priority debt, to pursue acquisitions, divestitures or strategic transactions, or to otherwise pursue our plans and strategies.

The debt and financing arrangements of Level 3 Financing, Inc. contain substantially similar limitations that restrict their operations on a standalone basis as a separate restricted group. Consequently, certain of these covenants may significantly restrict our ability to engage in transactions with Level 3 Parent, LLC, including receiving cash from Level 3 Parent, LLC, or distributing cash from Level 3 Parent, LLC to other of our affiliated entities.

Lumen Technologies, Inc.'s senior secured credit facilities also contain financial maintenance covenants which are described further in Note 7 —Long-Term Debt and Credit Facilities.

The failure of Lumen Technologies, Inc. or any of its subsidiaries to comply with the above-described restrictive or financial covenants could result in an event of default, which, if not cured or waived, could accelerate our debt repayment obligations. Any such acceleration of our debt could have materially adverse consequences, including reducing the possibility of obtaining financing and potentially forcing us to seek bankruptcy protection. Certain of our debt instruments have cross-default or cross-acceleration provisions. When present, these provisions could have a wider impact on liquidity than might otherwise arise from a default or acceleration of a single debt instrument.

In 2023, holders of a substantial portion of our funded indebtedness asserted that we had violated certain of our debt covenants. Other creditors could potentially seek to assert similar claims in the future, the risk of which is heightened by the complexity of our debt structure, debt covenants and operations.

Our recent debt transactions may not achieve their anticipated benefits.

During 2024, we engaged in a series of transactions designed to extend our debt maturities, enhance our access to revolving credit, and reduce our indebtedness. In connection with announcing the closing of these transactions, we indicated that they would provide us with additional time to transform our operations and improve our financial performance.

In completing these transactions, we incurred substantial transaction expenses, agreed to pay higher levels of interest and committed to more restrictive debt covenants, which collectively could have important consequences, including the potentially adverse consequences of carrying significant debt or failing to comply with applicable debt covenants, each as specified elsewhere in this Item 1A. For all these reasons and more, we may not realize some or all of the benefits we anticipate receiving from completing our 2024 debt transactions.

Our cash flows may not adequately fund all of our cash requirements.

Each segment of our business is very capital intensive. We expect to continue to require significant capital to pursue our Quantum Fiber buildout plans, to perform our buildout obligations under certain of our PCF agreements, and to otherwise maintain, upgrade and expand our network infrastructure and product offerings. These capital requirements are driven by several factors, including (i) changes in customers' service requirements; (ii) our need to continue to maintain aging or obsolete infrastructure until it can be replaced; (iii) our continuing need to expand and improve our network to remain competitive and meet customer demand; and (iv) our regulatory and contractual commitments. Any failure to make appropriate capital expenditures could adversely impact our financial performance or prospects. We will also continue to need substantial amounts of cash to meet our fixed commitments and other business objectives, including without limitation funding our debt repayments, interest expense, operating costs, maintenance expenses, tax obligations, periodic pension contributions and other benefits payments. Although our recent PCF agreements have significantly increased our near-term liquidity, we cannot assure you our future cash flows from operating activities will be sufficient to fund our capital investments, debt obligations or any other long-term cash requirements.

As a holding company, we rely on payments from our operating companies to meet our obligations.

As a holding company, substantially all of our income and operating cash flow is dependent upon the earnings of our subsidiaries and their distribution of those earnings to us in the form of dividends, loans or other payments. As a result, we rely upon our subsidiaries to generate cash flows in amounts sufficient to fund our obligations, including the payment of our long-term debt. Our subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts owed by us, except to the extent they have guaranteed such payments. Similarly, subject to limited exceptions for tax or cash management purposes, our non-guarantor subsidiaries have no obligation to make any funds available to us to repay our obligations, whether by dividends, loans or other payments. As discussed in greater detail elsewhere herein, restrictions imposed by credit instruments or other agreements applicable to Level 3 Parent, LLC or its subsidiaries and certain of our other subsidiaries limit the amount of funds our subsidiaries are permitted to transfer to us, including the amount of dividends that may be paid to us. Moreover, our rights to receive assets of any subsidiary upon its liquidation or reorganization would be effectively subordinated to the claims of creditors of that subsidiary, including trade creditors. In addition, the laws under which our subsidiaries were organized typically restrict the amount of dividends they may pay. The ability of our subsidiaries to transfer funds could be further restricted under applicable state or federal tax laws, regulatory orders or regulations. For all these reasons, you should not assume our subsidiaries will be able in the future to generate and distribute to us cash in amounts sufficient to fund our cash requirements.

We may not be able to fully utilize our NOLs.

As of December 31, 2024, we had approximately \$570 million of federal net operating loss carryforwards ("NOLs"), which remain subject to limitations under Section 382 of the Internal Revenue Code and related regulations ("Section 382"). These limitations could restrict our ability to use these NOLs in the amounts we project. In an effort to safeguard our NOLs, we have maintained an NOL rights agreement which is scheduled to lapse in late 2026. At December 31, 2024, we also had state NOLs which we believe are subject to legal and practical limitations on our ability to realize their full benefit. We cannot assure you we will be able to utilize these NOLs as projected or at all.

Increases in costs for pension and healthcare benefits for our active and retired employees may have a material impact on us.

As of December 31, 2024, our company-sponsored benefit plans that cover our current and former U.S.-based employees had approximately 21,000 active employee participants, approximately 52,000 active and retired employees and surviving spouses eligible for post-retirement healthcare benefits, approximately 21,000 pension retirees and approximately 7,000 former employees with vested pension benefits. As of such date, our domestic pension plans and our other domestic post-retirement benefit plans were substantially underfunded from an accounting standpoint. We also maintain benefit plans for a much smaller base of our non-U.S. employees. The cost to fund the pension and healthcare benefit plans for our active and retired employees has a significant impact on our profitability. Our costs of maintaining our pension and healthcare plans, and the future funding requirements for these plans, are affected by several factors, including investment returns on funds held by our applicable plan trusts; changes in prevailing interest rates and discount rates or other factors used to calculate the funding status of our plans; increases in healthcare costs generally or claims submitted under our healthcare plans specifically; the longevity and payment elections of our plan participants; changes in plan benefits; and the impact of the continuing implementation and modification of current federal healthcare and pension funding laws and regulations promulgated thereunder. Increased costs under these plans could reduce our profitability and increase our funding commitments to our pension plans.

See Note 11—Employee Benefits for additional information regarding the funded status of our pension plans and our other post-retirement benefit plans.

If we are required to record additional intangible asset impairments, we will be required to record a significant charge to earnings and reduce our stockholders' equity.

As of December 31, 2024, approximately 20% of our total consolidated assets reflected on the consolidated balance sheet included in this annual report consisted of goodwill, customer relationships and other intangible assets. From time to time, including most recently in the fourth and second quarter of 2023 and in the fourth quarter of 2022, we have recorded large non-cash charges to earnings in connection with reductions of the value of our intangible assets. If our intangible assets are determined to be impaired in the future, we may be required to record additional significant, non-cash charges to earnings, which could have a material adverse effect on our results of operations or financial condition.

High inflation could continue to adversely impact us.

Although inflation has recently been declining, during the past several years our operations were impacted by the highest domestic inflation rates in decades. If inflation rates remain elevated or increase, our operations will likely continue to be impacted. Potential impacts of high inflation include (i) lower revenue if inflationary pressures cause our customers to defer or decrease their orders, (ii) lower profit margins, (iii) higher interest costs to the extent inflation places upwards pressure on prevailing interest rates and (iv) as noted above, potential difficulties retaining personnel if we do not match the salary increase expectations of our workforce.

Lapses in our disclosure controls and procedures or internal control over financial reporting could materially and adversely affect us.

We maintain (i) disclosure controls and procedures designed to provide reasonable assurances regarding the accuracy and completeness of our SEC reports and (ii) internal control over financial reporting designed to provide reasonable assurance regarding the reliability of our financial statements and their compliance with GAAP. We cannot assure you these measures will be effective.

We face other financial risks.

We face other financial risks, including among others the risk that:

- downgrades in our credit ratings or unfavorable financial analyst reports regarding us or our industry could adversely impact the liquidity or market prices of our outstanding debt or equity securities;
- higher prevailing interest rates would increase interest expense under our floating-rate debt;
- a change of control of us or certain of our affiliates could accelerate a substantial portion of our outstanding indebtedness in an amount that we might not be able to repay; and
- ongoing attempts of the United States, various foreign countries and supranational or international organizations to reform taxes or identify new tax sources could materially impact our taxes, or that one or more of our ongoing tax audits or examinations could result in tax liabilities that differ materially from those we have recognized in our consolidated financial statements.

Divestiture Risks

We may be unable to realize the anticipated benefits of our 2022 and 2023 divestitures.

In connection with divesting our Latin American and EMEA businesses and a portion of our ILEC business in 2022 and 2023, we completed internal restructurings and entered into multi-year agreements with the purchasers to provide certain transitional services and to provide or receive certain commercial services.

It has been challenging and time-consuming to provide transition services to the purchasers of our divested operations, and we expect this will continue to be the case. We may experience (i) disputes with the purchasers regarding the nature and sufficiency of the transition services we provide or the terms and conditions of our commercial agreements with the purchasers, (ii) greater tax or other costs or realize fewer benefits than anticipated under our post-closing agreements with the purchasers, (iii) higher vendor costs due to reduced economies of scale or other similar dis-synergies, (iv) weaker performance to the extent segregation and support of the divested businesses distracts personnel or diverts resources from the operation, digitization, and transformation of our retained business, (v) losses or increased inefficiencies from stranded or underutilized assets, (vi) the loss of any customers dissatisfied with our services post-closing, (vii) challenges in retaining and attracting personnel or (viii) operational or commercial difficulties segregating the divested assets from our retained assets.

The divestitures have reduced our cash flows. If our remaining business fails to perform as expected, the divestitures could exacerbate certain of the other financial risks specified in this Item 1A, including our ability to fund all of our current cash requirements.

General Risk Factors

Unfavorable general economic, societal, health or environmental conditions could negatively impact us.

Unfavorable general economic, societal, health or environmental conditions, including unstable economic and credit markets, or depressed economic activity caused by trade wars, epidemics, pandemics, wars, societal unrest, rioting, civic disturbances, natural disasters, terrorist attacks, environmental disasters, political instability or other factors, could negatively affect our business or operations in a variety of ways.

We currently do not pay dividends to our common shareholders.

We discontinued paying dividends to our holders of common stock in the fourth quarter of 2022, and have no current plans to pay dividends in respect of our common stock for the foreseeable future.

Shareholder or debtholder activism efforts could cause a material disruption to our business.

While we always welcome constructive input from our shareholders and regularly engage in dialogue with our shareholders to that end, activist shareholders may from time to time engage in proxy solicitations, submit shareholder proposals or otherwise attempt to effect changes or acquire control over us. Responding to these actions can be costly and time-consuming and may disrupt our operations and divert the attention of our Board of Directors and management. These adverse impacts could be intensified if activist shareholders advocate actions that are not supported by other shareholders, our Board or management. The recent increase in the activism of debtholders could increase the risk of claims being made under our debt agreements.

Our agreements and organizational documents and applicable law could similarly limit another party's ability to acquire us.

A number of provisions in our organizational documents and various provisions of applicable law or our Section 382 rights agreement may delay, defer or prevent a future takeover of us unless the takeover is approved by our Board of Directors. These provisions (which are described further in our Registration Statement on Form 8-A/A filed with the SEC on March 2, 2015) could deprive our shareholders of any related takeover premium.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

As a technology and communications company that globally transmits large amounts of information over our networks, we recognize the critical importance of maintaining the security and integrity of information and systems under our control. We view cybersecurity risk as one of our principal enterprise-wide risks, subject to control and monitoring at various levels of management throughout the Company. We dedicate significant resources towards programs designed to identify, assess, manage, mitigate and respond to cybersecurity threats.

As described in Item 1A “Risk Factors,” several features of our operations heighten our susceptibility to cyber-attacks, including (i) our material reliance on systems owned, operated or controlled by unaffiliated third-party operators and (ii) our processing and storage of large amounts of sensitive customer data. Cyber-attacks on our systems may be initiated by a wide variety of intruders, including employees, cyber-criminals, nation state actors and other advanced persistent threat actors, and may include attempts by outside parties to gain access to sensitive data that is stored in or transmitted across our network. Cyber-attacks can take many forms, including computer hackings, computer viruses, ransomware, worms or other destructive or disruptive software, denial of service attacks, or other malicious activities.

To identify, assess and mitigate cybersecurity risk, we have implemented a global information security management program that includes administrative, technical, and physical safeguards. This program seeks to identify, detect, protect and respond to threats to our information systems. Our security operations center provides advanced threat detection and response capabilities. We maintain an insider threat program to detect, investigate and mitigate insider threat risks to Lumen assets, data, services and personnel globally.

Our cybersecurity and privacy policies encompass information security, incident response procedures, and vendor management. Our risk management team works closely with our information technology, privacy, product, and operations departments to continuously evaluate emerging cyber risk. We monitor existing or proposed cybersecurity and privacy laws, regulations and guidance that are or may be applicable to us in the regions where we operate, including in the European Union and the United Kingdom where we are subject to the GDPR, as well as various other laws governing privacy rights, data protection and cybersecurity in other regions. As a U.S. government contractor, we are required to comply with extensive governmental regulations and standards regarding cyber security.

We periodically engage both internal and external auditors and consultants to assess and enhance our program. These independent external auditors and consultants are accredited under various information security standards, including those administered by the International Organization for Standardization and the PCI Security Standards Council. These engagements typically include penetration testing, third-party certifications, compliance assessments, audits, and assessments of vulnerabilities and emerging threats. We also periodically deploy our Internal Audit processes to conduct additional reviews and assessments. We also mutually exchange threat intelligence with government agencies, cyber analysis centers and cybersecurity associations.

As noted elsewhere in this annual report, we are materially reliant on a variety of third-party service providers to operate our business, which exposes us to the risk of cyber incidents impacting those providers’ systems. We have a vendor risk management program that assesses, manages and oversees risks associated with third-party service providers who have access to our data and systems. We maintain ongoing monitoring to ensure their compliance with our cybersecurity standards.

Despite our efforts to prevent security incidents, (i) some of these attacks have resulted in security incidents (although thus far we do not believe that any of these incidents has resulted in a material adverse effect on our operating results or financial condition) and (ii) future security incidents are likely (some of which could have a material adverse effect on our operating results or financial condition). See Item 1A “Risk Factors” for a further discussion of cybersecurity risks.

We maintain an Incident Response Playbook that provides a set of guidelines for our stakeholders to follow when handling any data incident. This playbook describes how we assess incidents and how our security team shares information about such incidents with others at Lumen, including senior leadership and, if warranted, with some or all members of our Board of Directors. These escalation provisions, together with our disclosure controls and procedures, are designed to ensure that appropriate representatives throughout the Company are available to assess how to respond to such incidents and make any necessary public notifications.

Our Cybersecurity Incident Response Team ("CIRT") is responsible for detecting and coordinating responses to all security incidents. This team regularly assesses its communication plan to confirm that its members can be alerted quickly in the event of an actual crisis and meet as a team to discuss response options. The CIRT also addresses each incident, unless it determines that an incident is sufficiently serious. In those instances, it will notify our Cyber Security Watch Team ("CSWAT"), which is responsible for addressing cybersecurity incidents that raise more significant risks.

Our CSWAT is comprised of senior IT, operations, risk, legal and compliance leaders across business segments. In addition to addressing our more significant cyber incidents, the CSWAT manages risks from matters related to business continuity, including risks posed by cybersecurity threats, and implements controls to mitigate such operational risks. Among other processes, this team reviews our programs and processes related to information security, third-party risk, vendor management, facilities, unplanned downtime, business disruption, business continuity and disaster recovery.

Governance

As part of our overall risk management approach, we prioritize the identification and management of cybersecurity risk at several levels, including oversight by our Board of Directors, executive commitment and employee training. Our Risk and Security Committee, comprised of independent directors from our Board, assists the Board in overseeing our cybersecurity and data privacy risk. Specifically, our Risk and Security Committee, which meets quarterly, (i) receives periodic reports from our Chief Security Officer ("CSO") on security programs, including incident reports, (ii) reviews cybersecurity risk assessments from information security, privacy, and internal audit management teams, including the adequacy and effectiveness of the Company's internal controls regarding cybersecurity; (iii) reviews emerging cybersecurity developments and threats; (iv) reviews compliance with applicable laws and industry standards; and (v) periodically reviews our strategy to mitigate cybersecurity risks, such as our cyber insurance coverage and contingency plans in the event of security incidents or other system disruptions. At least quarterly, our Risk and Security Committee provides reports to the full Board of Directors regarding matters recently discussed by the Committee, which enables the full Board to provide additional oversight of our cyber risks and cyber processes. The full Board also reviews our cybersecurity risks in connection with its annual review of our enterprise risk mitigation programs.

Our CSO has extensive experience working in the public and private sectors leading security organizations, risk management functions, and driving large information technology deployments. He has an Engineering degree, a Master of Business Administration, a Chief Information Security Officer Certification, and a Global Information Assurance Certification Security Leadership Certification. He oversees the implementation and compliance of our information security standards and mitigation of information security related risks.

Our cybersecurity organization includes a response team and management-level committees who support our processes to assess and manage cybersecurity risk as follows:

- At the day-to-day operational level, we maintain an experienced information security team who are tasked with implementing our privacy and cybersecurity program and support the CSO in implementing our detection, reporting, security and mitigation functions. This team and the CSO work to develop and implement tools and processes designed to assist in identifying, containing and remediating cybersecurity incidents, and periodically retain consultants to assist with these activities. We generally seek to promote a company-wide awareness of cybersecurity risk through broad-based communications and educational initiatives, including regularly conducting phishing tests and holding employee trainings on our privacy, cybersecurity and information management policies, at least annually and more frequently when legal or other developments warrant.

- The Technology, Security, and Privacy Council, co-chaired by the CSO, the Chief Information Officer (CIO), and the Chief Privacy Officer (CPO), leverages the combined expertise of various security, IT, legal, internal audit, and operational leaders across the company. This council provides a forum for these cross-functional members of management of our leadership team to consider emerging technologies, such as artificial intelligence and emerging cybersecurity risks; review cybersecurity and privacy regulations; review and update policies and standards as appropriate; and promote cross-functional collaboration to manage cybersecurity and privacy risks across the enterprise. Members of this council are responsible for reporting on cybersecurity and privacy risks to the Risk Oversight Committee ("ROC").
- The ROC, whose core members include our Chief Financial Officer, Chief Technology and Product Officer, Executive Vice President of Enterprise Operations, and Chief Legal Officer, oversees our company-wide risk mitigation strategies. With respect to cyber risks, the ROC's oversight function helps to ensure accountability, adequacy of resourcing, implementation of Company directives, and alignment of oversight provided by our Board of Directors and our senior leadership team. Some of the more significant risks discussed by the ROC are also reported to our Risk and Security Committee at least quarterly.

ITEM 2. PROPERTIES

Our property, plant and equipment consists principally of fiber-optic and metallic cables, high-speed transport equipment, electronics, switches, routers, gateway and transmission facilities, central office equipment, land and buildings related to our operations. Our gross property, plant and equipment consisted of the following components as of the dates below:

	As of December 31,	
	2024	2023
Land	1 %	2 %
Fiber, conduit and other outside plant ⁽¹⁾	40 %	37 %
Central office and other network electronics ⁽²⁾	38 %	38 %
Support assets ⁽³⁾	16 %	16 %
Construction in progress ⁽⁴⁾	5 %	7 %
Gross property, plant and equipment	100 %	100 %

(1) Fiber, conduit and other outside plant consists of fiber and metallic cable, conduit, poles and other supporting structures.

(2) Central office and other network electronics consists of circuit and packet switches, routers, transmission electronics and electronics providing service to customers.

(3) Support assets consist of buildings, data centers, computers and other administrative and support equipment.

(4) Construction in progress includes inventory held for construction and property of the aforementioned categories that is under construction and has not yet been placed in service.

We own a substantial portion of our telecommunications equipment required for our business. However, we also lease from third parties certain facilities, network capacity and equipment under various lease or other arrangements. We also own or lease administrative offices in major metropolitan locations both in the United States and internationally. Substantially all of our network electronics equipment is located in buildings or on land that we own or lease, typically within our local service area. Outside of our local service area, our assets are generally located on real property pursuant to an agreement with the property owner or another person with rights to the property. It is possible that we may lose our rights under one or more of these agreements, due to their termination or expiration or in connection with legal challenges to our rights under such agreements.

Our net property, plant and equipment was approximately \$20.4 billion and \$19.8 billion at December 31, 2024 and 2023, respectively, excluding assets held for sale. Substantial portions of our property, plant and equipment are pledged to secure the long-term debt of our subsidiaries or the guarantee obligations of our subsidiary guarantors. For additional information, see Note 9—Property, Plant and Equipment to our consolidated financial statements in Item 8 of Part II of this report.

We have entered into various agreements regarding our unused office and technical space to reduce our ongoing operating expenses regarding such space.

ITEM 3. LEGAL PROCEEDINGS

The information contained under the subheadings "Principal Proceedings" and "Other Proceedings, Disputes and Contingencies" in Note 18—Commitments, Contingencies and Other Items to our consolidated financial statements included in Item 8 of Part II of this report is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

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

Our common stock is listed on the New York Stock Exchange ("NYSE") and the Berlin Stock Exchange and is traded under the symbol LUMN and CYTH, respectively.

At February 18, 2025, there were approximately 74,000 stockholders of record, although there were significantly more beneficial holders of our common stock.

Issuer Purchases of Equity Securities

The following table contains information about shares of our previously-issued common stock that we withheld from employees upon vesting of their stock-based awards during the fourth quarter of 2024 to satisfy the related tax withholding obligations:

Period	Total Number of Shares Withheld for Taxes	Average Price Paid Per Share
October 2024	31,772	\$ 6.32
November 2024	53,569	9.10
December 2024	25,519	7.12
Total	110,860	

For a description of our share repurchases in late 2022 under a share repurchase program that lapsed in November 2024, see Note 20—Repurchases of Lumen Common Stock to our consolidated financial statements included in Item 8 of Part II of this report.

Equity Compensation Plan Information

See Item 12 of this report.

ITEM 6. [Reserved]

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

All references to "Notes" in this Item 7 of Part II refer to the Notes to Consolidated Financial Statements included in Item 8 of Part II of this report. Certain statements in this report constitute forward-looking statements. See "Special Note Regarding Forward-Looking Statements" immediately prior to Item 1 of Part I of this report for factors relating to these statements and "Risk Factors" in Item 1A of Part I of this report for a discussion of certain risk factors applicable to our business, financial condition, results of operations, liquidity or prospects.

Overview

We are a networking company with the goal of connecting people, data, and applications quickly, securely and effortlessly. We are unleashing the world's digital potential by providing a broad array of integrated products and services to our domestic and global Business customers and our domestic Mass Markets customers. We operate one of the world's most interconnected communications networks. Our platform empowers our customers to swiftly adjust digital programs to meet immediate demands, create efficiencies, accelerate market access and reduce costs, which allows our customers to rapidly evolve their IT programs to address dynamic changes. With approximately 163,000 fiber on-net buildings and 340,000 route miles of fiber optic cable globally, we are among the largest providers of communications services to domestic and global enterprise customers. Our long-haul network throughout North America and Asia Pacific connects to metropolitan fiber networks that we operate.

Divestitures of the Latin American, ILEC and EMEA Businesses

On August 1, 2022, affiliates of Level 3 Parent, LLC, an indirect wholly-owned subsidiary of Lumen Technologies, Inc., sold Lumen's Latin American business for pre-tax cash proceeds of approximately \$2.7 billion.

On October 3, 2022, we and certain of our affiliates sold the portion of our incumbent local exchange carrier ("ILEC") business conducted primarily within 20 Midwestern and Southeastern states. In exchange, we received \$7.5 billion of consideration, which was reduced by approximately \$0.4 billion of closing adjustments and partially paid through the purchaser's assumption of approximately \$1.5 billion of our long-term consolidated indebtedness, resulting in pre-tax cash proceeds of approximately \$5.6 billion. We retained the remainder of this business, which is conducted in 17 states, primarily in the Western United States.

On November 1, 2023, we and certain of our affiliates sold Lumen's operations in Europe, the Middle East and Africa ("EMEA") to Colt Technology Services Group Limited, a portfolio company of Fidelity Investments, for pre-tax cash proceeds of \$1.7 billion after certain closing adjustments and transaction costs. This consideration is further subject to certain indemnities set forth in the Purchase Agreement, as amended and supplemented to date.

For more information, see (i) Note 2—Divestitures of the Latin American, ILEC and EMEA Businesses to our consolidated financial statements in Item 8 of Part II of this report and (ii) the risk factors included in Item 1A of Part I of this report.

Macroeconomic Changes

Over the past few years macroeconomic changes have impacted us and our customers in several ways.

We believe macroeconomic changes over the past few years have resulted in (i) increases in certain revenue streams and decreases in others, (ii) operational challenges resulting from inflation and shortages of certain components and other supplies that we use in our business, (iii) delays in our cost transformation initiatives and (iv) delayed decision-making by certain of our customers. None of these effects, individually or in the aggregate, have to date materially impacted our financial performance or financial position.

Industry developments over the past few years have increased fiber construction demand from customers. The resulting increase in construction labor rates increased the cost of enabling units to be capable of receiving our Quantum Fiber broadband services. We believe these factors also occasionally contributed to a delay in attaining our Quantum Fiber buildout targets.

Continued business uncertainty, supply constraints or inflationary pressures could materially impact our financial results in a variety of ways, including by increasing our expenses, decreasing our revenues, further delaying our network expansion plans or otherwise interfering with our ability to deliver products and services.

These above-mentioned macroeconomic factors, coupled with dis-synergies resulting from our 2022 and 2023 divestitures, changes in customer preferences and negotiations with our creditors through the end of the first quarter of 2024, placed additional pressures on our financial performance and our market capitalization. These developments contributed to us recognizing a total of nearly \$14.0 billion in goodwill impairment charges in 2022 and 2023. Some of these pressures continue to impact us. To the extent these pressures continue, we could experience additional deterioration in our projected cash flows or market capitalization, or make significant changes to the assumed discount rates or market multiples that we use to determine the fair value of our reporting units. Any of these could result in additional future impairments of our approximately \$2.0 billion of remaining goodwill.

For further information relating to these matters, see (i) "—Trends Impacting Our Operations" and (ii) Item 1A of this report.

Reporting Segments

Our reporting segments are currently organized by customer focus, as follows:

- **Business Segment:** Under our Business segment, we provide our products and services under the following five sales channels:
 - **Large Enterprise:** Under our large enterprise sales channel, we provide our products and services to large enterprise customers and carriers in North America.
 - **Mid-Market Enterprise:** Under our mid-market enterprise sales channel, we provide our products and services directly to medium-sized enterprises in North America, as well as through our indirect channel partners.
 - **Public Sector:** Under our public sector sales channel, we provide our products and services to the public sector, including the U.S. Federal government, state and local governments and research and education institutions.
 - **Wholesale:** Under our wholesale sales channel, we provide our products and services to a wide range of other communication companies providing wireline, wireless, cable, voice and data center services.
 - **International and Other:** Under our international and other sales channel, we provide (i) various products and services to multinational and global enterprise customers and carriers and (ii) services under the limited number of our remaining content delivery network ("CDN") contracts.
- **Mass Markets Segment:** Under our Mass Markets segment, we provide products and services to domestic residential and small business customers. At December 31, 2024, we served 2.5 million broadband subscribers under our Mass Markets segment.

See Note 17—Segment Information to our consolidated financial statements in Item 8 of Part II of this report for additional information.

We categorize our Business segment revenue among the following products and services categories:

- **Grow**, which includes existing and emerging products and services in which we are significantly investing, including our dark fiber and conduit, Edge Cloud, IP, managed security, software-defined wide area networks ("SD WAN"), Unified Communications and Collaboration ("UC&C") and wavelengths services;
- **Nurture**, which includes our more mature offerings, including ethernet and VPN data networks services;
- **Harvest**, which includes our legacy services managed for cash flow, including Time Division Multiplexing voice, and private line services; and
- **Other**, which includes equipment sales, managed and professional service solutions and certain other services.

We categorize our Mass Markets products and services revenue among the following categories:

- **Fiber Broadband**, under which we provide high speed broadband services to residential and small business customers utilizing our fiber-based network infrastructure;
- **Other Broadband**, under which we provide primarily lower speed broadband services to residential and small business customers utilizing our copper-based network infrastructure; and
- **Voice and Other**, under which we derive revenues from (i) providing local and long-distance voice services, professional services, and other ancillary services, and (ii) federal broadband and state support programs.

From time to time, we may change the categorization of our products and services.

Trends Impacting Our Operations

In addition to the above-described impact of macroeconomic and industry pressures, our consolidated operations have been, and will continue to be, impacted by the following trends:

- Customers' demand for automated products and services and competitive pressures will require that we continue to invest in new technologies and automated processes to improve our customers' experience and reduce our operating expenses.
- The increased use of multi-cloud storage, digital applications, video streaming, gaming, robotics, quantum computing, and artificial intelligence has substantially increased demand for robust, scalable network services. We are continuing to enhance our product and service offerings and taking other steps to enable customers to have access to greater bandwidth and capacity.
- Businesses continue to adopt distributed, global operating models. We are expanding and enhancing our fiber network, connecting more buildings to our network to generate revenue opportunities and reducing our reliance upon other carriers.
- Changes in customer preferences and in the regulatory, technological and competitive environment are (i) significantly reducing demand for our more mature service offerings, commoditizing certain offerings, or resulting in volume or rate reductions for other offerings and (ii) also creating certain opportunities for us arising out of increased demand for advanced networking services and high-speed, low-latency secure data transmissions.
- The operating margins of several of our newer, more technologically advanced services, some of which may connect to customers through other carriers, are lower than the operating margins on our traditional, on-net wireline services.
- Uncertainties regarding our financial performance and overall leverage have caused, and may continue to cause, certain customers and other third parties to avoid transacting business with us.
- Our expenses will be impacted by higher vendor costs, reduced economies of scale and other dis-synergies due to our 2022 and 2023 divestitures and any future divestitures.
- Declines in our traditional wireline services and other more mature offerings have necessitated right-sizing our cost structure to remain competitive.
- We have historically generated revenue by entering into transactions that utilize excess conduit, fiber or other assets on our network to create custom networks for our customers, including through our Private Connectivity FabricSM solutions. We plan to continue to actively pursue additional revenue-generating opportunities with respect to these assets through right-of-use agreements, leases or other agreements. We may or may not consummate such transactions from time to time, and the revenue from and obligations associated with any such opportunities may be significant, either individually or in the aggregate. The completion of any future transactions may be subject to customary conditions, and may not be executed in a timely manner, or at all.

These and other developments and trends impacting our operations are discussed elsewhere in Item 1A and this Item 7.

Results of Operations

In this section, we discuss our overall results of operations and highlight special items that are not included in our segment results. In "Segment Results" we review the performance of our two reporting segments in more detail. Results in this section include the results of our Latin American, ILEC and EMEA businesses prior to their sale on August 1, 2022, October 3, 2022 and November 1, 2023 respectively.

Operating Revenue

The following table summarizes our consolidated operating revenue recorded under each of our two segments and in our five revenue sales channels within the Business segment described above:

	Years Ended December 31,			2024 vs 2023 % Change	2023 vs 2022 % Change
	2024	2023	2022		
	(Dollars in millions)				
Business Segment:					
Large Enterprise	\$ 3,379	3,618	3,827	(7)%	(5)%
Mid-Market Enterprise	1,887	2,044	2,242	(8)%	(9)%
Public Sector	1,849	1,789	1,863	3 %	(4)%
Wholesale	2,875	3,152	3,605	(9)%	(13)%
International and Other	373	980	1,562	(62)%	(37)%
Business Segment Revenue	10,363	11,583	13,099	(11)%	(12)%
Mass Markets Segment Revenue	2,745	2,974	4,379	(8)%	(32)%
Total operating revenue	\$ 13,108	14,557	17,478	(10)%	(17)%

Our consolidated operating revenue decreased by \$1.4 billion for the year ended December 31, 2024 as compared to the year ended December 31, 2023, \$547 million of which was due to the sale of the EMEA business and select CDN contracts in the fourth quarter of 2023. Our consolidated revenue decreased by \$2.9 billion for the year ended December 31, 2023 compared to the year ended December 31, 2022, \$2.1 billion of which was attributable to the sale of both our Latin American and ILEC businesses in the second half of 2022, and the sale of our EMEA business in the fourth quarter of 2023. See our segment results below for additional information.

Operating Expenses

The following table summarizes our operating expenses for the years ended December 31, 2024 and 2023. For information regarding expenses for the year ended December 31, 2022, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 of Part II of our Annual Report Form 10-K for the year ended December 31, 2023.

	Years Ended December 31,		% Change
	2024	2023	
	(Dollars in millions)		
Cost of services and products (exclusive of depreciation and amortization)	\$ 6,703	7,144	(6)%
Selling, general and administrative	2,972	3,198	(7)%
Net loss on sale of businesses	17	121	(86)%
Depreciation and amortization	2,956	2,985	(1)%
Goodwill impairment	—	10,693	nm
Total operating expenses	\$ 12,648	24,141	(48)%

nm Percentages greater than 200% and comparisons between positive and negative values or to/from zero values are considered not meaningful.

Cost of Services and Products (exclusive of depreciation and amortization)

Cost of services and products (exclusive of depreciation and amortization) decreased by \$441 million for the year ended December 31, 2024 as compared to the year ended December 31, 2023. This decrease was primarily due to a decrease of \$440 million as a result of the sale of the EMEA business in the fourth quarter of 2023 and a reduction of \$147 million in employee-related expense from lower headcount in the business we retained following that sale and the 2022 sales of our Latin American business and a portion of our ILEC business. These decreases were partially offset by an increase in facilities costs of \$120 million, as well as increases of \$21 million related to real estate and power expenses.

Selling, General and Administrative

Selling, general and administrative expenses decreased by \$226 million for the year ended December 31, 2024 as compared to the year ended December 31, 2023. The decrease was due to (i) a decrease of approximately \$80 million due to the sale of the EMEA business, (ii) a decrease of approximately \$67 million attributable to our recognition of a non-recurring loss in connection with our donation of our Monroe, Louisiana campus in 2023 (iii) a decrease of \$115 million in employee-related expenses as a result of our 2024 workforce reductions, and (iv) a decrease of \$150 million related to gains on various real estate and other asset sales during the year, including \$22 million due to the recognition in the first quarter of 2024 of a deferred gain on the fourth quarter 2023 sale of select CDN contracts. These decreases were offset by (i) an increase of \$157 million in legal and other professional fees mainly driven by our first and third quarter 2024 debt transactions and (ii) an increase of \$80 million attributable to an impairment loss related to the initiation of marketing our Broomfield, Colorado office buildings to locate a buyer and the classification of those buildings as held for sale.

Net Loss on Sale of Businesses

For a discussion of the net loss on the sale of businesses that we recognized for the years ended December 31, 2024 and December 31, 2023, see Note 2—Divestitures of the Latin American, ILEC and EMEA Businesses.

Depreciation and Amortization

The following table provides detail of our depreciation and amortization expense:

	Years Ended December 31,		% Change
	2024	2023	
	(Dollars in millions)		
Depreciation	\$ 1,890	1,932	(2)%
Amortization	1,066	1,053	1 %
Total depreciation and amortization	\$ 2,956	2,985	(1)%

Depreciation expense decreased by \$42 million for the year ended December 31, 2024 as compared to the year ended December 31, 2023 primarily due to a decrease of \$63 million relating to changes in the depreciation lives of fiber network assets and a decrease of \$52 million relating to a net decline in depreciable assets. These decreases were partially offset by (i) a \$29 million increase relating to the removal of certain assets held for sale and decommissioned assets, (ii) a \$19 million increase relating to changes made at the beginning of 2024 in the method of depreciation from the group method of depreciation to the straight line by individual asset method, and (iii) an increase of \$18 million from accelerated depreciation of CDN assets.

Amortization expense increased by \$13 million for the year ended December 31, 2024 as compared to the year ended December 31, 2023. The increase was due to a \$43 million increase associated with the accelerated amortization of software assets, mostly related to CDN contracts, and a \$15 million increase associated with net increases in amortizable assets. These increases were partially offset by (i) a \$24 million decrease due to a changed method of amortization as discussed in Note 1—Background and Summary of Significant Accounting Policies "— Change in Accounting Estimates", (ii) a \$12 million decrease related to changes in our CDN customer relationships, and (iii) an \$11 million decrease due to certain customer relationship intangible assets becoming fully amortized in the second quarter of 2023.

Further analysis of our segment operating expenses by segment is provided below in "Segment Results."

Goodwill Impairments

We are required to perform impairment tests related to our goodwill annually, which we perform as of October 31, or sooner if an indicator of impairment occurs.

We report under two segments: Business and Mass Markets. As of December 31, 2024, we had three reporting units for goodwill impairment testing: (i) Mass Markets, (ii) North America Business ("NA Business") and (iii) Asia Pacific ("APAC") region. Prior to the divestiture of the EMEA business in November 2023, the EMEA region was also a reporting unit and was tested for impairment in the pre-classification test as of October 31, 2022 discussed elsewhere herein. Similarly, prior to the August 2022 divestiture of our Latin American business, the Latin American ("LATAM") region was also a reporting unit.

When we performed a qualitative impairment test during the fourth quarter of 2024, we concluded it was more likely than not that the estimated fair value of each of our reporting units was greater than our carrying value of equity of each of our reporting units as of our testing date. Therefore, we concluded no impairment existed as of our annual assessment date in the fourth quarter of 2024.

The sustained decline in our share price during the second quarter of 2023 was considered a triggering event requiring evaluation of goodwill impairment. During the second and fourth quarters of 2023, we determined circumstances existed indicating it was more likely than not that the carrying value of one or more of our reporting units exceeded its fair value. When we performed an impairment test, we concluded that the estimated fair value of certain of our reporting units was less than their carrying value of equity as of our testing date. As a result, we recorded non-cash, non-tax-deductible goodwill impairment charges aggregating to \$10.7 billion for the year ended December 31, 2023. When we performed our impairment tests during the fourth quarter of 2022, we concluded that the estimated fair value of certain of our reporting units was less than our carrying value of equity as of our testing date. As a result, we recorded non-cash, non-tax-deductible goodwill impairment charges aggregating to \$3.3 billion in the fourth quarter of 2022.

For additional information about our impairment charges, see (i) "—Macroeconomic and Industry Changes" above and (ii) Note 3—Goodwill, Customer Relationships and Other Intangible Assets to our consolidated financial statements in Item 8 of Part II of this report.

Other Consolidated Results

The following tables summarize our total other expense, net and income tax expense:

	Years Ended December 31,		% Change
	2024	2023	
	(Dollars in millions)		
Interest expense	\$ (1,372)	(1,158)	18 %
Net gain on early retirement of debt	348	618	(44)%
Other income (expense), net	334	(113)	nm
Total other expense, net	\$ (690)	(653)	6 %
Income tax (benefit) expense	\$ (175)	61	nm

nm Percentages greater than 200% and comparisons between positive and negative values or to/from zero values are considered not meaningful.

Interest Expense

Interest expense increased by \$214 million for the year ended December 31, 2024 as compared to the year ended December 31, 2023. The increase was primarily due to an increase in the average interest rate from 5.9% to 7.0%, which was partially offset by a decrease of \$1.3 billion in our average outstanding long-term debt.

Net Gain on Early Retirement of Debt

For a discussion of the exchange offers that resulted in the net gain on debt that we recognized for the years ended December 31, 2024 and 2023, see Note 7—Long-Term Debt and Credit Facilities.

Other Income (Expense), Net

Other income (expense), net reflects certain items not directly related to our core operations, including (i) components of net periodic pension and post-retirement benefit costs, (ii) foreign currency gains and losses, (iii) our share of income from partnerships we do not control, (iv) interest income from cash and cash equivalents, (v) gains and losses from non-operating asset dispositions (see Note 19—Other Financial Information), (vi) income from transition and separation services provided by us to the purchasers of our divested businesses and (vii) other non-core items.

	Years Ended December 31,	
	2024	2023
	(Dollars in millions)	
Pension and post-retirement net periodic expense	\$ (152)	(158)
Foreign currency loss	(25)	(10)
Gain on sale of investment	205	—
Loss on investment in limited partnership	(10)	(75)
Loss on investment in equity securities	—	(22)
Transition and separation services	157	186
Interest income	119	41
Other	40	(75)
Other income (expense), net	<u>\$ 334</u>	<u>(113)</u>

Income Tax Expense

For the years ended December 31, 2024 and 2023, our effective income tax rate was 76.1% and (0.6)%, respectively. The effective tax rate for the year ended December 31, 2024 includes a \$135 million favorable impact of the exclusion of cancellation of debt income under Section 108 of the Internal Revenue Code. The effective tax rate for the year ended December 31, 2023 includes a \$2.2 billion unfavorable aggregate impact of non-deductible goodwill impairments and a \$137 million favorable impact as a result of utilizing available capital losses generated by the sale of our Latin American business in 2022. For additional information, see Note 16—Income Taxes to our consolidated financial statements in Item 8 of Part II of this report and "Critical Accounting Policies and Estimates—Income Taxes."

Segment Results

General

Reconciliation of segment revenue to total operating revenue is below. The results presented in this section include results of our Latin American, ILEC and EMEA businesses prior to their sale on August 1, 2022, October 3, 2022 and November 1, 2023, respectively:

	Years Ended December 31,		
	2024	2023	2022
	(Dollars in millions)		
Operating revenue			
Business	\$ 10,363	11,583	13,099
Mass Markets	2,745	2,974	4,379
Total operating revenue	<u>\$ 13,108</u>	<u>14,557</u>	<u>17,478</u>

Reconciliation of segment EBITDA to total adjusted EBITDA is below:

	Years Ended December 31,		
	2024	2023	2022
	(Dollars in millions)		
Net loss	\$ (55)	(10,298)	(1,548)
Income tax (benefit) expense	(175)	61	557
Total other expense, net	690	653	1,086
Depreciation and amortization expense	2,956	2,985	3,239
Goodwill impairment	—	10,693	3,271
Stock-based compensation expense	29	52	98
Total adjusted EBITDA	\$ 3,445	4,146	6,703
Business segment adjusted EBITDA	\$ 5,411	6,055	7,200
Mass Markets segment adjusted EBITDA	1,453	1,517	2,610
Other unallocated expense	(3,419)	(3,426)	(3,107)

For additional information on our reportable segments and product and services categories, see Note 4—Revenue Recognition and Note 17—Segment Information to our consolidated financial statements in Item 8 of Part II of this report.

Business Segment

	Years Ended December 31,			Percent Change	
	2024	2023	2022	2024 vs 2023	2023 vs 2022
	(Dollars in millions)				
Business Segment Product Categories:					
Grow	\$ 4,373	4,494	4,618	(3)%	(3)%
Nurture	2,961	3,493	4,128	(15)%	(15)%
Harvest	2,271	2,679	3,411	(15)%	(21)%
Other	758	917	942	(17)%	(3)%
Total Business Segment Revenue	10,363	11,583	13,099	(11)%	(12)%
Expenses:					
Total expense	4,952	5,528	5,899	(10)%	(6)%
Total adjusted EBITDA	\$ 5,411	6,055	7,200	(11)%	(16)%

Year ended December 31, 2024 compared to the year ended December 31, 2023 and the year ended December 31, 2023 compared to the year ended December 31, 2022.

Business segment revenue decreased \$1.2 billion for the year ended December 31, 2024 compared to December 31, 2023 and decreased \$1.5 billion for the year ended December 31, 2023 compared to December 31, 2022. Approximately \$547 million of the decrease for the year ended December 31, 2024 compared to December 31, 2023 was due to the sale of the EMEA business and select CDN contracts in the fourth quarter of 2023. Approximately \$1.0 billion of the decrease for the year ended December 31, 2023 compared to December 31, 2022, was due to the sale of the Latin American, ILEC and EMEA businesses in late 2022 and 2023. More specifically, within each product category for the year ended December 31, 2024 compared to December 31, 2023 and for the year ended December 31, 2023 compared to December 31, 2022:

- Grow decreased \$121 million and \$124 million, respectively, reflecting decreases of approximately \$272 million and \$370 million associated with the sale of the divested businesses. For the year ended December 31, 2024 compared to December 31, 2023, we saw growth in IP services of \$107 million and an increase in revenue from dark fiber and conduit of \$112 million, partially offset by declines in other products, including declines in wavelength services by \$42 million. For the year ended December 31, 2023 compared to December 31, 2022, we saw an increase of \$244 million primarily in our IP, wavelengths, dark fiber, enterprise broadband and colocation products and services.
- Nurture decreased \$532 million and \$635 million, respectively, approximately \$88 million and \$262 million of which was associated with the sale of the divested businesses. The remainder of the declines were principally attributable to declines in traditional VPN services of \$314 million and \$261 million, respectively, and declines in Ethernet services of \$117 million and \$112 million, respectively.
- Harvest decreased by \$408 million and \$732 million, respectively, approximately \$70 million and \$370 million of which was associated with the sale of the divested businesses. The remainder of the decline was principally attributable to a \$252 million and \$265 million decline, respectively, in legacy voice and private line services.
- Other decreased by \$159 million and \$25 million, respectively. For the year ended December 31, 2024 as compared to December 31, 2023, approximately \$93 million of this decline was attributable to the above-mentioned sale of select CDN contracts in late 2023 and decreases in equipment sales revenue of approximately \$29 million. For the year ended December 31, 2023 as compared to December 31, 2022, approximately \$48 million of the decline was attributable to decreased CDN revenue leading up to the above-mentioned sale, partially offset by an increase in equipment sales revenue of \$35 million.

Business segment expense decreased by \$576 million for the year ended December 31, 2024 compared to December 31, 2023 and decreased \$371 million for the year ended December 31, 2023 compared to December 31, 2022. For the year ended December 31, 2024 compared to December 31, 2023 this decrease was primarily driven by (i) a decrease of \$209 million due to the above-mentioned sale of the EMEA business and select CDN contracts in 2023, (ii) a \$166 million reduction in overall network expense and (iii) a decrease of \$138 million in employee-related costs. For the year ended December 31, 2023 compared to December 31, 2022, the decrease was primarily due to (i) the sale of the divested businesses of \$230 million, (ii) an \$81 million decrease in employee-related costs, and (iii) a \$68 million decrease in other network related costs.

Business segment adjusted EBITDA as a percentage of revenue was 52%, 52% and 55% for the years ended December 31, 2024, 2023 and 2022.

Mass Markets Segment

	Years Ended December 31,			Percent Change	
	2024	2023	2022	2024 vs 2023	2023 vs 2022
(Dollars in millions)					
Mass Markets Product Categories:					
Fiber Broadband	\$ 736	637	604	16 %	5 %
Other Broadband	1,167	1,395	2,163	(16)%	(36)%
Voice and Other	842	942	1,612	(11)%	(42)%
Total Mass Markets Segment Revenue	2,745	2,974	4,379	(8)%	(32)%
Expenses:					
Total expense	1,292	1,457	1,769	(11)%	(18)%
Total adjusted EBITDA	\$ 1,453	1,517	2,610	(4)%	(42)%

Year ended December 31, 2024 compared to the year ended December 31, 2023 and the year ended December 31, 2023 compared to the year ended December 31, 2022.

Mass Markets segment revenue decreased by \$229 million for the year ended December 31, 2024 compared to December 31, 2023 and decreased \$1.4 billion for the year ended December 31, 2023 compared to December 31, 2022. Approximately \$1.1 billion of the decreases for the year ended December 31, 2023 compared to December 31, 2022 was due to the sale of our ILEC business in the fourth quarter of 2022. More specifically, within each product category for the year ended December 31, 2024 compared to December 31, 2023 and for the year ended December 31, 2023 compared to December 31, 2022:

- Fiber Broadband revenue increased \$99 million and \$33 million, respectively, primarily driven by growth in the number of fiber customers associated with our continued increase in enabled locations from our Quantum Fiber buildout. For the year ended December 31, 2023 compared to December 31, 2022, the increase was partially offset by a decrease of \$41 million due to the sale of the ILEC business.
- Other Broadband revenue decreased \$228 million and \$768 million, respectively, primarily due to fewer customers for our lower speed copper-based broadband services. For the year ended December 31, 2023 compared to December 31, 2022, there was an additional decrease of \$563 million due to the sale of the ILEC business.
- Voice and Other decreased \$100 million and \$670 million, respectively. For the year ended December 31, 2024 compared to December 31, 2023, the decrease was principally due to the continued loss of copper-based voice customers. For the year ended December 31, 2023 compared to December 31, 2022, the decrease was due to (i) a \$472 million decrease due to the sale of the ILEC business, (ii) continued loss of copper-based voice customers, and (iii) the recognition in the first quarter of 2022 of \$59 million of previously deferred revenue related to the CAF II program, which lapsed on December 31, 2021.

Mass Markets segment expense decreased by \$165 million for the year ended December 31, 2024 compared to December 31, 2023 primarily due to (i) a decrease of \$60 million in employee-related costs, (ii) a decrease of \$36 million in other network related costs, (iii) a decrease of \$33 million in professional fees, and (iv) a decrease of \$10 million in network expenses. Mass Markets segment expense decreased \$312 million for the year ended December 31, 2023 compared to December 31, 2022 primarily due to a \$295 million decrease due to the ILEC divestiture and a \$37 million decrease in professional fees, partially offset by an increase of \$42 million in employee-related costs and \$27 million in marketing and advertising costs.

Mass Markets segment adjusted EBITDA as a percentage of revenue was 53%, 51% and 60% for the years ended December 31, 2024, 2023 and 2022, respectively.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with accounting principles that are generally accepted in the United States. The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of our assets, liabilities, revenue and expenses. We have identified certain policies and estimates as critical to our business operations and the understanding of our past or present results of operations related to (i) goodwill, customer relationships and other intangible assets; (ii) pension and post-retirement benefits; (iii) loss contingencies and (iv) income taxes. These policies and estimates are considered critical because they had a material impact, or they have the potential to have a material impact, on our consolidated financial statements and because they require us to make significant judgments, assumptions or estimates. We believe that our estimates, judgments and assumptions made when accounting for the items described below were reasonable, based on information available at the time they were made. However, actual results may differ from those estimates, and these differences may be material.

Goodwill, Customer Relationships and Other Intangible Assets

We have a significant amount of goodwill and indefinite-lived intangible assets that are assessed at least annually for impairment. At December 31, 2024, goodwill and intangible assets totaled \$6.8 billion, or 20%, of our total assets. The impairment analyses of these assets are considered critical because of their significance to us and our segments and the subjective nature of certain assumptions used to estimate fair value.

We have assigned our goodwill balance to our segments at December 31, 2024 as follows:

	Business	Mass Markets	Total
	(Dollars in millions)		
As of December 31, 2024	\$ —	1,964	1,964

Intangible assets arising from business combinations, such as goodwill, customer relationships, capitalized software, trademarks and trade names, are initially recorded at estimated fair value. We amortize customer relationships primarily over an estimated life of seven to 14 years, using the straight-line method, depending on the customer. We amortize capitalized software using the straight-line method primarily over estimated lives ranging up to seven years. We amortize our other intangible assets using the straight-line method over an estimated life of nine to 20 years. Other intangible assets not arising from business combinations are initially recorded at cost. Where there are no legal, regulatory, contractual or other factors that would reasonably limit the useful life of an intangible asset, we classify them as indefinite-lived intangible assets and such intangible assets are not amortized.

We assess our long-lived intangible assets, other than goodwill, with indefinite lives for impairment annually, or, under certain circumstances, more frequently, such as when events or changes in circumstances indicate there may be an impairment. We carry these assets at the estimated fair value at the time of acquisition and record assets not acquired in acquisitions at historical cost. However, if their estimated fair value is less than their carrying amount, we recognize an impairment charge for the amount by which the carrying amount of these assets exceeds their estimated fair value. For the years ended December 31, 2024 and 2023, we concluded it was more likely than not that our indefinite-lived intangible assets were not impaired, and therefore we recorded no impairment charge for these assets.

We are required to assess our goodwill for impairment annually, or more frequently if an event occurs or circumstances change that indicates it is more likely than not the fair values of any of our reporting units were less than their carrying values. In assessing goodwill for impairment, we may first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value.

Our annual impairment assessment date for goodwill is October 31, at which date we assess our reporting units. We report two segments: Business and Mass Markets. At October 31, 2024, we had three reporting units for goodwill impairment testing, which are (i) Mass Markets (ii) NA Business and (iii) APAC region. Prior to their divestitures in 2023 and 2022, the EMEA and LATAM regions were also each considered their own reporting unit.

Our reporting units are not discrete legal entities with discrete full financial statements. Our assets and liabilities are employed in and relate to the operations of multiple reporting units and are allocated to individual reporting units based on their relative revenue or earnings before interest, taxes depreciation and amortization ("EBITDA"). For each reporting unit, we compare its estimated fair value of equity to the carrying value of equity that we assign to the reporting unit. If the estimated fair value of the reporting unit is greater than its carrying value, we conclude that no impairment exists. If the estimated fair value of the reporting unit is less than the carrying value, we record a non-cash impairment charge equal to the excess amount. Depending on the facts and circumstances, we typically estimate the fair value of our reporting units by considering either or both of (i) a discounted cash flow method, which is based on the present value of projected cash flows over a discrete projection period and a terminal value, which is based on the expected normalized cash flows of the reporting units following the discrete projection period, and (ii) a market approach, which includes the use of multiples of publicly-traded companies whose services are comparable to ours. With respect to our analysis using the discounted cash flow method, the timing and amount of projected cash flows under these forecasts require estimates developed from our long-range plan, which is informed by wireline industry trends, the competitive landscape, product lifecycles, operational initiatives, capital allocation plans and other company-specific and external factors that influence our business. These projected cash flows consider recent historical results and are consistent with our short-term financial forecasts and long-term business strategies. Due to inherent uncertainties, actual cash flows could vary significantly from our projected cash flows. Our determination of the discount rate is based on a weighted average cost of capital approach, which uses a market participant's cost of equity and after-tax cost of debt and reflects certain risks inherent in the projected cash flows. With respect to our analysis using the market approach, we estimate the fair value of a reporting unit based upon a market multiple applied to the reporting unit's revenue and EBITDA, adjusted for an appropriate control premium based on recent market transactions. We weigh these revenue and EBITDA market multiples depending on the characteristics of the individual reporting unit. We also reconcile the estimated fair values of the reporting units to our market capitalization to determine whether the indicated control premium is reasonable in comparison to recent transactions in the marketplace. Our development of estimates of fair value under both the discounted cash flow method and the market approach method are subject to inherent uncertainties and actual results could vary significantly from our estimates.

Declines in our stock price in the past were a critical factor that led us to determine that our goodwill was impaired. Future declines in our stock price could potentially cause additional impairments of our goodwill. Changes in the underlying assumptions that we use in allocating the assets and liabilities to reporting units under either the discounted cash flow or market approach method can result in materially different determinations of fair value. We perform sensitivity analyses that consider a range of discount rates and a range of EBITDA market multiples and we believe the estimates, judgments, assumptions and allocation methods used by us are reasonable. Nonetheless, changes in any of them can significantly affect whether we must incur impairment charges, as well as the size of such charges.

For additional information on our goodwill balances by segment and results of our impairment analyses, see Note 3—Goodwill, Customer Relationships and Other Intangible Assets to our consolidated financial statements in Item 8 of Part II of this report.

Pension and Post-retirement Benefits

We sponsor a noncontributory qualified defined benefit pension plan (referred to herein as our qualified pension plan, the "Lumen Combined Pension Plan" or the "Combined Pension Plan") for a substantial portion of our current and former employees in the United States. As of January 1, 2022, we spun off a new pension plan (the "Lumen Pension Plan") from the Combined Pension Plan in anticipation of the sale of a portion of our ILEC business on October 3, 2022. We recognized pension costs related to both plans through the sale of the ILEC business, at which time balances related to the Lumen Pension Plan were reflected in the calculation of our gain on the sale of the ILEC business and the pension obligation and assets of the Lumen Pension Plan were transferred to the purchaser.

In addition to the Lumen Combined Pension Plan, we also maintain several non-qualified pension plans for certain eligible highly compensated employees. Due to the insignificant impact of these non-qualified plans on our consolidated financial statements, we have excluded them from the following pension and post-retirement benefits disclosures for 2024, 2023 and 2022. See Note 11—Employee Benefits for additional information.

We also maintain post-retirement benefit plans that provide health care and life insurance benefits primarily for certain eligible retirees.

In 2024, approximately 64% of the Combined Pension Plan's January 1, 2024 net actuarial loss balance of \$1.4 billion was subject to amortization as a component of net periodic expense over the average remaining service period of 13 years for participating employees expected to receive benefits under the plan. We treated the other 36% of the Combined Pension Plan's beginning net actuarial loss balance as indefinitely deferred during 2024. In 2024, approximately 75% of the beginning net actuarial gain of \$337 million at January 1, 2024 for the post-retirement benefit plans was subject to amortization as a component of net periodic expense, with the other 25% of the beginning net actuarial gain balance for the post-retirement benefit plans treated as indefinitely deferred.

In 2023, approximately 62% of the Combined Pension Plan's January 1, 2023 net actuarial loss balance of \$1.4 billion was subject to amortization as a component of net periodic expense over the average remaining service period of 14 years for participating employees expected to receive benefits under the plan. We treated the other 38% of the Combined Pension Plan's beginning net actuarial loss balance as indefinitely deferred during 2023. In 2023, approximately 56% of the beginning net actuarial gain of \$371 million at January 1, 2023 for the post-retirement benefit plans was subject to amortization as a component of net periodic expense, with the other 44% of the beginning net actuarial gain balance for the post-retirement benefit plans treated as indefinitely deferred.

In 2022, approximately 62% of the Combined Pension Plan's January 1, 2022 net actuarial loss balance of \$2.2 billion was subject to amortization as a component of net periodic expense over the average remaining service period of 14 years for participating employees expected to receive benefits under the plan. We treated the other 38% of the Combined Pension Plan's beginning net actuarial loss balance as indefinitely deferred during 2022. Additionally, upon the sale of the ILEC business on October 3, 2022, we recognized \$564 million of net actuarial pre-tax loss related to the Lumen Pension Plan, which partially offset our gain on the sale of the business. We treated the entire beginning net actuarial loss of \$217 million at January 1, 2022 for the post-retirement benefit plans as indefinitely deferred during 2022.

In computing our pension and post-retirement health care and life insurance benefit obligations, our most significant assumptions are the discount rate and mortality rates. In computing our periodic pension expense, our most significant assumptions are the discount rate and the expected rate of return on plan assets. In computing our post-retirement benefit expense, our most significant assumption is the discount rate.

The discount rate for each plan is the rate at which we believe we could effectively settle the plan's benefit obligations as of the end of the year. We selected each plan's discount rate based on a cash flow matching analysis using hypothetical yield curves from high-quality U.S. corporate bonds and projections of the future benefit payments that constitute the projected benefit obligation for the plans. This process establishes the uniform discount rate that produces the same present value of the estimated future benefit payments as is generated by discounting each year's benefit payments by a spot rate applicable to that year. The spot rates used in this process were derived from a yield curve created from yields on the 60th to 90th percentile of U.S. high quality bonds.

The table below illustrates hypothetical changes in our benefit obligation for the qualified pension plan and the post-retirement benefit plans obligation if we had selected a higher or lower discount rate.

	Percentage point change	Increase/(decrease) in Benefit Obligation at December 31, 2024 (Dollars in millions)
Combined Pension Plan discount rate	1 % \$	(325)
	(1)%	374
Post-retirement benefit plans discount rate	1 %	(133)
	(1)%	133

Published mortality rates help predict the expected life of plan participants and are based on historical demographic studies by the Society of Actuaries ("SOA"). The SOA publishes new mortality tables and projection scales on a regular basis which reflect updates to projected life expectancies in North America. Historically, we have adopted the new projection tables immediately after publication. The SOA did not release any revised mortality tables or projection scales in 2022, 2023 or 2024.

The expected rate of return on plan assets is the long-term rate of return we expect to earn on the plans' assets in the future, net of administrative expenses paid from plan assets. The rate of return is determined by the strategic allocation of plan assets and the long-term risk and return forecast for each asset class. The forecasts for each asset class are generated primarily from an analysis of the long-term expectations of various third-party investment management organizations, to which we then add a factor of 50 basis points to reflect the benefit we expect to result from our active management of the assets. The expected rate of return on plan assets is reviewed annually by management and our Board of Directors and is revised, as necessary, to reflect changes in the financial markets and our investment strategy.

Changes in any of the above factors could significantly impact operating expenses in our consolidated statements of operations and other comprehensive loss in our consolidated statements of comprehensive income (loss), as well as the amount of the liability and accumulated other comprehensive loss of stockholders' equity on our consolidated balance sheets.

Loss Contingencies

We are involved in several potentially material legal proceedings, as described in more detail in Note 18—Commitments, Contingencies and Other Items. On a quarterly basis, we assess potential losses in relation to these and other pending or threatened tax and legal matters. For matters not related to income taxes, if a loss is considered probable and the amount can be reasonably estimated, we recognize an expense for the estimated loss. To the extent these estimates are more or less than the actual liability incurred upon resolving these matters, our earnings will be increased or decreased accordingly. If the differences are material, our consolidated financial statements could be materially impacted.

For matters related to income taxes, if we determine in our judgment that the impact of an uncertain tax position is more likely than not to be sustained upon audit by the relevant taxing authority, then we recognize in our financial statements a benefit for the largest amount that is more likely than not to be sustained. We do not recognize any portion of an uncertain tax position if we determine in our judgment that the position has less than a 50% likelihood of being sustained. Though the validity of any tax position is a matter of tax law, the body of statutory, regulatory and interpretive guidance on the application of the law is complex and often ambiguous, particularly in certain of the non-U.S. jurisdictions in which we operate. As such, our tax positions may not be sustained, which could materially impact our consolidated financial statements.

Income Taxes

Our provision for income taxes includes amounts for tax consequences deferred to future periods. We record deferred income tax assets and liabilities reflecting future tax consequences attributable to (i) tax credit carryforwards, (ii) differences between the financial statement carrying value of assets and liabilities and the tax basis of those assets and liabilities and (iii) tax NOLs. Deferred taxes are computed using enacted tax rates expected to apply in the year in which the differences are expected to affect taxable income. The effect of a change in tax rate on deferred income tax assets and liabilities is recognized in earnings in the period that includes the enactment date.

The measurement of deferred taxes often involves the exercise of considerable judgment related to the realization of tax basis. Our deferred tax assets and liabilities reflect our assessment that tax positions taken in filed tax returns and the resulting tax basis are more likely than not to be sustained if they are audited by taxing authorities. Assessing tax rates that we expect to apply and determining the years when the temporary differences are expected to affect taxable income requires judgment about the future apportionment of our income among the states in which we operate. Any changes in our practices or judgments involved in the measurement of deferred tax assets and liabilities could materially impact our financial condition or results of operations.

In connection with recording deferred income tax assets and liabilities, we establish valuation allowances when necessary to reduce deferred income tax assets to amounts that we believe are more likely than not to be realized. We evaluate our deferred tax assets quarterly to determine whether adjustments to our valuation allowances are appropriate in light of changes in facts or circumstances, such as changes in tax law, interactions with taxing authorities and developments in case law. In making this evaluation, we rely on our recent history of pre-tax earnings. We also rely on our forecasts of future earnings and the nature and timing of future deductions and benefits represented by the deferred tax assets, all of which involve the exercise of significant judgment. At December 31, 2024, we established a valuation allowance of \$343 million primarily related to state NOLs, based on our determination that it was more likely than not that this amount of these NOLs would expire unused. If forecasts of future earnings and the nature and estimated timing of future deductions and benefits change in the future, we may determine that existing valuation allowances must be revised or eliminated or new valuation allowances created, any of which could materially impact our financial condition or results of operations. See Note 16—Income Taxes to our consolidated financial statements in Item 8 of Part II of this report.

Liquidity and Capital Resources

Overview of Sources and Uses of Cash

We are a holding company that is dependent on the capital resources of our subsidiaries to satisfy our parent company liquidity requirements. Several of our significant operating subsidiaries have borrowed funds either on a standalone basis or as part of a separate restricted group with certain of its subsidiaries or affiliates. The terms of the instruments governing the indebtedness of these borrowers or borrowing groups may restrict our ability to access their accumulated cash. In addition, our ability to access the liquidity of these and other subsidiaries may be constrained by tax, legal and other limitations. For additional information, see "—Debt Instruments and Financing Arrangements" below.

At December 31, 2024, we held cash and cash equivalents of \$1.9 billion. As of December 31, 2024, we had approximately \$737 million of borrowing capacity available under our approximately \$1.0 billion of revolving credit facilities, net of undrawn letters of credit issued to us thereunder. We typically use our revolving credit facilities as a source of liquidity for operating activities and our other cash requirements. We had approximately \$59 million of cash and cash equivalents outside the United States at December 31, 2024. We currently believe that there are no material restrictions on our ability to repatriate cash and cash equivalents into the United States, and that we may do so without paying or accruing U.S. taxes or significant foreign taxes. We do not currently intend to repatriate to the United States any material amounts of our foreign cash and cash equivalents from operating entities.

Our senior leadership team and our Board of Directors review our sources and potential uses of cash in connection with our annual budgeting process and throughout the year as circumstances warrant. Generally speaking, our principal funding source is cash from operating activities, and our principal cash requirements include operating expenses, capital expenditures, income taxes, debt payments, periodic securities repurchases, periodic pension contributions and other benefits payments.

Based on our current capital allocation objectives, during 2025 we project expending approximately \$4.1 billion to \$4.3 billion of capital expenditures.

For the 12-month period ending December 31, 2025, we project that our fixed commitments will include (i) \$52 million of scheduled term loan amortization payments (ii) \$39 million of finance lease and other fixed payments and (iii) \$321 million of debt maturities.

We will continue to monitor our future sources and uses of cash, and anticipate that we will make adjustments to our capital allocation strategies when, as and if determined by our senior leadership team and our Board. We may also draw on our revolving credit facilities as a source of liquidity for operating activities and to give us additional flexibility to finance our capital investments, payments of debt, pension contributions and other cash requirements.

For additional information, see "Risk Factors—Financial Risks" in Item 1A of Part I of this report.

Impact of Divestitures

As discussed in Note 2—Divestitures of the Latin American, ILEC and EMEA Businesses to our consolidated financial statements in Item 8 of Part II of this report, we sold our Latin American, ILEC and EMEA businesses on August 1, 2022, October 3, 2022 and November 1, 2023, respectively. As further described elsewhere herein, these transactions have provided us with a substantial amount of cash proceeds but have also reduced our base of income-generating assets that generate our recurring cash from operating activities. For a discussion of the impact of our divestitures upon our federal income taxes, see "Liquidity and Capital Resources—Federal Income Tax Obligations."

Impact of PCF Transactions

During the second half of 2024, we announced that Lumen and its subsidiaries sold several billion dollars of new PCF solutions.

Lumen and its subsidiaries expect to receive the majority of cash from these agreements, which include advance payments to fund network expansion projects, over the next three to four years. Lumen and its subsidiaries will incur certain material expenditures in connection with these agreements, and expect the majority of such expenditures to be made over the same period of time. The payments Lumen and its subsidiaries actually make and receive may vary materially from what is expected and will depend, among other things, on the timing of delivery and installation of the products and services by Lumen and its subsidiaries.

During the second half of 2024, we began receiving advance payments under these agreements, which increased our net cash provided by operating activities reflected in our consolidated statements of cash flows and our deferred revenue reflected in our consolidated balance sheets. We anticipate that our continued receipt of cash payments under these agreements will (i) cause our consolidated cash flows to vary from quarter to quarter over the next several years and (ii) enable us to accelerate our network simplification initiatives. In addition, we expect our consolidated capital expenditures to increase as we use these cash receipts to fund network expansion projects contemplated under such agreements.

We expect to enter into additional agreements in the future to sell products and services as part of our PCF solutions but cannot provide any assurances. See "Risk Factors" under Item 1A of Part II of this report.

Capital Expenditures

We incur capital expenditures on an ongoing basis to expand and improve our service offerings, enhance and modernize our networks, fulfill our contractual obligations, and compete effectively in our markets. We evaluate our discretionary capital expenditure projects based on a variety of factors, including expected strategic impacts (such as forecasted impact on revenue growth, productivity, expenses, service levels and customer retention) and our expected return on investment. The amount of our capital investment is influenced by, among other things, current and projected demand for our services and products, our network and customer contract requirements, cash flow generated by operating activities, cash required for debt service and other purposes, regulatory considerations (such as governmentally-mandated infrastructure buildout requirements) and the availability of requisite supplies, labor and permits.

Our capital expenditures continue to be focused on enhancing network operating efficiencies, developing new services, and expanding our fiber network, including our Quantum Fiber buildout plan. A portion of our 2025 capital expenditures will also be focused on replacing aged network assets. For more information on our capital spending, see (i) "—Overview of Sources and Uses of Cash" above, (ii) "Cash Flow Activities—Investing Activities" below, (iii) —Impact of PCF Transactions above and (iv) Item 1 of Part 1 of this report.

Debt Instruments and Financing Arrangements

Debt Instruments

On March 22, 2024, Lumen Technologies, Level 3 Financing, Qwest and a group of consenting debtholders representing over \$15.0 billion of Lumen's outstanding consolidated long-term debt completed transactions contemplated under the amended and restated transaction support agreement dated January 22, 2024 (the "TSA Transactions"), which, among other things, extended maturities of the debt instruments of Lumen and Level 3 Financing, Inc. and provided access to approximately \$1.0 billion of new Lumen revolving credit facilities maturing in 2028 to replace Lumen's former \$2.2 billion revolving credit facility. In addition, Level 3 Financing, Inc. privately placed \$1.575 billion aggregate principal amount of newly-issued first lien notes, a portion of the proceeds of which were used to reduce Lumen's consolidated indebtedness. For more information, see Note 7—Long-Term Debt and Credit Facilities to our consolidated financial statements included under Item 8 of Part II of this annual report.

On September 24, 2024, (i) Lumen Technologies issued approximately \$438 million aggregate principal amount of its newly-issued 10.000% Secured Notes due 2032 and paid approximately \$14 million cash (excluding accrued and unpaid interest payable with respect to the exchanged notes) in exchange for approximately \$491 million aggregate principal amount of its outstanding senior unsecured notes (which were concurrently cancelled), and (ii) Level 3 Financing issued approximately \$350 million aggregate principal amount of its newly-issued 10.000% Second Lien Notes due 2032 in exchange for approximately \$357 million aggregate principal amount of its outstanding senior unsecured notes (which were concurrently cancelled). These transactions reduced the aggregate principal amount of Lumen's consolidated indebtedness by approximately \$60 million.

Through open market repurchases and cash tender offers occurring throughout the year ended December 31, 2024, Lumen further reduced the aggregate principal amount of its consolidated indebtedness by approximately \$769 million.

At December 31, 2024, we had:

- \$13.7 billion of outstanding consolidated secured indebtedness;
- \$4.6 billion of outstanding consolidated unsecured indebtedness (excluding (i) finance lease obligations, (ii) unamortized premiums, net and (iii) unamortized debt issuance costs); and
- approximately \$737 million of unused borrowing capacity under our revolving credit facilities, as discussed further below.

Under its credit agreements dated March 22, 2024, Lumen maintained at December 31, 2024 (i) approximately \$954 million of superpriority revolving credit facilities, under which we owed nothing as of such date, and we had approximately \$217 million of letters of credit issued and undrawn as of such date, and (ii) approximately \$3.6 billion of drawn superpriority term loan facilities. Under its credit agreements dated March 22, 2024, Level 3 Financing maintained at December 31, 2024, \$2.4 billion of drawn secured term loan facilities. For additional information, see (i) "—Overview of Sources and Uses of Cash," and (ii) Note 7—Long-Term Debt and Credit Facilities to our consolidated financial statements in Item 8 of Part II of this report.

At December 31, 2024, we had \$220 million undrawn letters of credit outstanding, \$217 million of which were issued under our revolving credit facilities, \$1 million of letters of credit outstanding under our \$225 million uncommitted letter of credit facility and \$2 million of which were issued under a separate facility maintained by one of our subsidiaries (the full amount of which is collateralized by cash).

In addition to indebtedness under their March 22, 2024 credit agreements, Lumen and Level 3 Financing, Inc. are indebted under their respective outstanding senior notes, and certain of Lumen's other subsidiaries are indebted under their respective outstanding senior notes.

For additional information on the terms and conditions of other debt instruments of ours and our subsidiaries, including financial and operating covenants, see (i) Note 7—Long-Term Debt and Credit Facilities to our consolidated financial statements in Item 8 of Part II of this report and (ii) "—Other Matters" below.

Future Debt Transactions

Subject to market conditions, we plan to continue to issue debt securities from time to time to refinance a substantial portion of our maturing debt, including issuing debt securities of certain of our subsidiaries to refinance their maturing debt to the extent permitted under our debt covenants and consistent with our capital allocation strategies. The availability, interest rate and other terms of any new borrowings will depend on the ratings assigned by credit rating agencies, among other factors.

As of the filing date of this report, the credit ratings for the senior secured and unsecured debt of Lumen Technologies, Inc., Level 3 Financing, Inc. and Qwest Corporation were as follows:

Borrower	Moody's Investors Service, Inc. ⁽¹⁾	Standard & Poor's ⁽¹⁾	Fitch Ratings
Lumen Technologies, Inc.:			
Unsecured	Caa3	CCC-	CCC-
Secured	Caa1/Caa2	B	B+
Level 3 Financing, Inc.:			
Unsecured	Caa1	CCC-	CCC-
Secured	B2/Caa1	CCC+	B+/CCC
Qwest Corporation:			
Unsecured	Caa3	B-	B+

⁽¹⁾ In August 2024, Moody's upgraded the Lumen Technologies Corporate Family Rating ("CFR") to Caa1 and placed the ratings of Lumen Technologies' debt on positive outlook. In November 2024, Standard & Poor's placed the ratings of Lumen Technologies' debt on positive credit watch.

Our credit ratings are reviewed and adjusted from time to time by the rating agencies. Any future changes in the senior unsecured or secured debt ratings of us or our subsidiaries could impact our access to capital or borrowing costs. We cannot provide any assurances that we will be able to borrow additional funds on favorable terms, or at all. See "Risk Factors—Financial Risks" in Item 1A of Part I of this report.

From time to time over the past couple of years, we have engaged in various debt refinancings, redemptions, tender offers, exchange offers, open market purchases and other transactions designed principally to reduce our consolidated indebtedness, extend our debt maturities, improve our financial flexibility or otherwise enhance our debt profile. Subject to market conditions, restrictions under our debt covenants, and other limitations, we expect to opportunistically pursue similar transactions in the future to the extent feasible. See Note 7—Long-Term Debt and Credit Facilities to our consolidated financial statements in Item 8 of Part II of this report for additional information.

Federal Income Tax Obligations

As of December 31, 2024, Lumen Technologies had approximately \$570 million of federal NOLs which, for U.S. federal income tax purposes, may be used to offset future taxable income. These NOLs are primarily related to federal NOLs we acquired through the Level 3 Communications, Inc. acquisition on November 1, 2017 and are subject to limitations under Section 382. We maintain a Section 382 rights agreement designed to safeguard through late 2026 our ability to use those NOLs. We utilized a substantial portion of our previously available NOLs to offset taxable gains generated by the completion of our 2022 divestitures. For additional information about our NOLs, see Note 16—Income Taxes— to our consolidated financial statements in Item 8 of Part II of this report,

We expect to use substantially all of our remaining NOLs in future periods in accordance with Section 382's annual limitations, although we cannot guarantee this. See "Risk Factors—Financial Risks—We may not be able to fully utilize our NOLs" in Item 1A of Part I of this report.

In January 2024, we received a federal income tax cash refund of \$729 million, including interest. The amounts of our near-term future tax payments will depend upon many factors, including our future earnings and tax circumstances and the impact of any potential corporate tax reform legislation or taxable transactions.

The Inflation Reduction Act enacted in 2022, among other things, implemented a new federal corporate alternative minimum tax ("CAMT") on adjusted financial statement income effective for tax periods occurring after December 31, 2022. The CAMT had no material impact on our financial results as of December 31, 2024. In addition, in 2021, the Organization for Economic Co-operation and Development ("OECD") has issued Pillar Two model rules introducing a new global minimum corporate tax of 15% and the OECD and the majority of its participating countries continue to work toward the enactment of such tax. While the U.S. has not adopted Pillar Two legislation, various other governments around the world have enacted such legislation that is effective for tax periods after December 31, 2023. These global minimum tax rules have increased our administrative and compliance burdens but the impact to our financial statements for the year ended December 31, 2024 was immaterial. We anticipate further legislative activity and administrative guidance throughout 2025 and continue to monitor evolving global tax legislation.

Pension and Post-retirement Benefit Obligations

We are subject to material obligations under our existing defined benefit pension plans and post-retirement benefit plans. At December 31, 2024, the accounting unfunded status of our qualified and non-qualified defined benefit pension plans and our qualified post-retirement benefit plans was \$645 million and \$1.7 billion, respectively. For additional information about our pension and post-retirement benefit arrangements, see "Critical Accounting Policies and Estimates—Pension and Post-retirement Benefits" in Item 7 of Part II of this report and Note 11—Employee Benefits to our consolidated financial statements in Item 8 of Part II of this report.

As of January 1, 2022, we spun off the Lumen Pension Plan from the Combined Pension Plan in anticipation of the sale of the ILEC business, as described further in Note 2—Divestitures of the Latin American, ILEC and EMEA Businesses to our consolidated financial statements in Item 8 of Part II of this report. At the time of the spin-off we transferred \$2.5 billion of pension benefit obligation and \$2.2 billion of plan assets to the Lumen Pension Plan and we further contributed approximately \$319 million of cash in September 2022. This plan was subsequently assumed by the purchaser as part of our ILEC business divestiture on October 3, 2022. Upon sale of the ILEC business, we recognized \$403 million of net actuarial loss and prior service cost, net of tax impact, related to the Lumen Pension Plan, which partially offset our gain on sale of the business.

Benefits paid by our Combined Pension Plan are paid through the trust that holds the Combined Pension Plan's assets. Based on current laws and circumstances, we do not expect any contributions to be required for our Combined Pension Plan during 2025. The amount of required contributions to our Combined Pension Plan in 2026 and beyond will depend on a variety of factors, most of which are beyond our control, including earnings on plan investments, prevailing interest rates, demographic experience, changes in plan benefits and changes in funding laws and regulations. We occasionally make voluntary contributions to our plans in addition to required contributions and reserve the right to do so in the future. We made a voluntary contribution of \$170 million to the trust for the Combined Pension Plan during 2024. We currently do not expect to make a voluntary contribution in 2025.

Substantially all of our post-retirement health care and life insurance benefits plans are unfunded and are paid by us with available cash. As described further in Note 11—Employee Benefits, aggregate benefits paid by us under these plans (net of participant contributions and direct subsidy receipts) were \$185 million, \$194 million and \$210 million for the years ended December 31, 2024, 2023 and 2022, respectively. For additional information on our expected future benefits payments for our post-retirement benefit plans, see Note 11—Employee Benefits to our consolidated financial statements in Item 8 of Part II of this report.

For 2024, our expected annual long-term rate of return on the pension plan assets, net of administrative expenses, was 6.5%. For 2025, our expected annual long-term rate of return on these assets, net of administration expenses, remains 6.5%. However, actual returns could be substantially different.

Our pension plan contains provisions that allow us, from time to time, to offer lump sum payment options to certain former employees in settlement of their future retirement benefits. We record an accounting settlement charge, consisting of the recognition of certain deferred costs of the pension plan, associated with these lump sum payments only if, in the aggregate, they exceed the sum of the annual service and interest costs for the plan's net periodic pension benefit cost, which represents the settlement accounting threshold. The settlement threshold was not exceeded for the years ended December 31, 2024, December 31, 2023 or December 31, 2022. In the event of workforce reductions in the future, the annual lump sum payments may trigger settlement accounting.

Future Contractual Obligations

Our estimated future obligations as of December 31, 2024 include both current and long term obligations. At December 31, 2024, we had a current obligation of \$412 million and a long-term obligation of \$18.1 billion of long-term debt (excluding unamortized premiums, net and unamortized debt issuance costs). Under our operating leases, at December 31, 2024 we had a current obligation of \$340 million and a long-term obligation of \$1.3 billion. As of such date, we had current obligations related to right-of-way agreements and purchase commitments of \$999 million and a long-term obligation of \$2.6 billion. Additionally, as of such date we had a current asset retirement obligation of \$25 million and a long-term obligation of \$132 million. Finally, at December 31, 2024 our pension and post-retirement benefit plans had an unfunded benefit obligation, of which \$189 million is classified as current and \$2.2 billion is classified as long-term. For additional information, see Note 5—Leases, Note 7—Long-Term Debt and Credit Facilities, Note 9—Property, Plant and Equipment, Note 11—Employee Benefits and Note 18—Commitments, Contingencies and Other Items.

Federal Broadband Support Programs

In January 2020, the FCC created the Rural Digital Opportunity Fund (“RDOF”) program, a federal support program designed to fund broadband deployment in rural America. For the first phase of this program, RDOF Phase I, the FCC awarded \$6.4 billion in support payments to be paid in equal monthly installments over 10 years. We were awarded RDOF funding in several of the states in which we operate and began receiving monthly support payments during the second quarter of 2022. We received approximately \$17 million in annual RDOF Phase I support payments during 2023 and 2022. In the third quarter of 2024, we relinquished rights to develop certain RDOF census blocks in four states, which resulted in (i) a reduction of our anticipated RDOF Phase I support payments to approximately \$16 million for the year ending December 31, 2024 and \$15 million each year thereafter through the program period and (ii) an expectation of payment to the federal government, which we anticipate will be approximately \$10 million.

For additional information on these programs, see (i) Note 4—Revenue Recognition to our consolidated financial statements in Item 8 of Part II of this report, (ii) “Business—Regulation of Our Business” in Item 1 of Part I of this report and (iii) “Risk Factors—Legal and Regulatory Risks” in Item 1A of Part I of this report.

Federal officials have proposed changes to current programs and laws that could impact us, including proposals designed to increase broadband access, increase competition among broadband providers, lower broadband costs and increase broadband regulation. In late 2021, the U.S. Congress enacted legislation that appropriated \$65 billion to improve broadband affordability and access, primarily through federally funded state grants. As of the date of this report, various state and federal agencies are continuing to take steps to make this funding available to eligible applicants, including us. We anticipate that the release of this funding would increase competition for broadband customers in newly-served areas.

Cash Flow Activities

The following table summarizes our consolidated cash flow activities for the years ended December 31, 2024 and 2023. For information regarding cash flow activities for the year ended December 31, 2022, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 of Part II of our Annual Report Form 10-K for the year ended December 31, 2023.

	Years Ended December 31,		\$ Change
	2024	2023	
	(Dollars in millions)		
Net cash provided by operating activities	\$ 4,333	2,160	2,173
Net cash used in investing activities	(2,830)	(1,201)	1,629
Net cash used in financing activities	(1,851)	(18)	1,833

Operating Activities

Net cash provided by operating activities increased by \$2.2 billion for the year ended December 31, 2024 as compared to the year ended December 31, 2023 primarily due to (i) cash payments received in the third quarter of 2024 pursuant to our recent sales of PCF solutions and (ii) our federal income tax cash refund of \$729 million, including interest, received in the first quarter of 2024. These increases were partially offset by (i) an increase in net loss adjusted for non-cash expenses and gains, partly as a result of the sale of our EMEA business in late 2023, and (ii) a voluntary contribution of \$170 million to the trust for the Combined Pension Plan during 2024. Cash provided by operating activities is subject to variability period over period as a result of timing differences, including with respect to the collection of receivables and payments of interest expense, accounts payable and bonuses.

For additional information about our operating results, see "Results of Operations" above.

Investing Activities

Net cash used in investing activities increased by \$1.6 billion for the year ended December 31, 2024 as compared to the year ended December 31, 2023 primarily due to the pre-tax cash proceeds from the sale of the EMEA business in 2023, partially offset by gross proceeds from the sale of an investment in the second quarter of 2024.

Financing Activities

Net cash used in financing activities increased by \$1.8 billion for the year ended December 31, 2024 as compared to the year ended December 31, 2023 due to the substantially greater payments of long-term debt and associated debt extinguishment costs and fees, partially offset by proceeds from issuance of long-term debt in 2024.

See Note 7—Long-Term Debt and Credit Facilities to our consolidated financial statements in Item 8 of Part II of this report for additional information on our outstanding debt securities.

Other Matters

We have cash management and loan arrangements with a majority of our income-generating subsidiaries, in which a substantial portion of the aggregate cash of those subsidiaries is periodically advanced or loaned to us or our service company affiliate. Although we periodically repay these advances to fund the subsidiaries' cash requirements throughout the year, at any given point in time we may owe a substantial sum to our subsidiaries under these arrangements. In accordance with generally accepted accounting principles, these arrangements are reflected in the balance sheets of our subsidiaries but are eliminated in consolidation and therefore not recognized on our consolidated balance sheets. For additional information, see "Risk Factors" in Item 1A of Part II of this report.

Our network includes some residual lead-sheathed copper cables installed years ago that constitute a small portion of our network. Recent media coverage of potential health and environmental risks associated with these cables has resulted in regulatory inquiries and lawsuits, and could subject us to legislative or regulatory actions, removal costs, compliance costs or penalties. As of December 31, 2024, we have not accrued for any such potential costs and will only accrue when such costs are probable and reasonably estimable. For additional information about related litigation and potential risks, see Note 18—Commitments, Contingencies and Other Items to our consolidated financial statements in Item 8 of Part II of this report, and the risk factor disclosures included herein under “Risk Factors” in Item 1A of Part I of this report.

We are also involved in various other legal proceedings that could substantially impact our financial position. See Note 18—Commitments, Contingencies and Other Items to our consolidated financial statements in Item 8 of Part II of this report for additional information.

Market Risk

As of December 31, 2024, we were exposed to market risk from changes in interest rates on our variable rate long-term debt obligations and fluctuations in certain foreign currencies.

Our management periodically reviews our exposure to interest rate fluctuations and periodically implements strategies to manage the exposure. From time to time, we have used derivative instruments to swap our exposure to variable interest rates for fixed interest rates. We have established policies and procedures for risk assessment and the approval, reporting and monitoring of derivative instrument activities. As of December 31, 2024, we did not hold or issue derivative financial instruments for trading or speculative purposes.

As of December 31, 2024, we had approximately \$6.0 billion aggregate principal amount of debt bearing unhedged floating interest rates based on the secured overnight financing rate (“SOFR”). A hypothetical increase of 100 basis points in SOFR relating to our \$6.0 billion of unhedged floating rate debt would, among other things, decrease our annual pre-tax earnings by approximately \$60 million.

We conduct a small portion of our business in currencies other than the U.S. dollar, the currency in which our consolidated financial statements are reported. Prior to the November 1, 2023 divestiture of our EMEA business, certain of our former European subsidiaries used the local currency as their functional currency, as the majority of their sales and purchases were transacted in their local currencies. Although we continue to evaluate strategies to mitigate risks related to the effect of fluctuations in currency exchange rates, we will likely continue to recognize gains or losses from international transactions. Accordingly, changes in foreign currency rates relative to the U.S. dollar could positively or negatively impact our operating results.

Certain shortcomings are inherent in the method of analysis presented in the computation of exposures to market risks. Actual values may differ materially from those disclosed by us from time to time if market conditions vary from the assumptions used in the analyses performed. These analyses only incorporate the risk exposures that existed at December 31, 2024.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information in “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Market Risk” in Item 7 of Part II of this report is incorporated herein by reference.

ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors
Lumen Technologies, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Lumen Technologies, Inc. and subsidiaries (the Company) as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income (loss), cash flows, and stockholders' equity for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 20, 2025 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

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

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

Critical Audit Matter

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

Testing of revenue

As discussed in Note 4 to the consolidated financial statements, the Company recorded \$13.1 billion of operating revenues for the year ended December 31, 2024. The processing and recording of revenue are reliant upon multiple information technology (IT) systems.

We identified the evaluation of the sufficiency of audit evidence over revenue as a critical audit matter. Complex auditor judgment was required in evaluating the sufficiency of audit evidence over revenue due to the large volume of data and the number and complexity of the revenue accounting systems. Specialized skills and knowledge were needed to test the IT systems used for the processing and recording of revenue.

The following are the primary procedures we performed to address this critical audit matter. We applied auditor judgment to determine the nature and extent of procedures to be performed over the processing and recording of revenue, including the IT systems tested. We evaluated the design and tested the operating effectiveness of certain internal controls related to the processing and recording of revenue. This included manual and automated controls over the IT systems used for the processing and recording of revenue. For a selection of transactions, we compared the amount of revenue recorded to a combination of Company internal data, executed contracts, and other relevant third-party data. In addition, we involved IT professionals with specialized skills and knowledge who assisted in the design and performance of audit procedures related to certain IT systems used by the Company for the processing and recording of revenue. We evaluated the sufficiency of audit evidence obtained by assessing the results of procedures performed, including the relevance and reliability of evidence obtained.

/s/ KPMG LLP

We have served as the Company's auditor since 1977.

Denver, Colorado

February 20, 2025

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors Lumen Technologies, Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited Lumen Technologies, Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income (loss), cash flows, and stockholders' equity, for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements), and our report dated February 20, 2025 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ KPMG LLP

Denver, Colorado
February 20, 2025

LUMEN TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended December 31,		
	2024	2023	2022
	(Dollars in millions, except per share amounts, and shares in thousands)		
OPERATING REVENUE	\$ 13,108	14,557	17,478
OPERATING EXPENSES			
Cost of services and products (exclusive of depreciation and amortization)	6,703	7,144	7,868
Selling, general and administrative	2,972	3,198	3,078
Net loss (gain) on sale of businesses	17	121	(113)
Loss on disposal groups held for sale	—	—	40
Depreciation and amortization	2,956	2,985	3,239
Goodwill impairment	—	10,693	3,271
Total operating expenses	12,648	24,141	17,383
OPERATING INCOME (LOSS)	460	(9,584)	95
OTHER EXPENSE			
Interest expense	(1,372)	(1,158)	(1,332)
Net gain on early retirement of debt (Note 7)	348	618	214
Other income (expense), net	334	(113)	32
Total other expense, net	(690)	(653)	(1,086)
LOSS BEFORE INCOME TAXES	(230)	(10,237)	(991)
Income tax (benefit) expense	(175)	61	557
NET LOSS	\$ (55)	(10,298)	(1,548)
BASIC AND DILUTED LOSS PER COMMON SHARE			
BASIC	\$ (0.06)	(10.48)	(1.54)
DILUTED	\$ (0.06)	(10.48)	(1.54)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING			
BASIC	987,680	983,081	1,007,517
DILUTED	987,680	983,081	1,007,517

See accompanying notes to consolidated financial statements.

LUMEN TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Years Ended December 31,		
	2024	2023	2022
	(Dollars in millions)		
NET LOSS	\$ (55)	(10,298)	(1,548)
OTHER COMPREHENSIVE INCOME:			
Items related to employee benefit plans:			
Change in net actuarial loss, net of \$(30), \$20 and \$(205) tax	97	(59)	631
Reclassification of net actuarial loss to (loss) gain on the sale of businesses, net of \$—, \$— and \$(142) tax	—	(22)	422
Change in net prior service cost, net of \$4, \$4 and \$(9) tax	(11)	(11)	30
Reclassification of prior service credit to (loss) gain on the sale of businesses, net of \$—, \$— and \$6 tax	—	—	(19)
Reclassification of realized loss on interest rate swaps to net (loss) income, net of \$—, \$— and \$(5) tax	—	—	17
Reclassification of realized loss on foreign currency translation to (loss) gain on the sale of businesses, net of \$—, \$— and \$— tax	—	382	112
Foreign currency translation adjustment, net of \$—, \$(3) and \$58 tax	1	(1)	(134)
Other comprehensive income	87	289	1,059
COMPREHENSIVE INCOME (LOSS)	\$ 32	(10,009)	(489)

See accompanying notes to consolidated financial statements.

LUMEN TECHNOLOGIES, INC.
CONSOLIDATED BALANCE SHEETS

	As of December 31,	
	2024	2023
	(Dollars in millions and shares in thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,889	2,234
Accounts receivable, less allowance of \$59 and \$67	1,231	1,318
Other	1,274	1,223
Total current assets	4,394	4,775
Property, plant and equipment, net of accumulated depreciation of \$23,121 and \$21,318	20,421	19,758
GOODWILL AND OTHER ASSETS		
Goodwill	1,964	1,964
Other intangible assets, net	4,806	5,470
Other, net	1,911	2,051
Total goodwill and other assets	8,681	9,485
TOTAL ASSETS	\$ 33,496	34,018
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 412	157
Accounts payable	749	1,134
Accrued expenses and other liabilities		
Salaries and benefits	716	696
Income and other taxes	272	251
Current operating lease liabilities	253	268
Interest	197	168
Other	179	213
Current portion of deferred revenue	861	647
Total current liabilities	3,639	3,534
LONG-TERM DEBT	17,494	19,831
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred income taxes, net	2,890	3,127
Benefit plan obligations, net	2,205	2,490
Deferred revenue	3,733	1,969
Other	3,071	2,650
Total deferred credits and other liabilities	11,899	10,236
COMMITMENTS AND CONTINGENCIES (Note 18)		
STOCKHOLDERS' EQUITY		
Preferred stock — non-redeemable, \$25.00 par value, authorized 2,000 and 2,000 shares, issued and outstanding 7 and 7 shares	—	—
Common stock, \$0.00 and \$1.00 par value, authorized 2,200,000 and 2,200,000 shares, issued and outstanding 1,014,768 and 1,008,486 shares	19,149	1,008
Additional paid-in capital	—	18,126
Accumulated other comprehensive loss	(723)	(810)
Accumulated deficit	(17,962)	(17,907)
Total stockholders' equity	464	417
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 33,496	34,018

See accompanying notes to consolidated financial statements.

LUMEN TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
	2024	2023	2022
	(Dollars in millions)		
OPERATING ACTIVITIES			
Net loss	\$ (55)	(10,298)	(1,548)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	2,956	2,985	3,239
Net loss (gain) on sale of businesses	17	121	(113)
Loss on disposal groups held for sale	—	—	40
Goodwill impairment	—	10,693	3,271
Impairment of long-lived assets	83	27	5
Deferred income taxes	(209)	8	(1,230)
Provision for uncollectible accounts	72	100	133
Net gain on early retirement of debt	(348)	(618)	(214)
Debt modification costs and related fees	(79)	—	—
Gain on sale of investment	(205)	—	—
Unrealized loss on investments	10	97	191
Stock-based compensation	29	52	98
Changes in current assets and liabilities:			
Accounts receivable	19	102	(158)
Accounts payable	(202)	(97)	98
Accrued income and other taxes	(189)	(1,185)	972
Other current assets and liabilities, net	304	(549)	(372)
Retirement benefits	(181)	(1)	46
Change in deferred revenue	1,763	230	6
Changes in other noncurrent assets and liabilities, net	655	500	252
Other, net	(107)	(7)	19
Net cash provided by operating activities	4,333	2,160	4,735
INVESTING ACTIVITIES			
Capital expenditures	(3,231)	(3,100)	(3,016)
Proceeds from sale of businesses	15	1,746	8,369
Proceeds from sale of property, plant and equipment, and other assets	366	165	120
Other, net	20	(12)	3
Net cash (used in) provided by investing activities	(2,830)	(1,201)	5,476
FINANCING ACTIVITIES			
Net proceeds from issuance of long-term debt	1,325	—	—
Payments of long-term debt	(2,678)	(185)	(8,093)
Net (payments of) proceeds from revolving line of credit	(200)	200	(200)
Dividends paid	(3)	(11)	(780)
Debt issuance and extinguishment costs and related fees	(283)	(14)	—
Repurchases of common stock	—	—	(200)
Other, net	(12)	(8)	(40)
Net cash used in financing activities	(1,851)	(18)	(9,313)
Net (decrease) increase in cash, cash equivalents and restricted cash	(348)	941	898
Cash, cash equivalents and restricted cash at beginning of period	2,248	1,307	409
Cash, cash equivalents and restricted cash at end of period	\$ 1,900	2,248	1,307

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Supplemental cash flow information:

Income taxes refunded (paid), net	\$	242	(1,303)	(76)
Interest paid (net of capitalized interest of \$176, \$111 and \$66)		(1,245)	(1,138)	(1,365)

Supplemental non-cash information regarding financing activities:

Cancellation of senior unsecured notes as part of exchange offers (Note 7)	\$	—	(1,554)	—
Issuance of senior secured notes as part of exchange offers (Note 7)		—	924	—

Cash, cash equivalents and restricted cash:

Cash and cash equivalents	\$	1,889	2,234	1,251
Cash and cash equivalents and restricted cash included in Assets held for sale		—	—	44
Restricted cash included in Other current assets		2	4	—
Restricted cash included in Other, net noncurrent assets		9	10	12
Total	\$	<u>1,900</u>	<u>2,248</u>	<u>1,307</u>

See accompanying notes to consolidated financial statements.

LUMEN TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Years Ended December 31,		
	2024	2023	2022
	(Dollars in millions except per share amounts)		
COMMON STOCK			
Balance at beginning of period	\$ 1,008	1,002	1,024
Issuance of common stock through dividend reinvestment, incentive and benefit plans	8	6	11
Repurchases of common stock	—	—	(33)
Conversion to no-par stock value (Note 1)	18,133	—	—
Balance at end of period	19,149	1,008	1,002
ADDITIONAL PAID-IN CAPITAL			
Balance at beginning of period	18,126	18,080	18,972
Repurchases of common stock	—	—	(167)
Shares withheld to satisfy tax withholdings	(6)	(5)	(30)
Stock-based compensation and other, net	27	50	96
Dividends declared	—	1	(791)
Conversion to no-par stock value (Note 1)	(18,133)	—	—
Other	(14)	—	—
Balance at end of period	—	18,126	18,080
ACCUMULATED OTHER COMPREHENSIVE LOSS			
Balance at beginning of period	(810)	(1,099)	(2,158)
Other comprehensive income	87	289	1,059
Balance at end of period	(723)	(810)	(1,099)
ACCUMULATED DEFICIT			
Balance at beginning of period	(17,907)	(7,609)	(6,061)
Net loss	(55)	(10,298)	(1,548)
Balance at end of period	(17,962)	(17,907)	(7,609)
TOTAL STOCKHOLDERS' EQUITY	\$ 464	417	10,374
DIVIDENDS DECLARED PER COMMON SHARE	\$ —	—	0.75

See accompanying notes to consolidated financial statements.

LUMEN TECHNOLOGIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

References in the Notes to "Lumen Technologies" or "Lumen," "we," "us," the "Company," and "our" refer to Lumen Technologies, Inc. and its consolidated subsidiaries, unless the context otherwise requires.

Note 1—Background and Summary of Significant Accounting Policies

General

We are a networking company with the goal of connecting people, data, and applications quickly, securely and effortlessly. We are unleashing the world's digital potential by providing a broad array of integrated products and services to our domestic and global Business customers and our domestic Mass Markets customers. We operate one of the world's most interconnected networks. Our platform empowers our customers to swiftly adjust digital programs to meet immediate demands, create efficiencies, accelerate market access and reduce costs, which allows our customers to rapidly evolve their IT programs to address dynamic changes. Our specific products and services are detailed in Note 4—Revenue Recognition.

Basis of Presentation

The accompanying consolidated financial statements include our accounts and the accounts of our subsidiaries in which we have a controlling interest. Intercompany amounts and transactions with our consolidated subsidiaries have been eliminated.

To simplify the overall presentation of our consolidated financial statements, we report immaterial amounts attributable to noncontrolling interests in certain of our subsidiaries as follows: (i) income attributable to noncontrolling interests in other income (expense), net, (ii) equity attributable to noncontrolling interests in additional paid-in capital and (iii) cash flows attributable to noncontrolling interests in other, net financing activities.

We reclassified certain prior period amounts to conform to the current period presentation, including the recategorization of our Business revenue by product category and sales channel in our segment reporting for 2023 and 2022. See Note 17—Segment Information for additional information. These changes had no impact on total operating revenue, total operating expenses or net loss for any period.

Operating Expenses

Our current definitions of operating expenses are as follows:

- *Cost of services and products (exclusive of depreciation and amortization)* are expenses incurred in providing products and services to our customers. These expenses include: employee-related expenses directly attributable to operating and maintaining our network (such as salaries, wages, benefits and professional fees); facilities expenses (which include third-party telecommunications expenses we incur for using other carriers' networks to provide services to our customers); rents and utilities expenses; equipment sales expenses (such as data integration and modem expenses); and other expenses directly related to our operations; and
- *Selling, general and administrative expenses* are corporate overhead and other operating expenses. These expenses include: employee-related expenses (such as salaries, wages, internal commissions, benefits and professional fees) directly attributable to selling products or services and employee-related expenses for administrative functions; marketing and advertising; property and other operating taxes and fees; external commissions; legal expenses associated with general matters; bad debt expense; and other selling, general and administrative expenses.

These expense classifications may not be comparable to those of other companies.

Summary of Significant Accounting Policies

Use of Estimates

Our consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles. These accounting principles require us to make certain estimates, judgments and assumptions. We believe that the estimates, judgments and assumptions we make when accounting for specific items and matters are reasonable, based on information available at the time they are made. These estimates, judgments and assumptions can materially affect the reported amounts of assets, liabilities and components of stockholders' equity as of the dates of the consolidated balance sheets, as well as the reported amounts of revenue, expenses and components of cash flows during the periods presented in our other consolidated financial statements. We also make estimates in our assessments of potential losses in relation to threatened or pending tax and legal matters. See Note 16—Income Taxes and Note 18—Commitments, Contingencies and Other Items for additional information.

For matters not related to income taxes, if a loss is considered probable and the amount can be reasonably estimated, we recognize an expense for the estimated loss. If we have the potential to recover a portion of the estimated loss from a third party, we make a separate assessment of recoverability and reduce the estimated loss if recovery is also deemed probable.

For matters related to income taxes, if we determine the impact of an uncertain tax position is more likely than not to be sustained upon audit by the relevant taxing authority, then we recognize a benefit for the largest amount that is more likely than not to be sustained. We do not recognize any portion of an uncertain tax position if the position has less than a 50% likelihood of being sustained. We recognize interest on the amount of unrecognized benefit from uncertain tax positions.

For all of these and other matters, actual results could differ materially from our estimates.

Assets Held for Sale

We classify assets and related liabilities as held for sale when: (i) management has committed to a plan to sell the assets, (ii) the net assets are available for immediate sale, (iii) there is an active program to locate a buyer and (iv) the sale and transfer of the net assets is probable within one year. Assets and liabilities held for sale are presented separately on our consolidated balance sheets with a valuation allowance, if necessary, to recognize the net carrying amount at the lower of cost or fair value, less costs to sell. Depreciation of property, plant and equipment and amortization of finite-lived intangible assets and right-of-use assets are not recorded while these assets are classified as held for sale. For each period that assets are classified as being held for sale, they are tested for recoverability. Unless otherwise specified, the amounts and information presented in the notes do not include assets and liabilities that were classified as held for sale as of December 31, 2023 and December 31, 2022. See Note 2—Divestitures of the Latin American, ILEC and EMEA Businesses for additional information.

Revenue Recognition

We earn most of our consolidated revenue from contracts with customers, primarily through the provision of communications and other services. Revenue from contracts with customers is accounted for under Accounting Standards Codification ("ASC") 606. We also earn revenue from leasing arrangements (primarily from fiber capacity and conduit leases and colocation agreements) and governmental subsidy payments, which are not accounted for under ASC 606.

Revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to receive in exchange for those goods or services. Revenue is recognized based on the following five-step model:

- Identification of the contract with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, we satisfy a performance obligation.

We provide an array of communications services to business and residential customers, including local voice, VPN, Ethernet, data, broadband, private line (including special access), network access, transport, voice, information technology, video and other ancillary services. We provide these services to a wide range of businesses, including global, enterprise, wholesale, government, and small and medium business customers. Certain contracts also include the sale of equipment, which is not significant to our business.

We recognize revenue for services when we provide the applicable service or when control of a product is transferred. Recognition of certain payments received in advance of services being provided is deferred. These advance payments may include design, planning and engineering fees, as well as certain activation and installation charges. If these advance payments are not separate performance obligations, we recognize them as revenue over the actual or expected contract term using historical experience, which typically ranges from one to five years depending on the service. In most cases, termination fees or other fees on existing contracts that are negotiated in conjunction with new contracts are deferred and recognized over the new contract term.

For access services, we generally bill fixed monthly charges one month in advance to customers and recognize revenue as service is provided over the contract term in alignment with the customer's receipt of service. For usage and other ancillary services, we generally bill in arrears and recognize revenue as usage or delivery occurs. In most cases, the amount invoiced for our service offerings constitutes the price that would be billed on a standalone basis.

In certain cases, customers may be permitted to modify their contracts. We evaluate the change in scope or price to identify whether the modification should be treated as a separate contract, as a termination of the existing contract and creation of a new contract, or as a change to the existing contract.

Customer contracts are evaluated to determine whether the performance obligations are separable. If the performance obligations are deemed separable and separate earnings processes exist, the total transaction price that we expect to receive with the customer is allocated to each performance obligation based on its relative standalone selling price. The revenue associated with each performance obligation is then recognized as earned.

We periodically sell transmission capacity on our network. These transactions are generally structured as indefeasible rights of use, commonly referred to as IRUs, which are the exclusive right to use a specified amount of capacity or fiber for a specified term, typically 20 years. In most cases, we account for the cash consideration received on transfers of transmission capacity as ASC 606 revenue which is adjusted for the time value of money and is recognized ratably over the term of the agreement. Cash consideration received on transfers of dark fiber is accounted for as non-ASC 606 lease revenue, which we also recognize ratably over the term of the agreement. We do not recognize revenue on any contemporaneous exchanges of our transmission capacity assets for other non-owned transmission capacity assets.

In connection with offering products and services provided to the end user by third-party vendors, we review the relationship between us, the vendor and the end user to assess whether revenue should be reported on a gross or net basis. In assessing whether revenue should be reported on a gross or net basis, we consider whether we act as a principal in the transaction and control the goods and services used to fulfill the performance obligations associated with the transaction.

We have service level commitments pursuant to contracts with certain of our customers. To the extent that we determine that such service levels were not achieved or may not have been achieved, we estimate the amount of credits to be issued and record a corresponding reduction to revenue in the period that the service level commitment was not met or may not be met.

Customer payments are made based on billing schedules included in our customer contracts, which is typically on a monthly basis.

We defer (or capitalize) incremental contract acquisition and fulfillment costs and recognize (or amortize) such costs over the average contract life. Our deferred contract costs for our customers have average amortization periods of approximately 50 months for Mass Markets customers and 35 months for Business customers. These deferred costs are periodically monitored to reflect any significant change in assumptions.

See Note 4—Revenue Recognition for additional information.

Advertising Costs

Costs related to advertising are expensed as incurred and recorded as selling, general and administrative expenses in our consolidated statements of operations. Our advertising expense was \$94 million, \$87 million and \$62 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Legal Costs

In the normal course of our business, we incur costs to hire and retain external legal counsel to advise us on finance, regulatory, litigation and other matters. Subject to certain exceptions, we expense these costs as the related services are received.

Income Taxes

We file a consolidated federal income tax return with our eligible subsidiaries. The provision for income taxes reflects taxes currently payable, tax consequences deferred to future periods and adjustments to our liabilities for uncertain tax positions. We record deferred income tax assets and liabilities reflecting future tax consequences attributable to tax NOLs, tax credit carryforwards and differences between the financial statement carrying value of assets and liabilities and the tax basis of those assets and liabilities. Deferred taxes are computed using enacted tax rates expected to apply in the year in which the differences are expected to affect taxable income. The effect on deferred income tax assets and liabilities of a change in tax rate is recognized in earnings in the period that includes the enactment date.

We establish valuation allowances when necessary to reduce deferred income tax assets to the amounts that we believe are more likely than not to be recovered. Each quarter we evaluate the need to retain or adjust each valuation allowance on our deferred tax assets. See Note 16—Income Taxes for additional information.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments that are readily convertible into cash and are not subject to significant risk from fluctuations in interest rates. As a result, the value at which cash and cash equivalents are reported in our consolidated financial statements approximates their fair value. In evaluating investments for classification as cash equivalents, we require that individual securities have original maturities of ninety days or less and that individual investment funds have dollar-weighted average maturities of ninety days or less. To preserve capital and maintain liquidity, we invest with financial institutions we deem to be of sound financial condition and in high quality and relatively risk-free investment products. Our cash investment policy limits the concentration of investments with specific financial institutions or among certain products and includes criteria related to credit worthiness of any particular financial institution.

Book overdrafts occur when we have issued checks but they have not yet been presented to our controlled disbursement bank accounts for payment. Disbursement bank accounts allow us to delay funding of issued checks until the checks are presented for payment. Until the issued checks are presented for payment, the book overdrafts are included in accounts payable on our consolidated balance sheets. This activity is included in the operating activities section in our consolidated statements of cash flows. There were \$1 million and no book overdrafts included in accounts payable at December 31, 2024 and 2023, respectively.

Restricted Cash

Restricted cash consists primarily of cash and investments that collateralize our outstanding letters of credit and certain performance and operating obligations. Restricted cash is recorded as current or non-current assets in the consolidated balance sheets depending on the duration of the restriction and the purpose for which the restriction exists.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are recognized based upon the amount due from customers for the services provided or at cost for purchased and other receivables, less an allowance for credit losses. We use a loss rate method to estimate our allowance for credit losses. For more information on our methodology for estimating our allowance for credit losses, see Note 6—Credit Losses on Financial Instruments.

We generally consider our accounts past due if they are outstanding over 30 days. Our past due accounts are written off against our allowance for credit losses and any recoveries of accounts previously written off are generally recognized as a reduction in bad debt expense in the period received. The carrying value of accounts receivable net of the allowance for credit losses approximates fair value. Accounts receivable balances acquired in a business combination are recorded at fair value for all balances receivable at the acquisition date and at the invoiced amount for those amounts invoiced after the acquisition date.

Property, Plant and Equipment

We record property, plant and equipment acquired in connection with our business acquisitions based on its estimated fair value as of its acquisition date plus the estimated value of any associated legally or contractually required retirement obligations. We record purchased and constructed property, plant and equipment at cost, plus the estimated value of any associated legally or contractually required retirement obligations. Prior to January 1, 2024, we depreciated the majority of our property, plant and equipment using the straight-line group method over the estimated useful lives of groups of assets. Under the straight-line group method, assets dedicated to providing telecommunications services (which comprise the majority of our property, plant and equipment) that have similar physical characteristics, use and expected useful lives are pooled for purposes of depreciation and tracking. We used the equal life group procedure to establish each pool's average remaining useful life. Generally, under the straight-line group method, when an asset is sold or retired in the course of normal business activities, the cost is deducted from property, plant and equipment and charged to accumulated depreciation without recognition of a gain or loss. Effective January 1, 2024, we re-established all of our assets individually, including accumulated depreciation, and began to depreciate all of our assets using the straight-line method over the estimated useful lives of the specific asset. A gain or loss is recognized in our consolidated statements of operations only if a disposal is unusual. Leasehold improvements are amortized over the shorter of the useful lives of the assets or the expected lease term. Expenditures for maintenance and repairs are expensed as incurred. During the construction phase of network and other internal-use capital projects, we capitalize related employee and interest costs. Property, plant and equipment supplies used internally are carried at average cost, except for significant individual items which are carried at actual cost.

We perform annual internal reviews to evaluate the reasonableness of the depreciable lives for our property, plant and equipment. Our reviews utilize models that take into account actual usage, physical wear and tear, replacement history, assumptions about technology evolution and, in certain instances, actuarially determined probabilities to estimate the remaining useful life of our asset base. Our remaining useful life assessments evaluate the possible loss in service value of assets that may precede the physical retirement. Assets shared among many customers may lose service value as those customers reduce their use of the asset. However, the asset is not retired until all customers no longer utilize the asset and we determine there is no alternative use for the asset.

We have asset retirement obligations associated with the legally or contractually required removal of a limited group of property, plant and equipment assets from leased properties and the disposal of certain hazardous materials present in our owned properties. When an asset retirement obligation is identified, usually in association with the acquisition of the asset, we record the fair value of the obligation as a liability. The fair value of the obligation is also capitalized as property, plant and equipment and then amortized over the estimated remaining useful life of the associated asset. Where the removal obligation is not legally binding, we expense the net cost to remove assets in the period in which the costs are actually incurred.

We review long-lived tangible assets for impairment whenever facts and circumstances indicate that the carrying amounts of the assets may not be recoverable. For assessment purposes, long-lived assets are grouped with other assets and liabilities at the lowest identifiable level for which we generate cash flows independently of other groups of assets and liabilities, absent a material change in operations. An impairment loss is recognized only if the carrying amount of the asset group is not recoverable and exceeds its estimated fair value. Recoverability of the asset group to be held and used is assessed by comparing the carrying amount of the asset group to the estimated undiscounted future net cash flows expected to be generated by the asset group. If the asset group's carrying value is not recoverable, we recognize an impairment charge for the amount by which the carrying amount of the asset group exceeds its estimated fair value.

Goodwill, Customer Relationships and Other Intangible Assets

We initially record intangible assets arising from business combinations, such as goodwill, customer relationships, capitalized software, trademarks and trade names, at estimated fair value. We amortize customer relationships primarily over an estimated life of seven to 14 years, using the straight-line method, depending on the type of customer. We amortize capitalized software using the straight-line method primarily over estimated lives ranging up to seven years. We amortize our other intangible assets using the straight-line method over an estimated life of nine to 20 years. Other intangible assets not arising from business combinations are initially recorded at cost. Where there are no legal, regulatory, contractual or other factors that would reasonably limit the useful life of an intangible asset, we classify them as indefinite-lived intangible assets and such intangible assets are not amortized.

Internally used software, whether purchased or developed by us, is capitalized and amortized using the straight-line method over its estimated useful life. We have capitalized certain costs associated with software such as costs of employees devoted to software development and external direct costs for materials and services. Costs associated with software to be used for internal purposes are expensed until the point at which the project has reached the development stage. Subsequent additions, modifications or upgrades to internal-use software are capitalized only to the extent that they allow the software to perform a task it previously did not perform. Software maintenance, data conversion and training costs are expensed in the period in which they are incurred. We review the remaining economic lives of our capitalized software annually. Capitalized software is included in other intangible assets, net, in our consolidated balance sheets.

Our long-lived intangible assets, other than goodwill, with indefinite lives are assessed for impairment annually, or, under certain circumstances, more frequently, such as when events or changes in circumstances indicate there may be an impairment. These assets are carried at the estimated fair value at the time of acquisition and assets not acquired in acquisitions are recorded at historical cost. However, if their estimated fair value is less than the carrying amount, we recognize an impairment charge for the amount by which the carrying amount of these assets exceeds their estimated fair value.

We are required to assess our goodwill for impairment annually, or more frequently if an event occurs or circumstances change that indicates it is more likely than not the fair values of any of our reporting units were less than their carrying values. We are required to write-down the value of goodwill of our reporting units in periods in which the recorded carrying value of any such unit exceeds its fair value of equity. Our reporting units are not discrete legal entities with discrete full financial statements. Therefore, we assess the equity carrying value and future cash flows each time we perform a goodwill impairment assessment on a reporting unit. To do so, we assign our assets, liabilities and cash flows to reporting units using allocation methodologies which we believe are reasonable and consistent. This process entails various estimates, judgments and assumptions.

We are required to reassign goodwill to reporting units whenever reorganizations of our internal reporting structure change the composition of our reporting units. Goodwill is reassigned to the reporting units using a relative fair value approach. When the fair value of a reporting unit is available, we allocate goodwill based on the relative fair value of the reporting units. When fair value is not available, we utilize an alternative allocation methodology that we believe represents a reasonable approximation of the fair value of the operations being reorganized.

For more information, see Note 3—Goodwill, Customer Relationships and Other Intangible Assets.

Derivatives and Hedging

From time to time we have used derivative instruments to hedge exposure to interest rate risks arising from fluctuation in interest rates. We account for derivative instruments in accordance with ASC 815, *Derivatives and Hedging*, which establishes accounting and reporting standards for derivative instruments. We do not use derivative financial instruments for speculative purposes.

Derivatives are recognized in the consolidated balance sheets at their fair values. When we become a party to a derivative instrument and intend to apply hedge accounting, we formally document the hedge relationship and the risk management objective for undertaking the hedge, which includes designating the instrument for financial reporting purposes as a fair value hedge, a cash flow hedge, or a net investment hedge.

As of December 31, 2024, we were not party to any swap agreements. All of our variable-to-fixed interest rate swap agreements in place at the beginning of 2022 expired during the first half of 2022. While we held these agreements, we evaluated the effectiveness as described in Note 15—Derivative Financial Instruments (designated as cash-flow hedges) qualitatively on a quarterly basis. We reflected the change in the fair value of the interest rate swaps in accumulated other comprehensive loss and subsequently reclassified into earnings in the period the hedged transaction affects earnings, by virtue of qualifying as effective cash flow hedges. For more information see Note 15—Derivative Financial Instruments.

Pension and Post-Retirement Benefits

We recognize the funded status of our defined benefit and post-retirement plans as an asset or a liability on our consolidated balance sheets. Each year's actuarial gains or losses are a component of our other comprehensive income (loss), which is then included in our accumulated other comprehensive loss on our consolidated balance sheets. Pension and post-retirement benefit expenses are recognized over the period in which the employee renders service and becomes eligible to receive benefits. We make significant assumptions (including the discount rate, expected rate of return on plan assets, mortality and health care trend rates) in computing the pension and post-retirement benefits expense and obligations. See Note 11—Employee Benefits for additional information.

Foreign Currency

Local currencies of our foreign subsidiaries are the functional currencies for financial reporting purposes except for certain foreign subsidiaries, primarily in Latin America prior to the August 1, 2022 sale of our Latin American business. For operations outside the United States that have functional currencies other than the U.S. dollar, assets and liabilities are translated to U.S. dollars at period-end exchange rates, and revenue, expenses and cash flows are translated using average monthly exchange rates. Prior to the November 1, 2023 sale of our EMEA business and the August 1, 2022 sale of our Latin American business, a significant portion of our non-United States subsidiaries used the British pound, the Euro, or the Brazilian Real, as their functional currency, each of which experienced significant fluctuations against the U.S. dollar during the periods covered by this report when we operated the divested businesses. We recognize foreign currency translation gains and losses as a component of accumulated other comprehensive loss in stockholders' equity in our consolidated balance sheet and in our consolidated statements of comprehensive (loss) income in accordance with accounting guidance for foreign currency translation. Prior to the completion of our divestitures as discussed in Note 2—Divestitures of the Latin American, ILEC and EMEA Businesses, we considered the majority of our investments in our foreign subsidiaries to be long-term in nature. Our foreign currency transaction gains (losses), including where transactions with our non-United States subsidiaries are not considered to be long-term in nature, are included within other income (expense), net on our consolidated statements of operations.

Common Stock

On December 18, 2024, we amended our articles of incorporation to eliminate the par value of our common stock (which was, prior to such amendment, \$1.00 per share) as approved by our shareholders at our 2024 annual shareholders meeting. We recognized the change by reclassifying the balance in Additional paid-in capital to Common stock on our consolidated balance sheet as of December 18, 2024. All changes in capitalization previously recognized as Additional paid-in capital will hereinafter be recognized in Common stock. This change had no other impact on our consolidated financial statements.

As of December 31, 2024, we had 41 million shares authorized for future issuance under our equity incentive plans.

Preferred Stock

Holders of outstanding Lumen Technologies preferred stock are entitled to receive cumulative dividends, receive preferential distributions equal to \$25 per share plus unpaid dividends upon Lumen's liquidation and vote as a single class with the holders of common stock.

Section 382 Rights Plan

We maintain a Section 382 Rights Plan to protect our U.S. federal net operating loss carryforwards ("NOLs") from certain Internal Revenue Code Section 382 limitations. Under the plan, one preferred stock purchase right was distributed for each share of our outstanding common stock as of the close of business on February 25, 2019, and those rights currently trade in tandem with the common stock until they expire or detach under the plan. This plan was designed to deter trading that would result in a change of control (as defined in Code Section 382), and therefore protect our ability to use our historical federal NOLs in the future. The plan is scheduled to lapse in late 2026.

Dividends

The declaration and payment of dividends is at the discretion of our Board of Directors. On November 2, 2022, we announced that our Board had terminated our quarterly cash dividend program.

Change in Accounting Estimates

Effective January 1, 2024, we changed our method of depreciation and amortization for incumbent local exchange carriers ("ILEC") and certain competitive local exchange carriers ("CLEC") fixed assets from the group method of depreciation to straight-line by individual asset method. Historically, we have used the group method of depreciation for the property, plant and equipment and amortization of certain intangible capitalized software assets of our ILECs and certain CLECs. Under the group method, all like kind assets for each subsidiary were combined into common pools and depreciated under composite depreciation rates. Recent business divestitures and asset sales have significantly reduced our composite asset base. We believe the straight-line depreciation method for individual assets is preferable to the group method as it will result in a more precise estimate of depreciation expense and will result in a consistent depreciation method for all our subsidiaries. This change in the method of depreciation is considered a change in accounting estimate inseparable from a change in accounting principle and has resulted solely in prospective changes to our depreciation and amortization expense. This change in accounting estimate had an immaterial impact to our net loss and diluted loss per share for the year ended December 31, 2024.

Additionally, during the first quarter of 2024, we updated our analysis of economic lives of owned fiber network assets. As of January 1, 2024, we extended the estimated economic life and depreciation period of such assets from 25 years to 30 years to better reflect the physical life of the assets that we have experienced and absence of technological changes that would replace fiber. The change in accounting estimate decreased depreciation expense by approximately \$63 million, \$48 million net of tax for the year ended December 31, 2024, and resulted in an increase of \$0.05, per diluted share for the year ended December 31, 2024.

Recently Adopted Accounting Pronouncements

Segments

On January 1, 2024, we adopted Accounting Standards Update ("ASU") 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." This ASU is intended to improve reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. The ASU does not change how a public entity identifies its operating segments, aggregates them or applies quantitative thresholds to determine reportable segments. We did not early adopt this standard. Refer to Note 17—Segment Information for more information on the impact of this ASU on our consolidated financial statements.

Government Assistance

On January 1, 2022, we adopted ASU 2021-10 "Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance." This ASU requires business entities to disclose information about certain types of government assistance they receive. Refer to Note 4—Revenue Recognition for more information on the impact of this ASU on our consolidated financial statements.

Investments

On January 1, 2024, we adopted ASU 2023-02, "Investments-Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method." This ASU allows reporting entities to elect to account for qualifying tax equity investments using the proportional amortization method, regardless of the program giving rise to the related income tax credits. The adoption of this ASU did not have any impact on our consolidated financial statements.

On January 1, 2024, we adopted ASU 2022-03, "Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions." This ASU clarifies that a contractual restriction on the sales of an investment in an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring its fair value. The adoption of this ASU did not have any impact on our consolidated financial statements.

Leases

On January 1, 2024, we adopted ASU 2023-01, "Leases (Topic 842): Common Control Arrangements." This ASU requires all entities to amortize leasehold improvements associated with common control leases over the useful life to the common control group. The adoption of this ASU did not have any impact on our consolidated financial statements.

On January 1, 2022, we adopted ASU 2021-05, "Leases (Topic 842): Lessors—Certain Leases with Variable Lease Payments." This ASU (i) amends the lease classification requirements for lessors, (ii) provides criteria for lessors to classify and account for a lease with variable lease payments that do not depend on a reference index or a rate as an operating lease; and (iii) provides guidance with respect to net investments by lessors under operating leases and other related topics. The adoption of this ASU did not have a material impact on our consolidated financial statements.

Reference Rate Reform

In December 2022, the Financial Accounting Standards Board ("FASB") issued ASU 2022-06, "Reference Rate Reform (Topic 848) – Deferral of the Sunset Date of Topic 848." This ASU, which was effective upon issuance, extends the period of time preparers can utilize the reference rate reform relief guidance in Topic 848, by deferring the sunset date from December 31, 2022, to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. Based on our review of our key material contracts through December 31, 2024, this ASU does not have a material impact on our consolidated financial statements.

Supplier Finance Programs

On January 1, 2023, we adopted ASU 2022-04, "Liabilities-Supplier Finance Program (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations." This ASU requires a company that uses a supplier finance program in connection with the purchase of goods or services to disclose sufficient information about the program to allow a user of financial statements to understand the program's nature, program activity during the period, changes from period to period and the potential magnitude of program transactions. The adoption of this ASU did not have a material impact on our consolidated financial statements.

Credit Losses

On January 1, 2023, we adopted ASU 2022-02, "Financial Instruments-Credit Losses (Topic 326): Troubled Debt Restructurings ("TDR") and Vintage Disclosures." The ASU eliminates the TDR recognition and measurement guidance, enhances existing disclosure requirements and introduces new requirements related to certain modifications of receivables made to borrowers experiencing financial difficulty. The adoption of this ASU did not have a material impact on our consolidated financial statements.

Adoption of Other ASUs

In July 2023, the FASB issued ASU 2023-03, "Presentation of Financial Statements (Topic 205), Income Statement—Reporting Comprehensive Income (Topic 220), Distinguishing Liabilities from Equity (Topic 480), Equity (Topic 505), and Compensation—Stock Compensation (Topic 718): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 120, SEC Staff Announcement at the March 24, 2022 EITF Meeting, and Staff Accounting Bulletin Topic 6.B, Accounting Series Release 280—General Revision of Regulation S-X: Income or Loss Applicable to Common Stock." This ASU became effective for us once the addition to the FASB Codification was made available in July 2023. This ASU amends or supersedes various SEC paragraphs within the applicable codification to conform to past SEC staff announcements. This ASU does not provide any new guidance. The adoption of this ASU did not have any impact on our consolidated financial statements.

Recently Issued Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-04, "Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments." This ASU clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as induced conversions rather than as debt extinguishments. This standard is effective for the annual period of fiscal 2026, and early adoption is permitted. As of December 31, 2024, we do not hold convertible debt instruments and do not expect this ASU will have any impact on our consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, "Disaggregation of Income Statement Expenses." This ASU requires additional footnote disclosure of the details of certain income statement expense line items as well as additional disclosure about selling expenses. This standard is effective for the annual period of fiscal 2027, and early adoption is permitted. The guidance is to be applied prospectively, with the option for retrospective application. We are currently evaluating the impact the adoption of this standard will have on our disclosures.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This ASU requires that public business entities must annually (1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than 5 percent of the amount computed by multiplying pretax income or loss by the applicable statutory income tax rate). This ASU will become effective for us in the annual period of fiscal 2025 and early adoption is permitted. We have chosen not to early adopt this ASU and are currently evaluating its impact on our consolidated financial statements, including our annual disclosure within our Income Taxes footnote.

In December 2023, the FASB issued ASU 2023-08, “Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets.” This ASU is intended to improve the accounting for certain crypto assets by requiring an entity to measure those crypto assets at fair value each reporting period with changes in fair value recognized in net income. The amendments also improve the information provided to investors about an entity’s crypto asset holdings by requiring disclosure about significant holdings, contractual sale restrictions, and changes during the reporting period. This ASU will become effective for us in the first quarter of fiscal 2025 and early adoption is permitted. As of December 31, 2024, we do not hold crypto assets and do not expect this ASU to have any impact on our consolidated financial statements.

In October 2023, the FASB issued ASU 2023-06, “Disclosure Improvements: Codification Amendments in Response to the SEC’s Disclosure Update and Simplification Initiative.” This ASU incorporates certain SEC disclosure requirements into the FASB Codification. The amendments in the ASU are expected to clarify or improve disclosure and presentation requirements of a variety of FASB Codification topics, allow users to more easily compare entities subject to the SEC’s existing disclosures with those entities that were not previously subject to the requirements, and align the requirements in the FASB Codification with the SEC’s regulations. This ASU will become effective for each amendment on the effective date of the SEC’s corresponding disclosure rule changes. As of December 31, 2024, we do not expect this ASU to have any impact on our consolidated financial statements.

In August 2023, the FASB issued ASU 2023-05, “Business Combinations – Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement.” This ASU applies to the formation of entities that meet the definition of a joint venture (or a corporate joint venture). The amendments in the ASU require that a joint venture apply a new basis of accounting upon formation. This ASU will become effective for us in the first quarter of fiscal 2025 and early adoption is permitted. As of December 31, 2024, we do not expect this ASU to have any impact on our consolidated financial statements.

Note 2—Divestitures of the Latin American, ILEC and EMEA Businesses

Latin American Business

On August 1, 2022, affiliates of Level 3 Parent, LLC, an indirect wholly-owned subsidiary of Lumen Technologies, Inc., sold Lumen’s Latin American business pursuant to a definitive agreement dated July 25, 2021, to a fund advised by Stonepeak Partners LP for pre-tax cash proceeds of approximately \$2.7 billion.

For the year ended December 31, 2022, we recorded a \$597 million net pre-tax gain on disposal associated with the sale of our Latin American business. This gain is reflected as operating income within the consolidated statements of operations.

In connection with the sale, we entered into a transition services agreement under which we provide the purchaser various support services. In addition, Lumen and the purchaser entered into commercial agreements whereby they provide each other various network and other commercial services. In addition, we agreed to indemnify the purchaser for certain matters for which future cash payments by Lumen could be required. At the time of sale, Lumen estimated the fair value of these indemnifications to be \$86 million, which was included in other long-term liabilities in our consolidated balance sheet and reduced our gain on the sale accordingly. See Note 14—Fair Value of Financial Instruments for detail related to the carrying value and fair value of these indemnifications as of December 31, 2024 and 2023.

The Latin American business was included in our continuing operations and classified as assets and liabilities held for sale on our consolidated balance sheets through the closing of the transaction on August 1, 2022. As a result of closing the transaction, we derecognized net assets of \$1.9 billion, primarily made up of (i) property, plant and equipment, net of accumulated depreciation, of \$1.7 billion, (ii) goodwill of \$245 million, (iii) other intangible assets, net of accumulated amortization, of \$140 million, and (iv) deferred income tax liabilities, net, of \$154 million. In addition, we reclassified \$112 million of realized loss on foreign currency translation, net of tax, to partially offset the gain on sale of our Latin American business.

Portion of ILEC Business

On October 3, 2022, we and certain of our affiliates sold the portion of our ILEC business primarily conducted within 20 Midwestern and Southeastern states to affiliates of funds advised by Apollo Global Management, Inc. In exchange, we received \$7.5 billion of consideration, which was reduced by approximately \$0.4 billion of closing adjustments and partially paid through purchaser's assumption of approximately \$1.5 billion of our long-term consolidated indebtedness, resulting in pre-tax cash proceeds of approximately \$5.6 billion. We retained the remainder of our ILEC business, which is conducted in 17 states, primarily in the Western United States.

For the year ended December 31, 2022, we recorded a \$176 million net pre-tax gain on disposal associated with the sale of our ILEC business. This gain is reflected as operating income within the consolidated statements of operations.

In connection with the sale, we entered into a transition services agreement under which we provide the purchaser various support services. In addition, Lumen and the purchaser entered into commercial agreements whereby they provide each other various network and other commercial services. Under these agreements, we committed to ordering services from the purchaser for which we expect to pay approximately \$373 million over a period of three years and the purchaser has committed to ordering services from us for which we expect to receive approximately \$67 million over a period of three years. We indemnified the purchaser for certain matters for which, at the time of closing, future cash payments by Lumen were expected. Lumen had estimated the fair value of these indemnifications to be \$89 million, which was included in other current liabilities in our consolidated balance sheet as of December 31, 2022, and increased our income tax expense accordingly as of December 31, 2022. As of the first quarter of 2023, the full \$89 million payment had been made.

The ILEC business was included in our continuing operations and classified as assets and liabilities held for sale on our consolidated balance sheets through the closing of the transaction on October 3, 2022. As a result of closing the transaction, we derecognized net assets of \$4.8 billion, primarily made up of (i) property, plant and equipment, net of accumulated depreciation, of \$3.6 billion, (ii) goodwill of \$2.6 billion and (iii) long-term debt, net of discounts, of \$1.4 billion. In addition, we reclassified \$403 million of net actuarial loss and prior service credit related to the Lumen Pension Plan, net of tax, conveyed to the purchaser to partially offset the gain on the sale of our ILEC business.

EMEA Business

On November 1, 2023, affiliates of Level 3 Parent, LLC, sold Lumen's operations in Europe, the Middle East and Africa ("EMEA") to Colt Technology Services Group Limited, a portfolio company of Fidelity Investments, for pre-tax cash proceeds of \$1.7 billion after certain closing adjustments and transaction costs. This consideration is further subject to other post-closing adjustments and indemnities set forth in the purchase agreement, as amended and supplemented to date. In connection with the sale, we entered into a transition services agreement under which we provide the purchaser various support services. In addition, Lumen and the purchaser entered into commercial agreements whereby they provide each other various network and other commercial services.

The classification of the EMEA business as held for sale was considered an event or change in circumstance which requires an assessment of the goodwill of the disposal group for impairment each reporting period until disposal. We performed a pre-classification and post-classification goodwill impairment test of the disposal group as described further in Note 3—Goodwill, Customer Relationships and Other Intangible Assets. As a result of our impairment tests, we determined the EMEA business disposal group was impaired, resulting in a non-cash, non-tax-deductible goodwill impairment charge of \$43 million in the fourth quarter of 2022. We evaluated the recoverability of the carrying value of the assets and liabilities held for sale relative to the agreed upon sales price, adjusted for costs to sell, and recorded an estimated loss on disposal of \$660 million during the year ended December 31, 2022 in the consolidated statement of operations and a valuation allowance included in assets held for sale on the consolidated balance sheet as of December 31, 2022. For the year ended December 31, 2023, we recorded a \$102 million net loss on disposal associated with the sale of our EMEA business. This loss is reflected as operating expense within the consolidated statements of operations.

The EMEA business was included in our continuing operations and classified as assets and liabilities held for sale on our consolidated balance sheets through the closing of the transaction on November 1, 2023. As a result of closing the transaction, we derecognized net assets of \$2.1 billion, primarily made up of (i) property, plant and equipment, net of accumulated depreciation, of \$2.0 billion and (ii) customer relationships and other intangible assets, net of accumulated amortization of \$107 million. In addition, we reclassified \$382 million of realized loss on foreign currency translation, net of tax, with an offset to the valuation allowance and loss on sale of the EMEA business.

We do not believe these divestiture transactions represented a strategic shift for Lumen. Therefore, the divested businesses discussed above did not meet the criteria to be classified as discontinued operations. As a result, we continued to report our operating results for the Latin American, ILEC and EMEA businesses in our consolidated operating results through their respective disposal dates of August 1, 2022, October 3, 2022, and November 1, 2023, respectively.

Note 3—Goodwill, Customer Relationships and Other Intangible Assets

Goodwill, customer relationships and other intangible assets consisted of the following:

	As of December 31,	
	2024	2023
	(Dollars in millions)	
Goodwill ⁽¹⁾	\$ 1,964	1,964
Indefinite-lived intangible assets	\$ 9	9
Other intangible assets subject to amortization:		
Customer relationships ⁽²⁾ , less accumulated amortization of \$4,504 and \$4,248	3,196	3,811
Capitalized software, less accumulated amortization of \$4,067 and \$4,045 ⁽³⁾	1,529	1,564
Patents and other, less accumulated amortization of \$86 and \$72 ⁽³⁾	72	86
Total other intangible assets, net	\$ 4,806	5,470

⁽¹⁾ We recorded cumulative non-cash, non-tax-deductible goodwill impairment charges of \$10.7 billion during the year ended December 31, 2023.

⁽²⁾ For the year ended December 31, 2023, customer relationships decreased \$121 million in conjunction with the sale of select CDN customer contracts, in the fourth quarter of 2023 that resulted in a net loss of \$73 million included in selling, general and administrative expenses in our consolidated statements of operations.

⁽³⁾ Certain capitalized software with a gross carrying value of \$352 million and \$183 million and trade names with a gross carrying value of \$153 million and \$130 million became fully amortized during 2023 and 2022, respectively, and were retired during the first quarter of 2024 and 2023, respectively.

As of December 31, 2024 and December 31, 2023, the gross carrying amount of goodwill, customer relationships, indefinite-lived and other intangible assets was \$15.4 billion and \$15.8 billion, respectively.

Our goodwill was derived from numerous acquisitions where the purchase price exceeded the fair value of the net assets acquired.

We are required to assess our goodwill and other indefinite-lived intangible assets for impairment annually, or, under certain circumstances, more frequently, such as when events or changes in circumstances indicate there may be impairment. Our annual impairment assessment date for indefinite-lived intangible assets other than goodwill is December 31. We completed our qualitative assessment of our indefinite-lived intangible assets other than goodwill as of December 31, 2024, 2023 and 2022 and concluded it is more likely than not that our indefinite-lived intangible assets are not impaired; thus, no impairment charge for these assets was recorded in 2024, 2023 or 2022. We are required to write down the value of goodwill only when our assessment determines the carrying value of equity of any of our reporting units exceeds its fair value. Our annual impairment assessment date for goodwill is October 31, at which date we assess our reporting units.

We report our results within two segments: Business and Mass Markets. See Note 17—Segment Information for more information on these segments and the underlying sales channels. As of December 31, 2024, we had three reporting units for goodwill impairment testing, which are (i) Mass Markets, (ii) North America Business ("NA Business") and (iii) Asia Pacific ("APAC") region. Prior to the divestiture of the EMEA business in November 2023, the EMEA region was also a reporting unit and was tested for impairment in the pre-classification test as of October 31, 2022, discussed below. Similarly, prior to its August 2022 divestiture, the LATAM region was also a reporting unit.

Our reporting units are not discrete legal entities with discrete full financial statements. Our assets and liabilities are deployed in and relate to the operations of multiple reporting units. When we assess goodwill for impairment, we compare the estimated fair value of each reporting unit's equity to the carrying value of equity that we assign to the reporting unit. If the estimated fair value of the reporting unit is greater than the carrying value, we conclude that no impairment exists. If the estimated fair value of the reporting unit is less than the carrying value, we record a non-cash impairment charge equal to the excess amount. Depending on the facts and circumstances, we typically estimate the fair value of our reporting units by considering either or both of (i) a discounted cash flow method, which is based on the present value of projected cash flows over a discrete projection period and a terminal value, which is based on the expected normalized cash flows of the reporting units following the discrete projection period, and (ii) a market approach, which includes the use of market multiples of publicly-traded companies whose services are comparable to ours.

2024 Goodwill Impairment Analysis

At October 31, 2024, we performed our annual impairment analysis of the goodwill in our Mass Markets reporting unit by using a qualitative assessment to determine whether it was more likely than not that the fair value of the reporting unit was less than its carrying value. Factors considered in the qualitative assessment included, among other things, macroeconomic conditions, industry and market conditions, financial performance of the reporting unit and other relevant entity and reporting unit considerations. We concluded the estimated fair value of our reporting unit was greater than our carrying value of equity as of our testing date. Therefore, we concluded no impairment existed as of our annual assessment date in the fourth quarter of 2024.

2023 Goodwill Impairment Analyses

At October 31, 2023, we performed our annual impairment analysis of the goodwill of our three above-mentioned reporting units. Given the continued erosion in our market capitalization, we determined our quantitative impairment analysis would estimate the fair value of our reporting units using only the market approach. Applying this approach, we utilized company comparisons and analyst reports within the telecommunications industry which supported a range of fair values derived from annualized revenue and earnings before interest, tax, depreciation and amortization ("EBITDA") multiples between 1.5x and 3.5x and 4.8x and 8.4x, respectively. In determining the fair value of each reporting unit, we used revenue and EBITDA multiples below these comparable market multiples. We reconciled the estimated fair values of the reporting units to our market capitalization as of October 31, 2023 and concluded that the indicated control premium of approximately 2% was reasonable based on recent market transactions. Based on our assessments performed with respect to the reporting units as described above, we concluded the estimated fair value of certain of our reporting units was less than their carrying value of equity. As a result, we recorded a non-cash, non-tax-deductible goodwill impairment charge of \$1.9 billion on October 31, 2023.

During the second quarter of 2023, we determined circumstances existed indicating it was more likely than not that the carrying value of our reporting units exceed their fair value. Given the continued erosion in our market capitalization, we determined our quantitative impairment analysis would estimate the fair value of our reporting units using only the market approach. Applying this approach, we utilized company comparisons and analyst reports within the telecommunications industry which supported a range of fair values derived from annualized revenue and EBITDA multiples between 1.5x and 4.3x and 4.6x and 10.5x, respectively. In determining the fair value of each reporting unit, we used revenue and EBITDA multiples below these comparable market multiples. The estimated fair values of the reporting units determined in connection with our impairment analysis in the second quarter of 2023 resulted in no control premium, which we determined to be reasonable based on our market capitalization relative to recent transactions. For the three months ended June 30, 2023, based on our assessments performed with respect to the reporting units as described above, we concluded the estimated fair value of certain of our reporting units was less than their carrying value of equity. As a result, we recorded a non-cash, non-tax-deductible goodwill impairment charge of \$8.8 billion for the three months ended June 30, 2023.

The market approach that we used in the June 30, 2023 and October 31, 2023 tests incorporated estimates and assumptions related to the forecasted results for the remainder of the year, including revenues, expenses, and the achievement of certain strategic initiatives. In developing the market multiples applicable to each reporting unit, we considered observed trends of our industry participants. Our assessment included many factors that required significant judgment. Alternative interpretations of these factors could have resulted in different conclusions regarding the size of our impairments.

2022 Goodwill Impairment Analyses

As of October 31, 2022, we estimated the fair value of our four above-mentioned reporting units by considering both a market approach and a discounted cash flow method. We discounted the projected cash flows for our Mass Markets, NA Business, EMEA and APAC reporting units using a rate that represented their weighted average cost of capital as of the assessment date, which comprised an after-tax cost of debt and a cost of equity, as disclosed in the table below. We utilized company comparisons and analyst reports within the telecommunications industry which at the time of assessment supported a range of fair values derived from annualized revenue and EBITDA multiples between 1.8x and 4.6x and 4.7x and 10.8x, respectively. We selected a revenue and EBITDA multiple for each of our reporting units, resulting in an overall company revenue and EBITDA multiple of 2.5x and 5.5x, respectively. We also reconciled the estimated fair values of the reporting units to our market capitalization as of October 31, 2022 and concluded that the indicated control premium of approximately 59% was reasonable based on recent market transactions, including our divestitures, and our depressed stock price. Due to the depressed trading price of our stock at October 31, 2022, and our assessment performed with respect to the reporting units described above, we concluded that the estimated fair value of our NA Business reporting unit was less than our carrying value of equity for that reporting unit, resulting in a non-cash, non-tax-deductible goodwill impairment charge of approximately \$3.2 billion. See the goodwill rollforward by segment table below for the impairment charges by segment. As of October 31, 2022, the estimated fair value of equity exceeded the carrying value of equity for our Mass Markets, EMEA and APAC reporting units by 97%, 171% and 101%, respectively. Based on our assessments performed, we concluded that the goodwill assigned to our Mass Markets, EMEA and APAC reporting units was not impaired at October 31, 2022.

	As of October 31, 2022			
	Reporting Units			
	Mass Markets	NA Business	EMEA	APAC
Weighted average cost of capital	9.4 %	9.4 %	9.8 %	11.3 %
After-tax cost of debt	4.7 %	4.7 %	5.1 %	6.3 %
Cost of equity	14.0 %	14.0 %	14.4 %	16.2 %

Our classification of the EMEA Business as being held for sale as described in Note 2—Divestitures of the Latin American, ILEC and EMEA Businesses was considered an event or change in circumstance which required an assessment of our goodwill for impairment as of October 31, 2022. We performed a pre-announcement goodwill impairment test described above to determine whether there was an impairment prior to the classification of these assets as held for sale and to determine the November 2, 2022, fair values to be utilized for goodwill allocation regarding the disposal group to be classified as assets held for sale. We also performed a post-announcement goodwill impairment test using our estimated post-divestiture cash flows and carrying value of equity to evaluate whether the fair value of our NA Business, Mass Markets and APAC reporting units that will remain following the divestiture exceeds the carrying value of the equity of such reporting units after classification of assets held for sale. We concluded no impairment existed regarding our post-divestiture reporting units.

Separate from the annual, pre-announcement and post-announcement goodwill assessments discussed above, we performed an assessment of our EMEA business disposal group for impairment using the purchase price compared to the carrying value of the EMEA business net assets. As a result, the EMEA business disposal group was impaired, resulting in a non-cash, non-tax-deductible goodwill impairment charge of \$43 million. See Note 2—Divestitures of the Latin American, ILEC and EMEA Businesses for additional information regarding the purchase price, carrying value, and impairment for goodwill of the EMEA business. See the goodwill rollforward by segment table below for the impairment charges by segment.

The following table shows the rollforward of goodwill assigned to our reportable segments from December 31, 2022 through December 31, 2024.

	Business	Mass Markets	Total
	(Dollars in millions)		
As of December 31, 2022 ⁽¹⁾	\$ 7,906	4,751	12,657
Impairment	(7,906)	(2,787)	(10,693)
As of December 31, 2023 ⁽¹⁾	—	1,964	1,964
As of December 31, 2024 ⁽¹⁾	\$ —	1,964	1,964

⁽¹⁾ Goodwill at December 31, 2024, December 31, 2023 and December 31, 2022 is net of accumulated impairment losses of \$21.7 billion, \$21.7 billion and \$11.0 billion, respectively.

For additional information on our segments, see Note 17—Segment Information.

As of December 31, 2024, the weighted average remaining useful lives of our finite-lived intangible assets were approximately five years in total, approximately six years for customer relationships and four years for capitalized software.

Total amortization expense for finite-lived intangible assets for each of the years ended December 31, 2024, 2023 and 2022 was \$1.1 billion.

We estimate that future total amortization expense for finite-lived intangible assets will be as follows:

	(Dollars in millions)
2025	\$ 926
2026	875
2027	788
2028	717
2029	488
2030 and thereafter	1,003
Total finite-lived intangible assets future amortization expense	\$ 4,797

Note 4—Revenue Recognition

Product and Service Categories

We categorize our products and services revenue among the following categories for the Business segment:

- *Grow*, which includes existing and emerging products and services in which we are significantly investing, including our dark fiber and conduit, Edge Cloud, IP, managed security, software-defined wide area networks ("SD WAN"), Unified Communications and Collaboration ("UC&C") and wavelengths services;
- *Nurture*, which includes our more mature offerings, including ethernet and VPN data networks services;
- *Harvest*, which includes our legacy services managed for cash flow, including Time Division Multiplexing voice, and private line services; and
- *Other*, which includes equipment sales, managed and professional service solutions and other services.

We categorize our products and services revenue among the following categories for the Mass Markets segment:

- *Fiber Broadband*, under which we provide high speed broadband services to residential and small business customers utilizing our fiber-based network infrastructure;
- *Other Broadband*, under which we provide primarily lower speed broadband services to residential and small business customers utilizing our copper-based network infrastructure; and
- *Voice and Other*, under which we derive revenues from (i) providing local and long-distance voice services, professional services, and other ancillary services, and (ii) federal broadband and state support programs.

Reconciliation of Total Revenue to Revenue from Contracts with Customers

The following tables provide total revenue by segment, sales channel and product category. They also provide the amount of revenue that is not subject to ASC 606, "Revenue from Contracts with Customers" ("ASC 606"), but is instead governed by other accounting standards. The amounts in the tables below include revenue for the Latin American, ILEC and EMEA businesses prior to their sales on August 1, 2022, October 3, 2022 and November 1, 2023, respectively:

Year Ended December 31, 2024			
	Total Revenue	Adjustments for Non-ASC 606 Revenue ⁽¹⁾	Total Revenue from Contracts with Customers
(Dollars in millions)			
Business Segment by Sales Channel and Product Category			
Large Enterprise			
Grow	\$ 1,733	(256)	1,477
Nurture	1,015	—	1,015
Harvest	441	—	441
Other	190	(1)	189
Total Large Enterprise Revenue	3,379	(257)	3,122
Mid-Market Enterprise			
Grow	841	(25)	816
Nurture	690	—	690
Harvest	320	(4)	316
Other	36	(5)	31
Total Mid-Market Enterprise Revenue	1,887	(34)	1,853
Public Sector			
Grow	596	(85)	511
Nurture	355	—	355
Harvest	389	(4)	385
Other	509	—	509
Total Public Sector Revenue	1,849	(89)	1,760
Wholesale			
Grow	1,048	(287)	761
Nurture	740	(19)	721
Harvest	1,079	(140)	939
Other	8	—	8
Total Wholesale Revenue	2,875	(446)	2,429
International and Other			
Grow	155	(4)	151

Nurture	161	—	161
Harvest	42	—	42
Other	15	—	15
Total International and Other	373	(4)	369
Business Segment by Product Category			
Grow	4,373	(657)	3,716
Nurture	2,961	(19)	2,942
Harvest	2,271	(148)	2,123
Other	758	(6)	752
Total Business Segment Revenue	10,363	(830)	9,533
Mass Markets Segment by Product Category			
Fiber Broadband	736	(13)	723
Other Broadband	1,167	(105)	1,062
Voice and Other	842	(31)	811
Total Mass Markets Revenue	2,745	(149)	2,596
Total Revenue	\$ 13,108	(979)	12,129
Timing of revenue			
Goods and services transferred at a point in time		\$	136
Services performed over time			11,993
Total revenue from contracts with customers		\$	12,129

Year Ended December 31, 2023			
	Total Revenue	Adjustments for Non-ASC 606 Revenue ⁽¹⁾	Total Revenue from Contracts with Customers
(Dollars in millions)			
Business Segment by Sales Channel and Product Category			
Large Enterprise			
Grow	\$ 1,709	(179)	1,530
Nurture	1,172	—	1,172
Harvest	537	—	537
Other	200	(5)	195
Total Large Enterprise Revenue	3,618	(184)	3,434
Mid-Market Enterprise			
Grow	807	(28)	779
Nurture	829	—	829
Harvest	372	(4)	368
Other	36	(4)	32
Total Mid-Market Enterprise Revenue	2,044	(36)	2,008
Public Sector			
Grow	473	(81)	392
Nurture	399	—	399
Harvest	383	(1)	382
Other	534	—	534
Total Public Sector Revenue	1,789	(82)	1,707
Wholesale			
Grow	1,052	(251)	801
Nurture	827	(25)	802
Harvest	1,261	(165)	1,096
Other	12	—	12

Total Wholesale Revenue	3,152	(441)	2,711
International and Other			
Grow	453	(115)	338
Nurture	266	—	266
Harvest	126	—	126
Other	135	—	135
Total International and Other	980	(115)	865
Business Segment by Product Category			
Grow	4,494	(654)	3,840
Nurture	3,493	(25)	3,468
Harvest	2,679	(170)	2,509
Other	917	(9)	908
Total Business Segment Revenue	11,583	(858)	10,725
Mass Markets Segment by Product Category			
Fiber Broadband	637	(16)	621
Other Broadband	1,395	(126)	1,269
Voice and Other	942	(36)	906
Total Mass Markets Revenue	2,974	(178)	2,796
Total Revenue	<u>\$ 14,557</u>	<u>(1,036)</u>	<u>13,521</u>
Timing of revenue			
Goods and services transferred at a point in time			\$ 178
Services performed over time			13,343
Total revenue from contracts with customers			<u>\$ 13,521</u>

Year Ended December 31, 2022			
	Total Revenue	Adjustments for Non-ASC 606 Revenue ⁽¹⁾	Total Revenue from Contracts with Customers
	(Dollars in millions)		
Business Segment by Sales Channel and Product Category			
Large Enterprise			
Grow	\$ 1,653	(199)	1,454
Nurture	1,274	—	1,274
Harvest	690	(2)	688
Other	210	(7)	203
Total Large Enterprise Revenue	3,827	(208)	3,619
Mid-Market Enterprise			
Grow	768	(32)	736
Nurture	949	—	949
Harvest	494	(6)	488
Other	31	(2)	29
Total Mid-Market Enterprise Revenue	2,242	(40)	2,202
Public Sector			
Grow	445	(79)	366
Nurture	492	—	492
Harvest	466	(3)	463
Other	460	(2)	458
Total Public Sector Revenue	1,863	(84)	1,779
Wholesale			
Grow	991	(271)	720

Nurture	1,012	(23)	989
Harvest	1,551	(215)	1,336
Other	51	—	51
Total Wholesale Revenue	3,605	(509)	3,096
International and Other			
Grow	761	(176)	585
Nurture	401	—	401
Harvest	210	—	210
Other	190	—	190
Total International and Other	1,562	(176)	1,386
Business Segment by Product Category			
Grow	4,618	(757)	3,861
Nurture	4,128	(23)	4,105
Harvest	3,411	(226)	3,185
Other	942	(11)	931
Total Business Segment Revenue	13,099	(1,017)	12,082
Mass Markets Segment by Product Category			
Fiber Broadband	604	(18)	586
Other Broadband	2,163	(200)	1,963
Voice and Other	1,612	(135)	1,477
Total Mass Markets Revenue	4,379	(353)	4,026
Total Revenue	\$ 17,478	(1,370)	16,108
Timing of revenue			
Goods and services transferred at a point in time		\$	154
Services performed over time			15,954
Total revenue from contracts with customers		\$	16,108

(1) Includes regulatory revenue and lease revenue not within the scope of ASC 606.

Customer Receivables and Contract Balances

The following table provides balances of customer receivables, contract assets and contract liabilities, net of amounts classified as held for sale:

	As of December 31,	
	2024	2023
	(Dollars in millions)	
Customer receivables, less allowance of \$50 and \$60	\$ 1,193	1,256
Contract assets	19	29
Contract liabilities	733	698

Contract liabilities are consideration we have received from our customers or billed in advance of providing goods or services promised in the future. We defer recognizing this consideration as revenue until we have satisfied the related performance obligation to the customer. Contract liabilities include recurring services billed one month in advance and installation and maintenance charges that are deferred and recognized over the actual or expected contract term, which typically ranges from one to five years depending on the service. Contract liabilities are included within Deferred revenue on our consolidated balance sheets. During the years ended December 31, 2024 and December 31, 2023, we recognized \$443 million and \$434 million, respectively, of revenue that was included in contract liabilities of \$698 million and \$715 million as of January 1, 2024 and 2023, respectively, including contract liabilities that were classified as held for sale.

Performance Obligations

As of December 31, 2024, we expect to recognize approximately \$6.4 billion of revenue in the future related to performance obligations associated with existing customer contracts that are partially or wholly unsatisfied. As of December 31, 2024, the transaction price related to unsatisfied performance obligation that are expected to be recognized in 2025, 2026 and thereafter was \$2.9 billion, \$1.7 billion and \$1.8 billion, respectively.

These amounts exclude (i) the value of unsatisfied performance obligations for contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed (for example, uncommitted usage or non-recurring charges associated with professional or technical services to be completed) and (ii) contracts that are classified as leasing arrangements or government assistance that are not subject to ASC 606.

Contract Costs

The following tables provide changes in our contract acquisition costs and fulfillment costs:

	Year Ended December 31, 2024	
	Acquisition Costs	Fulfillment Costs
	(Dollars in millions)	
Beginning of period balance	\$ 182	184
Costs incurred	151	176
Amortization	(130)	(138)
End of period balance	<u>\$ 203</u>	<u>222</u>

	Year Ended December 31, 2023	
	Acquisition Costs	Fulfillment Costs
	(Dollars in millions)	
Beginning of period balance	\$ 202	192
Costs incurred	136	157
Amortization	(152)	(140)
Classified as held for sale	(4)	(25)
End of period balance	<u>\$ 182</u>	<u>184</u>

Acquisition costs include commission fees paid to employees as a result of obtaining contracts. Fulfillment costs include third party and internal costs associated with the provision, installation and activation of services to customers, including labor and materials consumed for these activities.

We amortize deferred acquisition and fulfillment costs based on the transfer of services on a straight-line basis over the average contract life of approximately 50 months for Mass Markets customers and 35 months for Business customers. We include amortized fulfillment costs in Cost of services and products and amortized acquisition costs in Selling, general and administrative in our consolidated statements of operations. We include the amount of these deferred costs that are anticipated to be amortized in the next 12 months in Other under Current Assets on our consolidated balance sheets. We include the amount of deferred costs expected to be amortized beyond the next 12 months in Other under Deferred Credits and Other Liabilities on our consolidated balance sheets. We assess deferred acquisition and fulfillment costs for impairment on a quarterly basis.

Governmental Funding

Lumen participates in various U.S. federal and state programs under which government support payments are received to offset costs associated with providing services in targeted locations such as unserved or underserved high-cost or rural areas, or for certain types of customers, including non-profit organizations, educational institutions and local governmental bodies. In certain instances, support payments are conditioned on specified infrastructure buildouts by milestone deadlines or provision of services at specified locations and speed requirements. Commitments may be made annually, on a multi-year basis ranging from one to 10 years or be on-going subject to periodic change or termination. Consistent with customary practice and as referenced in ASC 832 *Government Assistance*, Lumen applies a grant model of accounting by which it accounts for these transactions as non-ASC 606 revenue over the periods in which the costs for which the funding is intended to compensate are incurred. This non-ASC 606 revenue is included in operating revenue in our consolidated statements of operations. Corresponding receivables are recorded when services have been provided to the customers and costs incurred, but the cash has not been received. These amounts are included in our accounts receivable, less allowance in our consolidated balance sheets. Certain programs are subject to audits of compliance with program commitments and, subject to the outcomes of those assessments, Lumen may be required to reimburse the government entity for cash previously received, or, in some cases, pay a penalty. Lumen evaluates each program and establishes a liability under the principles of ASC 450 if it is probable support payments will be recaptured or a penalty will be imposed.

For the years ended December 31, 2024 and 2023, Lumen recorded non-customer revenue of \$83 million and \$85 million, respectively, under government assistance programs, of which 18% and 17%, respectively, was associated with state universal service fund support programs.

Between 2015 and 2021, we received approximately \$500 million annually through the Federal Communications Commission (the "FCC")'s Connect America Fund II ("CAF II"), a federal multi-year recurring subsidy program for more extensive broadband deployment in price-cap ILEC territories. For this program, which ended on December 31, 2021, we were required to meet certain specified infrastructure buildout requirements in 33 states by the end of 2021, which required substantial capital expenditures. In the first quarter of 2022, we recognized \$59 million of previously deferred revenue related to the conclusion of the CAF II program based upon our final buildout and filing submissions. The government has the right to audit our compliance with the CAF II program and the ultimate outcome of any remaining examinations is unknown, but could result in a liability to us in excess of our accruals established for these matters.

In early 2020, the FCC created the Rural Digital Opportunity Fund (the "RDOF") program, a federal support program designed to fund broadband deployment in rural America. For the first phase of this program, RDOF Phase I, the FCC ultimately awarded \$6.4 billion support payments to be paid in equal monthly installments over 10 years. We were awarded RDOF funding in several of the states in which we operate and began receiving monthly support payments during the second quarter of 2022. We received approximately \$17 million in annual RDOF Phase I support payments for the years ended December 31, 2023 and 2022. In the third quarter of 2024, we relinquished rights to develop certain RDOF census blocks in four states, which resulted in (i) a reduction of the anticipated RDOF Phase I support payments to approximately \$16 million for the year ending December 31, 2024 and \$15 million each year thereafter through the program period and (ii) an expectation of payment to the federal government, which we anticipate will be approximately \$10 million.

Lumen participates in multiple state sponsored programs for broadband deployment in unserved and underserved areas for which the states have state universal service funds sourced from fees levied on telecommunications providers and passed on to consumers. During the years ending December 31, 2024 and 2023, Lumen participated in these types of programs primarily in the states of Nebraska, New Mexico and Minnesota.

Note 5—Leases

We primarily lease various office facilities, colocation facilities, equipment and transmission capacity to or from third parties. Leases with an initial term of 12 months or less are not recorded on our consolidated balance sheets; we recognize lease expense for these leases on a straight-line basis over the lease term.

We determine if an arrangement is a lease at inception and whether that lease meets the classification criteria of a finance or operating lease at the commencement date. Lease-related assets, or right-of-use assets, are recognized at the lease commencement date at amounts equal to the respective lease liabilities. Lease-related liabilities are recognized at the present value of the remaining contractual fixed lease payments, discounted using our incremental borrowing rates. As part of the present value calculation for the lease liabilities, we use an incremental borrowing rate as the rates implicit in the leases are not readily determinable. The incremental borrowing rates used for lease accounting are based on our unsecured rates, adjusted to approximate the rates at which we could borrow on a collateralized basis over a term similar to the recognized lease term. We apply the incremental borrowing rates to lease components using a portfolio approach based upon the length of the lease term and the reporting entity in which the lease resides. Operating lease expense is recognized on a straight-line basis over the lease term, while variable lease payments are expensed as incurred. Operating lease assets are included in other, net under goodwill and other assets on our consolidated balance sheets. Noncurrent operating lease liabilities are included in other under deferred credits and other liabilities on our consolidated balance sheets.

Some of our lease arrangements contain lease components, non-lease components (including common-area maintenance costs) and executory costs (including real estate taxes and insurance costs). We generally account for each component separately based on the estimated standalone price of each component. For colocation leases, we account for the lease and non-lease components as a single lease component.

Many of our lease agreements contain renewal options; however, we do not recognize right-of-use assets or lease liabilities for renewal periods unless we determine that we are reasonably certain of renewing the lease. Certain leases also include options to purchase the leased property. The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain to be exercised. Our lease agreements do not generally contain any material residual value guarantees or material restrictive covenants.

Lease expense consisted of the following:

	Years Ended December 31,		
	2024	2023	2022
	(Dollars in millions)		
Operating and short-term lease cost	\$ 446	459	451
Finance lease cost:			
Amortization of right-of-use assets	25	32	37
Interest on lease liability	11	12	15
Total finance lease cost	36	44	52
Total lease cost	\$ 482	503	503

We lease various equipment, office facilities, retail outlets, switching facilities and other network sites or components from third parties. These leases, with few exceptions, provide for renewal options and rent escalations that are either fixed or based on the consumer price index. Any rent abatements, along with rent escalations, are included in the computation of rent expense calculated on a straight-line basis over the lease term. The lease term for most leases includes the initial non-cancelable term plus any term under renewal options that we believe are reasonably assured.

On a regular basis, we rationalize our lease footprint. When we determine that we no longer need leased space, we may incur accelerated lease costs. Our accelerated lease costs in December 31, 2024, 2023 and 2022 were not material.

For the years ended December 31, 2024, 2023 and 2022, our gross rental expense, including the accelerated lease costs discussed above, was \$482 million, \$503 million and \$503 million, respectively. We also received sublease rental income of \$25 million for each of the years ended December 31, 2024, 2023 and 2022.

Supplemental consolidated balance sheet information and other information related to leases is included below:

Leases (Dollars in millions)	Classification on the Balance Sheet	As of December 31,	
		2024	2023
Assets			
Operating lease assets	Other, net	\$ 1,119	1,230
Finance lease assets	Property, plant and equipment, net of accumulated depreciation	236	260
Total leased assets		<u>\$ 1,355</u>	<u>1,490</u>
Liabilities			
Current			
Operating	Current operating lease liabilities	\$ 253	268
Finance	Current maturities of long-term debt	17	16
Noncurrent			
Operating	Other	959	1,040
Finance	Long-term debt	198	215
Total lease liabilities		<u>\$ 1,427</u>	<u>1,539</u>
Weighted-average remaining lease term (years)			
Operating leases		7.7	8.2
Finance leases		11.4	11.3
Weighted-average discount rate			
Operating leases		8.90 %	7.59 %
Finance leases		4.40 %	4.98 %

Supplemental consolidated cash flow statement information related to leases is included below:

	Years Ended December 31,	
	2024	2023
(Dollars in millions)		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	\$ 427	461
Operating cash flows for finance leases	11	12
Financing cash flows for finance leases	17	25
Supplemental lease cash flow disclosures:		
Operating lease right-of-use assets obtained in exchange for new operating lease liabilities	\$ 191	143
Right-of-use assets obtained in exchange for new finance lease liabilities	2	10

As of December 31, 2024, maturities of lease liabilities were as follows:

	Operating Leases	Finance Leases
	(Dollars in millions)	
2025	\$ 340	27
2026	252	28
2027	204	28
2028	167	28
2029	131	26
Thereafter	592	140
Total lease payments	1,686	277
Less: interest	(474)	(62)
Total	1,212	215
Less: current portion	(253)	(17)
Long-term portion	\$ 959	198

As of December 31, 2024, we had no material operating or finance leases that had not yet commenced.

Operating Lease Revenue

We lease various dark fiber and conduit, office facilities, colocation facilities, switching facilities, other network sites and service equipment to third parties under operating leases. Lease and sublease income are included in operating revenue in the consolidated statements of operations. See "Revenue Recognition" in Note 1—Background and Summary of Significant Accounting Policies.

For the years ended December 31, 2024, 2023 and 2022, our gross rental income was approximately \$1.0 billion, \$1.0 billion and \$1.2 billion, respectively, which represents 7% of our operating revenue for each of the years ended December 31, 2024, 2023 and 2022.

Note 6—Credit Losses on Financial Instruments

To assess our expected credit losses on financial instruments, we aggregate financial assets with similar risk characteristics to monitor their credit quality or deterioration over the life of such assets. We periodically monitor certain risk characteristics within our aggregated financial assets and revise their composition accordingly, to the extent internal and external risk factors change. We separately evaluate financial assets that do not share risk characteristics with other financial assets. Our financial assets measured at amortized cost primarily consist of accounts receivable.

We use a loss rate method to estimate our allowance for credit losses. Our determination of the current expected credit loss rate begins with our review of historical loss experience as a percentage of accounts receivable. We measure our historical loss period based on the average days to recognize accounts receivable as credit losses. When asset specific characteristics and current conditions change from those in the historical period, due to changes in our credit and collections strategy, certain classes of aged balances, or credit loss and recovery policies, we perform a qualitative and quantitative assessment to adjust our historical loss rate. We use regression analysis to develop an expected loss rate using historical experience and economic data over a forecast period. We measure our forecast period based on the average days to collect payment on billed accounts receivable. To determine our current allowance for credit losses, we combine the historical and expected credit loss rates and apply them to our period end accounts receivable.

If there is an unexpected deterioration of a customer's financial condition or an unexpected change in economic conditions, including macroeconomic events, we assess the need to adjust the allowance for credit losses. Any such resulting adjustments would affect earnings in the period that adjustments are made.

The assessment of the correlation between historical observed default rates, current conditions and forecasted economic conditions requires judgment. Alternative interpretations of these factors could have resulted in different conclusions regarding our allowance for credit losses. The amount of credit loss is sensitive to changes in circumstances and forecasted economic conditions. Our historical credit loss experience, current conditions and forecast of economic conditions may also not be representative of the customers' actual default experience in the future, and we may use methodologies that differ from those used by other companies.

The following table presents the activity of our allowance for credit losses by accounts receivable portfolio:

	Business	Mass Markets	Total
	(Dollars in millions)		
Balance at December 31, 2021	\$ 88	26	114
Provision for expected losses	25	108	133
Write-offs charged against the allowance	(61)	(114)	(175)
Recoveries collected	10	6	16
Change in allowance in assets held for sale ⁽¹⁾	(5)	2	(3)
Balance at December 31, 2022	57	28	85
Provision for expected losses	35	65	100
Write-offs charged against the allowance	(62)	(65)	(127)
Recoveries collected	6	3	9
Balance at December 31, 2023	36	31	67
Provision for expected losses	26	46	72
Write-offs charged against the allowance	(32)	(58)	(90)
Recoveries collected	6	4	10
Balance at December 31, 2024	\$ 36	23	59

⁽¹⁾ Represents changes in amounts classified as held for sale related to the divestitures of our Latin American and ILEC businesses on August 1, 2022 and October 3, 2022, respectively, and the inclusion of a \$5 million allowance for credit losses classified as held for sale as of December 31, 2022 related to the divestiture of the EMEA business in 2023. See Note 2—Divestitures of the Latin American, ILEC and EMEA Businesses.

Note 7—Long-Term Debt and Credit Facilities

At December 31, 2024, most of our outstanding consolidated debt had been incurred by us or one of the following three subsidiaries, each of which has borrowed funds either on a standalone basis or as part of a separate restricted group with certain of its subsidiaries:

- Level 3 Financing, Inc. ("Level 3 Financing"), including its parent guarantor Level 3 Parent, LLC, and certain subsidiary guarantors;
- Qwest Corporation ("Qwest"); and
- Qwest Capital Funding, Inc., including its parent guarantor, Qwest Communications International Inc.

Each of these borrowers or borrowing groups has entered into a credit agreement with certain financial institutions or other institutional lenders or issued senior notes. Certain of these debt instruments are described further below.

The following table reflects the consolidated long-term debt of Lumen Technologies, Inc. and its subsidiaries as of the dates indicated below, including unamortized premiums (discounts) and unamortized debt issuance costs:

	Interest Rates ⁽¹⁾	Maturities ⁽¹⁾	As of December 31,	
			2024	2023
			(Dollars in millions)	
Senior Secured Debt: ⁽²⁾				
<i>Lumen Technologies, Inc.</i>				
Series A Revolving Credit Facility	SOFR + 4.00%	2028	\$ —	—
Series B Revolving Credit Facility	SOFR + 6.00%	2028	—	—
Term Loan A ⁽³⁾	SOFR + 6.00%	2028	357	—
Term Loan B-1 ⁽⁴⁾	SOFR + 2.35%	2029	1,606	—
Term Loan B-2 ⁽⁴⁾	SOFR + 2.35%	2030	1,606	—
Term Loan B ⁽⁵⁾	SOFR + 2.25%	2027	56	3,891
Other Facilities ⁽⁶⁾	N/A	N/A	—	1,399
Superpriority Notes	4.125% - 10.000%	2029 - 2032	1,247	—
Former Parent Secured Notes ⁽⁷⁾	N/A	N/A	—	1,250
<i>Subsidiaries:</i>				
<i>Level 3 Financing, Inc.</i>				
Term Loan B-1 ⁽⁸⁾	SOFR + 6.56%	2029	1,199	—
Term Loan B-2 ⁽⁸⁾	SOFR + 6.56%	2030	1,199	—
Former Level 3 Facility ⁽⁹⁾	SOFR + 1.75%	2027	12	2,411
First Lien Notes ⁽¹⁰⁾	10.500% - 11.000%	2029 - 2030	3,846	925
Second Lien Notes	3.875% - 10.000%	2029 - 2032	2,579	—
Former Level 3 Senior Notes ⁽¹¹⁾	N/A	N/A	—	1,500
Unsecured Senior Notes and Other Debt:				
<i>Lumen Technologies, Inc.</i>				
Senior notes ⁽¹²⁾	4.000% - 7.650%	2025 - 2042	1,428	2,143
<i>Subsidiaries:</i>				
<i>Level 3 Financing, Inc.</i>				
Senior notes ⁽¹³⁾	3.400% - 4.625%	2027 - 2029	964	3,940
<i>Qwest Corporation</i>				
Senior notes	6.500% - 7.750%	2025 - 2057	1,973	1,986
Former Term Loan ⁽¹⁴⁾	N/A	N/A	—	215
<i>Qwest Capital Funding, Inc.</i>				
Senior notes	6.875% - 7.750%	2028 - 2031	192	192
Finance lease and other obligations	Various	Various	254	285
Unamortized discounts, net			(395)	(4)
Unamortized debt issuance costs			(217)	(145)
Total long-term debt			17,906	19,988
Less current maturities			(412)	(157)
Long-term debt, excluding current maturities			\$ 17,494	19,831

N/A - Not applicable

⁽¹⁾ As of December 31, 2024. All references to "SOFR" refer to the Secured Overnight Financing Rate.

- (2) As discussed further below in this Note, the debt listed under the caption "Senior Secured Debt" is either secured by assets of the issuer, guaranteed on a secured or unsecured basis by certain affiliates of the issuer, or both. As discussed further in footnotes 12 and 13 below, we reclassified in the table above certain notes that were guaranteed, secured, or both prior to the TSA Effective Date (as defined below) from "secured" to "unsecured" in light of amendments that released such security interests.
- (3) Term Loan A had an interest rate of 10.573% as of December 31, 2024.
- (4) Term Loan B-1 and B-2 each had an interest rate of 7.037% as of December 31, 2024.
- (5) Term Loan B had an interest rate of 6.937% and 7.720% as of December 31, 2024 and December 31, 2023, respectively.
- (6) Reflects revolving credit facility and term loan A and A-1 debt issued under the Former Parent Facilities (as defined below), which were due in 2025 and had interest rates of 7.464% and 7.470%, respectively, as of December 31, 2023.
- (7) Former Parent Secured Notes were due in 2027 and had an interest rate of 4.000% as of December 31, 2023, prior to being cancelled on the TSA Effective Date (as defined below).
- (8) The Level 3 Term Loan B-1 and B-2 each had an interest rate of 11.133% as of December 31, 2024.
- (9) Reflects Level 3 Tranche B 2027 Term Loan issued under the Former Level 3 Facility (as defined below), which had an interest rate of 6.437% and 7.220% as of December 31, 2024 and December 31, 2023, respectively.
- (10) Includes Level 3's 10.500% Senior Secured Notes due 2030 issued in early 2023, the terms of which have been amended to be consistent with Level 3's first lien notes issued on March 22, 2024.
- (11) Former Level 3 Senior Notes were due in 2027 - 2029 and had an interest rates of 3.400% - 3.875% as of December 31, 2023, prior to being cancelled on the TSA Effective Date (as defined below).
- (12) The total amount of these notes at December 31, 2024 includes the remaining aggregate principal amount due under the Former Parent Secured Notes, the terms of which were amended on March 22, 2024 to release the guarantees of such debt that could be released in accordance with their indentures and the security interests relating thereto.
- (13) The total amount for these notes at December 31, 2024 includes the remaining aggregate principal amount due under the Former Level 3 Secured Notes, the terms of which were amended on March 22, 2024 to release the security interests relating thereto.
- (14) The Qwest Corporation Term Loan was due in 2027 and had an interest rate of 7.970% as of December 31, 2023, prior to being cancelled on the TSA Effective Date (as defined below).

Long-Term Debt Maturities

Set forth below is the aggregate principal amount of our long-term debt as of December 31, 2024 (excluding unamortized discounts, net, and unamortized debt issuance costs) maturing during the following years.

	(Dollars in millions)
2025	\$ 412
2026	96
2027	250
2028	738
2029	7,203
2030 and thereafter	9,819
Total long-term debt	\$ 18,518

2024 Debt Transactions

Cash Tender Offers

Pursuant to cash tender offers that commenced on November 12, 2024 (the "Cash Tender Offers"), in November 2024 we reduced the aggregate principal amount of our consolidated indebtedness by approximately \$393 million. In conjunction with the Cash Tender Offers, we recorded a gain of \$33 million including an offset of immaterial third-party fees in our aggregate Net gain on early retirement of debt in Other income (expense), net in our consolidated statement of operations for the year ended December 31, 2024.

The following table sets forth the aggregate principal amount of each series of senior notes of Lumen and Level 3 Financing retired in exchange for cash in November 2024 in connection with the Cash Tender Offers:

Debt	Aggregate Principal Amount (in millions)
Lumen Technologies, Inc.	
5.625% Senior Notes, Series X, due 2025	\$ 33
7.200% Senior Notes, Series D, due 2025	3
5.125% Senior Notes due 2026	5
4.000% Senior Secured Notes due 2027 (unsecured)	4
6.875% Debentures, Series G, due 2028	24
Level 3 Financing, Inc.	
3.400% Senior Secured Notes due 2027 (unsecured)	1
4.625% Senior Notes due 2027	48
4.250% Senior Notes due 2028	275
Total	\$ 393

Exchange Offers

Pursuant to exchange offers that commenced on September 3, 2024 (the "Exchange Offers"), on September 24, 2024:

- Lumen Technologies issued approximately \$438 million aggregate principal amount of its newly-issued 10.000% Secured Notes due 2032 (the "New Lumen Notes") and paid approximately \$14 million cash (excluding accrued and unpaid interest payable with respect to the exchange) in exchange for approximately \$491 million aggregate principal amount of four series of its outstanding senior unsecured notes, maturing between 2026 and 2029 (which were concurrently cancelled), and
- Level 3 Financing issued approximately \$350 million aggregate principal amount of its newly-issued 10.000% Second Lien Notes due 2032 in exchange for \$357 million aggregate principal amount of two series of its outstanding senior unsecured notes maturing in 2027 (which were concurrently cancelled).

These transactions reduced the aggregate principal amount of Lumen's consolidated indebtedness by approximately \$60 million.

The Company determined that the Exchange Offers constituted a debt modification consistent with ASC 470 and recorded no gain or loss. In conjunction with the Exchange Offers, we recorded \$17 million of fees to Selling, general and administrative expense in our consolidated statements of operations for the year ended December 31, 2024.

The following table sets forth the aggregate principal amount of each series of senior unsecured notes of Lumen and Level 3 Financing exchanged and retired on September 24, 2024 in connection with the Exchange Offers:

Debt	Aggregate Principal Amount (in millions)	
Lumen Technologies, Inc.		
5.125% Senior Notes due 2026	\$	137
4.000% Senior Secured Notes due 2027 (unsecured)		188
6.875% Debentures, Series G, due 2028		80
4.500% Senior Notes due 2029		86
Level 3 Financing, Inc.		
3.400% Senior Secured Notes due 2027 (unsecured)		77
4.625% Senior Notes due 2027		280
Total	\$	848

Transaction Support Agreement Transactions

On March 22, 2024 (the "TSA Effective Date"), Lumen Technologies, Level 3 Financing, Qwest and a group of creditors holding a majority of our consolidated debt completed transactions contemplated under the amended and restated transaction support agreement ("TSA") that such parties entered into on January 22, 2024 (the "TSA Transactions"), including the termination, repayment or exchange of previous commitments and debt and the issuance of new term loan facilities, notes, and revolving credit facilities.

The following table sets forth the aggregate principal amount of each of Lumen's consolidated debt arrangements that were partially or fully paid in exchange for cash or newly-issued debt during the first quarter of 2024 in connection with the TSA Transactions:

Debt	Aggregate Principal Amount (in millions)	
	Repaid	Exchanged
Lumen Technologies, Inc.		
Term Loan A	\$ 933	—
Term Loan A-1	266	—
Term Loan B	575	3,259
5.125% Senior Notes due 2026	116	147
4.000% Senior Notes due 2027	153	865
Level 3 Financing, Inc.		
Term Loan B	—	2,398
3.400% Senior Notes due 2027	—	668
3.875% Senior Notes due 2029	—	678
4.625% Senior Notes due 2027	—	606
4.250% Senior Notes due 2028	—	712
3.625% Senior Notes due 2029	—	458
3.750% Senior Notes due 2029	—	453
Qwest Corporation		
Term Loan B	215	—
Total	\$ 2,258	10,244

The following table sets forth the aggregate principal balance as of December 31, 2024 of the debt issued by Lumen or Level 3 Financing in connection with the TSA Transactions:

	Aggregate Principal Amount as of December 31, 2024 (in millions)
New Debt Issuances⁽¹⁾	
<i>Lumen Technologies, Inc.</i>	
Term Loan A ⁽²⁾	\$ 357
Term Loan B-1 ⁽²⁾	1,606
Term Loan B-2 ⁽²⁾	1,606
4.125% Superpriority Notes due 2029-2030	808
<i>Level 3 Financing, Inc.</i>	
Term Loan B-1	1,199
Term Loan B-2	1,199
10.500% First Lien Notes due 2029	668
11.000% First Lien Notes due 2029	1,575
4.875% Second Lien Notes due 2029	606
10.750% First Lien Notes due 2030	678
4.500% Second Lien Notes due 2030	712
3.875% Second Lien Notes due 2030	458
4.000% Second Lien Notes due 2031	453
Total	\$ 11,925

⁽¹⁾ Except for Lumen's Term Loan A and \$1.375 billion of Level 3 Financing's 11.000% First Lien Notes due 2029, all of the new debt listed in this table was issued in the first quarter of 2024 in exchange for previously-issued debt of Lumen or Level 3 Financing in connection with the TSA Transactions.

⁽²⁾ Reflects approximately \$66 million of term loan installment payments and paydowns made between the TSA Effective Date and December 31, 2024.

In evaluating the terms of the TSA Transactions, we determined that for certain of our creditors the new debt instruments were substantially different than pre-existing debt and therefore constituted a non-cash extinguishment of old debt for Lumen Technologies and Level 3 Financing of \$744 million and \$2.6 billion and the establishment of new debt for which we recorded a \$275 million gain on extinguishment in the first quarter of 2024. This new debt was recorded at fair value generating a reduction to debt of \$492 million which was included in our aggregate Net gain on early retirement of debt of \$348 million, recognized in Other income (expense), net in our consolidated statement of operations for the year ended December 31, 2024. The remaining creditors' newly-issued debt was not substantially different under the terms of the TSA Transactions and was treated under modification accounting rules. In conjunction with the TSA Transactions, we paid \$209 million in lender fees and \$174 million in additional third-party costs. Of these amounts, we offset \$157 million of lender fees against the gain on extinguishment and recorded \$112 million in third-party costs to Selling, general and administrative expense in our consolidated statement of operations for the year ended December 31, 2024. In accordance with GAAP provisions for modification and extinguishment accounting, \$52 million in lender fees and \$62 million in third-party costs, respectively, were capitalized and will be amortized over the terms of the newly-issued indebtedness.

Repurchases of Debt Instruments

During 2024, we repurchased various debt instruments on the open market. These repurchases resulted in an aggregate net gain of \$40 million which is included in our aggregate Net gain on early retirement of debt in Other income (expense), net in our consolidated statement of operations for the year ended December 31, 2024. The following table sets forth the aggregate principal amount of each series of notes and term loans repurchased during the year ended December 31, 2024:

Debt	Principal Amount Repurchased (in millions)
Lumen Technologies, Inc.	
Term Loan A	\$ 2
Term Loan B-1	7
Term Loan B-2	7
5.625% Senior Notes, Series X, due 2025	70
7.200% Senior Notes, Series D, due 2025	13
6.875% Senior Notes, Series G, due 2028	7
4.500% Senior Notes due 2029	24
4.125% Superpriority Notes due 2029-2030	3
7.600% Senior Notes due 2039	5
7.650% Senior Notes due 2042	6
Level 3 Financing, Inc.	
4.250% Senior Notes due 2028	34
3.625% Senior Notes due 2029	81
3.750% Sustainability-Linked Senior Notes due 2029	86
3.875% Senior Secured Notes due 2029 (unsecured)	18
Qwest Corporation	
7.250% Senior Notes due 2025	13
Total	\$ 376

2023 Debt Modification Transactions

Exchange Offers

Pursuant to exchange offers that commenced on March 16, 2023 (the “2023 Exchange Offers”), on March 31, 2023, Level 3 Financing issued \$915 million of its 10.500% Senior Secured Notes due 2030 (the “10.500% Notes”) in exchange for \$1.535 billion of Lumen's outstanding senior unsecured notes. On April 17, 2023, in connection with the Exchange Offers, Level 3 Financing issued an additional \$9 million of its 10.500% Notes in exchange for \$19 million of Lumen's outstanding senior unsecured notes. All exchanged notes were concurrently cancelled. These transactions resulted in a \$630 million net reduction in the aggregate principal amount of Lumen's consolidated indebtedness. In addition to the above-described exchange offers, we repurchased \$24 million aggregate principal amount of Lumen's outstanding senior unsecured notes during the first quarter of 2023. These above-described transactions resulted in an aggregate net gain of \$618 million for the year ended December 31, 2023.

The following table sets forth the aggregate principal amount of each series of Lumen's senior unsecured notes retired during the year ended December 31, 2023, in connection with the above-described exchange transactions:

Debt	Aggregate principal (amounts in millions)	
5.625% Senior Notes, Series X, due 2025	\$	49
7.200% Senior Notes, Series D, due 2025		21
5.125% Senior Notes due 2026		291
6.875% Debentures, Series G, due 2028		52
5.375% Senior Notes due 2029		275
4.500% Senior Notes due 2029		558
7.600% Senior Notes, Series P, due 2039		164
7.650% Senior Notes, Series U, due 2042		144
Total	\$	1,554

Credit Facility Borrowings and Repayments

During 2023, Lumen borrowed \$925 million from, and made repayments of \$725 million to, the Former Lumen Facilities.

2022 Borrowings and Repayments

During 2022, Lumen borrowed \$2.4 billion from, and made repayments of \$2.6 billion to, the Former Lumen Facilities.

Interest Expense

Interest expense includes interest on total long-term debt. The following table presents the amount of gross interest expense, net of capitalized interest:

	Years Ended December 31,		
	2024	2023	2022
	(Dollars in millions)		
Interest expense:			
Gross interest expense	\$ 1,548	1,269	1,398
Capitalized interest	(176)	(111)	(66)
Total interest expense	\$ 1,372	1,158	1,332

Lumen Credit Agreements

Superpriority Revolving/Term A Credit Agreement

On the TSA Effective Date, Lumen, as borrower, the lenders party thereto and Bank of America, as administrative agent and collateral agent, entered into the Superpriority Revolving/Term A Credit Agreement (the "RCF/TLA Credit Agreement"), providing for:

- a superpriority "first out" series A revolving credit facility with original commitments of approximately \$489 million (the "Series A Revolving Credit Facility");
- a superpriority "second out" series B revolving credit facility with original commitments of approximately \$467 million (the "Series B Revolving Credit Facility", and together with the Series A Revolving Credit Facility, the "Lumen Revolving Credit Facilities"); and

- a superpriority secured term loan facility in the amount of approximately \$377 million (the “Lumen TLA”).

Interest on borrowings under the RCF/TLA Credit Agreement is payable at the end of each interest period at a rate equal to, at Lumen’s option:

- for the Series A Revolving Credit Facility, term SOFR (subject to a 2.00% floor) plus 4.00% for term SOFR loans or a base rate plus 3.00% for base rate loans;
- for the Series B Revolving Credit Facility, term SOFR (subject to a 2.00% floor) plus 6.00% for term SOFR loans or a base rate plus 5.00% for base rate loans; and
- for the Lumen TLA, term SOFR (subject to a 2.00% floor) plus a 6.00% for term SOFR loans or a base rate plus 5.00% for base rate loans.

Lumen may prepay amounts outstanding under the Series B Revolving Credit Facility or Lumen TLA at anytime without premium or penalty. If no amounts are outstanding under the Series B Revolving Credit Facility, Lumen may prepay amounts outstanding under the Series A Revolving Credit Facility without premium or penalty.

Both of the Lumen Revolving Credit Facilities mature on June 1, 2028 (in each case subject to a springing maturity in certain circumstances). The Lumen TLA matures on June 1, 2028 and requires Lumen to make quarterly amortization payments of 1.25% of the initial principal amount and certain specified mandatory prepayments upon the occurrence of certain transactions.

At December 31, 2024, no borrowings were outstanding under Lumen’s (i) Series A Revolving Credit Facility, with commitments of approximately \$489 million, or (ii) Series B Revolving Credit Facility, with commitments of approximately \$465 million.

Superpriority Term B Credit Agreement

On the TSA Effective Date, Lumen, as borrower, the lenders party thereto, Wilmington Trust, National Association (“WTNA”), as administrative agent, and Bank of America, as collateral agent, entered into a Superpriority Term B Credit Agreement (the “TLB Credit Agreement”), providing for:

- a superpriority secured term loan facility in a principal amount of approximately \$1.6 billion maturing April 15, 2029 (the “Lumen TLB-1”); and
- a superpriority secured term loan facility in a principal amount of approximately \$1.6 billion maturing April 15, 2030 (the “Lumen TLB-2”, and together with the Lumen TLB-1, the “Lumen TLB”).

Interest on borrowings under the TLB Credit Agreement is payable at the end of each interest period at a rate equal to, at Lumen’s option, adjusted term SOFR (subject to a 0% floor) plus 2.35% for term SOFR loans or a base rate plus 1.35% for base rate loans.

The Lumen TLB requires Lumen to make quarterly amortization payments of 0.25% of the initial principal amount and certain specified mandatory prepayments upon the occurrence of certain transactions. Amounts outstanding under the Lumen TLB may be prepaid at any time without premium or penalty.

Former Facilities

In connection with entering into the RCF/TLA Credit Agreement, all revolving commitments under Lumen’s amended and restated credit agreement dated January 31, 2020 (the “Former Parent Facilities”) were terminated and substantially all of the debt issued thereunder was repaid.

Level 3 Credit Agreements

Credit Agreement dated March 22, 2024

On the TSA Effective Date, Level 3 Financing, as borrower, Level 3 Parent, LLC, the lenders party thereto and WTNA, as administrative agent and collateral agent, entered into a credit agreement (the “New Level 3 Credit Agreement”), providing for:

- a secured term B-1 loan facility in the principal amount of approximately \$1.2 billion maturing April 15, 2029; and
- a secured term B-2 loan facility in the principal amount of approximately \$1.2 billion maturing April 15, 2030.

Interest on borrowings under the New Level 3 Credit Agreement is payable at the end of each interest period at a rate equal to, at Level 3 Financing’s option, term SOFR (subject to a 2.00% floor) plus 6.56% for term SOFR loans or a base rate plus 5.56% for base rate loans.

Amounts outstanding under the New Level 3 Credit Agreement may be prepaid at any time, subject to a premium of (i) 2.00% of the aggregate principal amount if prepaid on or prior to the 12-month anniversary of the TSA Effective Date and (ii) 1.00% of the aggregate principal amount if prepaid after the 12-month anniversary of the TSA Effective Date and on or prior to the 24-month anniversary of the TSA Effective Date. The New Level 3 Facilities require Level 3 Financing to make certain specified mandatory prepayments upon the occurrence of certain transactions.

Former Facility

In connection with entering into the New Level 3 Credit Agreement, substantially all of the indebtedness issued under Level 3 Financing’s amended and restated credit agreement dated as of November 29, 2019 (the “Former Level 3 Facility”) was repaid.

Senior Notes of Lumen and its Subsidiaries

The Company’s consolidated indebtedness at December 31, 2024 included:

- superpriority senior secured notes issued by Lumen;
- first and second lien secured notes issued by Level 3 Financing; and
- senior unsecured notes issued by Lumen, Level 3 Financing, Qwest, and Qwest Capital Funding, Inc.

All of these notes carry fixed interest rates and all principal is due on the notes’ respective maturity dates, which rates and maturity dates are summarized in the table above.

Except for a limited number of senior notes issued by Qwest Corporation, the issuer generally can redeem the notes, at its option, in whole or in part, (i) pursuant to a fixed schedule of pre-established redemption prices, (ii) pursuant to a “make whole” redemption price or (iii) under certain other specified limited conditions.

Revolving Letters of Credit

We use various financial instruments in the normal course of business. These instruments include letters of credit, which are conditional commitments issued on our behalf in accordance with specified terms and conditions. Lumen may draw letters of credit under (i) an uncommitted \$225 million revolving letter of credit facility and (ii) the Lumen Revolving Credit Facilities.

At December 31, 2024, we had \$220 million of undrawn letters of credit outstanding, \$217 million of which were issued under the Lumen Revolving Credit Facilities, \$1 million of which were issued under our \$225 million uncommitted letter of credit facility and \$2 million of which were issued under a separate facility maintained by one of our subsidiaries (the full amount of which is collateralized by cash).

Certain Guarantees and Security Interests

Lumen's obligations under its RCF/TLA Credit Agreement are unsecured, but certain of Lumen's subsidiaries have provided an unconditional guarantee of payment of Lumen's obligations (such entities, the "Lumen Guarantors") and certain of such guarantees will be secured by a lien on substantially all of the assets of the applicable Lumen Guarantors. Level 3 Parent, LLC, Level 3 Financing and certain of Level 3 Financing's subsidiaries have provided an unconditional guarantee of payment of Lumen's obligations under its Series A Revolving Credit Facility of up to \$150 million and under its Series B Revolving Credit Facility of up to \$150 million, in each case secured by a lien on substantially all of their assets (such entities, the "Level 3 Collateral Guarantors"). The guarantee by the Level 3 Collateral Guarantors may be reduced or terminated under certain circumstances. Qwest Corporation and certain of its subsidiaries have provided an unsecured guarantee of collection of Lumen's obligations under the Lumen Revolving Credit Facilities and Lumen TLA (the "Qwest Guarantors").

Lumen's obligations under the TLB are unsecured. The term loans issued under this agreement are guaranteed by the Lumen Guarantors and the Qwest Guarantors on the same basis as those entities guarantee Lumen's obligations under its RCF/TLA Credit Agreement.

Level 3 Financing's obligations under the New Level 3 Credit Agreement are secured by a first lien on substantially all of its assets. In addition, the other Level 3 Collateral Guarantors have provided an unconditional guarantee of payment of Level 3 Financing's obligations under the New Level 3 Credit Agreement secured by a lien on substantially all of their assets.

Lumen's superpriority secured senior notes are guaranteed by the Lumen Guarantors and the Qwest Guarantors on the same basis as those entities guarantee Lumen's obligations under its RCF/TLA Credit Agreement (subject, in certain cases, to receipt of necessary regulatory approvals). Level 3 Financing's obligations under its first lien notes are secured by a first lien on substantially all of its assets (subject, in certain cases, to receipt of necessary regulatory approvals), and are guaranteed by the other Level 3 Collateral Guarantors (or, for certain such guarantors, for certain notes, will be guaranteed upon the receipt of required regulatory approvals) on the same basis as the guarantees provided by such entities under the New Level 3 Credit Agreement. Level 3 Financing's obligations under its second lien notes are secured by a second lien on substantially all of its assets, and are guaranteed by the other Level 3 Collateral Guarantors on the same basis as the guarantees provided by such entities under the New Level 3 Credit Agreement, except the lien securing such guarantees is a second lien.

Lumen's reimbursement obligations under its outstanding letters of credit are secured by guarantees issued by certain of its subsidiaries.

Level 3 Financing's obligations under its unsecured notes are guaranteed on an unsecured basis by the same affiliated entities that guarantee the New Level 3 Credit Agreement and Level 3 Financing's secured notes. The senior unsecured notes issued by Qwest Capital Funding, Inc. are guaranteed by its parent, Qwest Communications International Inc.

Covenants

Lumen

Under its Superpriority Revolving/Term Loan A Credit Agreement, Lumen may not permit:

(i) its maximum total net leverage ratio to exceed 5.75 to 1.00 as of the last day of each fiscal quarter, stepping down to 5.50 to 1.00 with respect to each fiscal quarter ending after December 31, 2024 and further stepping down to 5.25 to 1.00 with respect to each fiscal quarter ending after December 31, 2025; or

(ii) its interest coverage ratio as of the last day of any test period to be less than 2.00 to 1.00.

Lumen's superpriority credit agreements and superpriority senior secured notes contain various representations and warranties and extensive affirmative and negative covenants. Such covenants include, among other things and subject to certain significant exceptions, restrictions on our ability to declare or pay dividends, repurchase stock, repay certain other indebtedness, create liens, incur additional indebtedness, make investments, engage in transactions with our affiliates, dispose of assets and merge or consolidate with other persons.

Lumen's senior unsecured notes were issued under four separate indentures. These indentures restrict Lumen's ability to (i) incur, issue or create liens upon its property and (ii) consolidate with or merge into, or transfer or lease all or substantially all of its assets to, any other party.

Under certain circumstances in connection with a "change of control" of Lumen, Lumen will be required to make an offer to repurchase each series of these senior notes (other than two of its older series of notes) at a price of 101% of the principal amount redeemed, plus accrued and unpaid interest.

Level 3 Financing

The New Level 3 Credit Agreement and Level 3 Financing's first and second lien secured notes contain various representations and extensive affirmative and negative covenants. Such covenants include, among other things and subject to certain significant exceptions, restrictions on their ability to declare or pay dividends, repay certain other indebtedness, create liens, incur additional indebtedness, make investments, dispose of assets and merge or consolidate with other persons. Also, under certain circumstances in connection with a "change of control" of Level 3 Parent, LLC or Level 3 Financing, Level 3 Financing will be required to make an offer to repurchase each series of its outstanding senior notes at a price of 101% of the principal amount redeemed, plus accrued and unpaid interest.

Qwest Companies

The senior notes of Qwest Corporation were issued under indentures dated April 15, 1990 and October 15, 1999. These indentures contain restrictions on the incurrence of liens and the consummation of certain transactions substantially similar to the above-described covenants in the indentures governing Lumen's senior unsecured notes (but contain no mandatory repurchase provisions). The senior notes of Qwest Capital Funding, Inc. were issued under an indenture dated June 29, 1998 containing terms substantially similar to those set forth in Qwest Corporation's indentures.

Impact of Covenants

The debt covenants applicable to Lumen Technologies, Inc. and its subsidiaries could have a material adverse impact on their ability to operate or expand their respective businesses, to pursue strategic transactions, or to otherwise pursue their plans and strategies. The covenants of the Level 3 companies may significantly restrict the ability of Lumen Technologies, Inc. to receive cash from the Level 3 companies, to distribute cash from the Level 3 companies to other of Lumen's affiliated entities, or to enter into other transactions among Lumen's wholly-owned entities.

Certain of the debt instruments of Lumen Technologies, Inc. and its subsidiaries contain cross payment default or cross acceleration provisions. When present, these provisions could have a wider impact on liquidity than might otherwise arise from a default or acceleration of a single debt instrument.

The ability of Lumen Technologies, Inc. and its subsidiaries to comply with the financial covenants in their respective debt instruments could be adversely impacted by a wide variety of events, including unforeseen contingencies, many of which are beyond their control.

Compliance

As of December 31, 2024, Lumen Technologies believes it and its subsidiaries were in compliance with the provisions and financial covenants in their respective material debt agreements in all material respects.

Guarantees

Lumen does not guarantee the debt of any unaffiliated parties, but, as noted above, as of December 31, 2024 certain of its key subsidiaries guaranteed (i) its debt outstanding under its superpriority credit agreements, its superpriority senior secured notes and its \$225 million letter of credit facility and (ii) the outstanding term loans or senior secured notes issued by certain other subsidiaries. As further noted above, several of the subsidiaries guaranteeing these obligations have pledged substantially all of their assets to secure certain of their respective guarantees.

Subsequent Events

As of February 15, 2025, (i) Lumen Technologies redeemed approximately \$132 million aggregate principal amount of its unsecured senior notes and (ii) Level 3 Financing redeemed approximately \$70 million aggregate principal amount of its unsecured senior notes, both in exchange for cash.

Note 8—Accounts Receivable

The following table presents details of our accounts receivable balances:

	As of December 31,	
	2024	2023
	(Dollars in millions)	
Trade and purchased receivables	\$ 1,181	1,181
Earned and unbilled receivables	63	165
Other	46	39
Total accounts receivable	1,290	1,385
Less: allowance for credit losses	(59)	(67)
Accounts receivable, less allowance	\$ 1,231	1,318

We are exposed to concentrations of credit risk from our customers. We generally do not require collateral to secure our receivable balances. We have agreements with other communications service providers whereby we agree to bill and collect on their behalf for services rendered by those providers to our customers within our local service area. We purchase accounts receivable from other communications service providers primarily on a recourse basis and include these amounts in our accounts receivable balance. We have not experienced any significant loss associated with these purchased receivables.

Note 9—Property, Plant and Equipment

Net property, plant and equipment is composed of the following:

	Depreciable Lives	As of December 31,	
		2024	2023
(Dollars in millions)			
Land	N/A	\$ 630	646
Fiber, conduit and other outside plant ⁽¹⁾	15-45 years	17,348	15,217
Central office and other network electronics ⁽²⁾	3-10 years	16,616	15,741
Support assets ⁽³⁾	3-30 years	6,804	6,714
Construction in progress ⁽⁴⁾	N/A	2,144	2,758
Gross property, plant and equipment		43,542	41,076
Accumulated depreciation		(23,121)	(21,318)
Net property, plant and equipment		\$ 20,421	19,758

⁽¹⁾ Fiber, conduit and other outside plant consists of fiber and metallic cable, conduit, poles and other supporting structures.

⁽²⁾ Central office and other network electronics consists of circuit and packet switches, routers, transmission electronics and electronics providing service to customers.

⁽³⁾ Support assets consist of buildings, data centers, computers and other administrative and support equipment.

⁽⁴⁾ Construction in progress includes inventory held for construction and property of the aforementioned categories that has not been placed in service as it is still under construction.

During 2024, we initiated marketing of our Broomfield, Colorado office buildings to locate a buyer and have classified those buildings as held for sale, resulting in an impairment loss of \$80 million. During the second quarter of 2023, we donated our Monroe, Louisiana campus and leased back a portion thereof. This donation resulted in a \$101 million loss recognized for the year ended December 31, 2023.

We recorded depreciation expense of \$1.9 billion, \$1.9 billion and \$2.1 billion for the years ended December 31, 2024, 2023 and 2022, respectively.

Asset Retirement Obligations

As of December 31, 2024 and 2023, our asset retirement obligations balance was primarily related to estimated future costs of removing equipment from leased properties and estimated future costs of properly disposing of asbestos and other hazardous materials upon remodeling or demolishing buildings. Asset retirement obligations are included in other long-term liabilities on our consolidated balance sheets.

Our fair value estimates were determined using the discounted cash flow method.

The following table provides asset retirement obligation activity:

	Years Ended December 31,	
	2024	2023
(Dollars in millions)		
Balance at beginning of period	\$ 157	156
Accretion expense	12	6
Liabilities settled	(12)	(9)
Change in estimate	—	4
Balance at end of period	\$ 157	157

The changes in estimate referred to in the table above were offset against gross property, plant and equipment.

Note 10—Severance

Periodically, we reduce our workforce and accrue liabilities for the related severance costs. These workforce reductions result primarily from the progression or completion of our post-acquisition integration plans, increased competitive pressures, cost reduction initiatives, process improvements through automation and reduced workloads due to reduced demand for certain services.

During the fourth quarter of 2023 we reduced our global workforce by approximately 4% as part of our ongoing efforts to reorganize Lumen for growth by right-sizing our operations to improve our profitability. As a result of this plan, we incurred severance and related costs of approximately \$53 million.

During April 2024, we further reduced our workforce by approximately 6% as a part of our efforts to change our workforce composition to reflect our ongoing transformation and cost reduction opportunities that align with our shapeshifting and focus on our strategic priorities. As a result of this plan, we incurred severance and related costs of approximately \$103 million during the second quarter of 2024. We have not incurred, and do not expect to incur, any material impairment or exit costs related to either of these plans.

We report severance liabilities within accrued expenses and other liabilities - salaries and benefits in our consolidated balance sheets and report severance expenses in selling, general and administrative expenses in our consolidated statements of operations. As described in Note 17—Segment Information, we do not allocate these severance expenses to our segments.

Changes in our accrued liabilities for severance expenses were as follows:

	Years Ended December 31,	
	2024	2023
	(Dollars in millions)	
Balance at beginning of period	\$ 18	11
Accrued to expense	130	74
Payments, net	(136)	(67)
Balance at end of period	<u>\$ 12</u>	<u>18</u>

Note 11—Employee Benefits

Pension, Post-Retirement and Other Post-Employment Benefits

We sponsor various defined benefit pension plans (qualified and non-qualified) which, in the aggregate, cover a substantial portion of our employees. Pension benefits for participants of the Lumen Combined Pension Plan ("Combined Pension Plan") and, through the October 3, 2022 sale of the ILEC business, the Lumen Pension Plan, who are represented by a collective bargaining agreement are based on negotiated schedules. All other participants' pension benefits are based on each individual participant's years of service and compensation. We also maintain non-qualified pension plans for certain current and former highly compensated employees. We maintain post-retirement benefit plans that provide health care and life insurance benefits for certain eligible retirees. We also provide other post-employment benefits for certain eligible former employees. We use a December 31 measurement date for all our plans.

As of January 1, 2022, we spun off the Lumen Pension Plan from the Lumen Combined Pension Plan in anticipation of the sale of the ILEC business, as described further in Note 2—Divestitures of the Latin American, ILEC and EMEA Businesses. At the time of the spin-off, the Lumen Pension Plan covered approximately 2,500 active plan participants along with 19,000 other participants. At the time of the spin-off, the Lumen Pension Plan had a pension benefit obligation of \$2.5 billion and assets of \$2.2 billion. In addition, the December 31, 2021 actuarial (loss) gain and prior service cost included in accumulated other comprehensive loss was allocated between the Lumen Pension Plan and the Lumen Combined Pension Plan. Following a revaluation of the pension obligation and pension assets for the Lumen Pension Plan, in preparation for the closing of the sale of the ILEC business, we contributed approximately \$319 million of Lumen's cash to the Lumen Pension Plan trust to fully fund the pension plan in September 2022. The amounts allocated to the Lumen Pension Plan were subject to adjustment up to the closing of the sale of the ILEC business on October 3, 2022, at which time the plan was transferred along with the rest of the assets and liabilities of the ILEC business. We recognized pension costs related to both plans through the sale of the ILEC business, at which time balances related to the Lumen Pension Plan were reflected in the calculation of our gain on the sale of the business.

Pension Benefits

United States funding laws require a company with a pension shortfall to fund the annual cost of benefits earned in addition to a seven-year amortization of the shortfall. Our funding policy for our Combined Pension Plan is to make contributions with the objective of accumulating ample assets to pay all qualified pension benefits when due under the terms of the plan. The accounting unfunded status of the Combined Pension Plan was \$615 million and \$736 million as of December 31, 2024 and 2023, respectively.

We made a voluntary contribution of \$170 million to the trust for the Combined Pension Plan in 2024. We made no voluntary cash contributions to the Combined Pension Plan in 2023. As discussed above, we contributed approximately \$319 million of cash to the Lumen Pension Plan trust to fully fund the pension plan in September 2022 in preparation for the closing of the sale of the ILEC business. We paid \$4 million and \$5 million of benefits directly to participants of our non-qualified pension plans in 2024 and 2023, respectively.

Benefits paid by the Combined Pension Plan are paid through a trust that holds all of the Plan's assets. The amount of required contributions to the Combined Pension Plan in 2025 and beyond will depend on a variety of factors, most of which are beyond our control, including earnings on plan investments, prevailing interest rates, demographic experience, changes in plan benefits and changes in funding laws and regulations. Based on current laws and circumstances, we do not believe we are required to make any contributions to the Combined Pension Plan in 2025 and we do not expect to make voluntary contributions to the trust for the Combined Pension Plan in 2025. We estimate that in 2025 we will pay approximately \$4 million of benefits directly to participants of our non-qualified pension plans.

We recognize in our consolidated balance sheets the funded status of the legacy Level 3 Parent, LLC qualified defined benefit post-retirement plan. This plan was fully funded as of December 31, 2024 and 2023. Additionally, as previously mentioned, we sponsor unfunded non-qualified pension plans for certain current and former highly-compensated employees. The net unfunded status of our non-qualified pension plans was \$30 million and \$33 million for the years ended December 31, 2024 and 2023, respectively. Due to the insignificant impact of these pension plans on our consolidated financial statements, we have predominantly excluded them from the remaining employee benefit disclosures in this Note, unless otherwise specifically stated.

Post-Retirement Benefits

Our post-retirement benefit plans provide post-retirement benefits to qualified retirees and allow certain participants to receive benefits at no or reduced cost and other participants to receive benefits on a shared cost basis. The post-retirement benefits not paid by the trusts are funded by us and we expect to continue funding these post-retirement obligations as benefits are paid. The accounting unfunded status of our qualified post-retirement benefit plan was \$1.7 billion and \$1.9 billion as of December 31, 2024 and 2023, respectively.

Assets in the post-retirement trusts were substantially depleted as of December 31, 2016; as of December 31, 2019 the Company ceased to pay certain post-retirement benefits through the trusts. No contributions were made to the post-retirement trusts in 2024, nor 2023. Benefits are paid directly by us with available cash. In 2024, we paid \$185 million of post-retirement benefits, net of participant contributions and direct subsidies. In 2025, we currently expect to pay directly \$186 million of post-retirement benefits, net of participant contributions and direct subsidies.

We anticipate our expected health care cost trend to range from 6.20% to 7.90% in 2025 and grading to 4.50% by 2031. Our post-retirement benefit cost, for certain eligible legacy Qwest retirees and certain eligible legacy CenturyLink retirees, is capped at a set dollar amount. Therefore, those health care benefit obligations are not subject to increasing health care trends after the effective date of the caps.

Expected Cash Flows

The Combined Pension Plan payments, post-retirement health care benefit payments and premiums, and life insurance premium payments are either distributed from plan assets or paid by us. The estimated benefit payments provided below are based on actuarial assumptions using the demographics of the employee and retiree populations and have been reduced by estimated participant contributions.

	Combined Pension Plan	Post-Retirement Benefit Plans	Medicare Part D Subsidy Receipts
	(Dollars in millions)		
Estimated future benefit payments:			
2025	\$ 569	188	(2)
2026	490	184	(2)
2027	473	180	(2)
2028	450	173	(2)
2029	433	166	(1)
2030 - 2034	1,899	720	(5)

Net Periodic Benefit Expense

We utilize a full yield curve approach in connection with estimating the service and interest components of net periodic benefit expense by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flow.

The actuarial assumptions used to compute the net periodic benefit expense for our Combined Pension Plan and post-retirement benefit plans are based upon information available as of the beginning of the year, as presented in the following table.

	Combined Pension Plan			Post-Retirement Benefit Plans		
	2024	2023	2022	2024	2023	2022
Actuarial assumptions at beginning of year:						
Discount rate	5.16% - 5.35%	5.45% - 5.69%	2.29% - 3.12%	5.17% - 5.42%	5.43% - 5.75%	2.19% - 5.78%
Rate of compensation increase	3.25 %	3.25 %	3.25 %	N/A	N/A	N/A
Expected long-term rate of return on plan assets ⁽¹⁾	6.50 %	6.50 %	5.50 %	3.00 %	3.00 %	4.00 %
Initial health care cost trend rate	N/A	N/A	N/A	7.50% / 5.40%	7.20% / 5.00%	5.00% / 5.75%
Ultimate health care cost trend rate	N/A	N/A	N/A	4.50 %	4.50 %	4.50 %
Year ultimate trend rate is reached	N/A	N/A	N/A	2031	2030	2025

N/A - Not applicable

⁽¹⁾ Rates are presented net of projected fees and administrative costs.

Prior to the sale of the ILEC business on October 3, 2022, we realized pension costs related to the Lumen Pension Plan. Net periodic benefit expense for our Combined Pension Plan and the Lumen Pension Plan (through October 3, 2022, together the "Pension Plans") includes the following components:

	Pension Plans Years Ended December 31,		
	2024	2023	2022
	(Dollars in millions)		
Service cost	\$ 24	25	44
Interest cost	251	270	194
Expected return on plan assets	(272)	(287)	(385)
Realized to gain on sale of businesses	—	—	546
Special termination benefits charge	—	2	—
Recognition of prior service credit	(7)	(7)	(10)
Recognition of actuarial loss	108	104	122
Net periodic pension expense	<u>\$ 104</u>	<u>107</u>	<u>511</u>

Net periodic benefit expense for our post-retirement benefit plans includes the following components:

	Post-Retirement Plans Years Ended December 31,		
	2024	2023	2022
	(Dollars in millions)		
Service cost	\$ 4	5	10
Interest cost	94	103	72
Realized to gain on sale of businesses	—	—	(32)
Recognition of prior service cost	(8)	(8)	8
Recognition of actuarial loss	(17)	(20)	(4)
Special termination benefits	2	—	—
Net periodic post-retirement benefit expense	<u>\$ 75</u>	<u>80</u>	<u>54</u>

Service costs for our Combined Pension Plan and post-retirement benefit plans are included in the cost of services and products and selling, general and administrative line items on our consolidated statements of operations and all other costs listed above, except for amounts realized as part of the net gain on sale of businesses, are included in other income (expense), net on our consolidated statements of operations for the years ended December 31, 2024, 2023 and 2022. Additionally, a portion of the service cost is also allocated to certain assets under construction, which are capitalized and reflected as part of property, plant and equipment in our consolidated balance sheets. As a result of ongoing efforts to reduce our workforce, we recognized a one-time charge in our net periodic post-retirement benefit expense in 2024 of \$2 million and in our net periodic pension expense in 2023 of \$2 million, both for special termination benefit enhancements paid to certain eligible employees upon voluntary retirement.

Our pension plan contains provisions that allow us, from time to time, to offer lump sum payment options to certain former employees in settlement of their future retirement benefits. We record an accounting settlement charge, consisting of the recognition of certain deferred costs of the pension plan associated with these lump sum payments only if, in the aggregate, they exceed or are probable to exceed the sum of the annual service and interest costs for the plan's net periodic pension benefit cost, which represents the settlement accounting threshold. As of December 31, 2024, the settlement threshold was not reached. In the event of workforce reductions in the future, the annual lump sum payments may trigger settlement accounting.

Benefit Obligations

The actuarial assumptions used to compute the funded status for the plans are based upon information available as of December 31, 2024 and 2023 and are as follows:

	Combined Pension Plan As of December 31,		Post-Retirement Benefit Plans As of December 31,	
	2024	2023	2024	2023
Actuarial assumptions at end of year:				
Discount rate	5.62 %	5.21 %	5.60 %	5.20 %
Rate of compensation increase	3.25 %	3.25 %	N/A	N/A
Initial health care cost trend rate	N/A	N/A	7.90% / 6.20%	7.50% / 5.40%
Ultimate health care cost trend rate	N/A	N/A	4.50 %	4.50 %
Year ultimate trend rate is reached	N/A	N/A	2031	2031

N/A - Not applicable

The Society of Actuaries did not release any revised mortality tables or projection scales in 2024, 2023, or 2022.

The short-term and long-term interest crediting rates during 2024 for cash balance components of the Combined Pension Plan were 4.3% and 3.5%, respectively.

The following tables summarize the change in the benefit obligations for the Combined Pension Plan and post-retirement benefit plans:

	Combined Pension Plan Years Ended December 31,		
	2024	2023	2022
	(Dollars in millions)		
Change in benefit obligation:			
Benefit obligation at beginning of year	\$ 5,212	5,295	9,678
Plan spin-off	—	—	(2,552)
Service cost	24	25	37
Interest cost	251	270	154
Special termination benefits charge	—	2	—
Actuarial (gain) loss	(119)	114	(1,432)
Benefits paid from plan assets	(552)	(494)	(590)
Benefit obligation at end of year	<u>\$ 4,816</u>	<u>5,212</u>	<u>5,295</u>

	Post-Retirement Benefit Plans Years Ended December 31,		
	2024	2023	2022
	(Dollars in millions)		
Change in benefit obligation			
Benefit obligation at beginning of year	\$ 1,919	1,995	2,781
Benefit obligation transferred to purchaser upon sale of business	—	—	(26)
Service cost	4	5	10
Interest cost	94	103	72
Participant contributions	27	32	37
Direct subsidy receipts	2	2	2
Plan amendments	—	—	(41)
Actuarial (gain) loss	(84)	14	(591)
Benefits paid by company	(214)	(228)	(249)
Benefits paid from plan assets	—	(4)	—
Special termination benefits charge	2	—	—
Benefit obligation at end of year	<u>\$ 1,750</u>	<u>1,919</u>	<u>1,995</u>

Plan Assets

We maintain plan assets for our Combined Pension Plan and certain post-retirement benefit plans. As previously noted, assets in the post-retirement benefit plan trusts were substantially depleted as of December 31, 2016. The fair value of post-retirement benefit plan assets was \$1 million, \$1 million and \$5 million at December 31, 2024, 2023 and 2022, respectively. Due to the insignificance of these assets on our consolidated financial statements, we have predominantly excluded them from the disclosures of plan assets in this Note, unless otherwise indicated.

The following table summarizes the change in the fair value of plan assets for the Combined Pension Plan:

	Combined Pension Plan Years Ended December 31,		
	2024	2023	2022
	(Dollars in millions)		
Change in plan assets			
Fair value of plan assets at beginning of year	\$ 4,476	4,715	8,531
Plan spin-off	—	—	(2,239)
Return on plan assets	107	255	(987)
Benefits paid from plan assets	(552)	(494)	(590)
Contributions	170	—	—
Fair value of plan assets at end of year	<u>\$ 4,201</u>	<u>4,476</u>	<u>4,715</u>

The expected rate of return on plan assets is the long-term rate of return we expect to earn on the plan's assets, net of administrative expenses paid from plan assets. It is determined annually based on the strategic asset allocation and the long-term risk and return forecast for each asset class.

Our investment objective for the Combined Pension Plan assets is to achieve an attractive risk-adjusted return over time that will provide for the payment of benefits while minimizing the risk of large losses in funded status. We employ a liability-aware investment strategy designed to reduce the volatility of pension assets relative to pension liabilities. This strategy is evaluated frequently and is expected to evolve over time with changes in the funded status and other factors. Approximately 40% of plan assets is targeted to long-duration investment grade bonds and interest rate sensitive derivatives and 60% is targeted to diversified equity, fixed income and private market investments that are expected to outperform the liability with moderate funded status risk. At the beginning of 2025, our expected annual long-term rate of return on pension assets before consideration of administrative expenses is assumed to be 7.0%. Administrative expenses, including projected PBGC (Pension Benefit Guaranty Corporation) premiums, reduce the annual long-term expected return, net of administrative expenses, to 6.5%.

Permitted investments: Plan assets are managed consistent with the restrictions set forth by ERISA (the Employee Retirement Income Security Act of 1974, as amended).

Fair Value Measurements: Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent and knowledgeable parties who are willing and able to transact for an asset or liability at the measurement date. We use valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs when determining fair value and then we rank the estimated values based on the reliability of the inputs used following the fair value hierarchy set forth by the FASB. For additional information on the fair value hierarchy, see Note 14—Fair Value of Financial Instruments.

At December 31, 2024, we used the following valuation techniques to measure fair value for assets. There were no changes to these methodologies during 2024:

- Level 1—Assets were valued using the closing price reported in the active market in which the individual security was traded. U.S. Treasury securities are valued at the bid price reported in an active market in which the security is traded. Variation margin due from/(to) brokers is valued at the expected next day cash settlement amount.
- Level 2—Assets were valued using quoted prices in markets that are not active, broker dealer quotations, and other methods by which all significant inputs were observable at the measurement date. Fixed income securities primarily utilize observable market information and are based on a spread to U.S. Treasury securities and consider yields available on comparable securities of issuers with similar credit ratings, the new issue market for similar securities, secondary trading markets and dealer quotes. Option adjusted spread models are utilized to evaluate fixed income securities that have early redemption features. Derivative securities traded over the counter are valued based on gains or losses due to fluctuations in indices, interest rates, foreign currency exchange rates, security prices or other underlying factors. Repurchase agreements are valued based on expected settlement per the contract terms.
- Level 3—Assets were valued using unobservable inputs in which little or no market data exists as reported by the respective institutions at the measurement date. Valuation methods may consider a range of factors, including estimates based on the assumptions of the investment entity.

The Combined Pension Plan's assets are invested in various asset categories utilizing multiple strategies and investment managers. Interests in commingled funds are fair valued using a practical expedient to the net asset value ("NAV") per unit (or its equivalent) of each fund. The NAV reported by the fund manager is based on the market value of the underlying investments owned by each fund, minus its liabilities, divided by the number of shares outstanding. Commingled funds can be redeemed at NAV, with a frequency that includes daily, monthly, quarterly, semi-annually and annually. These commingled funds include redemption notice periods between same day and 180 days. Investments in private funds, primarily limited partnerships, represent long-term commitments with a fixed maturity date and are also valued at NAV. The plan has unfunded commitments related to certain private fund investments, which in aggregate are not material to the plan. Valuation inputs for these private fund interests are generally based on assumptions and other information not observable in the market. Underlying investments held in funds are aggregated and are classified based on the fund mandate. Investments held in separate accounts are individually classified.

The table below presents the fair value of plan assets by category and the input levels used to determine those fair values at December 31, 2024. It is important to note that the asset allocations do not include market exposures that are gained with derivatives. Investments include dividend and interest receivables, pending trades and accrued expenses.

Fair Value of Combined Pension Plan Assets As of December 31, 2024				
	Level 1	Level 2	Level 3	Total
(Dollars in millions)				
Assets				
Investment grade bonds (a)	\$ 372	1,391	—	1,763
High yield bonds (b)	—	26	4	30
Emerging market bonds (c)	70	34	—	104
U.S. stocks (d)	260	2	1	263
Non-U.S. stocks (e)	14	—	1	15
Cash equivalents and short-term investments (o)	6	2	—	8
Total investments, excluding investments valued at NAV	\$ 722	1,455	6	2,183
Other receivables				27
Investments valued at NAV				2,359
Liabilities				
Repurchase agreements & other obligations (n)	\$ —	(361)	—	(361)
Derivatives (m)	(1)	(6)	—	(7)
Total pension plan assets				\$ 4,201

The table below presents the fair value of plan assets by category and the input levels used to determine those fair values at December 31, 2023. It is important to note that the asset allocations do not include market exposures that are gained with derivatives. Investments include dividend and interest receivable, pending trades and accrued expenses.

Fair Value of Combined Pension Plan Assets As of December 31, 2023				
	Level 1	Level 2	Level 3	Total
(Dollars in millions)				
Assets				
Investment grade bonds (a)	\$ 390	1,838	—	2,228
High yield bonds (b)	—	32	4	36
Emerging market bonds (c)	57	57	—	114
U.S. stocks (d)	247	—	1	248
Non-U.S. stocks (e)	6	—	—	6
Multi-asset strategies (l)	28	—	—	28
Total investments, excluding investments valued at NAV	\$ 728	1,927	5	2,660
Investments valued at NAV				2,192
Liabilities				
Repurchase agreements (n)	\$ —	(375)	—	(375)
Derivatives (m)	(1)	—	—	(1)
Total pension plan assets				\$ 4,476

The table below presents the fair value of plan assets valued at NAV by category for our Combined Pension Plan at December 31, 2024 and 2023.

	Fair Value of Plan Assets Valued at NAV	
	Combined Pension Plan	
	As of December 31,	
	2024	2023
	(Dollars in millions)	
Investment grade bonds (a)	\$ 72	105
High yield bonds (b)	340	110
Emerging market bonds (c)	69	—
U.S. stocks (d)	6	51
Non-U.S. stocks (e)	529	412
Emerging market stocks (f)	4	10
Private equity (g)	253	272
Private debt (h)	398	421
Market neutral hedge funds (i)	85	77
Directional hedge funds (j)	108	124
Real estate (k)	218	265
Multi-asset strategies (l)	—	27
Cash equivalents and short-term investments (o)	277	318
Total investments valued at NAV	\$ 2,359	2,192

Below is an overview of the asset categories and the underlying strategies used in the preceding tables:

- (a) *Investment grade bonds* represent investments in U.S. Treasury securities, agencies, corporate bonds, mortgage-backed securities, asset-backed securities and commercial mortgage-backed securities.
- (b) *High yield bonds* represent investments in below investment grade fixed income securities.
- (c) *Emerging market bonds* represent investments issued by governments and other entities located in emerging countries.
- (d) *U.S. stocks* represent investments in stocks of U.S. based companies.
- (e) *Non-U.S. stocks* represent investments in companies based in developed countries outside the U.S.
- (f) *Emerging market stocks* represent investments in stocks of companies located in emerging markets.
- (g) *Private equity* represents non-public investments in domestic and foreign buyout and venture capital funds. Private equity funds are primarily structured as limited partnerships and are valued according to the valuation policy of each partnership, subject to prevailing accounting and other regulatory guidelines.
- (h) *Private debt* represents non-public investments in performing and distressed credits.
- (i) *Market neutral hedge funds* hold investments in a diversified mix of instruments that are intended in combination to exhibit low correlations to market fluctuations. These investments are typically combined with futures to achieve uncorrelated excess returns over various markets.
- (j) *Directional hedge funds* represent investments that may exhibit somewhat higher correlations to market fluctuations than the market neutral hedge funds.
- (k) *Real estate* represents investments in a diversified portfolio of real estate properties.

- (l) *Multi-asset strategies* represent broadly diversified strategies that have the flexibility to tactically adjust exposures to different asset classes through time.
- (m) *Derivatives* include exchange traded futures contracts as well as privately negotiated over the counter contracts. The market values represent gains or losses that occur due to differences between stated contract terms and fluctuations in underlying market instruments.
- (n) *Repurchase agreements and other obligations* includes contracts where the security owner sells a security with the agreement to buy it back at a future date and price. Other obligations include obligations to repay cash collateral held by a plan, net liability for investment purchases pending settlement, and accrued plan expenses.
- (o) *Cash equivalents and short-term investments* represent investments that are used in conjunction with derivatives positions or are used to provide liquidity for the payment of benefits or other purposes.

Derivative instruments: Derivative instruments are used to reduce risk as well as provide return. The gross notional exposure of the derivative instruments directly held by the Combined Pension Plan is shown below. The notional amount of the derivatives corresponds to market exposure but does not represent an actual cash investment.

	Gross Notional Exposure	
	Combined Pension Plan	
	Years Ended December 31,	
	2024	2023
	(Dollars in millions)	
Derivative instruments:		
Exchange-traded U.S. equity futures	\$ 212	60
Exchange-traded Treasury and other interest rate futures	795	1,136
Exchange-traded Foreign currency futures	—	1
Interest rate swaps	149	214
Credit default swaps	124	72
Index swaps	701	94
Foreign exchange forwards	47	57
Options	15	32

Concentrations of Risk: Investments, in general, are exposed to various risks, such as significant world events, interest rate, credit, foreign currency and overall market volatility risk. These risks are managed by broadly diversifying assets across numerous asset classes and strategies with differing expected returns, volatilities and correlations. Risk is also broadly diversified across numerous market sectors and individual companies. Financial instruments that potentially subject the plans to concentrations of counterparty risk consist principally of investment contracts with high quality financial institutions. These investment contracts are typically collateralized obligations and/or are actively managed, limiting the amount of counterparty exposure to any one financial institution. Although the investments are well diversified, the value of plan assets could change materially depending upon the overall market volatility, which could affect the funded status of the plan.

The table below presents a rollforward of the Combined Pension Plan assets valued using Level 3 inputs:

	Combined Pension Plan Assets Valued Using Level 3 Inputs			
	High Yield Bonds	U.S. Stocks	Non-U.S. Stocks	Total
	(Dollars in millions)			
Balance at December 31, 2022	\$ 4	1	—	5
Dispositions	(2)	—	—	(2)
Actual return on plan assets	2	—	—	2
Balance at December 31, 2023	4	1	—	5
Acquisition	—	—	1	1
Actual return on plan assets	—	—	—	—
Balance at December 31, 2024	\$ 4	1	1	6

Certain gains and losses are allocated between assets sold during the year and assets still held at year-end based on transactions and changes in valuations that occurred during the year. These allocations also impact our calculation of net acquisitions and dispositions.

For the year ended December 31, 2024, the investment program produced actual gains on Combined Pension Plan assets of \$107 million as compared to expected returns of \$272 million, for a difference of \$165 million. For the year ended December 31, 2023, the investment program produced actual gains on Combined Pension Plan assets of \$255 million as compared to the expected returns of \$287 million, for a difference of \$32 million. The short-term annual returns on plan assets will almost always be different from the expected long-term returns and the plans could experience net gains or losses, due primarily to the volatility occurring in the financial markets during any given year.

Unfunded Status

The following table presents the unfunded status of the Combined Pension Plan and post-retirement benefit plans:

	Combined Pension Plan		Post-Retirement Benefit Plans	
	Years Ended December 31,		Years Ended December 31,	
	2024	2023	2024	2023
	(Dollars in millions)			
Benefit obligation	\$ (4,816)	(5,212)	(1,750)	(1,919)
Fair value of plan assets	4,201	4,476	1	1
Unfunded status	(615)	(736)	(1,749)	(1,918)
Current portion of unfunded status	—	—	(186)	(193)
Non-current portion of unfunded status	\$ (615)	(736)	(1,563)	(1,725)

The current portion of our post-retirement benefit obligations is recorded on our consolidated balance sheets in accrued expenses and other current liabilities-salaries and benefits.

Accumulated Other Comprehensive Loss-Recognition and Deferrals

The following table presents cumulative items not recognized as a component of net periodic benefits expense as of December 31, 2023, items recognized as a component of net periodic benefits expense in 2024, additional items deferred during 2024 and cumulative items not recognized as a component of net periodic benefits expense as of December 31, 2024. The items not recognized as a component of net periodic benefits expense have been recorded on our consolidated balance sheets in accumulated other comprehensive loss:

	As of and for the Years Ended December 31,				
	2023	Recognition of Net Periodic Benefits Expense	Deferrals	Net Change in AOCL	2024
	(Dollars in millions)				
Accumulated other comprehensive (loss) income					
Pension plans:					
Net actuarial (loss) gain	\$ (1,819)	108	(48)	60	(1,759)
Settlement charge	383	—	—	—	383
Prior service benefit (cost)	10	(7)	—	(7)	3
Deferred income tax benefit (expense)	381	(25)	14	(11)	370
Total pension plans	(1,045)	76	(34)	42	(1,003)
Post-retirement benefit plans:					
Net actuarial gain (loss)	337	(17)	84	67	404
Prior service benefit (cost)	29	(8)	—	(8)	21
Curtailment loss	4	—	—	—	4
Deferred income tax (expense) benefit	(94)	6	(21)	(15)	(109)
Total post-retirement benefit plans	276	(19)	63	44	320
Total accumulated other comprehensive (loss) income	\$ (769)	57	29	86	(683)

The following table presents cumulative items not recognized as a component of net periodic benefits expense as of December 31, 2022, items recognized as a component of net periodic benefits expense in 2023, additional items deferred during 2023 and cumulative items not recognized as a component of net periodic benefits expense as of December 31, 2023. The items not recognized as a component of net periodic benefits expense have been recorded on our consolidated balance sheets in accumulated other comprehensive loss:

As of and for the Years Ended December 31,					
	2022	Recognition of Net Periodic Benefits Expense	Deferrals	Net Change in AOCL	2023
	(Dollars in millions)				
Accumulated other comprehensive (loss) income					
Pension plans:					
Net actuarial (loss) gain	\$ (1,752)	80	(147)	(67)	(1,819)
Settlement charge	383	—	—	—	383
Prior service benefit (cost)	17	(7)	—	(7)	10
Deferred income tax benefit (expense)	367	(23)	37	14	381
Total pension plans	(985)	50	(110)	(60)	(1,045)
Post-retirement benefit plans:					
Net actuarial gain (loss)	371	(20)	(14)	(34)	337
Prior service benefit (cost)	37	(8)	—	(8)	29
Curtailement loss	4	—	—	—	4
Deferred income tax (expense) benefit	(104)	7	3	10	(94)
Total post-retirement benefit plans	308	(21)	(11)	(32)	276
Total accumulated other comprehensive (loss) income	\$ (677)	29	(121)	(92)	(769)

Medicare Prescription Drug, Improvement and Modernization Act of 2003

We sponsor post-retirement health care plans with several benefit options that provide prescription drug benefits that we deem actuarially equivalent to or exceeding Medicare Part D. We recognize the impact of the federal subsidy received under the Medicare Prescription Drug, Improvement and Modernization Act of 2003 in the calculation of our post-retirement benefit obligation and net periodic post-retirement benefit expense.

Other Benefit Plans

Health Care and Life Insurance

We provide health care and life insurance benefits to essentially all of our active employees. We are largely self-funded for the cost of the health care plan. Our health care benefit expense for current employees was \$281 million, \$288 million and \$296 million for the years ended December 31, 2024, 2023 and 2022, respectively. Union-represented employee benefits are based on negotiated collective bargaining agreements. Employees contributed \$79 million, \$89 million, \$101 million for the years ended December 31, 2024, 2023 and 2022, respectively. Our group basic life insurance plans are fully insured and the premiums are paid by us.

401(k) Plans

We sponsor a qualified defined contribution plan covering substantially all of our U.S. employees. Under this plan, employees may contribute a percentage of their annual compensation up to certain maximums, as defined by the plan and by the Internal Revenue Service. Currently, we match a percentage of employee contributions in cash. At December 31, 2024 and 2023, the assets of the plan included approximately 8 million and 9 million shares of our common stock, all of which were the result of the combination of previous employer match and participant directed contributions. We recognized expenses related to this plan of \$82 million, \$87 million and \$91 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Deferred Compensation Plans

We sponsor non-qualified deferred compensation plans for various groups that included certain of our current and former highly compensated employees. The value of liabilities related to these plans was not significant.

Note 12—Stock-based Compensation

We maintain an equity incentive program that allows our Board of Directors (through its Human Resources and Compensation Committee or a senior officer acting under delegated authority) to grant incentives to certain employees and outside directors in one or more forms, including: incentive and non-qualified stock options, stock appreciation rights, restricted stock awards, restricted stock units and market and other equity-based awards.

Restricted Stock Awards and Restricted Stock Unit Awards

We grant equity based restricted stock and restricted stock units that contain service only conditions for vesting (“Service Awards”), awards that contain both service and market conditions for vesting (“Market Awards”) and awards that contain both service and performance conditions for vesting (“Performance Awards”). The fair value of Service Awards is based upon the closing stock price on the accounting grant date and the awards generally vest over periods ranging from one to four years. The fair value of Market Awards is determined using Monte-Carlo simulations and the awards vest over periods up to three years. The number of shares ultimately earned for Market Awards is typically based upon our total shareholder return as compared to the return of selected peer companies and can range between 0% and 200% of the target number of shares for the award. The fair value of Performance Awards is based upon the closing stock price on the accounting grant date; however, the award value may increase, or decrease based upon the extent to which the performance conditions are satisfied. Performance Awards vest over periods of up to three-years and specify a target number of shares for the award. The recipient ultimately can receive between 0% and 200% of the target number of shares depending upon the extent to which the performance conditions are satisfied. All stock awards granted in 2024 were subject to service vesting conditions only.

The following table summarizes activity involving restricted stock and restricted stock unit awards for the year ended December 31, 2024:

	Number of Shares (in thousands)	Weighted- Average Grant Date Fair Value
Non-vested at December 31, 2023	28,052	\$ 6.82
Granted	14,274	1.69
Vested	(8,579)	6.70
Forfeited	(5,587)	12.25
Non-vested at December 31, 2024	<u>28,160</u>	<u>3.18</u>

During 2024, we granted 14.3 million shares of restricted stock and restricted stock unit awards at a weighted-average price of \$1.69. During 2023, we granted 14.8 million shares of restricted stock and restricted stock unit awards at a weighted-average price of \$1.85. During 2022, we granted 18.8 million shares of restricted stock and restricted stock unit awards at a weighted-average price of \$11.47. The total fair value of restricted stock and restricted stock unit awards that vested during 2024, 2023 and 2022, was \$27 million, \$21 million and \$98 million, respectively. We do not estimate forfeitures but recognize them as they occur.

Compensation Expense and Tax Benefit

For Service Awards that vest ratably over the service period, we recognize compensation expense on a straight-line basis over the requisite service period for the entire award. For Service Awards that vest at the end of the service period and for Market Awards, we recognize compensation expense over the service period. For our Performance Awards, we recognize compensation expense over the service period and based upon the expected performance outcome, until the final performance outcome is determined. Total compensation expense for all stock-based payment arrangements for the years ended December 31, 2024, 2023 and 2022, was \$29 million, \$52 million and \$98 million, respectively. Our tax benefit recognized in the consolidated statements of operations for our stock-based payment arrangements for the years ended December 31, 2024, 2023 and 2022, was \$7 million, \$12 million and \$25 million, respectively. At December 31, 2024, there was \$28 million of total unrecognized compensation expense related to our stock-based payment arrangements, which we expect to recognize over a weighted-average period of 1.4 years.

Note 13—Loss Per Common Share

Basic and diluted loss per common share for the years ended December 31, 2024, 2023 and 2022 were calculated as follows:

	Years Ended December 31,		
	2024	2023	2022
	(Dollars in millions, except per share amounts, shares in thousands)		
Loss (numerator)			
Net loss	\$ (55)	(10,298)	(1,548)
Net loss applicable to common stock for computing basic loss per common share	(55)	(10,298)	(1,548)
Net loss as adjusted for purposes of computing diluted loss per common share	\$ (55)	(10,298)	(1,548)
Shares (denominator):			
Weighted-average number of shares:			
Outstanding during period	1,014,554	1,006,787	1,028,069
Non-vested restricted stock	(26,874)	(23,706)	(20,552)
Weighted average shares outstanding for computing basic loss per common share	987,680	983,081	1,007,517
Incremental common shares attributable to dilutive securities:			
Shares issuable under convertible securities	—	—	—
Shares issuable under incentive compensation plans	—	—	—
Number of shares as adjusted for purposes of computing diluted loss per common share	987,680	983,081	1,007,517
Basic loss per common share	\$ (0.06)	(10.48)	(1.54)
Diluted loss per common share ⁽¹⁾	\$ (0.06)	(10.48)	(1.54)

⁽¹⁾ For the years ended December 31, 2024, December 31, 2023, and December 31, 2022, we excluded from the calculation of diluted loss per share 7.3 million shares, 0.3 million shares and 3.8 million shares, respectively, potentially issuable under incentive compensation plans or convertible securities, as their effect, if included, would have been anti-dilutive due to our net loss position.

Our calculation of diluted loss per common share excludes non-vested restricted stock awards that are anti-dilutive based upon the terms of the award and due to the lower stock price resulting in more assumed repurchases and greater antidilution. Such shares were 16.0 million, 22.5 million and 13.8 million for 2024, 2023 and 2022, respectively.

Note 14—Fair Value of Financial Instruments

Our financial instruments consist of cash, cash equivalents, restricted cash, accounts receivable, accounts payable, long-term debt (excluding finance lease and other obligations), interest rate swap contracts, certain equity investments and certain indemnification obligations. Due primarily to their short-term nature, the carrying amounts of our cash, cash equivalents, restricted cash, accounts receivable and accounts payable approximate their fair values.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent and knowledgeable parties who are willing and able to transact for an asset or liability at the measurement date. We use valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs when determining fair value and then we rank the estimated values based on the reliability of the inputs using the below-described fair value hierarchy.

We determined the fair values of our long-term debt, including the current portion, based on quoted market prices where available or, if not available, based on inputs other than quoted market prices in active markets that are either directly or indirectly observable such as discounted future cash flows using current market interest rates.

The three input levels in the hierarchy of fair value measurements are defined by the FASB generally as follows:

Input Level	Description of Input
Level 1	Observable inputs such as quoted market prices in active markets.
Level 2	Inputs other than quoted prices in active markets that are either directly or indirectly observable.
Level 3	Unobservable inputs in which little or no market data exists.

The following table presents the carrying amounts and estimated fair values of our following financial assets and liabilities as of December 31, 2024 and 2023, as well as the input level used to determine the fair values indicated below:

	Input Level	As of December 31, 2024		As of December 31, 2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
(Dollars in millions)					
Long-term debt, excluding finance lease and other obligations	2	\$ 17,652	17,127	19,703	13,304
Indemnifications related to the sale of the Latin American business ⁽¹⁾	3	87	84	86	86

⁽¹⁾ Non-recurring fair value recorded in connection with the sale of our Latin American business was measured as of August 1, 2022. See Note 2—Divestitures of the Latin American, ILEC and EMEA Businesses for further details.

Note 15—Derivative Financial Instruments

From time to time, we use derivative financial instruments, primarily interest rate swaps, to manage our exposure to fluctuations in interest rates. Our primary objective in managing interest rate risk is to decrease the volatility of our earnings and cash flows affected by changes in the underlying rates. We have floating rate long-term debt (see Note 7—Long-Term Debt and Credit Facilities). These obligations expose us to variability in interest payments due to changes in interest rates. If interest rates increase, our interest expense increases. Conversely, if interest rates decrease, our interest expense also decreases. Through their expiration on June 30, 2022, we designated the interest rate swap agreements described below as cash flow hedges. Under these hedges, we received variable-rate amounts from a counterparty in exchange for us making fixed-rate payments over the lives of the agreements without exchange of the underlying notional amount. The change in the fair value of the interest rate swap agreements was reflected in accumulated other comprehensive loss and was subsequently reclassified into earnings in the period that the hedged transaction affected earnings by virtue of qualifying as effective cash flow hedges. We do not use derivative financial instruments for speculative purposes.

In 2019, we entered into variable-to-fixed interest rate swap agreements to hedge the interest on \$4.0 billion notional amount of floating rate debt. All such hedges were expired as of December 31, 2022.

Amounts accumulated in accumulated other comprehensive loss related to derivatives were indirectly recognized in earnings as periodic settlement payments were made throughout the term of the swaps.

The amount of realized losses reclassified from accumulated other comprehensive loss to the statement of operations consists of the following (in millions):

Derivatives designated as hedging instruments

Cash flow hedging contracts	
Year Ended December 31, 2022	\$ 22

For the year ended December 31, 2022, amounts included in accumulated other comprehensive loss at the beginning of the period were reclassified into earnings upon the settlement of the cash flow hedging contracts on March 31, 2022 and June 30, 2022. During the year ended December 31, 2022, \$19 million of net losses on the interest rate swaps have been reflected in our consolidated statements of operations upon settlement of the agreements in the first half of 2022.

Note 16—Income Taxes

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

	Years Ended December 31,		
	2024	2023	2022
	(Dollars in millions)		
Income tax (benefit) expense:			
Federal			
Current	\$ 87	7	838
Deferred	(251)	(2)	(332)
State			
Current	(29)	(6)	283
Deferred	15	55	(191)
Foreign			
Current	2	—	32
Deferred	1	7	(73)
Total income tax (benefit) expense	\$ (175)	61	557

Income tax (benefit) expense was allocated as follows:

	Years Ended December 31,		
	2024	2023	2022
	(Dollars in millions)		
Income tax (benefit) expense in the consolidated statements of operations:			
Attributable to income	\$ (175)	61	557
Stockholders' equity:			
Tax effect of the change in accumulated other comprehensive loss	\$ 26	(21)	297

The following is a reconciliation from the statutory federal income tax rate to our effective income tax rate:

	Years Ended December 31,		
	2024	2023	2022
	(Percentage of pre-tax loss)		
Statutory federal income tax rate	21.0 %	21.0 %	21.0 %
State income taxes, net of federal income tax benefit	4.1 %	(0.2)%	(8.8)%
Goodwill impairment	— %	(21.9)%	(68.9)%
Change in liability for unrecognized tax position	(16.8)%	(0.1)%	(0.2)%
Legislative changes to Global Intangible Low-Taxes Income ("GILTI")	(1.2)%	— %	— %
Nondeductible executive stock compensation	(4.9)%	— %	(0.1)%
Change in valuation allowance	2.3 %	1.3 %	0.9 %
Net foreign income taxes	(2.3)%	— %	3.0 %
Research and development credits	6.5 %	0.1 %	1.1 %
Divestitures of businesses ⁽¹⁾	— %	(0.4)%	(4.0)%
Indemnification refunds	11.2 %	— %	— %
Cancellation of debt income	59.3 %	— %	— %
Other, net	(3.1)%	(0.4)%	(0.2)%
Effective income tax rate	76.1 %	(0.6)%	(56.2)%

⁽¹⁾ Includes GILTI incurred as a result of the sale of our Latin American business.

The effective tax rate for the year ended December 31, 2024 includes a \$135 million favorable impact from the exclusion of cancellation of debt income ("CODI") under Section 108 of the Internal Revenue Code. The effective tax rate for the year ended December 31, 2023 includes a \$2.2 billion unfavorable impact of a non-deductible goodwill impairment and a \$137 million favorable impact as a result of utilizing available capital losses generated by the sale of our Latin American business in 2022. The effective tax rate for the year ended December 31, 2022 includes a \$682 million unfavorable impact of non-deductible goodwill impairments and \$128 million unfavorable impact related to incurring tax on GILTI as a result of the sale of our Latin American business.

The tax effects of temporary differences that gave rise to significant portions of the deferred tax assets and deferred tax liabilities were as follows:

	As of December 31,	
	2024	2023
	(Dollars in millions)	
Deferred tax assets		
Post-retirement and pension benefit costs	\$ 583	659
Net operating loss carryforwards	649	794
Other employee benefits	22	23
Other	744	511
Gross deferred tax assets	1,998	1,987
Less valuation allowance	(343)	(399)
Net deferred tax assets	1,655	1,588
Deferred tax liabilities		
Property, plant and equipment, primarily due to depreciation differences	(3,447)	(3,332)
Goodwill and other intangible assets	(1,002)	(1,271)
Gross deferred tax liabilities	(4,449)	(4,603)
Net deferred tax liability	\$ (2,794)	(3,015)

Of the \$2.8 billion and \$3.0 billion net deferred tax liability at December 31, 2024 and 2023, respectively, \$2.9 billion and \$3.1 billion is reflected as a long-term liability and \$96 million and \$112 million is reflected as a net noncurrent deferred tax asset, in other, net on our consolidated balance sheets at December 31, 2024 and 2023, respectively.

Income taxes receivable as of December 31, 2024 and 2023, were \$483 million and \$273 million, respectively.

For U.S. tax purposes, the Company is required to recognize CODI on the difference between the adjusted issue price of the debt exchanged and the fair market value of the new debt issued. As a result of the 2023 Exchange Offers, the Company realized approximately \$663 million of CODI for U.S. tax purposes. See Note 7—Long-Term Debt and Credit Facilities to our consolidated financial statements in Item 8 of Part II of this report for discussion of the 2023 Exchange Offers. The Internal Revenue Code provides that a debtor may exclude CODI from taxable income to the extent certain exceptions apply but must reduce certain of its tax attributes by the amount of the excluded CODI. For the year ended December 31, 2023, the Company excluded approximately \$663 million of CODI from taxable income under Section 108 of the Code and, accordingly, the Company's tax attributes have been reduced by a corresponding amount.

At December 31, 2024, we had federal NOLs of approximately \$570 million, net of expirations from Section 382 limitations and uncertain tax positions, for U.S. federal income tax purposes. We expect to use substantially all of these NOLs to reduce our future federal tax liabilities, although the timing of that use will depend upon our future earnings and future tax circumstances. Our ability to use these NOLs is subject to annual limits imposed by Section 382. If unused, the NOLs will expire between 2027 and 2031.

At December 31, 2024, we had state NOLs of \$12 billion (net of uncertain tax positions). Our ability to use these NOLs is subject to annual limits imposed by Section 382.

We establish valuation allowances when necessary to reduce the deferred tax assets to amounts we expect to realize. As of December 31, 2024, we established a valuation allowance of \$343 million as it is more likely than not that this amount of NOLs will not be utilized prior to expiration. Our valuation allowance at December 31, 2024 and 2023 is primarily related to NOLs. This valuation allowance decreased by \$56 million during 2024, primarily due to changes in our state NOL carryforwards.

A reconciliation of the change in our gross unrecognized tax benefits (excluding both interest and any related federal benefit) for the years ended December 31, 2024 and 2023 is as follows:

	2024	2023
	(Dollars in millions)	
Unrecognized tax benefits at beginning of year	\$ 1,424	1,318
Decrease in tax positions of prior periods netted against deferred tax assets	(4)	(411)
Decrease in tax positions taken in the current year	(64)	(73)
Increase in tax positions taken in the prior year	65	752
Decrease due to payments/settlements	—	(1)
Decrease from the lapse of statute of limitations	(158)	(52)
Decrease related to divestitures of businesses	—	(109)
Unrecognized tax benefits at end of year	<u>\$ 1,263</u>	<u>1,424</u>

As of December 31, 2024, the total amount of unrecognized tax benefits that, if recognized, would impact the effective income tax rate was \$404 million. The unrecognized tax benefits also include tax positions that, if recognized, would result in adjustments to other tax accounts, primarily deferred taxes, which would not impact the effective tax rate but could impact cash tax amounts payable to taxing authorities.

Our policy is to reflect interest expense associated with unrecognized tax benefits in income tax (benefit) expense. We had accrued interest (presented before related tax benefits) of approximately \$217 million and \$100 million at December 31, 2024 and 2023, respectively.

We, or at least one of our subsidiaries, file income tax returns in the U.S. federal jurisdiction and various states and foreign jurisdictions. With few exceptions, we are no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2004. The Internal Revenue Service and state and local taxing authorities reserve the right to audit any period where NOLs are available.

Based on our current assessment of various factors, including (i) the potential outcomes of these ongoing examinations, (ii) the expiration of statute of limitations for specific jurisdictions, (iii) the negotiated settlement of certain disputed issues, and (iv) the administrative practices of applicable taxing jurisdictions, it is reasonably possible that the related unrecognized tax benefits for uncertain tax positions previously taken may decrease by up to \$395 million within the next 12 months. The actual amount of such decrease, if any, will depend on several future developments and events, many of which are outside our control.

In August 2022, the Inflation Reduction Act was signed into law and which, among other things, implemented a corporate alternative minimum tax ("CAMT") on adjusted financial statement income effective for tax periods occurring after December 31, 2022. The CAMT had no material impact on our financial results as of December 31, 2024. In addition, in 2021, the Organization for Economic Co-operation and Development ("OECD") issued Pillar Two model rules introducing a new global minimum corporate tax of 15% and the OECD and the majority of its participating countries continue to work toward the enactment of such tax. While the U.S. has not adopted Pillar Two legislation, various other governments around the world have enacted such legislation that is effective for tax periods after December 31, 2023. These global minimum tax rules have increased our administrative and compliance burdens, but the impact to our financial statements for the year ended December 31, 2024 was immaterial. We anticipate further legislative activity and administrative guidance throughout 2025 and continue to monitor evolving global tax legislation.

Note 17—Segment Information

Our business is managed based on customer-facing sales channels to align with how we support our customers. Our chief operating decision maker ("CODM"), who is the CEO of the Company, makes decisions and assesses the performance of the Company reviewing two segments: Business and Mass Markets. Our reportable segments have not been aggregated.

Under our Business segment we provide products and services to meet the needs of our enterprise and wholesale customers under five distinct sales channels: Large Enterprise, Mid-Market Enterprise, Public Sector, Wholesale and International and Other. For Business segment revenue, we report the following product categories: Grow, Nurture, Harvest and Other, in each case through the sales channels outlined above. The Business segment included the results of our Latin American, ILEC and EMEA businesses prior to their sales on August 1, 2022, October 3, 2022 and November 1, 2023, respectively.

Under our Mass Markets Segment, we provide products and services to residential and small business customers. We report the following product categories: Fiber Broadband, Other Broadband and Voice and Other. The Mass Markets segment included the results of our ILEC business prior to its sale on October 3, 2022.

See detailed descriptions of these product and service categories in Note 4—Revenue Recognition.

As described in more detail below, our segments are managed based on the direct costs of providing services to their customers and directly associated headcount and non-headcount operating expenses. Shared costs are managed separately and included in "other unallocated expense" in the table included below "—Revenue and Expenses." As referenced above, we reclassified certain prior period amounts to conform to the current period presentation. See Note 1—Background and Summary of Significant Accounting Policies for additional detail on these changes. The CODM uses adjusted EBITDA as the key indicator in assessing performance and allocating resources for both the Business segment and Mass Markets segment.

The following tables summarize our segment results for 2024, 2023 and 2022 based on the segment categorization we were operating under at December 31, 2024.

	Year Ended December 31, 2024	
	Business	Mass Markets
	(Dollars in millions)	
Segment revenue	\$ 10,363	2,745
Segment expense		
Cost of services and products	3,063	69
Headcount costs	1,237	651
Non-headcount costs	652	572
Total expense	4,952	1,292
Total segment adjusted EBITDA	\$ 5,411	1,453

	Year Ended December 31, 2023	
	Business	Mass Markets
	(Dollars in millions)	
Segment revenue	\$ 11,583	2,974
Segment expense		
Cost of services and products	3,248	79
Headcount costs	1,473	768
Non-headcount costs	807	610
Total expense	5,528	1,457
Total segment adjusted EBITDA	\$ 6,055	1,517

	Year Ended December 31, 2022	
	Business	Mass Markets
	(Dollars in millions)	
Segment revenue	\$ 13,099	4,379
Segment expense		
Cost of services and products	3,436	121
Headcount costs	1,584	945
Non-headcount costs	879	703
Total expense	5,899	1,769
Total segment adjusted EBITDA	\$ 7,200	2,610

Revenue and Expenses

Our segment revenue includes all revenue from our two segments as described in more detail above. Our segment revenue is based upon each customer's classification. We report our segment revenue based upon all services provided to that segment's customers. Our segment expenses include (i) specific cost of service expenses incurred as a direct result of providing services and products to segment customers, (ii) headcount costs, which primarily includes salaries, commissions, and group insurance, and (iii) non-headcount costs, which primarily includes legal and other professional fees, marketing and advertising expenses, other network related expenses, and external commissions. We have not allocated assets or debt to specific segments.

The following items are excluded from our segment results, because they are centrally managed and not monitored by or reported to our chief operating decision maker by segment:

- network expenses not incurred as a direct result of providing services and products to segment customers and centrally managed expenses such as Finance, Human Resources, Legal, Marketing, Product Management and IT, all of which are reported as "other unallocated expense" in the table below;
- depreciation and amortization expense;
- goodwill or other impairments;
- interest expense;
- stock-based compensation; and
- other income and expense items.

The following table reconciles total segment adjusted EBITDA to net loss for the years ended December 31, 2024, 2023 and 2022:

	Years Ended December 31,		
	2024	2023	2022
	(Dollars in millions)		
Total segment adjusted EBITDA	\$ 6,864	7,572	9,810
Depreciation and amortization	(2,956)	(2,985)	(3,239)
Goodwill impairment	—	(10,693)	(3,271)
Other unallocated expense	(3,419)	(3,426)	(3,107)
Stock-based compensation	(29)	(52)	(98)
Operating income (loss)	460	(9,584)	95
Total other expense, net	(690)	(653)	(1,086)
Loss before income taxes	(230)	(10,237)	(991)
Income tax (benefit) expense	(175)	61	557
Net loss	\$ (55)	(10,298)	(1,548)

We do not have any single customer that comprises more than 10% of our consolidated total operating revenue.

The assets we hold outside of the U.S. represent less than 10% of our total assets. Revenue from sources outside of the U.S. comprises less than 10% of our total operating revenue.

Note 18—Commitments, Contingencies and Other Items

We are subject to various claims, legal proceedings and other contingent liabilities, including the matters described below, which individually or in the aggregate could materially affect our financial condition, future results of operations or cash flows.

We review our litigation accrual liabilities on a quarterly basis, but in accordance with applicable accounting guidelines only establish accrual liabilities when losses are deemed probable and reasonably estimable and only revise previously established accrual liabilities when warranted by changes in circumstances, in each case based on then-available information. As such, as of any given date we could have exposure to losses under proceedings as to which no liability has been accrued or as to which the accrued liability is inadequate. Subject to these limitations, at December 31, 2024 and December 31, 2023, we had accrued \$78 million and \$84 million, respectively, in the aggregate for our litigation and non-income tax contingencies, which is included in Other under Current Liabilities or Other under Deferred Credits and Other Liabilities in our consolidated balance sheets as of such dates. We cannot at this time estimate the reasonably possible loss or range of loss, if any, in excess of our \$78 million accrual due to the inherent uncertainties and speculative nature of contested proceedings. The establishment of an accrual does not mean that actual funds have been set aside to satisfy a given contingency. Thus, the resolution of a particular contingency for the amount accrued could have no effect on our results of operations but nonetheless could have an adverse effect on our cash flows.

In this Note, a reference to a "putative" class action means a class has been alleged, but not certified, in that matter.

Principal Proceedings

Houser Shareholder Suit

Lumen and certain of its current and former officers and directors were named as defendants in a putative shareholder class action lawsuit filed on June 12, 2018 in the Boulder County District Court of the state of Colorado, captioned Houser et al. v. CenturyLink, et al. The original complaint asserted claims on behalf of a putative class of former Level 3 Communications, Inc. ("Level 3") shareholders who became CenturyLink, Inc. shareholders as a result of our acquisition of Level 3. It alleged that the proxy statement provided to the Level 3 shareholders failed to disclose various material information, including information about strategic revenue, customer loss rates, and customer account issues, among other items. The original complaint sought damages, costs and fees, rescission, rescissory damages, and other equitable relief. In May 2020, the court dismissed the original complaint. The plaintiffs appealed that decision, and in March 2022, the appellate court affirmed the district court's order in part and reversed it in part. It then remanded the case to the district court for further proceedings. The plaintiffs filed an amended complaint asserting the same claims and prayer for relief, and we filed a motion to dismiss. The court granted our motion to dismiss in May 2023 and the plaintiffs appealed that dismissal. In August 2024, the appellate court set aside the trial court's dismissal. In October 2024, we filed a petition with the Colorado Supreme Court seeking a review of the appellate court's decision.

Quantum Fiber Disclosure Litigation

In re Lumen Technologies, Inc. Securities Litigation. On March 3, 2023, a purported shareholder of Lumen filed a putative class action complaint originally captioned Voigt et al. v. Lumen Technologies, et al. (now captioned *In re Lumen Technologies, Inc. Securities Litigation*, Case 3:23-cv-00286-TAD-KDM), in the U.S. District Court for the Western District of Louisiana. The complaint alleges that Lumen and certain of its current and former officers violated the federal securities laws by omitting or misstating material information related to Lumen's expansion of its Quantum Fiber business. The court appointed a lead plaintiff who filed an amended complaint, seeking money damages, attorneys' fees and costs, and other relief. On October 30, 2024, the court granted the motion to dismiss we filed against the amended complaint. The plaintiff filed and then withdrew an appeal.

Associated Derivative Litigation. On August 5, 2024, a purported shareholder of Lumen filed a shareholder derivative complaint on behalf of Lumen captioned Slack v. Allen, et al., Case 3:24-cv-01043-TAD-KMM, in the U.S. District Court for the Western District of Louisiana. The complaint alleges claims for breach of fiduciary duty, violations of the federal securities laws, and other causes of action against current and former officers and directors of Lumen allegedly responsible for omitting or misstating material information related to Lumen's expansion of its Quantum Fiber business. The complaint seeks money damages, attorneys' fees and costs, and other relief. Substantially similar derivative cases have been filed as follows: (i) on August 20, 2024, Capistrano v. Storey, et al., Case 3:24-cv-01130-TAD-KMM, in the U.S. District Court for the Western District of Louisiana; and on (ii) October 11, 2024, Ostrow v. Johnson, et al., Case 2024-3706, in the 4th Judicial District Court for the Parish of Ouachita, State of Louisiana, subsequently removed on October 11, 2024, to the U.S. District Court for the Western District of Louisiana as Case 3:24-cv-01399-TAD-KMM. The plaintiff in the Ostrow case voluntarily dismissed that proceeding.

Lead-Sheathed Cable Litigation

Disclosure Litigation. In re Lumen Technologies, Inc. Securities Litigation II. On September 15, 2023, a purported shareholder of Lumen filed a putative class action complaint originally captioned Glauber, et al. v. Lumen Technologies (now captioned *In re Lumen Technologies, Inc. Securities Litigation II*, Case 3:23-cv-01290), in the U.S. District Court for the Western District of Louisiana. The complaint alleged that Lumen and certain of its current and former officers violated the federal securities laws by omitting or misstating material information related to Lumen's responsibility for environmental degradation allegedly caused by the lead sheathing of certain telecommunications cables. The court appointed lead plaintiffs who filed an amended complaint, seeking money damages, attorneys' fees and costs, and other relief.

Derivative Litigation. On June 11, 2024, a purported shareholder of Lumen filed a shareholder derivative complaint on behalf of Lumen captioned *Brown v. Johnson, et al.*, Case 3:24-cv-00798-TAD-KDM, in the U.S. District Court for the Western District of Louisiana. The complaint alleges claims for breach of fiduciary duty, violations of the federal securities laws, and other causes of action against current and former officers and directors of Lumen relating to placement or presence of lead-sheathed telecommunications cables. The complaint seeks damages, injunctive relief, and attorneys' fees. Substantially similar derivative cases have been filed as follows: (i) on August 9, 2024, *Pourarian v. Johnson, et al.*, Case 3:24-cv-01071-TAD-KMM in the U.S. District Court for the Western District of Louisiana; (ii) on September 9, 2024, *Capistrano v. Johnson, et al.*, Case 3:24-cv-01234-TAD-KMM in the U.S. District Court for the Western District of Louisiana; (iii) on September 16, 2024, *Vogel v. Perry, et al.*, Case 2024-3360 in the 4th Judicial District Court for the Parish of Ouachita, State of Louisiana, subsequently removed on September 17, 2024 to the U.S. District Court for the Western District of Louisiana as Case 3:24-cv-01274-TAD-KMM; and (iv) on September 25, 2024, *Murray v. Allen, et al.*, Case 3:24-cv-01320 in the U.S. District Court for the Western District of Louisiana.

Environmental Litigation

Parish of St. Mary. On July 9, 2024, a putative class action complaint was filed in the 16th Judicial District Court for the Parish of St. Mary, State of Louisiana, Case 138575, asserting claims on behalf of all parishes, municipalities, and citizens owning real properties in the State of Louisiana that have been affected by lead-sheathed telecommunications cables installed by AT&T and Lumen or their predecessors. The complaint seeks damages and injunctive relief under Louisiana state law. The case was removed to the United States District Court Western District of Louisiana Lafayette Division, Case 6:24-CV-01001-RRS-DJA. On December 6, 2024, the plaintiffs voluntarily dismissed the class action complaint without prejudice. On December 13, 2024, St. Mary's Parish along with other parishes, municipalities, and two individuals served a notice of intent to file citizen suit under the Louisiana Environmental Quality Act, asserting claims identical to the class action which the plaintiffs voluntarily dismissed.

Blum. On November 6, 2023, a putative class action complaint was filed in the 16th Judicial District Court for the Parish of St. Mary, State of Louisiana, Case 137935, asserting claims on behalf of all citizens owning real properties in the State of Louisiana that have been affected by lead-sheathed telecommunications cables installed by AT&T, BellSouth, Verizon, and Lumen or their predecessors. The complaint seeks damages and injunctive relief under Louisiana state law. The case has been removed to Federal Court in the United States District Court Western District of Louisiana Lafayette Division, Case 6:23-CV-01748.

State Tax Suits

Since 2012, a number of Missouri municipalities have asserted claims in the Circuit Court of St. Louis County, Missouri, alleging that we and several of our subsidiaries have underpaid taxes. These municipalities are seeking, among other things, declaratory relief regarding the application of business license and gross receipts taxes and back taxes from 2007 to the present, plus penalties and interest. In a February 2017 ruling in connection with one of these pending cases, the court entered an order awarding the plaintiffs \$4 million and broadening the tax base on a going-forward basis. We appealed that decision to the Missouri Supreme Court. In December 2019, it affirmed the circuit court's order in some respects and reversed it in others, remanding the case to the circuit court for further proceedings. The Missouri Supreme Court's decision reduced our exposure in the case. In a June 2021 ruling in one of the pending cases, another trial court awarded the cities of Columbia and Joplin approximately \$55 million, plus statutory interest. On appeal, the Missouri Court of Appeals affirmed in part and reversed in part, vacated the judgment and remanded the case to the trial court with instructions for further proceedings consistent with the Missouri Supreme Court's decision.

FCRA Litigation

In November 2014, a putative class action complaint captioned Bultemeyer v. CenturyLink, Inc. was filed in the United States District Court for the District of Arizona, Case CV-14-02530-PHX-SPL, alleging violations of the Fair Credit Reporting Act (the "FCRA"). In February 2017, the case was dismissed for lack of standing. The plaintiff appealed and the 9th Circuit reversed and remanded. Class certification was contested and ultimately granted in 2023. The 9th Circuit denied Lumen's request to appeal the class certification ruling. A jury trial was conducted in September 2024. The jury found that CenturyLink willfully violated the FCRA and awarded each class member \$500 for statutory damages and \$2,000 for punitive damages. If the verdict is not set aside in connection with post-trial motion practice, Lumen will appeal to the 9th Circuit. We have not accrued a contingent liability for this matter. While liability is possible, we have not determined it to be probable, and damages exposure, if any, is uncertain.

Billing Practices Suits

In June 2017, a former employee filed an employment lawsuit against us claiming that she was wrongfully terminated for alleging that we charged some of our retail customers for products and services they did not authorize. Thereafter, based in part on the allegations made by the former employee, several legal proceedings were filed, including consumer class actions in federal and state courts, a series of securities investor class actions in federal courts and several shareholder derivative actions in federal and Louisiana state courts. The derivative cases were brought on behalf of CenturyLink, Inc. against certain current and former officers and directors of the Company and seek damages for alleged breaches of fiduciary duties. We have settled the consumer and securities investor class actions and the derivative actions.

We have engaged in discussions regarding related claims with a number of state attorneys general, and have entered into agreements settling certain of the consumer practices claims asserted by several state attorneys general.

December 2018 Outage Proceedings

We experienced an outage on one of our transport networks that impacted voice, IP, 911, and transport services for some of our customers between the 27th and 29th of December 2018. We believe that the outage was caused by a faulty network management card from a third-party equipment vendor.

The FCC and four states initiated formal investigations. In November 2020, following the FCC's release of a public report on the outage, we negotiated a settlement which was disclosed by the FCC in December 2020. The amount of the settlement was not material to our financial statements.

In December 2020, the Staff of the Washington Utilities and Transportation Commission ("WUTC") filed a complaint against us based on the December 2018 outage, seeking penalties of approximately \$7 million for alleged violations of Washington regulations and laws. The Washington Attorney General's office sought penalties of \$27 million. Following trial, the WUTC issued an order imposing a penalty of approximately \$1 million. That decision is now pending appeal to the Washington State of Court of Appeals.

Latin American Tax Litigation and Claims

In connection with the 2022 divestiture of our Latin American business, the purchaser assumed responsibility for the Brazilian tax claims described in our prior periodic reports filed with the SEC. We agreed to indemnify the purchaser for amounts paid with respect to the Brazilian tax claims. The value of this indemnification and others associated with the Latin American business divestiture are included in the indemnification amount as disclosed in Note 14—Fair Value of Financial Instruments.

Huawei Network Deployment Investigations

Lumen has received requests from the following federal agencies for information relating to the use of equipment manufactured by Huawei Technologies Company ("Huawei") in Lumen's networks.

- DOJ. Lumen has received a civil investigative demand from the U.S. Department of Justice in the course of a False Claims Act investigation alleging that Lumen Technologies, Inc. and Lumen Technologies Government Solutions, Inc. failed to comply with certain specified requirements in federal contracts concerning their use of Huawei equipment.
- FCC. The FCC's Enforcement Bureau issued a Letter of Inquiry to Lumen Technologies, Inc. regarding its written certifications to the FCC that Lumen has complied with FCC rules governing the use of resources derived from the High Cost Program, Lifeline Program, Rural Health Care Program, E-Rate Program, Emergency Broadband Benefit Program, and the Affordable Connectivity Program. Under these programs, federal funds may not be used to facilitate the deployment or maintenance of equipment or services provided by Huawei, a company that the FCC has determined poses a national security threat to the integrity of U.S. communications networks or the communications supply chain.
- Team Telecom. The Committee for the Assessment of Foreign Participation in the United States Telecommunications Service Sector (comprised of the U.S. Attorney General, and the Secretaries of the Department of Homeland Security, and the Department of Defense), commonly referred to as Team Telecom, issued questions and requests for information relating to Lumen's FCC licenses and its use of Huawei equipment.

Marshall Fire Litigation

On December 30, 2021, a wildfire referred to as the Marshall Fire ignited near Boulder, Colorado. The Marshall Fire killed two people, and it burned thousands of acres, including entire neighborhoods. Approximately 300 lawsuits naming various defendants and asserting various claims for relief have been filed. To date, three of those name our affiliate Qwest Corporation as being at fault: Allstate Fire and Casualty Insurance Company, et al., v. Qwest Corp., et al., Case 2023-cv-3048, and Wallace, et al. v. Qwest Corp., et al., Case 2023-cv-30488, both of which have been consolidated with Kupfner et al v Public Service Company of Colorado, et al., Case 2022-cv-30195. The consolidated proceeding is pending in Colorado District Court, Boulder, Colorado. Preliminary estimates of potential damage claims exceed \$2 billion.

911 Surcharge

In June 2021, the Company was served with a complaint filed in the Santa Fe County District Court by Phone Recovery Services, LLC ("PRS"), acting on behalf of the State of New Mexico. The complaint claims Qwest Corporation and CenturyTel of the Southwest have violated the New Mexico Fraud Against Taxpayers Act since 2004 by failing to bill, collect and remit certain 911 surcharges from customers. Through pre-trial proceedings, the Court narrowed the issues to be resolved by jury. On August 21, 2024, a jury decided the remaining issues, and consequently all claims asserted, in Lumen's favor. The plaintiff has filed a Notice of Appeal and Lumen submitted a cross-appeal as to the original motion to dismiss and motion for summary judgment.

Other Proceedings, Disputes and Contingencies

From time to time, we are involved in other proceedings incidental to our business, including patent infringement allegations, regulatory hearings relating primarily to our rates or services, actions relating to employee claims, tax issues, or environmental law issues, grievance hearings before labor regulatory agencies, miscellaneous third-party tort actions, or commercial disputes.

We are currently defending several patent infringement lawsuits asserted against us by non-practicing entities which are seeking substantial recoveries. These cases have progressed to various stages and one or more may go to trial within the next twelve months if they are not otherwise resolved. Where applicable, we are seeking full or partial indemnification from our vendors and suppliers.

We are subject to various foreign, federal, state and local environmental protection and health and safety laws. From time to time, we are subject to judicial and administrative proceedings brought by various governmental authorities under these laws. Several such proceedings are currently pending, but none is reasonably expected to exceed \$300,000 in fines and penalties. In addition, in the past we acquired companies that had installed lead-sheathed cables several decades earlier, or had operated certain manufacturing companies in the first part of the 1900s. Under applicable environmental laws, we could be named as a potentially responsible party for a share of the remediation of environmental conditions arising from the historical operations of our predecessors.

The outcomes of these other proceedings described under this heading are not predictable. However, based on current circumstances, we do not believe that the ultimate resolution of these other proceedings, after considering available defenses and any insurance coverage or indemnification rights, will have a material adverse effect on us.

The matters listed in this Note do not reflect all our contingencies. The ultimate outcome of the above-described matters may differ materially from the outcomes anticipated, estimated, projected or implied by us in certain of our statements appearing above in this Note, and proceedings we currently consider immaterial may ultimately affect us materially.

Right-of-Way

At December 31, 2024, our future rental commitments and Right-of-Way ("ROW") agreements were as follows:

	(Dollars in millions)	
2025	\$	204
2026		72
2027		71
2028		67
2029		54
2030 and thereafter		717
Total future minimum payments	\$	1,185

Purchase Commitments

We have several commitments to a variety of vendors for services to be used in the ordinary course of business totaling \$2.4 billion at December 31, 2024. Of this amount, we and our subsidiaries expect to purchase \$795 million in 2025, \$1.2 billion in 2026 through 2027, \$256 million in 2028 through 2029 and \$164 million in 2030 and thereafter. These amounts do not represent our entire anticipated purchases in the future, but represent only those items for which we were contractually committed as of December 31, 2024.

Note 19—Other Financial Information

Other Current Assets

The following table presents details of other current assets reflected in our consolidated balance sheets:

	As of December 31,	
	2024	2023
	(Dollars in millions)	
Prepaid expenses	\$ 372	395
Income tax receivable	483	273
Materials, supplies and inventory	146	209
Contract assets	16	19
Contract acquisition costs	102	107
Contract fulfillment costs	109	102
Assets held for sale	24	104
Other	22	14
Total other current assets	\$ 1,274	1,223

Current Liabilities

Included in accounts payable at December 31, 2024 and 2023 were \$248 million and \$274 million, respectively, associated with capital expenditures.

Other Income (Expense), Net

Other income (expense), net reflects certain items not directly related to our core operations, including gains and losses from non-operating asset dispositions. For the year ended December 31, 2024, Other income (expense), net included a gain on sale of investment of \$205 million.

Note 20—Repurchases of Lumen Common Stock

During the fourth quarter of 2022, our Board of Directors authorized a two-year program to repurchase up to an aggregate of \$1.5 billion of our outstanding common stock, which expired on November 2, 2024. During the years ended December 31, 2024 and 2023, we did not repurchase any shares of our outstanding common stock under this program. During the year ended December 31, 2022, we repurchased under this program 33 million shares of our outstanding common stock in the open market for an aggregate market price of \$200 million, or an average purchase price of \$6.07 per share. All repurchased common stock has been retired. As a result, common stock and additional paid-in capital were reduced as of December 31, 2022 by \$33 million and \$167 million, respectively.

Note 21—Accumulated Other Comprehensive Loss

Information Relating to 2024

The table below summarizes changes in accumulated other comprehensive loss recorded on our consolidated balance sheet by component for the year ended December 31, 2024:

	Pension Plans	Post-Retirement Benefit Plans	Foreign Currency Translation Adjustment and Other	Total
	(Dollars in millions)			
Balance at December 31, 2023	\$ (1,045)	276	(41)	(810)
Other comprehensive (loss) income before reclassifications	(34)	63	1	30
Amounts reclassified from accumulated other comprehensive income (loss)	76	(19)	—	57
Net current-period other comprehensive income	42	44	1	87
Balance at December 31, 2024	\$ (1,003)	320	(40)	(723)

The table below presents further information about our reclassifications out of accumulated other comprehensive loss by component for the year ended December 31, 2024:

Year Ended December 31, 2024	(Decrease) Increase in Net Loss	Affected Line Item in Consolidated Statement of Operations
	(Dollars in millions)	
Amortization of pension & post-retirement plans ⁽¹⁾		
Net actuarial loss	\$ 91	Other income (expense), net
Prior service cost	(15)	Other income (expense), net
Total before tax	76	
Income tax benefit	(19)	Income tax (benefit) expense
Net of tax	\$ 57	

⁽¹⁾ See Note 11—Employee Benefits for additional information on our net periodic benefit (expense) income related to our pension and post-retirement plans.

Information Relating to 2023

The table below summarizes changes in accumulated other comprehensive loss recorded on our consolidated balance sheet by component for the year ended December 31, 2023:

	Pension Plans	Post-Retirement Benefit Plans	Foreign Currency Translation Adjustment and Other	Total
	(Dollars in millions)			
Balance at December 31, 2022	\$ (985)	308	(422)	(1,099)
Other comprehensive loss before reclassifications	(110)	(11)	(1)	(122)
Amounts reclassified from accumulated other comprehensive income (loss)	50	(21)	382	411
Net current-period other comprehensive (loss) income	(60)	(32)	381	289
Balance at December 31, 2023	\$ (1,045)	276	(41)	(810)

The table below presents further information about our reclassifications out of accumulated other comprehensive loss by component for the year ended December 31, 2023:

Year Ended December 31, 2023	(Decrease) Increase in Net Loss	Affected Line Item in Consolidated Statement of Operations
	(Dollars in millions)	
Amortization of pension & post-retirement plans ⁽¹⁾		
Net actuarial loss	\$ 82	Other income (expense), net
Prior service cost	(15)	Other income (expense), net
Total before tax	67	
Income tax benefit	(16)	Income tax (benefit) expense
Net of tax	\$ 51	
Year Ended December 31, 2023	Reclassification out of Accumulated Other Comprehensive Loss	Affected line item in Consolidated Balance Sheets and Consolidated Statement of Operations
Reclassification of realized loss on foreign currency translation to valuation allowance within assets held for sale ⁽²⁾	\$ 389	Assets held for sale
Reclassification of realized loss on foreign currency translation to loss on sale of business ⁽³⁾	(7)	Net loss (gain) on sale of businesses
Subtotal reclassification of realized loss on foreign currency	382	
Reclassification of net actuarial loss to valuation allowance within assets held for sale ⁽²⁾	(24)	Assets held for sale
Reclassification of net actuarial gain to loss on sale of business ⁽³⁾	2	Net loss (gain) on sale of businesses
Subtotal reclassification of net actuarial loss	(22)	
Income tax benefit	—	Income tax expense
Net of tax	\$ 360	

⁽¹⁾ See Note 11—Employee Benefits for additional information on our net periodic benefit (expense) income related to our pension and post-retirement plans.

⁽²⁾ Recognized in net income through net loss (gain) on sale of business for the year ended December 31, 2022 and included in our valuation allowance in assets held for sale as of December 31, 2022.

⁽³⁾ (Decrease) increase to net loss for the year ended December 31, 2023.

Note 22—Labor Union Contracts

As of December 31, 2024, approximately 21% of our employees were represented by the Communications Workers of America ("CWA") or the International Brotherhood of Electrical Workers ("IBEW"). Approximately 10% of our represented employees are subject to collective bargaining agreements that are scheduled to expire over the 12 month period ending December 31, 2025.

Note 23—Dividends

The declaration of dividends is solely at the discretion of our Board of Directors.

On November 2, 2022, we announced that our Board had terminated our quarterly cash dividend program; as a result no dividends were declared and paid in 2023 or 2024.

Our Board declared the following dividends payable in 2022:

Date Declared	Record Date	Dividend Per Share	Total Amount (in millions)	Payment Date
August 18, 2022	8/30/2022	\$ 0.25	\$ 253	9/9/2022
May 19, 2022	5/31/2022	0.25	253	6/10/2022
February 24, 2022	3/8/2022	0.25	253	3/18/2022

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

None.

ITEM 9A. CONTROLS AND PROCEDURES**Disclosure Controls and Procedures**

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934 (the "Exchange Act")) designed to provide reasonable assurance that the information required to be disclosed by us in the reports we file or furnish under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. These include controls and procedures designed to ensure this information is accumulated and communicated to our senior leadership team, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Our management, with the participation of our President and Chief Executive Officer, Kate Johnson, and our Executive Vice President and Chief Financial Officer, Chris Stansbury, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2024. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded our disclosure controls and procedures were effective, as of December 31, 2024, in providing reasonable assurance the information required to be disclosed by us in this report was accumulated and communicated in the manner provided above.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during the fourth quarter of 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations of Internal Controls

The effectiveness of our or any system of disclosure controls and procedures is subject to certain limitations, including the exercise of judgment in designing, implementing and evaluating the controls and procedures, the assumptions used in identifying the likelihood of future events and the inability to eliminate misconduct completely. As a result, there can be no assurance that our disclosure controls and procedures will detect all errors or fraud. By their nature, our or any system of disclosure controls and procedures can provide only reasonable assurance regarding management's control objectives.

Internal Control Over Financial Reporting

Management's Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act), a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on our evaluation under the framework of COSO, our management concluded that our internal control over financial reporting was effective at December 31, 2024. The effectiveness of our internal control over financial reporting at December 31, 2024 has been audited by KPMG LLP, as stated in their report entitled "Opinion on Internal Control Over Financial Reporting" appearing in Item 8, which is incorporated into this item by reference.

Management's Report on the Consolidated Financial Statements

Management of the Company has prepared and is responsible for the integrity and objectivity of our consolidated financial statements for the year ended December 31, 2024. The consolidated financial statements included in this report have been prepared in accordance with accounting principles generally accepted in the United States and necessarily include amounts determined using our best judgments and estimates.

Our consolidated financial statements have been audited by KPMG LLP, an independent registered public accounting firm, who have expressed an unqualified opinion on the consolidated financial statements. Their audit was conducted in accordance with standards of the Public Company Accounting Oversight Board (United States).

ITEM 9B. OTHER INFORMATION

Not applicable.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Item 10, including the identification of the Company's executive officers as required by Item 401(b) of Regulation S-K, is incorporated by reference to the Proxy Statement. With respect to the Company's executive officers, the Company notes that the employment of Chad Ho, then our Chief Legal Officer and Secretary, ended on February 7, 2025.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is incorporated by reference to the Proxy Statement.

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

The balance of the information required by Item 12 is incorporated by reference to the Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by Item 13 is incorporated by reference to the Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 14 is incorporated by reference to the Proxy Statement.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Exhibits filed or furnished as part of this report are listed below.

Exhibit No. ⁽¹⁾⁽²⁾	Description	Filed or Furnished with this Form 10-K	Incorporated by Reference		
			Filer and File No. ⁽³⁾	Form	Date ⁽⁴⁾
2.1	Agreement, dated as of February 8, 2023, by and among certain affiliates of Registrant, and Colt Technology Services Group Limited.		Registrant	10-K	12/31/22
3.1	Composite Articles of Incorporation of Registrant, as amended through December 18, 2024.	X			
3.2	Bylaws of Registrant, as amended and restated through May 17, 2023.		Registrant	8-K	5/17/23
4.1	Description of Registrant's securities registered under Section 12 of the Securities Exchange Act of 1934, as amended.	X			
4.2	Form of Registrant's common stock certificate.		Registrant	8-K	1/26/21
4.3	Second Amended and Restated Section 382 Rights Agreement by and between Registrant and Computershare Trust Company, N.A., dated as of November 15, 2023.		Registrant	10-K	12/31/23
4.4	Instruments relating to Registrant's Senior Secured Credit Facilities.				
	a. Superpriority Revolving/Term A Credit Agreement, dated as of March 22, 2024, among Lumen Technologies, Inc., as borrower, the lenders and issuing banks party thereto and Bank of America, N.A., as administrative agent and collateral agent.		Registrant	8-K	3/28/24
	b. Superpriority Term B Credit Agreement, dated as of March 22, 2024, among Lumen Technologies, Inc., as borrower, the lenders party thereto, Wilmington Trust, National Association, as administrative agent, and Bank of America, N.A., as collateral agent.		Registrant	8-K	3/28/24
	i. Amendment No. 1, dated as of August 26, 2024, to the Superpriority Term B Credit Agreement dated as of March 22, 2024, among Lumen Technologies, Inc., as borrower, the lenders party thereto, Wilmington Trust, National Association, as administrative agent, and Bank of America, N.A., as collateral agent.		Registrant	10-Q	9/30/24
4.5	Instruments relating to Registrant's Predecessor Credit Facilities				
	a. Restatement Agreement, dated as of January 31, 2020, by and among Registrant, as Borrower, Bank of America, N.A., as Administrative Agent and Collateral Agent, and the other lenders named therein.		Registrant	8-K	1/31/20

Exhibit No. ⁽¹⁾⁽²⁾	Description	Filed or Furnished with this Form 10-K	Incorporated by Reference		
			Filer and File No. ⁽³⁾	Form	Date ⁽⁴⁾
b.	Amended and Restated Credit Agreement, dated as of January 31, 2020, by and among Registrant, as Borrower, Bank of America, N.A. as Administrative Agent and Collateral Agent, and the other lenders, agents, arrangers and bookrunners named therein.		Registrant	8-K	1/31/20
c.	LIBOR Transition Amendment, dated as of March 17, 2023, by and among Registrant, the Guarantors party thereto, and Bank of America, N.A., as administrative agent and collateral agent, amending the parties' Amended and Restated Credit Agreement dated as of January 31, 2020.		Registrant	10-Q	3/31/23
d.	Amendment Agreement, dated as of February 15, 2024, by and among the Registrant, Bank of America, N.A., as administrative agent and collateral agent, and the lenders party thereto, amending the parties' Amended and Restated Credit Agreement dated as of January 31, 2020.		Registrant	10-K	12/31/23
e.	Amendment Agreement, dated as of March 22, 2024, among Lumen Technologies, Inc., as borrower, the guarantors party thereto, the issuing banks party thereto, the lenders party thereto and Bank of America, N.A., as administrative agent and collateral agent, to the Amended and Restated Credit Agreement, dated as of January 31, 2020, among Lumen Technologies, Inc., as borrower, the issuing banks party thereto, the lenders party thereto and Bank of America, N.A., as administrative agent, collateral agent and swingline lender.		Registrant	8-K	3/28/24
4.6	Instruments relating to Registrant's senior debt securities.				
a.	Indenture, dated as of March 31, 1994, by and between Registrant and Regions Bank (successor-in-interest to First American Bank & Trust of Louisiana), as Trustee.		Registrant	10-K	12/31/14
(i)	Form of 7.2% Senior Notes, Series D, due 2025.		Registrant	10-K	12/31/95
(ii)	Form of 6.875% Debentures, Series G, due 2028.		Registrant	10-K	12/31/97
(iii)	Fifth Supplemental Indenture, dated as of September 21, 2009, by and between Registrant and Regions Bank, as Trustee, designating and outlining the terms and conditions of Registrant's 7.60% Senior Notes, Series P, due 2039.		Registrant	8-K	9/22/09

Exhibit No. ⁽¹⁾⁽²⁾	Description	Filed or Furnished with this Form 10-K	Incorporated by Reference		
			Filer and File No. ⁽³⁾	Form	Date ⁽⁴⁾
	(iv) Seventh Supplemental Indenture, dated as of March 12, 2012, by and between Registrant and Regions Bank, as Trustee, designating and outlining the terms and conditions of Registrant's 7.65% Senior Notes, Series U, due 2042.		Registrant	8-K	3/12/12
	(v) Tenth Supplemental Indenture, dated as of March 19, 2015, by and between Registrant and Regions Bank, as Trustee, designating and outlining the terms and conditions of Registrant's 5.625% Senior Notes, Series X, due 2025.		Registrant	8-K	3/19/15
b.	Indenture, dated December 16, 2019, between Registrant and Regions Bank, as Trustee.		Registrant	8-K	12/16/19
	(i) First Supplemental Indenture, dated December 16, 2019, between Registrant and Regions Bank, as Trustee, designating and outlining the terms and conditions of Registrant's 5.125% Senior Notes due 2026.		Registrant	8-K	12/16/19
c.	Indenture, dated January 24, 2020, between Registrant and Wells Fargo Bank, National Association, as Trustee and Notes Collateral Agent, designating and outlining the terms and conditions of Registrant's 4.000% Senior Secured Notes due 2027.		Registrant	8-K	1/24/20
d.	Indenture, dated November 27, 2020, among Registrant, as Issuer, and Regions Bank, as Trustee, designating and outlining the terms and conditions of Registrant, Inc. 4.500% Senior Notes due 2029.		Registrant	8-K	11/27/20
e.	Indenture, dated June 15, 2021, among Registrant, as issuer, and Regions Bank, as trustee, relating to the issuance of Registrant's 5.375% Senior Notes due 2029.		Registrant	8-K	6/15/21
f.	Indenture, dated as of March 22, 2024, among Lumen Technologies, Inc., the guarantors party thereto, Wilmington Trust, National Association, as trustee, registrar and paying agent, and Bank of America, N.A., as collateral agent, relating to the Registrant's 4.125% Superpriority Secured Notes due 2029.		Registrant	8-K	3/28/24

Exhibit No. ⁽¹⁾⁽²⁾	Description	Filed or Furnished with this Form 10-K	Incorporated by Reference		
			Filer and File No. ⁽³⁾	Form	Date ⁽⁴⁾
	(i) Supplemental Indenture, dated October 31, 2024, among Lumen Technologies, Inc., as issuer, the guarantors party thereto, Wilmington Trust, National Association, as trustee, and Bank of America, N.A., as collateral agent, adding an additional guarantor of the Registrant's 4.125% Superpriority Senior Secured Notes due 2029.		Registrant	10-Q	9/30/24
	(ii) Second Supplemental Indenture, dated December 30, 2024, among Lumen Technologies, Inc., as issuer, the guarantors party thereto, Wilmington Trust, National Association, as trustee, and Bank of America, N.A., as collateral agent, adding an additional guarantor of the Registrant's 4.125% Superpriority Senior Secured Notes due 2029.	X			
g.	Indenture, dated as of March 22, 2024, among Lumen Technologies, Inc., the guarantors party thereto, Wilmington Trust, National Association, as trustee, registrar and paying agent, and Bank of America, N.A., as collateral agent, relating to the Registrant's 4.125% Superpriority Secured Notes due 2030.		Registrant	8-K	3/28/24
	(i) Supplemental Indenture, dated October 31, 2024, among Lumen Technologies, Inc., as issuer, the guarantors party thereto, Wilmington Trust, National Association, as trustee, and Bank of America, N.A., as collateral agent, adding an additional guarantor of the Registrant's 4.125% Superpriority Senior Secured Notes due 2030.		Registrant	10-Q	9/30/24
	(ii) Second Supplemental Indenture, dated December 30, 2024, among Lumen Technologies, Inc., as issuer, the guarantors party thereto, Wilmington Trust, National Association, as trustee, and Bank of America, N.A., as collateral agent, adding an additional guarantor of the Registrant's 4.125% Superpriority Senior Secured Notes due 2030.	X			
h.	Indenture, dated September 24, 2024, among Lumen Technologies, Inc., as issuer, the guarantors party thereto, Regions Bank, as trustee, and Bank of America, N.A., as collateral agent, designating and outlining the terms and conditions of the Registrant's 10.000% Senior Notes due 2032 issued thereunder.		Registrant	8-K	9/24/24

Exhibit No. ⁽¹⁾⁽²⁾	Description	Filed or Furnished with this Form 10-K	Incorporated by Reference		
			Filer and File No. ⁽³⁾	Form	Date ⁽⁴⁾
	(i) First Supplemental Indenture, dated December 30, 2024, among Lumen Technologies, Inc., as issuer, the guarantors party thereto, Regions Bank, as trustee, and Bank of America, N.A., as collateral agent, adding an additional guarantor of the Registrant's 10.000% Senior Secured Notes due 2032.	X			
4.7	Instruments relating to indebtedness of subsidiaries of Qwest Communications International, Inc.				
	a. Indenture, dated as of April 15, 1990, by and between The Mountain States Telephone and Telegraph Company (currently named Qwest Corporation) and The First National Bank of Chicago, under which Qwest Corporation's 7.375% Notes due 2030 were issued.		Qwest	10-K	12/31/02
	(i) First Supplemental Indenture, dated as of April 16, 1991, by and between U S WEST Communications, Inc. (currently named Qwest Corporation) and The First National Bank of Chicago.		Qwest	10-K	12/31/02
	b. Indenture, dated as of April 15, 1990, by and between Northwestern Bell Telephone Company (predecessor to Qwest Corporation) and The First National Bank of Chicago, under which Qwest Corporation's 7.250% Notes due 2025 and 7.750% Notes due 2030 were issued.		Registrant	10-Q	3/31/12
	(i) First Supplemental Indenture, dated as of April 16, 1991, by and between U S WEST Communications, Inc. (currently named Qwest Corporation) and The First National Bank of Chicago.		Qwest	10-K	12/31/02
	c. Indenture, dated as of June 29, 1998, by and among U S WEST Capital Funding, Inc. (currently named Qwest Capital Funding, Inc.), U S WEST, Inc. (predecessor to Qwest Communications International Inc.) and The First National Bank of Chicago, as trustee, under which the 6.875% Notes due 2028 and 7.750% Notes due 2031 of U S WEST Capital Funding, Inc. were issued.		Qwest Parent	8-K	11/18/98

Exhibit No. ⁽¹⁾⁽²⁾	Description	Filed or Furnished with this Form 10-K	Incorporated by Reference		
			Filer and File No. ⁽³⁾	Form	Date ⁽⁴⁾
	(i) First Supplemental Indenture, dated as of June 30, 2000, by and among U S WEST Capital Funding, Inc. (currently named Qwest Capital Funding, Inc.), U S WEST, Inc. (predecessor to Qwest Communications International Inc.) and Bank One Trust Company, N.A., as trustee.		Qwest Parent	10-Q	6/30/00
	d. Indenture, dated as of October 15, 1999, by and between US West Communications, Inc. (currently named Qwest Corporation) and Bank One Trust Company, N.A., as trustee.		Qwest	10-K	12/31/99
	(i) Sixteenth Supplemental Indenture, dated as of August 22, 2016, by and between Qwest Corporation and U.S. Bank National Association, designating and outlining the terms and conditions of Qwest 6.500% Notes due 2056.		Qwest	8-A	8/22/16
	(ii) Seventeenth Supplemental Indenture dated as of April 27, 2017, by and between Qwest Corporation and U.S. Bank National Association, designating and outlining the terms and conditions of Qwest Corporation's 6.750% Notes due 2057.		Qwest	8-A	4/27/17
4.8	Instruments relating to indebtedness of the financing subsidiary of Level 3 Parent, LLC.				
	a. Indenture, dated as of September 25, 2019, among Level 3 Parent, LLC, as Guarantor, Level 3 Financing, Inc., as Issuer, and the Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 4.625% Senior Notes due 2027 of Level 3 Financing, Inc.		Level 3	8-K	9/26/19
	(i) First Supplemental Indenture, dated as of March 2, 2020, among Level 3 Parent LLC, as guarantor, Level 3 Communications, LLC, as guarantor, Level 3 Financing, Inc., as issuer, and The Bank of New York Mellon Trust Company, N.A., as trustee, designating and outlining the terms and conditions of Level 3 Communications, LLC's unsecured guarantee of the 4.625% Senior Notes due 2027 of Level 3 Financing, Inc.		Level 3	10-K	12/31/20

Exhibit No. ⁽¹⁾⁽²⁾	Description	Filed or Furnished with this Form 10-K	Incorporated by Reference		
			Filer and File No. ⁽³⁾	Form	Date ⁽⁴⁾
	(ii) Second Supplemental Indenture, dated as of March 2, 2020, among Level 3 Parent LLC, as guarantor, Level 3 Communications, LLC, as guarantor, Level 3 Financing, Inc., as issuer, and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the subordination in any bankruptcy, liquidation or winding up proceeding of the guarantee by Level 3 Communications, LLC of the 4.625% Senior Notes due 2027 of Level 3 Financing, Inc.		Level 3	10-K	12/31/20
	(iii) Third Supplemental Indenture, dated as of March 22, 2024, among Level 3 Parent, LLC, Level 3 Financing, Inc., the guarantors party thereto, and the Bank of New York Mellon Trust Company, N.A., as trustee and note collateral agent, relating to the 4.625% Senior Notes due 2027 of Level 3 Financing, Inc.		Level 3	8-K	3/28/24
	(iv) Fourth Supplemental Indenture, dated as of August 28, 2024, among Level 3 Parent, LLC, Level 3 Financing, Inc., the guarantors party thereto, and the Bank of New York Mellon Trust Company, N.A., as trustee and note collateral agent, relating to the 4.625% Senior Notes due 2027 of Level 3 Financing, Inc.		Level 3	10-Q	9/30/24
b.	Indenture, dated as of November 29, 2019, among Level 3 Parent, LLC and the other guarantors party thereto, Level 3 Financing, Inc., as Issuer, and The Bank of New York Mellon Trust Company, N.A., as Trustee and Notes Collateral Agent, designating and outlining the terms and conditions of the 3.400% Senior Secured Notes due 2027 Level 3 Financing, Inc.		Level 3	8-K	12/4/19
	(i) Supplemental Indenture, dated as of April 15, 2020, among Level 3 Financing, Inc., as issuer, The Bank of New York Mellon Trust Company, N.A., as trustee, and Level 3 Parent, LLC and several of its subsidiaries, as guarantors, designating and outlining the terms and conditions of the secured guarantees of the 3.400% Senior Secured Notes due 2027 of Level 3 Financing, Inc.		Level 3	10-K	12/31/20

Exhibit No. ⁽¹⁾⁽²⁾	Description	Filed or Furnished with this Form 10-K	Incorporated by Reference		
			Filer and File No. ⁽³⁾	Form	Date ⁽⁴⁾
	(ii) Supplement, dated as of October 26, 2023, to the Supplemental Indenture dated as of April 15, 2020, among Level 3 Financing, Inc., as Issuer, The Bank of New York Mellon Trust Company, N.A., as Trustee and Notes Collateral Agent, and Level 3 Parent, LLC and several of its subsidiaries, as guarantors, clarifying which subsidiaries are guarantors of the 3.400% Senior Secured Notes due 2027 of Level 3 Financing, Inc.		Level 3	10-Q	9/30/23
	(iii) Second Supplemental Indenture, dated as of December 29, 2023, among Level 3 Financing, Inc., on behalf of itself as issuer and certain specified existing guarantors, The Bank of New York Mellon Trust Company, N.A., as trustee and collateral agent, Level 3 Parent, LLC, as guarantor, and several subsidiaries thereof, designating such subsidiaries as additional guarantors of the 3.400% Senior Secured Notes due 2027 of Level 3 Financing, Inc.		Level 3	10-K	12/31/23
	(iv) Third Supplemental Indenture, dated as of March 22, 2024, among Level 3 Parent, LLC, Level 3 Financing, Inc., the guarantors party thereto, and the Bank of New York Mellon Trust Company, N.A., as trustee and note collateral agent, relating to the 3.400% Senior Secured Notes due 2027 of Level 3 Financing, Inc.		Level 3	8-K	3/28/24
	(v) Fourth Supplemental Indenture, dated as of August 28, 2024, among Level 3 Parent, LLC, Level 3 Financing, Inc., the guarantors party thereto, and the Bank of New York Mellon Trust Company, N.A., as trustee and note collateral agent, relating to the 3.400% Senior Secured Notes due 2027 of Level 3 Financing, Inc.		Level 3	10-Q	9/30/24
c.	Indenture, dated as of November 29, 2019, among Level 3 Parent, LLC and the other guarantors party thereto, Level 3 Financing, Inc., as Issuer, and The Bank of New York Mellon Trust Company, N.A., as Trustee and Notes Collateral Agent, designating and outlining the terms and conditions of the 3.875% Senior Secured Notes due 2029 of Level 3 Financing, Inc.		Level 3	8-K	12/4/19

Exhibit No. ⁽¹⁾⁽²⁾	Description	Filed or Furnished with this Form 10-K	Incorporated by Reference		
			Filer and File No. ⁽³⁾	Form	Date ⁽⁴⁾
	(i) Supplemental Indenture, dated as of April 15, 2020, among Level 3 Financing, Inc., as issuer, The Bank of New York Mellon Trust Company, N.A., as trustee, and Level 3 Parent, LLC and several of its subsidiaries, as guarantors, designating and outlining the terms and conditions of the secured guarantees of the 3.875% Senior Secured Notes due 2029 of Level 3 Financing, Inc.		Level 3	10-K	12/31/20
	(ii) Supplement, dated as of October 26, 2023, to the Supplemental Indenture dated as of April 15, 2020, among Level 3 Financing, Inc., as Issuer, The Bank of New York Mellon Trust Company, N.A., as Trustee and Notes Collateral Agent, and Level 3 Parent, LLC and several of its subsidiaries, as guarantors, clarifying which subsidiaries are guarantors of the 3.875% Senior Secured Notes due 2029 of Level 3 Financing, Inc.		Level 3	10-Q	9/30/23
	(iii) Second Supplemental Indenture, dated as of December 29, 2023, among Level 3 Financing, Inc., on behalf of itself as issuer and certain specified existing guarantors, The Bank of New York Mellon Trust Company, N.A., as trustee and collateral agent, Level 3 Parent, LLC, as guarantor, and several subsidiaries thereof, designating such subsidiaries as additional guarantors of the 3.875% Senior Secured Notes due 2029 of Level 3 Financing, Inc.		Level 3	10-K	12/31/23
	(iv) Third Supplemental Indenture, dated as of March 22, 2024, among Level 3 Parent, LLC, Level 3 Financing, Inc., the guarantors party thereto, and the Bank of New York Mellon Trust Company, N.A., as trustee and note collateral agent, relating to the 3.875% Senior Secured Notes due 2029 of Level 3 Financing, Inc.		Level 3	8-K	3/28/24
	(v) Fourth Supplemental Indenture, dated as of August 28, 2024, among Level 3 Parent, LLC, Level 3 Financing, Inc., the guarantors party thereto, and the Bank of New York Mellon Trust Company, N.A., as trustee and note collateral agent, relating to the 3.875% Senior Secured Notes due 2029 of Level 3 Financing, Inc.		Level 3	10-Q	9/30/24

Exhibit No. ⁽¹⁾⁽²⁾	Description	Filed or Furnished with this Form 10-K	Incorporated by Reference		
			Filer and File No. ⁽³⁾	Form	Date ⁽⁴⁾
d.	Indenture, dated as of June 15, 2020, among Level 3 Parent, LLC, as Guarantor, Level 3 Financing, Inc., as Issuer, and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 4.250% Senior Notes due 2028 of Level 3 Financing, Inc.		Level 3	8-K	6/15/20
(i)	First Supplemental Indenture, dated as of December 21, 2020, among Level 3 Parent LLC, as guarantor, Level 3 Communications, LLC, as guarantor, Level 3 Financing, Inc., as issuer, and The Bank of New York Mellon Trust Company, N.A., as trustee, designating and outlining the terms and conditions of Level 3 Communications, LLC's unsecured guarantee of the 4.250% Senior Notes due 2028 of Level 3 Financing, Inc.		Level 3	10-K	12/31/20
(ii)	Second Supplemental Indenture, dated as of December 21, 2020, among Level 3 Parent LLC, as guarantor, Level 3 Communications, LLC, as guarantor, Level 3 Financing, Inc., as issuer, and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the subordination in any bankruptcy, liquidation or winding up proceeding of the guarantee by Level 3 Communications, LLC of the 4.250% Senior Notes due 2028 of Level 3 Financing, Inc.		Level 3	10-K	12/31/20
(iii)	Third Supplemental Indenture, dated as of March 22, 2024, among Level 3 Parent, LLC, Level 3 Financing, Inc., the guarantors party thereto, and the Bank of New York Mellon Trust Company, N.A., as trustee and note collateral agent, relating to the 4.250% Senior Notes due 2028 of Level 3 Financing, Inc.		Level 3	8-K	3/28/24
(iv)	Fourth Supplemental Indenture, dated as of August 28, 2024, among Level 3 Parent, LLC, Level 3 Financing, Inc., the guarantors party thereto, and the Bank of New York Mellon Trust Company, N.A., as trustee and note collateral agent, relating to the 4.250% Senior Notes due 2028 of Level 3 Financing, Inc.		Level 3	10-Q	9/30/24

Exhibit No. ⁽¹⁾⁽²⁾	Description	Filed or Furnished with this Form 10-K	Incorporated by Reference		
			Filer and File No. ⁽³⁾	Form	Date ⁽⁴⁾
e.	Indenture, dated August 12, 2020, among Level 3 Parent, LLC, as Guarantor, Level 3 Financing, Inc., as Issuer, and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 3.625% Senior Notes due 2029 of Level 3 Financing, Inc.		Level 3	8-K	8/12/20
(i)	First Supplemental Indenture, dated as of December 21, 2020, among Level 3 Parent LLC, as guarantor, Level 3 Communications, LLC, as guarantor, Level 3 Financing, Inc., as issuer, and The Bank of New York Mellon Trust Company, N.A., as trustee, designating and outlining the terms and conditions of Level 3 Communications, LLC's unsecured guarantee of the 3.625% Senior Notes due 2029 of Level 3 Financing, Inc.		Level 3	10-K	12/31/20
(ii)	Second Supplemental Indenture, dated as of December 21, 2020, among Level 3 Parent LLC, as guarantor, Level 3 Communications, LLC, as guarantor, Level 3 Financing, Inc., as issuer, and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the subordination in any bankruptcy, liquidation or winding up proceeding of the guarantee by Level 3 Communications, LLC of the 3.625% Senior Notes due 2029 of Level 3 Financing, Inc.		Level 3	10-K	12/31/20
(iii)	Third Supplemental Indenture, dated as of March 22, 2024, among Level 3 Parent, LLC, Level 3 Financing, Inc., the guarantors party thereto, and the Bank of New York Mellon Trust Company, N.A., as trustee and note collateral agent, relating to the 3.625% Senior Notes due 2029 of Level 3 Financing, Inc.		Level 3	8-K	3/28/24
(iv)	Fourth Supplemental Indenture, dated as of August 28, 2024, among Level 3 Parent, LLC, Level 3 Financing, Inc., the guarantors party thereto, and the Bank of New York Mellon Trust Company, N.A., as trustee and note collateral agent, relating to the 3.625% Senior Notes due 2029 of Level 3 Financing, Inc.		Level 3	10-Q	9/30/24

Exhibit No. ⁽¹⁾⁽²⁾	Description	Filed or Furnished with this Form 10-K	Incorporated by Reference		
			Filer and File No. ⁽³⁾	Form	Date ⁽⁴⁾
f.	Indenture, dated January 13, 2021, among Level 3 Parent, LLC, as Guarantor, Level 3 Financing, Inc., as Issuer, and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 3.750% Sustainability-Linked Senior Notes due 2029 of Level 3 Financing, Inc.		Level 3	8-K	1/13/21
(i)	First Supplemental Indenture, dated as of May 7, 2021, among Level 3 Parent, LLC, as guarantor, Level 3 Communications, LLC, as guarantor, Level 3 Financing, Inc., as issuer, and The Bank of New York Mellon Trust Company, N.A., as trustee, designating and outlining the terms and conditions of Level 3 Communications, LLC's unsecured guarantee of the 3.750% Sustainability-Linked Senior Notes due 2029 of Level 3 Financing, Inc.		Level 3	10-K	12/31/21
(ii)	Second Supplemental Indenture, dated as of May 7, 2021, among Level 3 Parent, LLC, as guarantor, Level 3 Communications, LLC, as guarantor, Level 3 Financing, Inc., as issuer, and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the subordination in any bankruptcy, liquidation or winding up proceeding of the guarantee by Level 3 Communications, LLC of the 3.750% Sustainability-Linked Senior Notes due 2029 of Level 3 Financing, Inc.		Level 3	10-K	12/31/21
(iii)	Third Supplemental Indenture, dated as of March 22, 2024, among Level 3 Parent, LLC, Level 3 Financing, Inc., the guarantors party thereto, and the Bank of New York Mellon Trust Company, N.A., as trustee and note collateral agent, relating to the 3.750% Sustainability-Linked Senior Notes due 2029 of Level 3 Financing, Inc.		Level 3	8-K	3/28/24
(iv)	Fourth Supplemental Indenture, dated as of August 28, 2024, among Level 3 Parent, LLC, Level 3 Financing, Inc., the guarantors party thereto, and the Bank of New York Mellon Trust Company, N.A., as trustee and note collateral agent, relating to the 3.750% Sustainability-Linked Senior Notes due 2029 of Level 3 Financing, Inc.		Level 3	10-Q	9/30/24

Exhibit No. ⁽¹⁾⁽²⁾	Description	Filed or Furnished with this Form 10-K	Incorporated by Reference		
			Filer and File No. ⁽³⁾	Form	Date ⁽⁴⁾
g.	Indenture dated March 31, 2023, among Level 3 Financing, Inc., as Issuer, Level 3 Parent, LLC, as Guarantor, the subsidiary guarantors party thereto, and The Bank of New York Mellon Trust Company, as Trustee and Note Collateral Agent, designating and outlining the terms and conditions of the 10.500% Senior Secured Notes due 2030 of Level 3 Financing, Inc.		Level 3	8-K	3/31/23
(i)	Supplemental Indenture, dated as of October 23, 2023, among Level 3 Financing, Inc., as Issuer, The Bank of New York Mellon Trust Company, N.A., as Trustee and Notes Collateral Agent, and Level 3 Parent, LLC and several of its subsidiaries, as guarantors, designating and outlining the terms and conditions of certain specified secured guarantees of the 10.500% Senior Secured Notes due 2030 of Level 3 Financing, Inc.		Level 3	10-Q	9/30/23
(ii)	Second Supplemental Indenture, dated as of December 29, 2023, among Level 3 Financing, Inc., on behalf of itself as issuer and certain specified existing guarantors, The Bank of New York Mellon Trust Company, N.A., as trustee and collateral agent, Level 3 Parent, LLC, as guarantor, and several subsidiaries thereof, designating such subsidiaries as additional guarantors of the 10.500% Senior Secured Notes due 2030 of Level 3 Financing, Inc.		Level 3	10-K	12/31/23
(iii)	Third Supplemental Indenture, dated as of March 22, 2024, among Level 3 Parent, LLC, Level 3 Financing, Inc., the guarantors party thereto, and the Bank of New York Mellon Trust Company, N.A., as trustee and note collateral agent, relating to the 10.500% Senior Secured Notes due 2030 of Level 3 Financing, Inc.		Level 3	8-K	3/28/24
h.	Indenture, dated as of March 22, 2024, among Level 3 Financing, Inc., as issuer, Level 3 Parent, LLC, the other guarantors party thereto and Wilmington Trust, National Association, as trustee and collateral agent, relating to the 10.500% First Lien Notes due 2029 of Level 3 Financing, Inc.		Level 3	8-K	3/28/24

Exhibit No. ⁽¹⁾⁽²⁾	Description	Filed or Furnished with this Form 10-K	Incorporated by Reference		
			Filer and File No. ⁽³⁾	Form	Date ⁽⁴⁾
	(i) Supplemental Indenture, dated October 31, 2024, among Level 3 Parent, LLC, as guarantor, Level 3 Financing, Inc., as issuer, the guarantors party thereto, and Wilmington Trust, National Association, as trustee and collateral agent, adding additional guarantors of the 10.500% First Lien Notes due 2029 of Level 3 Financing, Inc.		Level 3	10-Q	9/30/24
	i. Indenture, dated as of March 22, 2024, among Level 3 Financing, Inc., as issuer, Level 3 Parent, LLC, the other guarantors party thereto and Wilmington Trust, National Association, as trustee and collateral agent, relating to the 11.000% First Lien Notes due 2029 of Level 3 Financing, Inc.		Level 3	8-K	3/28/24
	(i) Supplemental Indenture, dated October 31, 2024, among Level 3 Parent, LLC, as guarantor, Level 3 Financing, Inc., as issuer, the guarantors party thereto, and Wilmington Trust, National Association, as trustee and collateral agent, adding additional guarantors of the 11.000% First Lien Notes due 2029 of Level 3 Financing, Inc.		Level 3	10-Q	9/30/24
	j. Indenture, dated as of March 22, 2024, among Level 3 Financing, Inc., as issuer, Level 3 Parent, LLC, the other guarantors party thereto and Wilmington Trust, National Association, as trustee and collateral agent, relating to the 10.750% First Lien Notes due 2030 of Level 3 Financing, Inc.		Level 3	8-K	3/28/24
	(i) Supplemental Indenture, dated October 31, 2024, among Level 3 Parent, LLC, as guarantor, Level 3 Financing, Inc., as issuer, the guarantors party thereto, and Wilmington Trust, National Association, as trustee and collateral agent, adding additional guarantors of the 10.750% First Lien Notes due 2030 of Level 3 Financing, Inc.		Level 3	10-Q	9/30/24
	k. Indenture, dated as of March 22, 2024, among Level 3 Financing, Inc., as issuer, Level 3 Parent, LLC, the other guarantors party thereto and Wilmington Trust, National Association, as trustee and collateral agent, relating to the 4.875% Second Lien Notes due 2029 of Level 3 Financing, Inc.		Level 3	8-K	3/28/24

Exhibit No. ⁽¹⁾⁽²⁾	Description	Filed or Furnished with this Form 10-K	Incorporated by Reference		
			Filer and File No. ⁽³⁾	Form	Date ⁽⁴⁾
	(i) Supplemental Indenture, dated October 31, 2024, among Level 3 Parent, LLC, as guarantor, Level 3 Financing, Inc., as issuer, the guarantors party thereto, and Wilmington Trust, National Association, as trustee and collateral agent, adding additional guarantors of the 4.875% Second Lien Notes due 2029 of Level 3 Financing, Inc.		Level 3	10-Q	9/30/24
	l. Indenture, dated as of March 22, 2024, among Level 3 Financing, Inc., as issuer, Level 3 Parent, LLC, the other guarantors party thereto and Wilmington Trust, National Association, as trustee and collateral agent, relating to the 4.500% Second Lien Notes due 2030 Level 3 Financing, Inc.		Level 3	8-K	3/28/24
	(i) Supplemental Indenture, dated October 31, 2024, among Level 3 Parent, LLC, as guarantor, Level 3 Financing, Inc., as issuer, the guarantors party thereto, and Wilmington Trust, National Association, as trustee and collateral agent, adding additional guarantors of the 4.500% Second Lien Notes due 2030 of Level 3 Financing, Inc.		Level 3	10-Q	9/30/24
	m. Indenture, dated as of March 22, 2024, among Level 3 Financing, Inc., as issuer, Level 3 Parent, LLC, the other guarantors party thereto and Wilmington Trust, National Association, as trustee and collateral agent, relating to the 3.875% Second Lien Notes due 2030 Level 3 Financing, Inc.		Level 3	8-K	3/28/24
	(i) Supplemental Indenture, dated October 31, 2024, among Level 3 Parent, LLC, as guarantor, Level 3 Financing, Inc., as issuer, the guarantors party thereto, and Wilmington Trust, National Association, as trustee and collateral agent, adding additional guarantors of the 3.875% Second Lien Notes due 2030 of Level 3 Financing, Inc.		Level 3	10-Q	9/30/24
	n. Indenture, dated as of March 22, 2024, among Level 3 Financing, Inc., as issuer, Level 3 Parent, LLC, the other guarantors party thereto and Wilmington Trust, National Association, as trustee and collateral agent, relating to the 4.000% Second Lien Notes due 2031 of Level 3 Financing, Inc.		Level 3	8-K	3/28/24

Exhibit No. ⁽¹⁾⁽²⁾	Description	Filed or Furnished with this Form 10-K	Incorporated by Reference		
			Filer and File No. ⁽³⁾	Form	Date ⁽⁴⁾
	(i) Supplemental Indenture, dated October 31, 2024, among Level 3 Parent, LLC, as guarantor, Level 3 Financing, Inc., as issuer, the guarantors party thereto, and Wilmington Trust, National Association, as trustee and collateral agent, adding additional guarantors of the 4.000% Second Lien Notes due 2031 of Level 3 Financing, Inc.		Level 3	10-Q	9/30/24
	o. Indenture, dated September 24, 2024, among Level 3 Financing, Inc., as issuer, Level 3 Parent, LLC, as a guarantor, certain other guarantors party thereto, U.S. Bank Trust Company, National Association, as trustee, and Wilmington Trust, National Association, as collateral agent, designating and outlining the terms and conditions of 10.000% Second Lien Notes due 2032 issued thereunder by Level 3 Financing, Inc.		Level 3	8-K	9/24/24
	p. Fourteenth Amendment Agreement, dated as of March 22, 2024, among Level 3 Parent, LLC, Level 3 Financing, Inc., as borrower, the guarantors party thereto, the lenders party thereto and Merrill Lynch Capital Corporation, as administrative agent and collateral agent, to the Amended and Restated Credit Agreement, dated as of November 29, 2019, among Level 3 Parent, LLC, Level 3 Financing, Inc., as borrower, the lenders party thereto and Merrill Lynch Capital Corporation, as administrative agent and collateral agent.		Level 3	8-K	3/28/24
	q. Credit Agreement, dated as of March 22, 2024, among Level 3 Parent, LLC, Level 3 Financing, Inc., as borrower, the lenders party thereto and Wilmington Trust, National Association, as administrative agent and collateral agent.		Level 3	8-K	3/28/24
10.1	Second Amended and Restated 2018 Equity Incentive Plan, as amended and restated through May 17, 2023.		Registrant	8-K	5/17/23
10.2	2024 Equity Incentive Plan of Lumen Technologies, Inc.		Registrant	S-8	5/16/24
	a. Form of Restricted Stock Agreement for annual equity grants to non-management directors beginning in 2018.		Registrant	10-Q	6/30/18
	b. Form of Restricted Stock Agreement for annual time-based equity grants to certain executive officers.		Registrant	10-K	12/31/21

Exhibit No. ⁽¹⁾⁽²⁾	Description	Filed or Furnished with this Form 10-K	Incorporated by Reference		
			Filer and File No. ⁽³⁾	Form	Date ⁽⁴⁾
	c. Form of Restricted Stock Agreement for annual performance-based equity grants to certain executive officers.		Registrant	10-K	12/31/21
	d. Form of Restricted Stock Agreement for annual time-based equity grants to Kate Johnson.		Registrant	10-K	12/31/22
10.3	Supplemental Defined Benefit Pension Plan, effective as of January 1, 2012.		Registrant	10-K	12/31/11
10.4	Short-Term Incentive Plan (through 2024).		Registrant	10-K	2/23/23
10.5	Short-Term Incentive Plan (effective January 1, 2025).	X			
10.6	Form of Indemnification Agreement entered into between Registrant and each of its directors on or after February 24, 2016.		Registrant	8-K	2/29/16
10.7	Form of Indemnification Agreement entered into between Registrant and each of its officers on or after February 24, 2016.		Registrant	8-K	2/29/16
10.8	Change of Control Agreement, by and between Kate Johnson and Registrant.		Registrant	10-K	12/31/22
10.9	Form of Change of Control Agreement, on or after January 1, 2011, between Registrant and each of its other executive officers.		Registrant	10-K	12/31/10
10.10	Form of Change of Control Agreement between Registrant and its non-CEO California-based executive officers.		Registrant	10-Q	6/30/24
10.11	Lumen Executive Severance Plan, amended and restated effective October 10, 2017 (with updated exhibits and branding as of October 2020, effective through 2024).		Registrant	10-K	12/31/21
10.12	Lumen Executive Severance Plan, as amended and restated effective January 1, 2025.	X			
10.13	Retirement Benefit Plan	X			
10.14	Amended and Restated CenturyLink, Inc. Bonus Life Insurance Plan for Executive Officers, dated as of April 3, 2008.		Registrant	10-Q	3/31/08
	a. First Amendment to Plan.		Registrant	10-Q	9/30/10
10.15	Registrant's Supplemental Savings Plan, as amended and restated.		Registrant	10-Q	3/31/22
10.16	Non-Employee Director Compensation Plan, effective August 16, 2023.	X			
10.17	Non-Employee Director Deferred Compensation Plan, effective April 18, 2019 (updated for branding as of October 2020).		Registrant	10-K	12/31/21
10.18	Offer Letter dated September 12, 2022, between Registrant and Kate Johnson. ⁽⁵⁾		Registrant	8-K	9/13/22

Exhibit No. ⁽¹⁾⁽²⁾	Description	Filed or Furnished with this Form 10-K	Incorporated by Reference		
			Filer and File No. ⁽³⁾	Form	Date ⁽⁴⁾
10.19	Amended and Restated Transaction Support Agreement by and among Registrant, Level 3 Financing, Inc., Qwest Corporation, and the Consenting Parties identified therein, dated January 22, 2024.		Registrant	8-K	1/25/24
19	Insider Trading Plan of Registrant	X			
21	Subsidiaries of Registrant.	X			
23	Independent Registered Public Accounting Firm Consent.	X			
31.1	Certification of the Chief Executive Officer of Lumen Technologies, Inc. furnished pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
31.2	Certification of the Chief Financial Officer of Lumen Technologies, Inc. furnished pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
32.1	Certification of the Chief Executive Officer of Lumen Technologies, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X			
32.2	Certification of the Chief Financial Officer of Lumen Technologies, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X			
97	Registrant's Policy Relating to Recovery of Erroneously Awarded Compensation, adopted August 16, 2023.	X			
101	Financial statements from the annual report on Form 10-K of Registrant for the period ended December 31, 2024, formatted in Inline XBRL: (i) the Consolidated Statements of Operations, (ii) the Consolidated Statements of Comprehensive Income (Loss), (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Cash Flows, (v) the Consolidated Statements of Stockholders' Equity and (vi) the Notes to Consolidated Financial Statements.	X			
104	Cover page formatted as Inline XBRL and contained in Exhibit 101.	X			

⁽¹⁾ Certain of the items in Sections 4.6, 4.7 and 4.8 may (i) omit supplemental indentures or other instruments governing debt that has been retired, or (ii) refer to trustees who may have been replaced, acquired or affected by similar changes. In accordance with applicable rules of the SEC, copies of certain instruments defining the rights of holders of certain of our long-term debt are not filed herewith.

⁽²⁾ Exhibits 10.1 to 10.19 are management contracts or compensatory plans or arrangements.

⁽³⁾ For purposes of this column, (i) "Registrant" means Lumen Technologies, Inc. (File No. 001-07784), formerly named CenturyLink, Inc., CenturyTel, Inc. and Century Telephone Enterprises, Inc., (ii) "Qwest" means Qwest Corporation (File No. 001-03040), (iii) "Qwest Parent" means Qwest Communications International, Inc. (File No. 001-15577), and (iv) "Level 3" means Level 3 Parent, LLC (File No. 001-35134), successor-in-interest to Level 3 Communications, Inc.

⁽⁴⁾ Represents (i) the date appearing on the cover page of each applicable 10-K or 10-Q report and (ii) the date of filing with respect to all other reports.

⁽⁵⁾ Present information regarding the executive's initial compensation only.

ITEM 16. SUMMARY OF BUSINESS AND FINANCIAL INFORMATION

Not applicable.

SIGNATURES

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

Date: February 20, 2025

By: **Lumen Technologies, Inc.**
/s/ Andrea Genschaw
 Andrea Genschaw
 Chief Accounting Officer and Controller (*Principal Accounting Officer*)

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

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Kate Johnson</u> Kate Johnson	President and Chief Executive Officer (Principal Executive Officer)	February 20, 2025
<u>/s/ Chris Stansbury</u> Chris Stansbury	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 20, 2025
<u>/s/ Andrea Genschaw</u> Andrea Genschaw	Chief Accounting Officer and Controller (Principal Accounting Officer)	February 20, 2025
<u>/s/ T. Michael Glenn</u> T. Michael Glenn	Non-Executive Chairman of the Board	February 20, 2025
<u>/s/ Quincy L. Allen</u> Quincy L. Allen	Director	February 20, 2025
<u>/s/ Martha Helena Bejar</u> Martha Helena Bejar	Director	February 20, 2025
<u>/s/ Peter C. Brown</u> Peter C. Brown	Director	February 20, 2025
<u>/s/ Chris Capossela</u> Chris Capossela	Director	February 20, 2025
<u>/s/ Kevin P. Chilton</u> Kevin P. Chilton	Director	February 20, 2025
<u>/s/ Steven T. "Terry" Clontz</u> Steven T. "Terry" Clontz	Director	February 20, 2025
<u>/s/ Jim Fowler</u> Jim Fowler	Director	February 20, 2025
<u>/s/ Hal Stanley Jones</u> Hal Stanley Jones	Director	February 20, 2025
<u>/s/ Diankha Linear</u> Diankha Linear	Director	February 20, 2025
<u>/s/ Laurie Siegel</u> Laurie Siegel	Director	February 20, 2025

**COMPOSITE
ARTICLES OF INCORPORATION
of
LUMEN TECHNOLOGIES, INC.
(a Louisiana corporation)**

(as amended and restated through December 18, 2024)¹

**ARTICLE I
Name**

The name of this Corporation is Lumen Technologies, Inc.

**ARTICLE II
Purpose**

The purpose of the Corporation is to engage in any lawful activity for which corporations may be formed under the Business Corporation Law of Louisiana.

**ARTICLE III
Capital**

A. Authorized Stock. The Corporation shall be authorized to issue an aggregate of 2,202,000,000 shares of capital stock, of which 2,200,000,000 shares shall be Common Stock, no par value per share, and 2,000,000 shares shall be Preferred Stock, \$25.00 par value per share.

B. Preferred Stock. (1) The Preferred Stock may be issued from time to time in one or more series.

(2) In respect to any series of Preferred Stock, the Board of Directors is hereby authorized to fix or alter the dividend rights, dividend rates, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), the redemption price or prices, and the liquidation preferences of any wholly unissued series of Preferred Stock, and the number of shares constituting any such series and the designation thereof, or any of them; and to increase or decrease the number of shares of any series subsequent to the issue of shares of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series. In addition thereto the Board of Directors shall have such other powers with respect to the Preferred Stock and any series thereof as shall be permitted by applicable law.

(3) No full dividend for any quarterly dividend period may be declared or paid on shares of any series of Preferred Stock unless the full dividend for that period shall be concurrently declared or paid on all series of Preferred Stock outstanding in accordance with the terms of each series. If there are any accumulated dividends accrued or in arrears on any share of any series of Preferred Stock those dividends shall be paid in full before any full dividend shall be paid on any other series of Preferred Stock. If less than a full dividend is to be paid, the amount of the dividend to be distributed shall be divided among the shares of Preferred Stock for which dividends are accrued or in arrears in proportion to the aggregate amounts which would be distributable to those holders of Preferred Stock if full cumulative dividends had previously been paid thereon in accordance with the terms of each series.

C. Voting Rights of Common Stock. Each outstanding share of Common Stock entitles the holder thereof to one vote with respect to each matter properly submitted to the shareholders of the Corporation for their vote, consent, waiver, release or other action.

D. Non-Assessability; Transfers; Pre-emptive Rights. The stock of this Corporation shall be fully paid and non-assessable when issued and shall be personal property. No transfer of such stock shall be binding upon this Corporation unless such

¹ Reflects all amendments to the Corporation's amended and restated Articles of Incorporation through this date.

transfer is made in accordance with these Articles and the by-laws of this Corporation and duly recorded in the books thereof. No stockholder shall have any pre-emptive right to subscribe to any or all additions to the stock of this Corporation.

E. Series L Preferred Stock. The Corporation's 5% Cumulative Convertible Series L Preferred Stock ("Series L Shares") shall consist of 325,000 shares of Preferred Stock having the preferences, limitations and relative rights set forth below.

(1) Voting Rights. Holders of the Series L Shares shall be entitled to cast one vote per share, voting with holders of shares of Common Stock and with holders of other series of voting preferred stock as a single class, on any matter to come before a meeting of the shareholders, except with respect to the casting of ballots on those matters as to which holders of Preferred Stock or a particular series thereof are required by law to vote separately.

(2) Rank. The Series L Shares shall, with respect to dividend rights and rights upon liquidation, dissolution and winding up, rank prior to the Common Stock. All equity securities of the Corporation to which the Series L Shares rank prior, whether with respect to dividends or upon liquidation, dissolution or winding-up or otherwise, including the Common Stock, are collectively referred to herein as the "Junior Securities;" all equity securities of the Corporation with which the Series L Shares rank *pari passu* are collectively referred to herein as the "Parity Securities;" and all other equity securities of the Corporation (other than any convertible debt securities) to which the Series L Shares ranks junior are collectively referred to herein as the "Senior Securities." The preferences, limitations and relative rights of the Series L Shares shall be subject to the preferences, limitations and relative rights of the Junior Securities, Parity Securities and Senior Securities issued after the Series L Shares are issued.

(3) Dividends.

(a) The holders of record of the Series L Shares shall be entitled to receive, when, as and if declared by the Board of Directors out of funds of the Corporation legally available therefor, an annual cash dividend of \$1.25 on each Series L Share, payable quarterly on each March 31, June 30, September 30 and December 31 on which any Series L Shares shall be outstanding (each a "Dividend Due Date"), commencing on the first such date following the issuance of the Series L Shares. Dividends on each Series L Share shall accrue and be cumulative from and after the date of issuance of such Series L Share and dividends payable for any partial quarterly period shall be calculated on the basis of a year of 360 days consisting of twelve 30-day months. Dividends shall be payable to the holders of record as they appear on the Corporation's stock transfer books at the close of business on the record date for such payment, which the Board of Directors shall fix not more than 60 days or less than 10 days preceding a Dividend Due Date. Holders of the Series L Shares shall not be entitled to any dividends, whether paid in cash, property or stock, in excess of the cumulative dividends as provided in this paragraph (a) and shall not be entitled to any interest thereon.

(b) Unless all cumulative dividends accrued on the Series L Shares have been or contemporaneously are declared and paid or declared and a sum set apart sufficient for such payment through the most recent Dividend Payment Date, then (i) except as provided below, no dividend or other distribution shall be declared or paid or set apart for payment on any Parity Securities, (ii) no dividend or other distribution shall be declared or paid or set aside for payment upon the Junior Securities (other than a dividend or distribution paid in shares of, or warrants, rights or options exercisable for or convertible into, Junior Securities) and (iii) no Junior Securities shall be redeemed, purchased or otherwise acquired for any consideration, nor shall any monies be paid to or made available for a sinking fund for the redemption of any Junior Securities, except by conversion of Junior Securities into, or by exchange of Junior Securities for, other Junior Securities. If any accrued dividends are not paid or set apart with respect to the Series L Shares and any Parity Securities, all dividends declared with respect to the Series L Shares and any Parity Securities shall be declared pro rata on a share-by-share basis among all Series L Shares and Parity Securities outstanding at the time.

(4) Conversion.

(a) Each Series L Share shall be convertible, at any time, at the option of the holder thereof into that number of fully paid and nonassessable shares of the Common Stock obtained by dividing \$25.00 by the Conversion Price then in effect under the terms of this subsection (4). Unless and until changed in accordance with the terms of this subsection (4), the Conversion Price shall be \$41.25. In order for a holder of the Series L Shares to effect such conversion, the holder shall

deliver to KeyCorp Shareholder Services, Inc., Dallas, Texas, or such other agent as may be designated by the Board of Directors as the transfer agent for the Series L Shares (the “Transfer Agent”), the certificates representing such shares in accordance with paragraph (b) below accompanied by written notice jointly addressed to the Corporation and the Transfer Agent that the holder thereof elects to convert such shares or a specified portion thereof. Each conversion shall be deemed to have been effected immediately prior to the close of business on the date on which the certificates representing the Series L Shares being converted shall have been delivered to the Transfer Agent in accordance with each term and condition of paragraph (b) below, accompanied by the written notice jointly addressed to the Corporation and the Transfer Agent of such conversion (the “Conversion Date”), and the person or persons in whose names any certificate or certificates for shares of Common Stock shall be issuable upon such conversion shall be deemed to have become the holder or holders of record of the Common Stock represented thereby at such time. As of the close of business on the Conversion Date, the Series L Shares shall be deemed to cease to be outstanding and all rights of any holder thereof shall be extinguished except for the rights arising under the Common Stock issued in exchange therefor and the right to receive accrued and unpaid dividends on such Series L Shares through the Conversion Date on the terms specified in paragraph (c) below.

(b) In connection with surrendering to the Transfer Agent the certificates representing (or formerly representing) Series L Shares, the holder shall furnish the Transfer Agent with transfer instruments satisfactory to the Corporation and sufficient to transfer the Series L Shares being converted to the Corporation free of any adverse interest or claims. As promptly as practicable after the surrender of the Series L Shares in accordance with this paragraph and any other requirement under this subsection (4), the Corporation, acting directly or through the Transfer Agent, shall issue and deliver to such holder certificates for the number of whole shares of Common Stock issuable upon the conversion of such shares in accordance with the provisions hereof (along with any interest payment specified in paragraph (a) above and any cash payment in lieu of fractional shares specified in paragraph (d) below). Certificates will be issued for the balance of any remaining Series L Shares in any case in which fewer than all of the Series L Shares are converted. Any conversion under paragraph (a) shall be effected at the Conversion Price in effect on the Conversion Date.

(c) If the Conversion Date with respect to any Series L Share occurs after any record date with respect to the payment of a dividend on the Series L Shares (the “Dividend Record Date”) and on or prior to the Dividend Due Date, then (i) the dividend due on such Dividend Due Date shall be payable to the holder of record of such share as of the Dividend Record Date and (ii) the dividend that accrues from the close of business on the Dividend Record Date through the Conversion Date shall be payable to the holder of record of such share as of the Conversion Date. Except as provided in this subsection (4), no payment or adjustment shall be made upon any conversion on account of any dividends accrued on Series L Shares surrendered for conversion or on account of any dividends on the Common Stock issued upon conversion.

(d) No fractional interest in a share of Common Stock shall be issued by the Corporation upon the conversion of any Series L Share. In lieu of any such fractional interest, the holder that would otherwise be entitled to such fractional interest shall receive a cash payment (computed to the nearest cent) equal to such fraction multiplied by the market value of a share of Common Stock, which shall be deemed to equal the last reported per share sale price of Common Stock on the New York Stock Exchange (“NYSE”) (or, if the Common Stock is not then traded on the NYSE, the last reported per share sale price on such other national securities exchange on which the Common Stock is listed or admitted to trading or, if not then listed or admitted to trading on any national securities exchange, the last quoted bid price in the over-the-counter market as reported by the National Association of Securities Dealers, Inc. Automated Quotation System (“NASDAQ”), or any similar system of automated dissemination of securities prices) on the trading day immediately prior to the Conversion Date.

(e) The Conversion Price shall be adjusted from time to time as follows:

1. If the Corporation effects any (i) dividend or other distribution upon or in redemption of the Common Stock payable in the form of shares of capital stock of the Corporation or any of its subsidiaries or in the form of any other property (other than cash dividends paid in the ordinary course), (ii) combination of outstanding shares of Common Stock into a smaller number of shares of Common Stock, (iii) split or other subdivision of outstanding shares of Common Stock into a larger number of shares of Common Stock, or (iv) reorganization, exchange or reclassification of Common Stock, or any consolidation or merger of the Corporation with another corporation, or the sale of all or substantially all of its assets to

another corporation, or any other transaction effected in a manner such that holders of outstanding Common Stock shall be entitled to receive (either directly, or upon subsequent liquidation) stock, securities or other property with respect to or in exchange for Common Stock (a "Diluting Event"), then as a condition of such Diluting Event, lawful, appropriate, equitable and adequate adjustments shall be made to the Conversion Price whereby the holders of the Series L Shares shall thereafter be entitled to receive (under the same terms otherwise applicable to their receipt of the Common Stock upon conversion of the Series L Shares), in lieu of or in addition to, as the case may be, the number of shares of Common Stock issuable under this subsection (4), such shares of stock, securities or other property as may be issued or payable with respect to or in exchange for that number of shares of Common Stock to which such holders of Series L Shares were so entitled under this subsection (4), and in any such case appropriate, equitable and adequate adjustments shall also be made to such resulting consideration in like manner in connection with any subsequent Diluting Events. It is the intention of the parties that the foregoing shall have the effect of entitling such holders of Series L Shares to receive upon the due exercise of their conversion rights under this subsection (4) such stock, securities and other property (other than cash dividends paid in the ordinary course) as such holders would have received had they held the Common Stock issuable under this subsection (4) (or any replacement or additional stock, securities or property, as applicable) on the record date of such Diluting Event.

2. No adjustment in the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 5% of such price.

3. Whenever the Conversion Price is adjusted as herein provided, the Corporation shall promptly deliver to the Transfer Agent an officer's certificate setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment, which certificate shall constitute conclusive evidence, absent manifest error, of the correctness of such adjustment. Promptly after delivery of such certificate, the Corporation shall prepare and mail a notice to each holder of Series L Shares at each such holder's last address as the same appears on the books of the Corporation, which notice shall set forth the Conversion Price and a brief statement of the facts requiring the adjustment. The failure of the Corporation to take any such action shall not invalidate any corporate action by the Corporation.

(f) The Corporation covenants that (A) all shares of Common Stock that may be issued upon conversions of Series L Shares will upon issue be duly and validly issued, fully paid and nonassessable, and free of all liens, charges or preemptive rights, and (B) it will at all times reserve and keep available, free from preemptive rights, out of the aggregate of its authorized but unissued shares of Common Stock or its issued shares of Common Stock held in its treasury, or both, for the purpose of effecting conversions of Series L Shares, the whole number of shares of Common Stock deliverable upon the conversion of all outstanding Series L Shares not theretofore converted.

(5) Liquidation Preference.

(a) Upon any voluntary or involuntary dissolution, liquidation, or winding up of the Corporation (for the purposes of this subsection (5), a "Liquidation"), the holder of each Series L Share then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its shareholders, an amount equal to \$25 per share plus all dividends (whether or not declared or due) accrued and unpaid on such share on the date fixed for the distribution of assets of the Corporation to the holders of Series L Shares. With respect to the distribution of the Corporation's assets upon a Liquidation, the Series L Shares shall rank prior to Junior Securities, *pari passu* with the Parity Securities and junior to the Senior Securities.

(b) If upon any Liquidation of the Corporation, the assets available for distribution to the holders of Series L Shares and any Parity Securities then outstanding shall be insufficient to pay in full the liquidation distributions to the holders of outstanding Series L Shares and Parity Securities in accordance with the terms of these Articles of Incorporation, then the holders of such shares shall share ratably in such distribution of assets in accordance with the amount that would be payable on such distribution if the amounts to which the holders of the Series L Shares and Parity Securities are entitled were paid in full.

(c) Neither the voluntary sale, conveyance, lease, pledge, exchange or transfer of all or substantially all the property or assets of the Corporation, the merger or consolidation of the Corporation into or with any other corporation, the merger of any other corporation into the Corporation, a share exchange with any other corporation, nor any purchase or redemption

of some or all of the shares of any class or series of stock of the Corporation, shall be deemed to be a Liquidation of the Corporation for the purposes of this subsection (5) (unless in connection therewith the Liquidation of the Corporation is specifically approved).

(d) The holder of any Series L Shares shall not be entitled to receive any payment owed for such shares under this subsection (5) until such holder shall cause to be delivered to the Corporation the certificate or certificates representing such Series L Shares and transfer instruments satisfactory to the Corporation and sufficient to transfer such Series L Shares to the Corporation free of any adverse interest. No interest shall accrue on any payment upon Liquidation after the due date thereof.

(e) After payment of the full amount of the liquidating distribution to which they are entitled, the holders of Series L Shares will not be entitled to any further participation in any distribution of assets by the Corporation.

(6) Preemptive Rights. The Series L Shares is not entitled to any preemptive or subscription rights in respect of any securities of the Corporation.

F. Series CC Junior Participating Preferred Shares:

(1) Designation and Amount. The shares of such series shall be designated as “Series CC Junior Participating Preferred Shares” (the “Series CC Shares”) and the number of shares constituting the Series CC Shares shall be 150,000. Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, that no decrease shall reduce the number of Series CC Shares to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Series CC Shares.

(2) Dividends and Distributions.

(a) Subject to the rights of the holders of any shares of any series of Preferred Stock (or any similar stock) ranking prior and superior to the Series CC Shares with respect to dividends, the holders of Series CC Shares shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the dividend date declared on the Common Stock, par value \$1.00 per share (the “Common Stock”) in each year (each such date being referred to herein as a “Quarterly Dividend Payment Date”), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series CC Shares, in an amount per share (rounded to the nearest cent), subject to the provision for adjustment hereinafter set forth, equal to 10,000 times the aggregate per share amount of all cash dividends, and 10,000 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, declared on the Common Stock of the Corporation since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series CC Shares, other than, in each case, a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise). In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of Series CC Shares were entitled immediately prior to such event under the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) The Corporation shall declare a dividend or distribution on the Series CC Shares as provided in paragraph (a) of this Section immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock).

(c) Dividends, to the extent payable as provided in paragraphs (a) and (b) of this Section, shall begin to accrue and be cumulative on outstanding Series CC Shares from the Quarterly Dividend Payment Date next preceding the date of issue of such shares, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of Series CC Shares entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the Series CC Shares in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of Series CC Shares entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than 60 days prior to the date fixed for the payment thereof.

(3) Voting Rights. The holders of Series CC Shares shall have the following voting rights:

(a) Subject to the provision for adjustment hereinafter set forth, each share of Series CC Shares shall entitle the holder thereof to 10,000 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of Series CC Shares were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) Except as otherwise provided herein, in any other articles of amendment creating a series of Preferred Stock or any similar stock, or by law, the holders of Series CC Shares and the holders of shares of Common Stock and any other capital stock of the Corporation having general voting rights shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(c) Except as set forth herein, or as otherwise provided by law, holders of Series CC Shares shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

(4) Certain Restrictions.

(a) Whenever quarterly dividends or other dividends or distributions payable on the Series CC Shares as provided in Article III.F.(2) are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on Series CC Shares outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends, or make any other distributions, on any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series CC Shares;

(ii) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series CC Shares, except dividends paid ratably on the Series CC Shares and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series CC Shares, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior

stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series CC Shares; or

(iv) redeem or purchase or otherwise acquire for consideration any Series CC Shares, or any shares of stock ranking on a parity with the Series CC Shares, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(b) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (a) of this Articles III.F.(4), purchase or otherwise acquire such shares at such time and in such manner.

(5) Reacquired Shares. Any Series CC Shares purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock subject to the conditions and restrictions on issuance set forth herein, in the Articles of Incorporation, or in any other Articles of Amendment to the Articles of Incorporation creating a series of Preferred Stock or any similar stock or as otherwise required by law.

(6) Liquidation, Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (1) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series CC Shares unless, prior thereto, the holders of Series CC Shares shall have received \$10,000 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, provided that the holders of Series CC Shares shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 10,000 times the aggregate amount to be distributed per share to holders of shares of Common Stock, or (2) to the holders of shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series CC Shares, except distributions made ratably on the Series CC Shares and all such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of Series CC Shares were entitled immediately prior to such event under the proviso in clause (1) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(7) Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each share of Series CC Shares shall at the same time be similarly exchanged or changed into an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 10,000 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of Series CC Shares shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(8) No Redemption. The Series CC Shares shall not be redeemable.

(9) Rank. The Series CC Shares shall rank, with respect to the payment of dividends and the distribution of assets, junior to all series of any other class of the Corporation's Preferred Stock.

(10) Amendment. The Articles of Incorporation of the Corporation shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series CC Shares so as to affect them adversely without the affirmative vote of the holders of at least two-thirds of the outstanding Series CC Shares, voting together as a single class.

ARTICLE IV Directors

A. Number of Directors. The business and affairs of this Corporation shall be managed under the direction of the Board of Directors. The number of directors comprising the Board of Directors of this Corporation (exclusive of directors who may be elected by the holders of any one or more series of Preferred Stock voting separately) shall be determined from time to time by resolution adopted by the affirmative votes of both (i) 80% of the directors then in office and (ii) a majority of the Continuing Directors (as defined in Article V(D)), voting as a separate group, provided, however, that no decrease in the number of directors shall shorten the term of any incumbent director.

B. Term. All directors elected by shareholders at and after the 2012 annual meeting of shareholders shall hold office until the next annual meeting of shareholders and until their successors are duly elected and qualified. Directors whose terms do not expire at the 2012 annual meeting of shareholders shall hold office until the annual meeting for the year in which the director's term expires and until their successors are duly elected and qualified.

C. Vacancies. Except as provided in Article IV(G) hereof, any vacancy on the Board (including any vacancy resulting from an increase in the authorized number of directors or from a failure of the shareholders to elect the full number of authorized directors) may, notwithstanding any resulting absence of a quorum of directors, be filled only by the Board of Directors, acting by vote of both (i) a majority of the directors then in office and (ii) a majority of all the Continuing Directors, voting as a separate group, and any director so appointed shall serve until the next shareholders' meeting held for the election of directors and until his successor is duly elected and qualified.

D. Removal. Subject to Article IV(G) hereof and notwithstanding any other provisions of these Articles or the Bylaws of this Corporation, any director or the entire Board of Directors may be removed at any time, but only for cause, by the affirmative vote at a meeting of shareholders called for such purpose of the holders of both (i) a majority of the Total Voting Power (as defined in Article V(D) hereof) entitled to be cast by the holders of Voting Stock (as defined in Article V(D) hereof), voting together as a single class, and (ii) a majority of the Total Voting Power entitled to be cast by the Independent Shareholders (as defined in Article V(D) hereof), voting as a separate group. At the same meeting in which the shareholders remove one or more directors, a successor or successors may be elected for the unexpired term of the director or directors removed. Except as set forth in this Article, directors shall not be subject to removal.

E. Tender Offers and Other Extraordinary Transactions. In connection with the exercise of its judgment in determining what is in the best interest of the Corporation and its stockholders when evaluating a Business Combination (as defined in Article V(D) hereof) or a tender or exchange offer or a proposal by another Person or Persons to make a tender or exchange offer, the Board of Directors of the Corporation shall consider, in addition to the adequacy of the amount to be paid in connection with any such transaction, all of the following factors and any other factors which it deems relevant: (i) the social and economic effects of the transaction on the Corporation and its subsidiaries, and their respective employees, customers, creditors and other elements of the communities in which they operate or are located, (ii) the business and financial condition and earnings prospects of the acquiring Person or Persons, including, but not limited to, debt service and other existing or likely financial obligations of the acquiring Person or Persons, and the possible effect of such conditions upon the Corporation and its Subsidiaries and the other elements of the communities in which the Corporation and its subsidiaries operate or are located, and (iii) the competence, experience and integrity of the acquiring Person or Persons and its or their management.

F. Board Qualifications.

(1) Except as otherwise provided in Article IV(G) hereof, no person shall be eligible for nomination, election or service as a director of the Corporation who shall:

(a) in the opinion of the Board of Directors fail to respond satisfactorily to the Corporation respecting any inquiry of the Corporation for information to enable the Corporation to make any certification required by the Federal Communications Commission under the Anti-Drug Abuse Act of 1988 or to determine the eligibility of such person under this Article;

(b) have been arrested or convicted of any offense concerning the distribution or possession of, or trafficking in, drugs or other controlled substances, provided that in the case of an arrest the Board of Directors may in its discretion determine that notwithstanding such arrest such persons shall remain eligible under this Article; or

(c) have engaged in actions that could lead to such an arrest or conviction and that the Board of Directors determines would make it unwise for such person to serve as a director of the Corporation.

(2) Any person serving as a director of the Corporation shall automatically cease to be a director on such date as he ceases to have the qualifications set forth in paragraph (1) above, and his position shall be considered vacant within the meaning of Article IV(C) hereof.

G. Directors Elected by Preferred Shareholders. Notwithstanding anything in these Articles of Incorporation to the contrary, whenever the holders of any one or more series of Preferred Stock shall have the right, voting separately as a class, to elect one or more directors of the Corporation, the provisions of these Articles of Incorporation (as they may be duly amended from time to time) fixing the rights and preferences of such Preferred Stock shall govern with respect to the nomination, election, term, removal, vacancies or other related matters with respect to such directors.

ARTICLE V
Certain Business Combinations

A. Vote Required in Business Combinations. No Business Combination may be effected unless all of the following conditions have been fulfilled:

(1) In addition to any vote otherwise required by law or these Articles, the proposal to effect a Business Combination shall have been approved by (i) a majority of the directors then in office and a majority of the Continuing Directors and (ii) by the affirmative votes of both of the following:

(a) 80% of the Total Voting Power entitled to be cast by holders of outstanding shares of Voting Stock of this Corporation, voting as a separate voting group; and

(b) Two-thirds of the Total Voting Power entitled to be cast by the Independent Stockholders present or duly represented at a meeting, voting as a separate voting group.

(2) A proxy or information statement describing the proposed Business Combination and complying with the requirements of the Securities Exchange Act of 1934, as amended (the "Act"), and the rules and regulations thereunder (or any subsequent provisions replacing the Act, rules or regulations as a whole or in part) is mailed to all shareholders of the Corporation at least 30 days prior to the consummation of such Business Combination (regardless of whether such proxy or information statement is required pursuant to the Act or subsequent provisions).

B. Nonapplicability of Voting Requirements. The vote required by Paragraph A of this Article does not apply to a Business Combination if all conditions specified in either of paragraphs 1 or 2 below are met:

(1) The proposed Business Combination is approved prior to the time the Related Person involved in the proposed transaction became a Related Person by the affirmative votes of both a majority of the directors then in office and a majority of the Continuing Directors, voting as a separate group.

(2) All of the following five conditions have been met:

(a) The aggregate amount of the cash and the Market Value on the Valuation Date of consideration other than cash to be received per share by all holders of Common Stock in such Business Combination is at least equal to the highest of the following:

1. the highest per share price, including any brokerage commissions, transfer taxes and soliciting dealers' fees, paid by or on behalf of the Related Person for any shares of Common Stock of the same class or series acquired by it within the two-year period immediately prior to the Announcement Date or in the transaction in which it became a Related Person, whichever is higher;
2. The Market Value per share of Common Stock of the same class or series on the Announcement Date or on the Determination Date, whichever is higher; or
3. The price per share equal to the Market Value per share of Common Stock of the same class or series determined pursuant to clause (2) immediately preceding, multiplied by the fraction of the highest per share price, including any brokerage commissions, transfer taxes and soliciting dealers' fees, paid by or for the Related Person for any shares of Common Stock of the same class or series acquired by it within the two-year period immediately prior to the Announcement Date, over the Market Value per share of Common Stock of the same class or series on the first day in such two-year period on which the Related Person acquired any shares of Common Stock.

(b) The aggregate amount of the cash and the Market Value as of the Valuation Date of consideration other than cash to be received per share by holders of shares of any class or series of outstanding stock other than Common Stock is at least equal to the highest of the following, whether or not the Related Person has previously acquired any shares of a particular class or series of stock:

1. The highest per share price, including any brokerage commissions, transfer taxes and soliciting dealers' fees, paid by or for the Related Person for any shares of such class of stock acquired by it within the two-year period immediately prior to the Announcement Date or in the transaction in which it became a Related Person, whichever is higher;
2. The highest preferential amount per share to which the holders of shares of such class of stock are entitled in the event of any voluntary or involuntary liquidation, dissolution or winding up of this Corporation;
3. The Market Value per share of such class of stock on the Announcement Date or on the Determination Date, whichever is higher; or
4. The price per share equal to the Market Value per share of such class of stock determined pursuant to clause (3) immediately preceding, multiplied by the fraction of the highest per share price, including any brokerage commissions, transfer taxes and soliciting dealers' fees, paid by or for the Related Person for any shares of any class of Voting Stock acquired by it within the two-year period immediately prior to the Announcement Date, over the Market Value per share of the same class of Voting Stock on the first day in such two-year period on which the Related Person acquired any shares of the same class of Voting Stock.

(c) The consideration to be received by holders of any class or series of outstanding stock is to be in cash or in the same form as the Related Person has previously paid for shares of the same class or series of stock. If the Related Person has paid for shares of any class of stock with varying forms of consideration, the form of consideration for such class of stock shall be either cash or the form used to acquire the largest number of shares of such class or series of stock previously acquired by it.

(d) After the Related Person has become a Related Person and prior to the consummation of such Business Combination:

1. There shall have been no failure to declare and pay at the regular date therefor any full periodic dividends, cumulative or not, on any outstanding Preferred Stock of this Corporation;

2. There shall have been no reduction in the annual rate of dividends paid on any class or series of stock of this Corporation that is not Preferred Stock except as necessary to reflect any subdivision of the stock, and no failure to increase the annual rate of dividends as necessary to reflect any reclassification, including any reverse stock split, recapitalization, reorganization, or any similar transaction which has the effect of reducing the number of outstanding shares of the stock; and

3. The Related Person did not become the Beneficial Owner of any additional shares of stock of this Corporation except as part of the transaction which resulted in such Related Person becoming a Related Person or by virtue of proportionate stock splits or stock dividends.

The provisions of clause (1) and (2) immediately preceding shall not apply if no Related Person or an Affiliate or Associate of the Related Person voted as a director of this Corporation in a manner inconsistent with such clauses and the Related Person, within ten days after any act or failure to act inconsistent with such clauses, notifies the Board of Directors of this Corporation in writing that the Related Person disapproves thereof and requests in good faith that the Board of Directors rectify such act or failure to act.

(e) After the Related Person has become a Related Person, the Related Person may not have received the benefit, directly or indirectly, except proportionately as a shareholder, of any loans, advances, guarantees, pledges or other financial assistance or any tax credits or other tax advantages provided by this Corporation or any of its Subsidiaries, whether in anticipation of or in connection with such Business Combination or otherwise.

C. Alternative Shareholder Vote for Business Combinations. In the event the conditions set forth in Subparagraph (B)(1) or (B)(2) have been met, the affirmative vote required of shareholders in order to approve the proposed Business Combination shall be 66-2/3% of the Total Voting Power present or duly represented at the meeting called for such purpose.

D. Definitions. The following terms, for all purposes of these Articles or the By-laws of this Corporation, shall have the following meaning:

(1) An “Affiliate” of, or a person “affiliated with,” a specified person means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

(2) “Announcement Date” means the first general public announcement of the proposal or intention to make a proposal of the Business Combination or its first communication generally to shareholders of this Corporation, whichever is earlier.

(3) “Associate,” when used to indicate a relationship with any person, means any of the following:

(a) Any corporation or organization, other than this Corporation, of which such person is an officer, director or partner or is, directly or indirectly, the Beneficial Owner of 10% or more of any class of Equity Securities.

(b) Any trust or other estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity.

(c) Any relative or spouse of such person, or any relative of such spouse, who has the same home as such person.

(d) Any investment company registered under the Investment Company Act of 1940 for which such person serves as investment advisor.

(4) A person shall be deemed to be the “Beneficial Owner” of any shares of capital stock (regardless whether owned of record):

(a) Which that person or any of its Affiliates or Associates, directly or indirectly, owns beneficially;

(b) Which such person or any of its Affiliates or Associates has (i) the right to acquire (whether exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding or upon the exercise of

conversion rights, exchange rights, warrants or options, or otherwise, or (ii) the right to vote pursuant to any agreement, arrangement or understanding; or

(c) Which are beneficially owned, directly or indirectly, by any other person with which such person or any of its Affiliates or Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any shares of voting capital stock of the corporation or any of its subsidiaries.

(5) “Business Combination” means any of the following transactions, when entered into by the Corporation or a Subsidiary with, or upon a proposal by, a Related Person:

(a) The merger or consolidation of, or an exchange of securities by, the Corporation or any Subsidiary;

(b) The sale, lease, exchange, mortgage, pledge, transfer or any other disposition (in one or a series of transactions) of any assets of the Corporation, or of any Subsidiary, having an aggregate book or fair market value of \$1,000,000 or more, measured at the time the transaction or transactions are approved by the Board of Directors;

(c) The adoption of a plan or proposal for the liquidation or dissolution of the Corporation or any Subsidiary;

(d) The issuance or transfer by the Corporation or any Subsidiary (in one or a series of transactions) of securities of the Corporation, or of any Subsidiary, having a fair market value of \$1,000,000 or more;

(e) The reclassification of securities (including a reverse stock split), recapitalization, consolidation or any other transaction (whether or not involving a Related Person) which has the direct or indirect effect of increasing the voting power (regardless whether then exercisable) or the proportionate amount of the outstanding shares of any class or series of Equity Securities of this Corporation or any of its Subsidiaries held by a Related Person, or any Associate or Affiliate of a Related Person;

(f) Any loans, advances, guarantees, pledges or other financial assistance or any tax credits or other tax advantages provided by the Corporation or any Subsidiary to a Related Person or any Affiliate or Associate thereof, except proportionately as a shareholder; or

(g) Any agreement, contract or other arrangement providing directly or indirectly for any of the foregoing.

(6) “Capital Stock” means any Common Stock, Preferred Stock or other capital stock of the Corporation, or any bonds, debentures, or other obligations granted voting rights by the Corporation pursuant to La. R.S. 12:75H.

(7) “Common Stock” means any stock other than a class or series of preferred or preference stock.

(8) “Continuing Director” shall mean any member of the Board of Directors who is not a Related Person or an Affiliate or Associate thereof, and who was a member of the Board of Directors prior to the time that the Related Person became a Related Person, and any successor to a Continuing Director who is not a Related Person or an Affiliate or Associate thereof and was recommended to succeed a Continuing Director by a majority of Continuing Directors who were then members of the Board of Directors, provided that, in the absence of a Related Person, any reference to “Continuing Directors” shall mean all directors then in office.

(9) “Control,” including the terms “controlling,” “controlled by” and “under common control with,” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise. The beneficial ownership of 10% or more of the votes entitled to be cast by a corporation’s voting stock creates a presumption of control.

(10) “Determination Date” means the date on which a Related Person first became a Related Person.

(11) “Equity Security” means any of the following:

(a) Any stock or similar security, certificate of interest or participation in any profit sharing agreement, voting trust certificate or certificate of deposit for an equity security.

(b) Any security convertible, with or without consideration, into an equity security, or any warrant or other security carrying any right to subscribe to or purchase an equity security.

(c) Any put, call, straddle or other option or privilege of buying an equity security from or selling an equity security to another without being bound to do so.

(12) “Independent Shareholder” or “Independent Stockholder” means a holder of Voting Stock of this Corporation who is not a Related Person.

(13) “Market Value” means the following:

(a) In the case of stock, the highest closing sale price on the date or during the period in question of a share of such stock on the principal United States securities exchange registered under the Securities Exchange Act of 1934 on which such stock is listed or, if such stock is not listed on any such exchange, the highest closing bid quotation with respect to a share of such stock on the date or during the period in question on the National Association of Securities Dealers, Inc., Automated Quotations Systems, or any alternative system then in use, or, if no such quotations are available, the fair market value on the date or during the period in question of a share of such stock as determined by a majority of the Continuing Directors of this Corporation in good faith.

(b) In the case of property other than cash or stock, the fair market value of such property on the date or during the period in question as determined by a majority of the Continuing Directors of this Corporation in good faith.

(14) A “person” shall mean any individual, firm, corporation or other entity, or a group of persons acting or agreeing to act together in the manner set forth in Rule 13d-5 under the Securities Exchange Act of 1934, as in effect on January 1, 1984.

(15) “Related Person” means any person (other than the Corporation, a Subsidiary or any profit sharing, employee stock ownership or other employee benefit plan of the Corporation or any Subsidiary or any trust, trustee of or fiduciary with respect to any such plan acting in such capacity) who (a) is the direct or indirect Beneficial Owner of shares of Capital Stock representing more than 10% of the outstanding Total Voting Power entitled to vote for the election of directors, and any Affiliate or Associate of any such person, or (b) is an Affiliate or Associate of the Corporation and at any time within the two-year period immediately prior to the date in question was the Beneficial Owner, directly or indirectly, of shares of Capital Stock (including two or more classes or series voting together as a single class) representing 10% or more of the outstanding Total Voting Power entitled to vote for the election of directors. For the purpose of determining whether a person is the Beneficial Owner of a percentage, specified in this Article, of the outstanding Total Voting Power, the number of shares of Voting Stock deemed to be outstanding shall include shares deemed owned by that person through application of Article V(D)(3) but shall not include any other shares which may be issuable to any other person.

(16) “Subsidiary” means any corporation of which Voting Stock having a majority of the votes entitled to be cast is owned, directly or indirectly, by this Corporation.

(17) “Total Voting Power,” when used in reference to any particular matter properly brought before the shareholders for their consideration and vote, means the total number of votes that holders of Capital Stock are entitled to cast with respect to such matter.

(18) “Valuation Date” means the following:

(a) For a Business Combination voted upon by shareholders, the latter of the date prior to the date of the shareholders’ vote and the day 20 days prior to the consummation of the Business Combination; and

(b) For a Business Combination not voted upon by the shareholders, the date of the consummation of the Business Combination.

(19) “Voting Stock” means shares of Capital Stock of the Corporation entitled to vote generally in the election of directors.

E. Benefit of Statute. This Corporation claims and shall have the benefit of the provisions of R.S. 12:133 except that the provisions of R.S. 12:133 shall not apply to any business combination involving an interested shareholder that is an employee benefit plan or related trust of this Corporation.

ARTICLE VI Shareholders’ Meetings

A. Written Consents. Any action required or permitted to be taken at any annual or special meeting of shareholders may be taken only upon the vote of the shareholders, present in person or represented by duly authorized proxy, at an annual or special meeting duly noticed and called, as provided in the Bylaws of the Corporation, and may not be taken by a written consent of the shareholders pursuant to the Business Corporation Law of the State of Louisiana.

B. Special Meetings. Subject to the terms of any outstanding class or series of Preferred Stock that entitles the holders thereof to call special meetings, the holders of a majority of the Total Voting Power of the Corporation shall be required to cause the Secretary of the Corporation to call a special meeting of shareholders pursuant to La. R.S. 12:73B (or any successor provision). Nothing in this Article VI shall limit the power of the President of the Corporation or its Board of Directors to call a special meeting of shareholders.

ARTICLE VII Limitation of Liability and Indemnification

A. Limitation of Liability. No director or officer of the Corporation shall be liable to the Corporation or to its shareholders for monetary damages for breach of his fiduciary duty as a director or officer, provided that the foregoing provision shall not eliminate or limit the liability of a director or officer for (1) any breach of his duty of loyalty to the Corporation or its shareholders; (2) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (3) liability for unlawful distributions of the Corporation’s assets to, or redemptions or repurchases of the Corporation’s shares from, shareholders of the Corporation, under and to the extent provided in La. R.S. 12:92D; or (4) any transaction from which he derived an improper personal benefit.

B. Authorization of Further Actions. The Board of Directors may (1) cause the Corporation to enter into contracts with its directors and officers providing for the limitation of liability set forth in this Article to the fullest extent permitted by law, (2) adopt By-laws or resolutions, or cause the Corporation to enter into contracts, providing for indemnification of directors and officers of the Corporation and other persons (including but not limited to directors and officers of the Corporation’s direct and indirect Subsidiaries) to the fullest extent permitted by law and (3) cause the Corporation to exercise the insurance powers set forth in La. R.S. 12:83F, notwithstanding that some or all of the members of the Board of Directors acting with respect to the foregoing may be parties to such contracts or beneficiaries of such By-laws or resolutions or the exercise of such powers. No repeal or amendment of any such By-laws or resolutions limiting the right to indemnification thereunder shall affect the entitlement of any person to indemnification whose claim thereto results from conduct occurring prior to the date of such repeal or amendment.

C. Subsidiaries. The Board of Directors may cause the Corporation to approve for the officers and directors of its direct and indirect Subsidiaries limitation of liability, indemnification and insurance provisions comparable to the foregoing.

D. Amendment of Article. Notwithstanding any other provisions of these Articles of Incorporation, the affirmative vote of the holders of at least 80% of the Total Voting Power shall be required to amend or repeal this Article VII, and any amendment or repeal of this Article shall not adversely affect any elimination or limitation of liability of a director or officer of the Corporation under this Article with respect to any action or inaction occurring prior to the time of such amendment or repeal.

ARTICLE VIII Reversion

Except for cash, shares or other property or rights payable or issuable to the holders of Preferred Stock, the rights to which shall be determined under applicable state law, Cash, property or share dividends, shares issuable to shareholders in connection with a reclassification of stock, and the redemption price of redeemed shares, that are not claimed by the shareholders entitled thereto within one year after the dividend or redemption price became payable or the shares became issuable, despite reasonable efforts by the Corporation to pay the dividend or redemption price or deliver the certificates for the shares to such shareholders within such time, shall, at the expiration of such time, revert in full ownership to the Corporation, and the Corporation's obligation to pay such dividend or redemption price or issue such shares, as the case may be, shall thereupon cease, provided, however, that the Board of Directors may, at any time, for any reason satisfactory to it, but need not, authorize (i) payment of the amount of any cash or property dividend or redemption price or (ii) issuance of any shares, ownership of which has reverted to the Corporation pursuant to this Article, to the person or entity who or which would be entitled thereto had such reversion not occurred.

ARTICLE IX Amendments

A. Charter Amendments. Articles IV (other than paragraphs F and G), V, VI(A) and IX of these Articles of Incorporation shall not be amended in any manner (whether by modification or repeal of an existing Article or Articles or by addition of a new Article or Articles) except upon resolutions adopted by the affirmative vote of both (i) 80% of the Total Voting Power entitled to be cast by the holders of outstanding shares of Voting Stock, voting together as a single group, and (ii) two-thirds of the Total Voting Power entitled to be cast by the Independent Shareholders present or duly represented at a shareholders' meeting, voting as a separate group; provided, however, that if such resolutions shall first be adopted by both a majority of the directors then in office and a majority of the Continuing Directors, voting as a separate group, then such resolutions shall be deemed adopted by the shareholders upon the affirmative vote of a majority of the Total Voting Power entitled to be cast by the holders of outstanding shares of Voting Stock, voting as a single group.

B. Bylaw Amendments. Bylaws of this Corporation may be altered, amended, or repealed or new Bylaws may be adopted by (i) the shareholders, but only upon the affirmative vote of both 80% of the Total Voting Power entitled to be cast by the holders of outstanding shares of Voting Stock, voting together as a single group, and two-thirds of the Total Voting Power entitled to be cast by the Independent Shareholders present or duly represented at a shareholders' meeting, voting as a separate group, or (ii) the Board of Directors, but only upon the affirmative vote of both a majority of the directors then in office and a majority of the Continuing Directors, voting as a separate group.

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**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

December 31, 2024

Lumen Technologies, Inc. ("Lumen", the "Company", "we" or "us") has two classes of securities registered under Section 12 of the Securities Exchange Act of 1934 (as amended, the "Exchange Act"): (i) Common Stock, no par value per share ("Common Stock"), and (ii) Series CC Junior Participating Preferred Stock Purchase Rights ("Purchase Rights"), both of which are listed on The New York Stock Exchange.

DESCRIPTION OF COMMON STOCK

The following is a summary description of the rights of the holders of the Common Stock and related provisions of the Company's Articles of Incorporation, as amended and restated (the "Articles"), and bylaws, as amended and restated (the "Bylaws"), and applicable Louisiana law. This summary is intended to provide a general description only, does not purport to be complete and is qualified in its entirety by reference to, and should be read in conjunction with, the Articles, Bylaws and applicable Louisiana law.

General

As of December 31, 2024, Lumen was authorized under its Articles to issue an aggregate 2.202 billion shares of capital stock, consisting of 2.200 billion shares of Common Stock, no par value per share, and 2 million shares of preferred stock, \$25.00 par value per share. All of the outstanding capital stock of the Company is fully paid and non-assessable.

Dividends

Holders of our Common Stock are entitled to receive dividends when, as and if declared by our board of directors, out of funds legally available therefor, subject to the preferences applicable to any outstanding preferred stock.

No Preemptive, Redemption or Conversion Rights

The Common Stock is not redeemable, is not subject to sinking fund provisions, does not have any conversion rights and is not subject to call. Holders of shares of Common Stock have no preemptive rights to maintain their percentage of ownership in future offerings or sales of stock of Lumen.

Voting Rights

Under the Articles, each share of Common Stock entitles the holder thereof to one vote per share in all elections of directors and on all other matters duly submitted to shareholders for their vote or consent. Holders of our Common Stock do not have cumulative voting rights.

Liquidation, Dissolution or Similar Rights

In the event we liquidate, dissolve or wind up our affairs, holders of our Common Stock would be entitled to receive ratably all of our assets remaining after satisfying the preferences of our creditors and the holders of any outstanding preferred stock.

Certain Provisions Affecting Takeovers

Provisions of the Articles and Bylaws may delay or discourage transactions involving an actual or potential change of control in the Company or its management, including transactions in which shareholders might otherwise receive a premium for their shares, or transactions that the Company's shareholders might otherwise deem to be in their best interests. Among other things:

- Our Articles provide that shareholder action may only be taken at an annual or special meeting of shareholders and may not be taken by written consent of the shareholders.
- Under our Articles, the shareholders may remove any director or the entire board of directors, only for cause, at any meeting of the shareholders called for such purpose, by the affirmative vote of (i) a majority of the total voting power of all shareholders and (ii) at any time there is a related person (as defined in the Articles), a majority of the total voting power of all shareholders other than the related person, voting as a separate group.
- Pursuant to our Articles, vacancies on our board may be filled only by the board of directors by a vote of both a majority of the directors then in office and a majority of the continuing directors (as defined in the Articles) voting as a separate group.
- Under our Articles, the number of authorized directors may not be increased or decreased without, among other things, the approval of both 80% of the directors then in office and a majority of the continuing directors voting as a separate group.
- Our Articles contain "fair price" provisions designed to provide supermajority vote and other safeguards for our shareholders when related persons attempt to effect a business combination with us, unless the business combination is approved in advance by the directors or satisfies various minimum price, consideration and procedural requirements, in each case as set forth in the Articles.
- Our board of directors is required by our Articles to consider particular factors enumerated therein when evaluating a business combination, tender or exchange offer or a proposal by another person to make a tender or exchange offer.
- Our Bylaws establish an advance notice procedure with regard to the nomination, other than by or at the direction of our board of directors, of candidates for election as directors and with regard to other matters to be brought before a meeting of our shareholders.
- Our Articles and applicable Louisiana law restrict the ability of the shareholders to call special shareholder's meetings.

- Various provisions of our Articles may not be amended except upon the affirmative vote of both 80% of the total voting power of all shareholders and two-thirds of the total voting power of shareholders, other than a related person, present or represented at a shareholders' meeting, voting as a separate group.
- Our Bylaws may be adopted, amended or repealed and new bylaws may be adopted by either a majority of our directors and a majority of our continuing directors, voting as a separate group; or the holders of at least 80% of the total voting power of all shareholders and two-thirds of the total voting power of shareholders, other than a related person, present or duly represented at a shareholders' meeting, voting as a separate group.
- Our board of directors is authorized, without action of the shareholders, to issue (i) additional shares of Common Stock, subject to certain limitations under the New York Stock Exchange listing standards and the Louisiana Business Corporation Act, and (ii) additional shares of preferred stock with rights and preferences designated by the board of directors, which could include terms adversely affecting the rights of holders of the Common Stock.

In addition, certain federal foreign ownership limitations and provisions in our debt instruments could potentially discourage certain change of control transactions.

Additional Information

As of December 31, 2024, Lumen had outstanding 7,018 shares of 5% Cumulative Convertible Series L Preferred Stock that entitles the holders to certain preferential liquidation and other rights and to cast one vote per share, together with holders of the Common Stock, on all matters duly submitted to a vote of shareholders. For additional information on the matters summarized above, see our Registration Statement on Form 8-A/A filed with the U.S. Securities and Exchange Commission (the "SEC") on March 2, 2015. Our Articles and Bylaws are filed as exhibits to our accompanying Annual Report on Form 10-K.

DESCRIPTION OF SERIES CC JUNIOR PARTICIPATING PREFERRED STOCK PURCHASE RIGHTS

General

On February 13, 2019, we entered into a Section 382 Rights Agreement (as amended and restated through the date hereof, the "NOL Rights Plan") by and between the Company and Computershare, Inc., as rights agent (the "Rights Agent"). As previously disclosed, the Company and the Rights Agent amended this agreement on May 9, 2019 and November 20, 2020. On November 15, 2023, the Company and the Rights Agent entered into a Second Amended and Restated Section 382 Rights Agreement effective as of December 1, 2023 (the "2023 Amendment").

We adopted the NOL Rights Plan to diminish the risk that we could experience an "ownership change" as defined under Section 382 of the Internal Revenue Code of 1986 (as amended, the "Code"), which could substantially limit our ability to use our net operating loss carryover (collectively, the "NOLs") to reduce anticipated future tax liabilities. The 2023

Amendment, among other things, (i) extended the NOL Rights Plan's expiration date through December 1, 2026 to protect the Company's NOLs and (ii) reduced the purchase price from \$28 to \$9 per one ten-thousandth of a Preferred Share (as defined below).

Pursuant to the NOL Rights Plan, the Company's board of directors (the "Board") declared a dividend of one preferred share purchase right (each, a "Right") for each outstanding share of Common Stock. The dividend was distributed to shareholders of record as of the close of business on February 25, 2019.

Lumen's shareholders initially ratified the NOL Rights Plan on May 22, 2019, and subsequently ratified amendments to or restatements of such plan on May 19, 2021 and May 15, 2024.

The following is a summary description of the Rights and the other material terms and conditions of the NOL Rights Plan. This summary is intended to provide a general description only, does not purport to be complete and is qualified in its entirety by reference to, and should be read in conjunction with, the complete text of the NOL Rights Plan. All capitalized terms used herein but not defined herein shall have the meanings ascribed to such terms in the NOL Rights Plan.

Applicability of NOL Rights Plan

Under the NOL Rights Plan, since February 25, 2019, each share of our Common Stock has carried with it one Right until the Distribution Date (as defined below) or the earlier expiration of the Rights, as described below. Shareholders who owned 5.0% or more of the outstanding Common Stock as of the close of business on February 13, 2019, will not trigger the Rights so long as they do not (i) acquire additional shares of Common Stock representing one-half of one percent (0.5%) or more of the shares of Common Stock outstanding at the time of such acquisition or (ii) fall under 4.9% ownership of Common Stock and then re-acquire shares that in the aggregate equal 4.9% or more of the Common Stock. A person will not trigger the Rights solely as a result of any transaction that the Board determines, in its sole discretion, is an exempt transaction for purposes of triggering the Rights. To the Company's knowledge, only one company held 5.0% or more of the Company's outstanding shares of Common Stock on February 13, 2019, for purposes of Section 382 of the Code, and it has subsequently sold those shares.

The Board may, in its sole discretion prior to the Distribution Date, exempt any person or group for purposes of the NOL Rights Plan if it determines the acquisition by such person or group will not jeopardize tax benefits or is otherwise in the Company's best interests. Any person that acquires shares of Common Stock in violation of these limitations is known as an "Acquiring Person." Notwithstanding the foregoing, a Person shall not be an "Acquiring Person" if the Board determines at any time that a Person who would otherwise be an "Acquiring Person" has become such without intending to become an "Acquiring Person," and such Person divests as promptly as practicable (or within such period of time as the Board determines is reasonable) a sufficient number of shares of Common Stock of the Company so that such Person would no longer be an "Acquiring Person," as defined pursuant to the NOL Rights Plan.

The Rights

From the record date of February 25, 2019 until the Distribution Date or earlier expiration of the Rights, the Rights will trade with, and be inseparable from, the Common Stock. New Rights will also accompany any new shares of Common Stock that are issued after February 13, 2019, until the Distribution Date or earlier expiration of the Rights.

Exercise Price

Each Right will allow its holder to purchase from the Company one ten-thousandth of a share of Series CC Junior Participating Preferred Stock ("Preferred Share") for \$9, subject to adjustment (the "Exercise Price"), once the Rights become exercisable. This fraction of a Preferred Share will give the shareholder approximately the same dividend, voting and liquidation rights as would one share of Common Stock. Prior to exercise, each Right does not give its holder any dividend, voting or liquidation rights.

Exercisability

The Rights will not be exercisable until 10 business days (as may be extended in the discretion of the Board) after the public announcement that a person or group has become an Acquiring Person unless the NOL rights Plan is theretofore terminated or the Rights are theretofore redeemed (as described below).

We refer to the date when the Rights become exercisable as the "Distribution Date." Until that date or earlier expiration of the Rights, the Common Stock certificates will also evidence the Rights, and any transfer of shares of Common Stock will constitute a transfer of Rights. After that date, the Rights will separate from the Common Stock and be evidenced by book-entry credits or by Rights certificates that we will mail to all eligible holders of Common Stock. Any Rights held by an Acquiring Person, or any Affiliates or Associates of the Acquiring Person, are void and may not be exercised.

Consequences of a Person or Group Becoming an Acquiring Person

If a person or group becomes an Acquiring Person, all holders of Rights except the Acquiring Person, or any Affiliates or Associates of the Acquiring Person, may, upon payment of the Exercise Price, purchase shares of our Common Stock with a market value of twice the Exercise Price, based on the "current per share market price" of the Common Stock (as defined in the NOL Rights Plan) on the date of the acquisition that resulted in such person or group becoming an Acquiring Person.

Exchange

After a person or group becomes an Acquiring Person, the Board in its sole discretion may extinguish the Rights by exchanging one share of Common Stock or an equivalent security for each Right, other than Rights held by the Acquiring Person or any Affiliates or Associates of the Acquiring Person.

Preferred Share Provisions

Each one ten-thousandth of a Preferred Share, if issued:

- would not be redeemable;
- would entitle holders to dividends equal to the dividends, if any, paid on one share of Common Stock;
- would entitle holders upon liquidation either to receive \$1.00 per share or an amount equal to the payment made on one share of Common Stock, whichever is greater;
- would vote together with the Common Stock as one class on all matters submitted to a vote of shareholders of the Company and will have the same voting power as one share of Common Stock, except as otherwise provided by law; and
- would entitle holders to a per share payment equal to the payment made on one share of Common Stock, if shares of our Common Stock are exchanged via merger, consolidation, or a similar transaction.

The value of each one ten-thousandth interest in a Preferred Share, upon issuance, is expected to approximate the value of one share of Common Stock.

Expiration

The Rights will expire on the earliest of (i) December 1, 2026, (ii) the time at which the Rights are redeemed, (iii) the time at which the Rights are exchanged, or (iv) the time at which the Board makes certain specified determinations that the NOLs are no longer necessary or in the best interests of the Company and its shareholders.

Redemption

The Board may redeem the Rights for \$0.0001 per Right at any time before the Distribution Date. If the Board redeems any Rights, it must redeem all of the Rights. Once the Rights are redeemed, the only right of the holders of Rights will be to receive the redemption price of \$0.0001 per Right (the "Redemption Price"), subject to adjustment as noted below.

Adjustment Provisions

Upon the terms and conditions specified in the NOL Rights Plan, one or more of the Exercise Price, the number of Preferred Shares issuable per Right, the number of outstanding Rights and the Redemption Price are subject to adjustment in connection with a stock dividend, a subdivision, a combination or consolidation of Common Shares or Preferred Shares (by reclassification or otherwise) or any similar transaction in order to preserve equivalent rights of the holders of Rights.

Amendments

The terms of the NOL Rights Plan may be amended by the Board without the consent of the holders of the Rights, including to effect additional extensions of the expiration date of the Rights in the future. After any Distribution Date, the Board may not amend the agreement in a way that adversely affects holders of the Rights (other than an Acquiring Person, or an Affiliate or Associate of an Acquiring Person).

Additional Information

For additional information on the NOL Rights Plan, see our Registration Statement on Form 8-A filed with the SEC on March 11, 2019, as amended by the Form 8-A/A reports filed with the SEC on November 27, 2020 and November 20, 2023. The NOL Rights Plan is filed as an exhibit to our accompanying Annual Report on Form 10-K.

SECOND SUPPLEMENTAL INDENTURE

SECOND SUPPLEMENTAL INDENTURE (this “**Supplemental Indenture**”) dated as of December 30, 2024, among 49 PERCENT QWEST SUB 1, LLC (the “**New Guarantor**”), LUMEN TECHNOLOGIES, INC., a Louisiana corporation (the “**Issuer**”) on behalf of itself and the Guarantors (the “**Existing Guarantors**”) under the Indenture referred to below, WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association, as trustee under the Indenture referred to below (the “**Trustee**”) and BANK OF AMERICA, N.A., a national banking association, as collateral agent under the Indenture referred to below (the “**Collateral Agent**”).

WITNESSETH:

WHEREAS, the Issuer and the Guarantors party thereto have heretofore executed and delivered to the Trustee an Indenture dated as of March 22, 2024, as supplemented by that Supplemental Indenture dated as of October 31, 2024 (the “**Indenture**”; capitalized terms used but not defined herein having the meanings assigned thereto in the Indenture), providing for the issuance of its 4.125% Superpriority Senior Secured Notes due 2029;

WHEREAS, the New Guarantor is a subsidiary of Qwest Corporation;

WHEREAS, the Indenture permits the New Guarantor to execute and deliver to the Trustee a supplemental indenture pursuant to which the New Guarantor shall guarantee all the Issuer’s obligations under the Notes pursuant to a Guarantee on the terms and conditions set forth herein and such guarantee shall be a guarantee of collection only and not a guarantee of performance or payment;

WHEREAS, the Guarantee contained in this Supplemental Indenture shall constitute a “**Note Guarantee**”, and the New Guarantor shall constitute a “**QC Guarantor**” and a “**Guarantor**”, for all purposes of the Indenture;

WHEREAS, pursuant to Section 8.01 and Section 12.07 of the Indenture, the Trustee, the Collateral Agent and the Issuer are authorized to execute and deliver this Supplemental Indenture; and

WHEREAS, all acts and requirements necessary to make this Supplemental Indenture the legal, valid and binding obligation of the Issuer and the New Guarantor have been done.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Guarantor, the Issuer, on behalf of itself and the Existing Guarantors, the Trustee and the Collateral Agent mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. *Agreement to Guaranty.* The New Guarantor hereby agrees, jointly and severally with all the Existing Guarantors, to guarantee the Issuer’s obligations under the Notes and the Indenture on the terms and subject to the conditions set forth in Article 12 of the Indenture and to

be bound by all other applicable provisions of the Indenture and the Notes. The New Guarantor shall be a QC Guarantor and its guarantee shall be a guarantee of collection only and not a guarantee of performance or payment.

2. *Successors and Assigns.* This Supplemental Indenture shall be binding upon the New Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee, the Collateral Agent and the Holders and, in the event of any transfer or assignment of rights by any Holder, the Trustee or the Collateral Agent, the rights and privileges conferred upon that party in the Indenture and in the Notes shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of the Indenture.

3. *No Waiver.* Neither a failure nor a delay on the part of the Trustee, the Collateral Agent or the Holders in exercising any right, power or privilege under this Supplemental Indenture, the Indenture or the Notes shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee, the Collateral Agent and the Holders herein and therein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which they may have under this Supplemental Indenture, the Indenture or the Notes at law, in equity, by statute or otherwise.

4. *Modification.* No modification, amendment or waiver of any provision of this Supplemental Indenture, nor the consent to any departure by the New Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee and the Collateral Agent, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the New Guarantor in any case shall entitle the New Guarantor to any other or further notice or demand in the same, similar or other circumstances.

5. *Opinion of Counsel.* Concurrently with the execution and delivery of this Supplemental Indenture, the Issuer shall deliver to the Trustee an Opinion of Counsel in accordance with the terms of the Indenture.

6. *Ratification of Indenture; Supplemental Indentures Part of Indenture.* Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

7. *Governing Law.* **THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.**

8. *Counterparts.* The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

9. *Effect of Headings.* The Section headings herein are for convenience only and shall not affect the construction thereof.

10. *Trustee and Collateral Agent.* The Trustee and the Collateral Agent make no representations as to the validity or sufficiency of this Supplemental Indenture. The recitals and statements herein are deemed to be those of the Issuer, the Existing Guarantors and the New Guarantor, and not of the Trustee or the Collateral Agent. The rights, privileges, indemnities and protections afforded the Trustee and the Collateral Agent under the Indenture shall apply to the execution hereof and the transactions contemplated hereunder.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

49 PERCENT QWEST SUB 1, LLC

By: /s/ Jonathan Yourkoski

Name: Jonathan Yourkoski

Title: Senior Vice President -
Treasurer - Corporate
Development

LUMEN TECHNOLOGIES, INC.,
on behalf of itself as the Issuer and the other
Existing Guarantors

By: /s/ Jonathan Yourkoski

Name: Jonathan Yourkoski

Title: Senior Vice President -
Treasurer - Corporate
Development

[Signature Page – Supplemental Indenture – 4.125% 2029 SP Notes]

WILMINGTON TRUST, NATIONAL
ASSOCIATION,
as Trustee

By: /s/ Jane Schweiger

Name: Jane Schweiger

Title: Vice President

BANK OF AMERICA, N.A.,
as Collateral Agent

By: /s/ Tyler D. Levings

Name: Tyler D. Levings

Title: Managing Director

[Signature Page – Supplemental Indenture – 4.125% 2029 SP Notes]

SECOND SUPPLEMENTAL INDENTURE

SECOND SUPPLEMENTAL INDENTURE (this “**Supplemental Indenture**”) dated as of December 30, 2024, among 49 PERCENT QWEST SUB 1, LLC (the “**New Guarantor**”), LUMEN TECHNOLOGIES, INC., a Louisiana corporation (the “**Issuer**”) on behalf of itself and the Guarantors (the “**Existing Guarantors**”) under the Indenture referred to below, WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association, as trustee under the Indenture referred to below (the “**Trustee**”) and BANK OF AMERICA, N.A., a national banking association, as collateral agent under the Indenture referred to below (the “**Collateral Agent**”).

WITNESSETH:

WHEREAS, the Issuer and the Guarantors party thereto have heretofore executed and delivered to the Trustee an Indenture dated as of March 22, 2024, as supplemented by that Supplemental Indenture dated as of October 31, 2024 (the “**Indenture**”; capitalized terms used but not defined herein having the meanings assigned thereto in the Indenture), providing for the issuance of its 4.125% Superpriority Senior Secured Notes due 2030;

WHEREAS, the New Guarantor is a subsidiary of Qwest Corporation;

WHEREAS, the Indenture permits the New Guarantor to execute and deliver to the Trustee a supplemental indenture pursuant to which the New Guarantor shall guarantee all the Issuer’s obligations under the Notes pursuant to a Guarantee on the terms and conditions set forth herein and such guarantee shall be a guarantee of collection only and not a guarantee of performance or payment;

WHEREAS, the Guarantee contained in this Supplemental Indenture shall constitute a “**Note Guarantee**”, and the New Guarantor shall constitute a “**QC Guarantor**” and a “**Guarantor**”, for all purposes of the Indenture;

WHEREAS, pursuant to Section 8.01 and Section 12.07 of the Indenture, the Trustee, the Collateral Agent and the Issuer are authorized to execute and deliver this Supplemental Indenture; and

WHEREAS, all acts and requirements necessary to make this Supplemental Indenture the legal, valid and binding obligation of the Issuer and the New Guarantor have been done.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Guarantor, the Issuer, on behalf of itself and the Existing Guarantors, the Trustee and the Collateral Agent mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. *Agreement to Guaranty.* The New Guarantor hereby agrees, jointly and severally with all the Existing Guarantors, to guarantee the Issuer’s obligations under the Notes and the Indenture on the terms and subject to the conditions set forth in Article 12 of the Indenture and to

be bound by all other applicable provisions of the Indenture and the Notes. The New Guarantor shall be a QC Guarantor and its guarantee shall be a guarantee of collection only and not a guarantee of performance or payment.

2. *Successors and Assigns.* This Supplemental Indenture shall be binding upon the New Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee, the Collateral Agent and the Holders and, in the event of any transfer or assignment of rights by any Holder, the Trustee or the Collateral Agent, the rights and privileges conferred upon that party in the Indenture and in the Notes shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of the Indenture.

3. *No Waiver.* Neither a failure nor a delay on the part of the Trustee, the Collateral Agent or the Holders in exercising any right, power or privilege under this Supplemental Indenture, the Indenture or the Notes shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee, the Collateral Agent and the Holders herein and therein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which they may have under this Supplemental Indenture, the Indenture or the Notes at law, in equity, by statute or otherwise.

4. *Modification.* No modification, amendment or waiver of any provision of this Supplemental Indenture, nor the consent to any departure by the New Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee and the Collateral Agent, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the New Guarantor in any case shall entitle the New Guarantor to any other or further notice or demand in the same, similar or other circumstances.

5. *Opinion of Counsel.* Concurrently with the execution and delivery of this Supplemental Indenture, the Issuer shall deliver to the Trustee an Opinion of Counsel in accordance with the terms of the Indenture.

6. *Ratification of Indenture; Supplemental Indentures Part of Indenture.* Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

7. *Governing Law.* **THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.**

8. *Counterparts.* The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

9. *Effect of Headings.* The Section headings herein are for convenience only and shall not affect the construction thereof.

10. *Trustee and Collateral Agent.* The Trustee and the Collateral Agent make no representations as to the validity or sufficiency of this Supplemental Indenture. The recitals and statements herein are deemed to be those of the Issuer, the Existing Guarantors and the New Guarantor, and not of the Trustee or the Collateral Agent. The rights, privileges, indemnities and protections afforded the Trustee and the Collateral Agent under the Indenture shall apply to the execution hereof and the transactions contemplated hereunder.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

49 PERCENT QWEST SUB 1, LLC

By: /s/ Jonathan Yourkoski

Name: Jonathan Yourkoski

Title: Senior Vice President -
Treasurer - Corporate
Development

LUMEN TECHNOLOGIES, INC.,
on behalf of itself as the Issuer and the other
Existing Guarantors

By: /s/ Jonathan Yourkoski

Name: Jonathan Yourkoski

Title: Senior Vice President -
Treasurer - Corporate
Development

[Signature Page – Supplemental Indenture – 4.125% 2030 SP Notes]

WILMINGTON TRUST, NATIONAL
ASSOCIATION,
as Trustee

By: /s/ Jane Schweiger

Name: Jane Schweiger

Title: Vice President

BANK OF AMERICA, N.A.,
as Collateral Agent

By: /s/ Tyler D. Levings

Name: Tyler D. Levings

Title: Managing Director

[Signature Page – Supplemental Indenture – 4.125% 2029 SP Notes]

FIRST SUPPLEMENTAL INDENTURE

FIRST SUPPLEMENTAL INDENTURE (this “**Supplemental Indenture**”) dated as of December 30, 2024, among 49 PERCENT QWEST SUB 1, LLC (the “**New Guarantor**”), LUMEN TECHNOLOGIES, INC., a Louisiana corporation (the “**Issuer**”) on behalf of itself and the Guarantors (the “**Existing Guarantors**”) under the Indenture referred to below, REGIONS BANK, as trustee under the Indenture referred to below (the “**Trustee**”), and BANK OF AMERICA, N.A., a national banking association, as collateral agent under the Indenture referred to below (the “**Collateral Agent**”).

WITNESSETH:

WHEREAS, the Issuer and the Guarantors party thereto have heretofore executed and delivered to the Trustee an Indenture dated as of September 24, 2024 (the “**Indenture**”; capitalized terms used but not defined herein having the meanings assigned thereto in the Indenture), providing for the issuance of its 10.000% Secured Notes due 2032;

WHEREAS, the New Guarantor is a subsidiary of Qwest Corporation;

WHEREAS, the Indenture permits the New Guarantor to execute and deliver to the Trustee a supplemental indenture pursuant to which the New Guarantor shall guarantee all the Issuer’s obligations under the Notes pursuant to a Guarantee on the terms and conditions set forth herein and such guarantee shall be a guarantee of collection only and not a guarantee of performance or payment;

WHEREAS, the Guarantee contained in this Supplemental Indenture shall constitute a “**Note Guarantee**”, and the New Guarantor shall constitute a “**QC Guarantor**” and a “**Guarantor**”, for all purposes of the Indenture;

WHEREAS, pursuant to Section 8.01 and Section 12.07 of the Indenture, the Trustee, the Collateral Agent and the Issuer are authorized to execute and deliver this Supplemental Indenture; and

WHEREAS, all acts and requirements necessary to make this Supplemental Indenture the legal, valid and binding obligation of the Issuer and the New Guarantor have been done.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Guarantor, the Issuer, on behalf of itself and the Existing Guarantors, the Trustee and the Collateral Agent mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. *Agreement to Guaranty.* The New Guarantor hereby agrees, jointly and severally with all the Existing Guarantors, to guarantee the Issuer’s obligations under the

Notes and the Indenture on the terms and subject to the conditions set forth in Article 12 of the Indenture and to be bound by all other applicable provisions of the Indenture and the Notes. The New Guarantor shall be a QC Guarantor and its guarantee shall be a guarantee of collection only and not a guarantee of performance or payment.

2. *Successors and Assigns.* This Supplemental Indenture shall be binding upon the New Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee, the Collateral Agent and the Holders and, in the event of any transfer or assignment of rights by any Holder, the Trustee or the Collateral Agent, the rights and privileges conferred upon that party in the Indenture and in the Notes shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of the Indenture.

3. *No Waiver.* Neither a failure nor a delay on the part of the Trustee, the Collateral Agent or the Holders in exercising any right, power or privilege under this Supplemental Indenture, the Indenture or the Notes shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee, the Collateral Agent and the Holders herein and therein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which they may have under this Supplemental Indenture, the Indenture or the Notes at law, in equity, by statute or otherwise.

4. *Modification.* No modification, amendment or waiver of any provision of this Supplemental Indenture, nor the consent to any departure by the New Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee and the Collateral Agent, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the New Guarantor in any case shall entitle the New Guarantor to any other or further notice or demand in the same, similar or other circumstances.

5. *Opinion of Counsel.* Concurrently with the execution and delivery of this Supplemental Indenture, the Issuer shall deliver to the Trustee an Opinion of Counsel in accordance with the terms of the Indenture.

6. *Ratification of Indenture; Supplemental Indentures Part of Indenture.* Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

7. *Governing Law.* **THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT**

THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

8. *Counterparts.* The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

9. *Effect of Headings.* The Section headings herein are for convenience only and shall not affect the construction thereof.

10. *Trustee and Collateral Agent.* The Trustee and the Collateral Agent make no representations as to the validity or sufficiency of this Supplemental Indenture. The recitals and statements herein are deemed to be those of the Issuer, the Existing Guarantors and the New Guarantor, and not of the Trustee or the Collateral Agent. The rights, privileges, indemnities and protections afforded the Trustee and the Collateral Agent under the Indenture shall apply to the execution hereof and the transactions contemplated hereunder.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

49 PERCENT QWEST SUB 1, LLC

By: /s/ Jonathan Yourkoski

Name: Jonathan Yourkoski

Title: Senior Vice President -
Treasurer - Corporate
Development

LUMEN TECHNOLOGIES, INC.,
on behalf of itself as the Issuer and the other
Existing Guarantors

By: /s/ Jonathan Yourkoski

Name: Jonathan Yourkoski

Title: Senior Vice President -
Treasurer - Corporate
Development

REGIONS BANK,
as Trustee

By: /s/ Kesha A. Jupiter

Name: Kesha A. Jupiter

Title: Vice President

[Signature Page – Supplemental Indenture – 10.000% Secured Notes due 2032]

BANK OF AMERICA, N.A.,
as Collateral Agent

By: /s/ Tyler D. Levings

Name: Tyler D. Levings

Title: Managing Director

[Signature Page – Supplemental Indenture – 10.000% Secured Notes due 2032]

Lumen Short-Term Incentive Plan - Annual

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I. Introduction

The Lumen Short-Term Incentive Plan - Annual (the “**Plan**”) is designed to motivate employees of Lumen Technologies, Inc. (“**Lumen**”) and its eligible subsidiaries (referred to together with Lumen as the “**Company**”) by creating the potential for additional compensation for their contributions. The potential short-term incentive (“**STI**”) payout is intended to reward individual performance and motivate employees to contribute to the entire Company’s success. Lumen has sole discretion in deciding whether to provide the STI payout and amounts paid, if any, are also subject to discretion, adjustment, and final approval by Lumen. The Plan is focused on the attainment of goals that are intended to result in the creation of shareholder value and earnings growth over time.

II. Plan Objective

The objectives of the Plan are to:

- Motivate, recognize, and reward Employees (as defined below) who make substantial contributions to Lumen’s growth and profitability;
- Support executive efforts to achieve higher levels of Company performance;
- Foster cooperation and establish priorities that emphasize returning value to the shareholder;
- Encourage a long-term view with regard to the management of the Company; and
- Retain high performers in the Company.

III. Plan Year

The Plan is based on a fiscal year which aligns with the calendar year (“**Plan Year**”) and the period of time used to calculate, audit, and approve the STI payouts (the “**Determination and Approval Period**”), which period is between January 1 and March 1 following the Plan Year. The Plan is not mandatory. Rather, the decision to offer a Plan or STI payout, and the STI payout amounts if provided, for the Plan Year remains within the full discretion of either (i) the Human Resources & Compensation Committee (the “**Committee**”) of the Lumen Board of Directors with respect to STI awards to Lumen’s Senior Officers (as defined in the Committee’s charter), or (ii) Lumen’s Chief Executive Officer (“**CEO**”) or her delegates with respect to other participants. The Committee’s or the CEO’s, as applicable, decision to offer a plan for any particular Plan Year will be announced via a Lumen Short-Term Incentive Plan Overview (the “**Overview**”), published by the Lumen Compensation Department (“**Compensation**”) for that Plan Year. Once the Overview is published, it will supplement the terms of this Plan and will be deemed attached hereto and incorporated herein by reference. If no Overview is published by Compensation for a particular Plan Year, this Plan will be neither applicable to nor effective for that Plan Year.

IV. Eligibility

a. Plan Participation

Participation and eligibility under the Plan do not guarantee that you will receive any payment or any particular amount of payment under the Plan. Participation in the Plan is limited to certain regular full-time and part-time employees in Eligible Positions who are employed by the Company and are not covered by another short-term incentive plan or agreement (e.g., a sales incentive plan) or are not covered by a written collective bargaining agreement, unless such plan or agreement specifically provides otherwise (collectively “**Employees**”). The lists of Eligible Positions are maintained by Compensation. Typically, Employees may participate in only one short-term incentive or variable compensation plan at any one time, unless their position is designated by Compensation to allow multiple plan participation.

An Employee who meets all 3 of the following requirements is eligible for a STI Award (as defined below) for the Plan Year under the Plan (“**Eligible Employee**”):

1. has been hired into or was employed by the Company prior to October 1 of the Plan Year, and
2. has at least three (3) months consecutive service with the Company and at least one month of service in one or more Eligible Positions during the Plan Year, or has experienced a Qualifying Transfer, and
3. is actively employed by the Company through the Active Employee STI Payout Date (discussed below in the “Timing of Payments/STI Award Payout” section), or has experienced a Qualifying Termination prior to the Active Employee STI Payout Date. “Actively employed” excludes Employees who are suspended from duty, such as a disciplinary action, or who have provided or received notice of termination of employment.

The definitions of “Qualifying Transfer” as well as additional details regarding the same, are outlined in the applicable Country-Specific Addendum.

b. Country-Specific Addendum

The Country-Specific Addendum outlines specific eligibility and pro-rating rules applicable to each country in which there are Eligible Employees. Capitalized terms used in the Country-Specific Addendum which are not defined in the Country-Specific Addendum but are defined in the Plan shall have the same meaning given to them in the Plan. STI Awards and payouts are subject to the criteria and rules stated in this Plan and the additional criteria and rules stated in the Country-Specific Addendum, as updated or amended from time to time. The Country-Specific Addendum applies only to service rendered while employed in that country.

V. STI Award Calculation

An Eligible Employee’s “**STI Award**” (if any) is based on three components:

1. STI Target Opportunity;
2. the Corporate Performance Factor (“**CPF**”); and
3. the Individual Performance Factor (“**IPF**”).

The following paragraphs explain the three factors and the variables used in the calculation.

a. STI Target Opportunity

The “**STI Target Opportunity**” is the product of an Eligible Employee’s STI Eligible Earnings and their STI Target Percent associated with their earnings during the same time period. The STI Target Opportunity is expressed as an amount in local currency.

STI Target Opportunity will be pro-rated to reflect part-time status. In addition, changes in eligibility, salary, eligible earnings, or STI Target Percent during the Plan Year will impact the STI Target Opportunity, as further explained in the Employee’s Country-Specific Addendum. The STI Target Opportunity is calculated and finalized after the end of the Plan Year and before the end of the Determination and Approval Period.

i. STI Eligible Earnings

STI Eligible Earnings is generally based on annualized salary during the Plan Year, as reflected in the Company’s Enterprise Resource Planning System. Country-specific differences are outlined in the Country-Specific Addendum.

ii. STI Target Percent

Employees' STI Target Percent are set by the Committee or Compensation, as applicable, based upon salary grade, job, tenure and other relevant market factors. Eligible Employees can view their STI Target Percent in SuccessFactors under their Profile. Request for corrections to STI Target Percents should be raised to HR at [HRconnect](#).

iii. Calculating STI Target Opportunity

If an Eligible Employee experiences a change in any of the factors used in calculating their STI Target Opportunity, a partial year STI Target Opportunity will be calculated during the Determination and Approval Period. The partial year STI Target Opportunity will be pro-rated based on the number of days to which a common set of factors (salary, STI Target Percent, and full-time/part-time status) apply. The partial year STI Target Opportunities are added together to calculate the overall STI Target Opportunity for the year. Please refer to the Country-Specific Addendum for further details and a calculation example.

b. The Corporate Performance Factor

The Corporate Performance Factor ("**CPF**") is based on financial and qualitative metrics for corporate, business unit and/or country performance defined or approved by the Committee. Information regarding metrics, weightings, target performance and caps for the Company and/or its business units will be outlined in an Overview for that Plan Year. Performance below the minimum performance threshold may result in a CPF of zero, as further explained in the applicable Overview. The CPF is calculated and finalized after the end of the Plan Year and before the end of the Determination and Approval Period.

For Eligible Employees who move from one business unit or country to another, a pro-rated STI Award will be calculated, as applicable, based on the CPF for each business unit or country for the number of days worked in each business unit or country and corresponding STI Target Opportunity.

Once the results are calculated, the Committee or the CEO, as applicable, may adjust, either upward or downward, the CPF for a particular business unit or country based on expense budget management or any other relevant financial or operational matter, consistent with the objectives of this Plan. Any such adjustments will be communicated to impacted Employees.

In the event of a reorganization, at the discretion of the Committee or the CEO, as applicable, metrics may be appropriately restated to reflect the new organization.

c. The Individual Performance Factor

The Individual Performance Factor ("**IPF**") is (i) based on the Eligible Employee's performance as assessed against his or her objectives as documented in the Company's Performance Management process, and/or (ii) determined by management based on its discretion, as permitted by applicable law and as further described in the applicable Country-Specific Addendum. The range for the IPF is 0% - 200%. Additional detail about the IPF for a particular year will be determined after the end of each Plan Year, and communicated by Compensation to the business leaders as part of the annual compensation planning process via the STI Matrix. The STI Matrix is a set of guidelines or range of recommended IPFs for each performance rating. The IPF is calculated and finalized after the end of the Plan Year and before the end of the Determination and Approval Period. The STI Matrix is determined using a variety of factors and may vary from one Plan Year to another. Based on individual circumstances, any recommendation outside the guidelines must be reviewed and approved by senior leadership. Eligible Employees with deficient performance may be assigned an IPF of zero.

In order to calculate the final STI Award amount, the three factors (STI Target Opportunity, CPF and IPF) are multiplied together.

$$STI\ Award = STI\ Target\ Opportunity * CPF * IPF$$

Because the STI Target Opportunity, CPF, and IPF involve discretion, adjustments, and budgetary caps (discussed below), the STI Award is not earned, vested or determinable at the end of the Plan Year or at any other time until finally approved by the Committee or CEO at the end of the Determination and Approval Period.

The maximum the Employee will receive after both the CPF and IPF is applied is 200% of Target Opportunity. If either CPF or IPF is “zero,” the Employee will not receive an STI payout.

VI. Budgetary Caps

For each business unit or work group with Eligible Employees participating in the Plan, a group “budgetary cap” is calculated and finalized following the end of the Plan Year during the Determination and Approval Period based on aggregated STI Target Opportunity of all Eligible Employees in that group, multiplied by the applicable CPF. The individual group budgets will be aggregated and managed at the Senior Leadership Team (“SLT”) level or, at the direction of the SLT member, at a lower level within his or her group. The total, aggregated amount of STI payouts to Eligible Employees in a group cannot exceed the budgetary cap for that group without the expressed approval of the CEO.

VII. Audit and Approvals of Payouts

The Plan is based on the Plan Year and includes the Determination and Approval Period during which time STI Awards are calculated, audited, and finally approved. The Determination and Approval Period which period occurs between January 1 and March 1 following the Plan Year.

Compensation will calculate the CPF and the Internal Audit department will review the financial calculations necessary to determine the CPF. The annual CPF is subject to final approval by the Compensation Committee following the end of the Plan Year. Total STI payouts will be approved by the Committee or the CEO, as applicable, following the end of the Plan Year. During this review, an Eligible Employee’s potential STI payout may be adjusted, upward or downward, based on multiple discretionary factors. Lumen’s discretion is a material component in calculating STI payouts. The STI Award does not vest and is not determined until finally approved by the Committee or the CEO, as applicable, marking the end of the Determination and Approval Period.

The Committee or the CEO (or her designee), as applicable, (i) retains the discretion to adjust payouts due to errors or other adjustments required by or appropriate under this Plan, which will occur before payments are made, and (ii) has the authority to approve adjusted payouts, should errors be identified after audit or approval has occurred.

VIII. Timing of Payments / STI Award Payout

With the exception of “Qualifying Terminations,” the Plan requires Employees to work through the end of the Approval and Determination Period. This condition is consistent with the Plan’s objectives to motivate Employees to continue their contributions to the Company’s growth and profitability, encourage a long-term view with regard to management, retain high performers, and compensate Employees for labor or services performed during the Plan Year and the Approval and Determination Period. Therefore, the STI Award is not earned, vested or determinable at the end of the Plan Year or at any other time before the STI Award is ascertained and finally approved by the Committee or CEO as applicable.

Any termination or interruption in the Employee’s employment with the Company (subject to exception only for “Qualifying Terminations”), including during the Approval and Determination Period, will terminate the Employee’s participation in the Plan. If an Employee is not “actively employed” on the date the Committee or CEO approves the STI Award, the Employee has no right to receive any amount under this Plan.

The “**STI Payout Date**” will be a date set for each country selected by the Company in its sole discretion following the end of the Plan Year and after the CPF has been approved by the Compensation Committee. That date will be described or identified in the Country-Specific Addendum.

The STI Award will be paid in a lump sum, via check or direct deposit and will be subject to applicable tax and other withholdings, to each Eligible Employee who is “actively employed” (as described under the “Eligibility” section) through the end of the Determination and Approval Period (the date the Committee or CEO finally approves the STI Award).

The “**Qualifying Termination STI Payout Date**” will vary based on Qualifying Termination reason as described in the Country-Specific Addendum. The Qualifying Termination STI payout will be made in the manner described in the relevant Country-Specific Addendum and, like other STI payouts, will be subject to applicable tax and other withholdings.

IX. Overpayments and Offsets

Overpayments are defined as amounts paid to an Employee that exceed the amounts payable under the Plan. Overpayments can arise from, among other things, adjustments due to errors in results, the failure to follow the terms of the Plan or an error in calculating payments pursuant to the Plan. Employee expressly acknowledges that overpayments represent amounts not earned by the Employee, do not constitute “wages” as defined by applicable law, and are debts owed to the Company, which may be offset or recovered by the Company. In the event that an Employee has been overpaid, Employee specifically authorizes the Company in accordance with applicable law to have overpayments deducted from incentive payments, wages or remuneration due to be paid by the Company in amounts and on a schedule determined by the Company.

In addition, the Company reserves the right to make deductions from any STI payout in accordance with applicable law for any Overpayments or other monies owed to the Company (or other relevant entity) by the Employee or the value of Company property (or property of any other relevant affiliate of the Company) that the Employee has retained in his or her possession without authorization.

X. At-Will Employment

Nothing herein shall affect the employment-at-will relationship between the Company and the Employee. Nothing herein shall grant any Employee the right to continue as an employee of the Company or any affiliated entity or limit the right of the Company or any affiliated entity to dismiss an Employee as an employee.

This Plan is not a contract of employment and does not guarantee continued employment or any specific entitlement. It exists solely to define Lumen policy pertaining to the Plan.

XI. Source of Payment

The payment of any compensation under this Plan that actually becomes payable shall be made from the Company's general assets. Nothing in this Plan should be construed to create a trust or to establish or evidence any Employee's claim of any right to payment of an STI payout other than as an unsecured general creditor with respect to any payment to which an Employee may be entitled.

XII. Administration

The Committee, with respect to the Senior Officers, and the Executive Vice President Chief People Officer with respect to other participants, has the full power and authority to construe, interpret and administer the Plan. The determinations made by the Committee or the Executive Vice President Chief People Officer are final, conclusive, and binding on all persons unless such determination is otherwise expressly prohibited by local laws.

XIII. Section 409A of the Internal Revenue Code

It is intended that incentive award payments under the Plan qualify as short-term deferrals exempt from the requirements of Section 409A of the Internal Revenue Code, as amended, and the regulations and guidance promulgated thereunder ("**Section 409A**"). In the event that any incentive award payment does not qualify for treatment as an exempt short-term deferral, it is intended that such amount will be paid in a manner that satisfies the requirements of Section 409A. The Plan shall be interpreted and construed accordingly.

XIV. Clawback

Notwithstanding any other provisions of this Plan, the Company may cancel any award, require reimbursement of any award by a participant, and effect any other right of recoupment of compensation provided under the Plan in accordance with any Company policies that may be adopted or modified from time to time (including, without limitation, to comply with applicable law or stock exchange listing requirements), including the Policy for the Recovery of Erroneously Awarded Compensation adopted effective October 2, 2023, as such policies may be amended from time to time, including amendments adopted in order to conform to the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and any resulting rules issued by the SEC or national securities exchanges thereunder.

XV. Plan Discretion and Amendments

Any payout under the Plan is a strictly discretionary and conditional payout and is subject to the terms and conditions of the Plan, as amended from time to time. A determination to offer a STI payout resides within the discretion of the Committee or the CEO, as applicable, subject to the Company meeting certain financial metrics as determined by the Committee, with final payout determination dependent upon Committee and CEO approval. Subject to applicable law, the Company reserves the right to alter, amend, suspend, or terminate the Plan at any time, without any liability.

COUNTRY-SPECIFIC ADDENDUM FOR THE UNITED STATES

Lumen Short-Term Incentive Plan – Annual

This document incorporates the terms of the “Lumen Short-Term Incentive Plan – Annual” (the “*Plan*”). This document is the “Country-Specific Addendum” (as defined in the Plan) for Lumen Employees employed in the United States. In the event of a conflict between the terms of this document and the Plan, the terms of this Country-Specific Addendum shall control. Capitalized terms not defined herein shall have the meaning set forth in the Plan.

Eligibility and Pro-Rating Rules for STI Target Opportunity

The “**STI Target Opportunity**” is the product of an Employee’s STI Eligible Earnings and their STI Target Percent associated with their earnings during the same time period. The STI Target Opportunity is expressed as an amount in U.S. dollars.

STI Eligible Earnings is generally based on annualized salary, as reflected in the Company’s Enterprise Resource Planning System. Changes to an Employee’s STI Eligible Earnings during the course of a Plan Year will impact their STI Target Opportunity for the Plan Year, as explained in the table below.

The STI Target Opportunity will be prorated to reflect part-time status. In addition, changes in eligibility, salary or STI Eligible Earnings, or STI Target Percent during the Plan Year will impact the STI Target Opportunity, as further explained below:

Employee Status	Treatment
Part-time	The STI Target Opportunity for Employees who work less than 40 hours per week (“full-time hours”) will be adjusted to reflect the percent of full-time hours the Employee works.
Increase/Decrease in Eligible Base Salary	The STI Eligible Earnings for Employees who receive a pay increase or decrease during the Plan Year will be prorated to reflect the number of days worked at each base salary amount.
Promoted/Demoted to a New Grade; Other changes to STI Target Opportunity	The STI Target Opportunity for Employees who experience a change in their STI Target Percent during the course of the Plan Year (e.g., due to promotion or demotion) will be prorated to reflect the number of days worked at each STI Target Percent.
Transfer between Eligible and Non-Eligible Positions (“ Qualifying Transfer ”)	Employees who serve at least one month of employment in an Eligible Position and transfer to or from a non-eligible position or non-participating affiliate company (“ Qualifying Transfer ”) and have at least three months total consecutive service, and who remain actively employed through the end of the Determination and Approval period as defined in the Plan , may be eligible for a prorated STI payout based on actual time in an Eligible Position under the Plan.

New Hires/Rehires	The STI Target Opportunity will be prorated for Employees who are hired after the beginning of the Plan Year based on the number of days worked in the Plan Year. Employees must have at least three months of consecutive service, with at least one month of employment in an Eligible Position during the Plan Year to be eligible for a prorated STI payout based on actual time in the Eligible Position.
Unpaid Leave of Absence	The STI Target Opportunity for Employees on an Unpaid Leave of Absence will be prorated to exclude such period. "Unpaid Leave of Absence" shall mean any unpaid absence from work for more than five consecutive work days.

Employees who terminate **before** the end of the Determination and Approval Period will not have earned a benefit under this Plan and will not be eligible for an STI payout based on their time in the Plan during the Plan Year. Employees who terminate **following** the end of the Plan Year may be eligible for an STI payout subject to the Determination and Approval period as described in the Plan.

Calculating STI Target Opportunity

If an Employee experiences a change in any of the factors used in calculating their STI Target Opportunity, a partial year STI Target Opportunity will be calculated. The partial year STI Target Opportunity will be prorated based on the number of days to which a common set of factors (salary, STI Target Percent, and full-time/part-time status) apply. The partial year STI Target Opportunities are added together to calculate the overall STI Target Opportunity for the year.

$$STI\ Target\ Opportunity = STI\ Eligible\ Earnings * STI\ Target\ Percent$$

Example

At the start of the Plan Year an Employee has an annual salary of \$50,000 and an STI Target Percent of 5%. The Employee receives a salary increase of \$2,000 effective April 1. On July 1, the Employee goes to a part-time status working 30 hours a week. Finally, on October 15, the Employee returns to a full-time status in conjunction with a promotion that includes a salary increase of \$1,000 and a change in STI Target Percent to 10%. The Employee's STI Target Opportunity is calculated as follows:

Annualized Salary	Start Date	End Date	# Days	# of Days in Plan Year	% of Days in Plan Year	Part-Time Factor	Eligible Earnings	STI Target Percent	STI Target Opportunity (for each pro-rated period)
\$50,000	1/1/2025	3/31/2025	90	365	24.66%	1	12,329	5%	\$616
\$52,000	4/1/2025	6/30/2025	91	365	24.93%	1	12,964	5%	\$648
\$52,000	7/1/2025	10/14/2025	106	365	29.04%	0.75	11,326	5%	\$566
\$53,000	10/15/2025	12/31/2025	78	365	21.37%	1	11,326	10%	\$1,133
Overall STI Target Opportunity:									<u>\$2,964</u>

Individual Performance Factor

The IPF is based on the Employee's annual performance, as assessed against his/her objectives as documented in the Company's Performance Management process following the end of the year. The range for the IPF is 0% - 200%.

Positions and the Three-Month Service Requirement

For purposes of this Addendum for the United States, the Company will count time spent in all Eligible Positions, whether such time is governed by this Addendum or another Country- Specific Addendum, in determining whether the Employee has met the requirement of three months of consecutive service.

STI Payout / Withholdings and 401(k) Eligibility

The STI payout will be paid in a lump sum, via check or direct deposit and will be subject to applicable tax and other withholdings (and deductions such as deferrals under applicable Company-sponsored 401(k) Plans, consistent with Employee elections and applicable laws).

Overtime Adjustments on Payments

STI payouts for non-exempt or hourly employees will be subject to overtime adjustments as outlined below. The overtime adjustment is paid as soon as administratively practicable after the STI payout is made.

The payout is divided by the total hours worked during the Plan period to determine the payout hourly rate (STI/hr). This rate is then multiplied by 0.5 (OT STI/hr) and then multiplied by the number of overtime hours worked in the same time period for which the STI was paid to determine the overtime adjustment due the Employee.

Example

At the start of the Plan Year an Employee worked on average two hours of overtime per pay period. Overall the Employee worked 2,132 hours during the Plan Year. The Employee received an STI Payout of \$3,198. The Overtime adjustment due the Employee is \$39.00 (assuming there were no adjustments to STI Target Opportunity or exemption status during the year). The adjustment is calculated as follows:

Regular Hours Worked	2,080	
OT Hours Worked in Plan Year	52	2 per pay period
Total Hours Worked in Plan Year	2,132	Regular + OT

STI Payout	\$3,198.00	
STI per hour	\$1.50	Payout/ total hrs. worked
OT STI per hour	\$0.75	STI per hr * 0.5
OT adjustment due employee	\$39.00	OT STI per hr * OT hr worked

At-Will Employment

Nothing herein shall affect the employment-at-will relationship, where applicable, between the Company and the Employee. Nothing herein shall grant any Employee the right to continue as an employee of the Company or any affiliated entity or limit the right of the Company or any affiliated entity to dismiss an Employee as an employee.

This Plan is not a contract of employment and does not guarantee continued employment or any specific entitlement. It exists solely to define Lumen policy pertaining to STI.

Application of Code Section 409A

To the extent that the Company determines that any compensation payable under this Plan constitutes non-qualified deferred compensation within the meaning of Code Section 409A, this Plan, with respect to such compensation, will be construed and interpreted to comply with the requirements of Code Section 409A, as it may be amended, or an applicable exception thereto. Notwithstanding any provision of this Plan to the contrary: (i) in no event does the Company guarantee any particular tax consequences, outcome or tax liability to any Employee, (ii) no provision of this Plan shall be interpreted and administered to transfer any liability for failure to comply with the requirements of Code Section 409A from any Employee or any other person to the Company, (iii) the Company (without any obligation to do so or obligation to indemnify any Employee or any other person for any failure to do so) may adopt, without the consent of any Employee or any other person, amendments to this Plan or take any other actions that the Company in its sole discretion determines are necessary or appropriate for such compensation to either (a) be exempt from the requirements of Code Section 409A or (b) comply with the requirements of Code Section 409A, (iv) whenever a payment under this Plan specifies a payment period, the actual date of payment within such specified period shall be within the sole discretion of the Company, and no Employee or any other person shall have the right (directly or indirectly) to determine the year in which such payment is made, and (v) no compensation payable under this Plan that is subject to the requirements of Code Section 409A and that is payable upon an Employee's termination of employment shall be paid unless the Employee's termination of employment constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h). Whenever the payment period applicable to a payment spans two consecutive calendar years, such payment shall be made in the second of such calendar years. Each installment payment, if any, payable hereunder shall be deemed to be a separate payment for purposes of Code Section 409A.

Also, notwithstanding any provision of this Plan to the contrary, because the Company is publicly-traded, if at the time of an Employee's separation from service, the Employee is deemed to be a "specified employee" for purposes of Code Section 409A(a)(2)(B)(i), to the extent delayed commencement of any portion of the compensation to which the Employee is entitled under this Plan is required in order to avoid a prohibited distribution under Code Section 409A(a)(2)(B)(i) (any such delayed commencement, a "Payment Delay"), such compensation shall not be provided to the Employee prior to the expiration of the six-month period measured from the date of the Employee's "separation from service" with the Company or (2) the date of the Employee's death. Upon the earlier of such dates, all payments and benefits deferred pursuant to the Payment Delay shall be paid in a lump sum to the Employee, and any remaining compensation due under this Plan shall be paid or provided as otherwise set forth herein. The determination of whether an Employee is a "specified employee" for purposes of Code Section 409A(a)(2)(B)(i) as of the time of the Employee's separation from service shall be made by the Company in accordance with the terms of Code Section 409A and applicable guidance thereunder (including Treasury Regulation Section 1.409A-1(i) and any successor provision to it).

Summary Plan Description
for the
LUMEN EXECUTIVE SEVERANCE PLAN
AS AMENDED AND RESTATED EFFECTIVE JAN. 1, 2025

LUMEN EXECUTIVE SEVERANCE PLAN

SUMMARY PLAN DESCRIPTION

Lumen Technologies, Inc. (hereinafter, inclusive of subsidiaries, successors and predecessor companies referred to as “**Lumen**” or the “**Company**”) is pleased to provide you with this Summary Plan Description (hereinafter “**SPD**”) for the Lumen Executive Severance Plan, as amended and restated effective Jan. 1, 2025 (the “**Plan**”). This SPD and the Lumen Executive Severance Plan document, which is attached, describe your benefits, as well as rights and responsibilities, under the Plan. This is an unfunded welfare plan sponsored by the Company. This Plan provides benefits for Employees who, as of Termination Date, have a job in grades M6 or above or E1 or above, or equivalent grades if a different job grading system is used, as reflected in the Company’s personnel records.

PURPOSE: This section of this document provides you with a summary of benefits and tells you where to find important information such as deadlines, obligations, as well as, administrative and other information about the Plan.

RESERVED RIGHTS: If there is any conflict between the terms of the Plan document and this SPD, the terms of the Plan document will govern. The Company has delegated and reserved to the Plan Administrator, the Employee Benefits Committee, the right to interpret and resolve any ambiguities in the Plan or any document relating to the Plan in its sole and absolute discretion. Benefits are determined by the Company in its sole and absolute discretion and do not create a contract of employment.

YOUR ERISA RIGHTS

If you are a participant in the Plan, which is a component benefit plan of the Company’s Welfare Benefits Plan and which is subject to the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), you are entitled to certain rights and protections under ERISA. ERISA provides that all plan participants are entitled to:

Receive Information About the Plan and Benefits

Examine, without charge, at the Plan Administrator’s office and at other specified locations, such as work sites, all documents governing the Plan, including a copy of the most recently filed annual report (Form 5500) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, a copy of the latest annual report (Form 5500 Series) if required to be filed, and a copy of the most recent summary plan description. The Plan Administrator may make a reasonable charge for the copies requested.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of employee benefit plans. The people who operate plans subject to

ERISA, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining benefits or exercising your rights under ERISA.

Enforce Your Rights

If your claim for benefits is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. The applicable procedures for requesting review are set forth in the Plan (attached), specifically in Article IX of the Plan.

Under ERISA, there are steps you can take to enforce your legal rights. For instance, if you request a copy of plan documents or the latest annual report from a plan (if not exempt from such filing requirement) and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the Plan Administrator’s control or there was no filing obligation. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court.

If it should happen that plan fiduciaries misuse plan money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your local telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration at 1-866-444-EBSA (3272) or by going to its website at: www.dol.gov/ebsa.

OTHER IMPORTANT FACTS ABOUT THE LUMEN EXECUTIVE SEVERANCE PLAN

Plan Year - The fiscal year of the Plan begins on January 1 and ends on December 31.

Plan Type, Name and Number - The Plan is a component benefit plan of the Lumen Welfare Benefits Plan which is welfare benefit plan that is an “umbrella” or “wrap” plan. The Plan subject to the federal law known as “ERISA.” The plan number assigned to the Plan for reporting purposes is 513. The Plan has been renamed with the September 2020 Brand launch:

Plan Funding and Administration – The Plan is an unfunded component welfare benefit plan of the Company’s Welfare Benefits Plan and is self-administered by the Company. Benefits are paid for by the Company. No employee contributions are required.

Identification of Plan Sponsor, Plan Administrator and Participating Companies – Lumen Technologies, Inc. is the Plan Sponsor and the Lumen Employee Benefits Committee is the Plan Administrator of the Plan for purposes of ERISA.

The federal tax identification number is 72-0651161.

The address for the Plan Sponsor is:

Lumen Technologies, Inc.
100 CenturyLink Drive
Monroe, LA 71203-2041

The address for the Plan Administrator is:

Lumen Employee Benefits Committee
214 E. 24th Street
Vancouver, WA 98663

However, please note that Claims and Appeals under the Plan should be directed by email to Kate Fisher at kathleen.fisher@lumen or to the following address:

Lumen Technologies, Inc.
Attention: Kate Fisher
214 E. 24th Street
Vancouver, WA 98663

Exhibit C, attached at the end of the attached plan document, is the List of Participating Companies and is updated from time to time without advance notice. **Exhibit C** is also available for examination at the office of the Plan Administrator during business hours. You may obtain a complete list of the Participating Companies upon making a written request to the Plan Administrator at the address above.

Service of Legal Process: Legal Process may be served on the Company's registered agent, CT Corporation System, at the following address:

CT Corporation System (a.k.a. CT Corp)
1675 Broadway, Suite 1200
Denver, CO 80202

Eligibility: The definition of "Eligible Employee" in Plan Article II establishes and describes eligibility and this definition has changed over time. To be eligible, an Employee must have, as of his Termination Date, a job in grades M6 or above or E1 or above, or equivalent grades if a different job grading system is used, as reflected in the Company's personnel records. Other terms and conditions for Eligibility for benefits are explained in Section 3.01 (Conditions). **Please Note:** The definition of "Eligible Employee" in Article II also describes who is *ineligible* for benefits under the Plan. For example, if you are a Temporary Employee or are classified as a Project Based Employee, or if you voluntarily resign, you are ineligible for benefits. Refer to the Eligible Employee definition in Article II of the Plan.

Conditions for Receipt of Benefits: – An explanation of the conditions that must be fulfilled to receive benefits (such as, Release of claims, compliance with restrictive covenants, offsets from benefits, *etc.*) is in Article III, Section 3.01. As a condition to receiving Severance Benefits under this Plan, Participants are required to sign and timely return a form of Release in full of all claims, attached as **Exhibit A**, which form is subject to change over time and from time to time. Each Eligible Employee is required to adhere in all respects to the Company’s ethics and compliance program, Code of Conduct, Employee Handbook and/or other applicable policies.

There is a Non-Compete Period which is the one year (12 consecutive months, not necessarily a calendar year) time period immediately following your Termination Date. For more information refer to the Article II definition of “Non-Compete Period” and Section 6.03 which explains that in exchange for Benefits, you agree not to engage in Competitive Employment which is also defined in Article II. Section 6.04 explains the obligation not to solicit Customers or other Employees. Please review these provisions carefully.

Your benefits may be impacted if you are offered a Comparable Position as defined by Article II.

Benefits: The purpose of the Plan is to provide benefits, Severance Pay and subsidized COBRA coverage for the Severance Period (and possibly up to a maximum of 12 months). Refer to **Exhibit D** which has a matrix of the eligibility for COBRA subsidy. There is also an outplacement assistance benefit available to Eligible Employees by a reputable firm specializing in such services. Such assistance shall comply with the requirements of the duration of Treasury Regulation § 1.409A-1(b)(9)(v)(A).

For an Involuntary Termination, other than a Change in Control Termination, refer to Section 4.01. For a Change in Control Termination, refer to Section 4.02. Section 4.03 details the benefits available to Eligible Employees who incur either Involuntary or Change in Control Terminations. Section 4.01A explains the Lower Performer Benefit and who is eligible.

Service: Your Service with the Company is used to determine the amount of your Benefits. Please refer to the definition of Service in Plan Article II.

Timing and Method of Payments: Severance Pay is paid differently depending on whether the action is a Non-Change in Control Termination or a Change in Control Termination (refer to Article II for definitions of both Non-Change in Control Termination and Change in Control Termination).

Non-Change in Control Severance Benefits are paid in prorated installments, less withholding for all applicable federal, state and local taxes, over the length of the Participant’s Severance Period. Such installments will begin no later than 60 days after the Eligible Employee’s Termination Date, and will be paid on a bi-weekly basis, subject to the Eligible Employee’s execution of a Release and the expiration of the seven day revocation period. Refer to Section 5.01(a).

Change in Control Severance Payments are paid in a single lump sum cash payment, less withholding for all applicable federal, state, and local taxes, subject to the Eligible Employee’s execution of a Release and the expiration of the seven day revocation period. Refer to Section 5.01(b).

COBRA: Continuation health care coverage under the federal law known as “COBRA” is explained in Section 4.03(a) and summarized here. Your contribution obligation depends upon when you were notified and terminated from employment as described below.

Your current health coverage (medical, dental, and vision) will continue through the end of the month in which you separate from employment. (For example, if your separation from employment occurs on March 15, your health coverage will continue through March 31. If your separation of employment occurs on March 31 your health coverage will continue until midnight on March 31).

Once your health coverage terminates, you will have the opportunity to elect to continue your health coverage under the federal law, the Consolidated Omnibus Budget Reconciliation Act (COBRA), at the same cost to you while you were actively employed (the active employee rate, which is subject to change), for up to a maximum of the 18 month COBRA period (this is referred to as “subsidized COBRA coverage”). Typically, the COBRA period is a maximum of 18 months from the date coverage would otherwise terminate. The COBRA package will provide you with a description of your right to continue coverage through COBRA. Your COBRA continuation coverage period includes the period of subsidized COBRA coverage so that the maximum period of COBRA continuation coverage is 18 months (unless a second qualifying event occurs to extend it).

Subsidized COBRA Coverage: Certain Eligible Employees are also eligible for subsidized COBRA coverage but not all. For example, for Legacy Company Employees, eligibility for COBRA subsidy is explained in Exhibit D of the Plan; The individual would be required to pay the active employee share of the premium, which is subject to change. Subsidized COBRA coverage will terminate upon the earlier of:

- the date you discontinue COBRA coverage or otherwise become ineligible for COBRA coverage, or
- the date you are eligible to enroll (regardless of whether you actually enroll) in other group medical coverage.

You may elect to continue coverage for the balance of any COBRA period remaining, after the applicable subsidized COBRA coverage ends, by paying the COBRA rate, which is 102% of the cost of coverage.

The Section 4.03 subsidy does not extend the period for which you are eligible for COBRA continuation coverage.

Reminder: It is important that former employees report all address changes to Lumen through the Service Center at 1-800-729-7526.

Claims and Appeals: An Eligible Employee may make a claim for (1) recovery of benefits under the plan, (2) enforcement of the Participant’s rights under the Plan, and clarification of the Participant’s rights to future benefits under the terms of the Plan. All claims must be submitted in writing to Kate Fisher at kathleen.fisher@lumen or to the following address:

Lumen Technologies, Inc.
Attention: Kate Fisher
214 E. 24th Street
Vancouver, WA 98663

Initial claims that are denied may then be appealed to the Plan Administrator.

Requirement to Exhaust Plan Procedures, 6 Month Deadline and Limitation on Court Venue: After the procedures specified in Sections 9.01 (Claims), 9.02 (Initial Claim), and 9.03 (Appeals of Denied Administrative Claims) are exhausted and a final decision has been made by the Plan Administrator, if an Eligible Employee wishes to pursue other legal proceedings, the action must be brought in the US District Court in Denver, Colorado. Please refer to Plan Articles IX and X for Plan claims and appeals process and deadline, as well as waiver of jury trial and the Forum Selection provision.

Not An Insured Benefit: Plan benefits are not insured under Title IV of ERISA because the Plan is an unfunded welfare benefit plan as explained above.

Plan Amendment and Termination: The Plan may be amended or terminated without prior notice in whole or in part at any time, with future or with retroactive effect, by a writing approved by Company's Board of Directors and signed on behalf of the Company by an officer duly authorized by the Board of Directors. The Plan may also be amended in writing by the Company's Plan Design Committee. Amendment or Termination of the Plan with respect to any Participating Company will not affect the rights of any Eligible Employee to any Plan benefits that the Eligible Employee was entitled to prior to the date the amendment or termination was adopted. On termination of the Plan, all rights to benefits end if an Employee has not become already entitled. Refer to Section 8.01(a).

Plan Administrator's Discretion and Authority: The Company has delegated and reserved to the Plan Administrator the right to interpret and resolve any ambiguities in the Plan or any document relating to the Plan in its sole and absolute discretion. Benefits are determined by the Company in its sole and absolute discretion and do not create a contract of employment. Refer to Section 7.04.

CIRCUMSTANCES THAT MAY AFFECT YOUR PLAN BENEFITS

Under certain circumstances, all or a portion of your benefits under the Plan may be denied, reduced, suspended, terminated or otherwise affected, such as by a repayment obligation or a Change in Control. Many of these circumstances are addressed elsewhere in this SPD and in the attached Plan. Such circumstances, in general, include, but are not limited to:

- You were not eligible or become no longer an Eligible Employee, refer to the definition in Plan Article II which also explains who is an ineligible Employee, and Plan Section 3.01;
- You were determined to be eligible only for the Lower Performer Benefits in Section 4.01A;
- You were terminated for Cause, unsatisfactory job performance, voluntary resignation or retirement, disability or death; refer to Plan definitions in Article II, and Plan Sections 4.04, 4.05, and Article VI, Restrictive Covenants;
- You are not employed by a Participating Company, refer to **Exhibit C**;
- The Plan is amended, suspended, or terminated, refer to Plan Section 8.01;
- You untimely return or refuse to sign the Waiver and Release of claims, refer to Section 10.01 and **Exhibit A**;
- You have received the maximum benefit available under the Plan; You misrepresent or falsify any information required under the Plan;

- You are found to have violated the Code of Conduct, refer to Plan Section 6.01;
- You are found to have engaged in conduct that would have constituted “Cause” (as defined by the Plan in Article II), refer to Plan Sections 4.05 and Article VI (covenants);
- You have been overpaid a benefit and the Plan seeks restitution, refer to Plan Section 4.06;
- You have been given a Comparable Offer of Employment, refer to Plan Article I (definition of “Eligible Employee”);
- You are employed at a Director Employment Level and above and you become employed during your Severance Period by a Competitor, refer to Plan Article II (definition of “**Non-Compete Period**” and Section 6.03);
- You have solicited Customers or Employees in violation of Section 6.04;
- You become reemployed by the Company during your Severance Period, refer to **Exhibit A**, Section 12;
- You are determined to have used or disclosed Company Information following your termination from employment., refer to Plan Section 6.02; or
- You are a participant in the Phased Retirement Program.

Please Note: to the extent that the SPD and the Plan contain federal tax advice, such advice cannot be used to avoid federal tax penalties.

LUMEN EXECUTIVE SEVERANCE PLAN
As Amended and Restated Effective Jan. 1, 2025

LUMEN
EXECUTIVE SEVERANCE PLAN
AS AMENDED AND RESTATED EFFECTIVE JAN. 1, 2025

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ARTICLE I PURPOSE OF PLAN

Section 1.01 Purpose of the Plan. The Lumen Executive Severance Plan (the “Plan”) is not intended to be an “employee pension benefit plan” or “pension plan” within the meaning of section 3(2) of ERISA. Rather, the Plan is intended to be a “welfare benefit plan” within the meaning of section 3(1) of ERISA and to meet the descriptive requirements of a plan constituting a “severance pay plan” within the meaning of regulations published by the Secretary of Labor at 29 CFR § 2510.3-2(b). No employee contributions are required or permitted. Accordingly, no employee has or shall have a vested right to such benefits.

-Section 1.02 Application of the Plan. The Plan shall generally be applicable to an Involuntary Termination, a Non-CIC Good Reason Resignation or a CIC Good Reason Resignation, as defined herein and except as described in **Exhibit C**. This Plan supersedes any other plan, policy, program, or arrangement providing an Eligible Employee with severance or related benefits, with the exception of (i) any vested benefits under another severance or change of control plan, policy, or arrangement which became effective prior to the Effective Date, and (ii) any contract between Company (including its predecessors) and an Eligible Employee concerning the provision of Severance Benefits following a termination of employment. The Plan applies to all Eligible Employees who are terminated due to one of the reasons listed in Article IV of this Plan. The Effective Date for the implementation of this Plan restatement is January 1, 2025, which supersedes and replaces the restated Plan effective Oct. 10, 2017, as amended and in effect on Dec. 31, 2024 (the “Prior Plan”). The Plan applies based on the date an Eligible Employee is notified of termination, an offer for a Non-Comparable Position or a Non-CIC Good Reason Trigger Event, and not the actual date of termination from employment with the Company (*e.g.*, an employee notified on Dec. 1, 2024 with a last day worked of March 1, 2025, is eligible for Benefits under the formula stated in the Prior Plan rather than the formula stated in this Plan restatement). Notwithstanding any other provision hereof, there is intended to be no duplication of Severance Benefits to an Eligible Employee. As such, if an Eligible Employee has any vested rights under another severance or change of control plan, policy, arrangement or contract for severance benefits following termination of employment, this Plan shall not apply to such Eligible Employee with respect to such termination.

Section 1.03 Gender and Number. Whenever used herein, the masculine pronoun shall include the feminine and the singular shall encompass the plural, and vice versa.

ARTICLE II DEFINITIONS

The following definitions apply except as expressly provided in Exhibits C or E.

“**Base Salary**” means the Eligible Employee’s annual rate of base pay, as reflected in the Company’s payroll or personnel files, in effect on a specified date.

“Board” means the Board of Directors of the Company, or any successor thereto, or its delegate, including but not limited to, a committee thereof specifically designated for purposes of making determinations hereunder.

“Cause” means an Eligible Employee’s (i) failure to substantially comply with supervisor directives, including directives related to job performance (ii) misconduct, (iii) conduct that violates the Company’s ethics and compliance program, including its Code of Conduct, (iv) conduct that is injurious to the Company’s reputation, customer relationships, employees or finances, (v) act(s) that, if proven in a court of law, would constitute a felony crime, (vi) act(s) of dishonesty, fraud or moral turpitude, or (vii) violation of any of the restrictive covenants found in Article VI. The Plan Administrator, in its sole discretion, shall determine whether the elements of Cause have been met, including whether the facts and circumstances indicate that the Employee’s actions constitute a violation of the Company’s ethics and compliance program and/or are injurious to the Company.

“CEO” means the Executive Officer who is designated by the Board as the Chief Executive Officer of the Company.

“Change in Control” means any of the following events:

(a) the acquisition, directly or indirectly, by any “person” or “group” (as those terms are defined in sections 3(a)(9), 13(d), and 14(d) of the Exchange Act and the rules thereunder, including Rule 13d-5(b)) of “beneficial ownership” (as determined pursuant to Rule 13d-3 under the Exchange Act) of securities entitled to vote generally in the election of directors (“voting securities”) of the Company that represent 30% or more of the combined voting power of the Company’s then outstanding voting securities, other than:

(i) an acquisition by a trustee or other fiduciary holding securities under any employee benefit plan (or related trust) sponsored or maintained by the Company or any person controlled by the Company or by any employee benefit plan (or related trust) sponsored or maintained by the Company or any person controlled by the Company, or

(ii) an acquisition of voting securities by the Company or a corporation owned, directly or indirectly, by the stockholders of the Company of at least 50% of the voting power of the Company’s then outstanding securities in substantially the same proportions as their ownership of stock of the Company, or

(iii) an acquisition of voting securities pursuant to a transaction described in subsection (c) below that would not be a Change in Control under subsection (c) below;

(b) a change in the composition of the Board that causes less than a majority of the directors of the Company to be directors that meet one or more of the following descriptions:

(i) a director who has been a director of the Company for a continuous period of at least 24 months (or, if less, since the date the shares of Company common stock were listed on the New York Stock Exchange) or,

(ii) a director whose election or nomination as a director was approved by a vote of at least two-thirds of the then directors described in subsections 2.04(b)(i), (ii) or (iii) by prior nomination or election, but excluding, for the purpose of this subsection (ii), any director whose initial assumption to office occurred as a result of an actual or threatened (y) election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person or group other than the Board or (z) tender offer, merger, sale of substantially all of the Company's assets, consolidation, reorganization or business combination that would be a Change in Control under subsection (c) below on consummation thereof, or

(iii) who were serving on the Board as result of the consummation of a transaction described in subsection (c) below that would not be a Change in Control under subsection (c) below;

(c) the consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of

- (i) a consolidation, merger, reorganization or business combination or
- (ii) a sale or disposition of all or substantially all of the Company's assets or
- (iii) the acquisition of assets or stock of another entity,

in each case, other than in a transaction, (x) that results in the Company's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "Successor Entity")) directly or indirectly, at least 50% of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction and (y) after which more than 50% of the members of the Board of the Successor Entity were members of the Board at the time of the Board's approval of the transaction or other action of the Board approving the transaction (or whose election or nomination was approved by a vote of at least two-thirds of the members who were members of the Board at that time), and (z) after which no person or group beneficially owns voting securities representing 30% or more of the combined voting power of the Successor Entity; provided, however, no person or group shall be treated for purposes of this subsection (z) as beneficially owning 30% or more of combined voting power of the Successor Entity solely as a result of the voting power held in the Company before the consummation of the transaction; or

(d) a liquidation or dissolution of the Company other than in connection with a transaction described in subsection (c) above that would not be a Change in Control thereunder.

“CIC Good Reason Resignation” means an Eligible Employee’s written resignation that has been delivered to the Company within 30 calendar days of the notification to the Employee of any of the following events (each a **“Trigger Event”**) related to a Change in Control:

(a) a reduction of more than 10% in the Eligible Employee’s Base Salary in effect immediately prior to the Change in Control.

(b) a demotion that results in both (i) the movement of an Eligible Employee from one job level to a lower job level (that is, Senior Vice-President to Vice-President or below, Vice-President to Director or below, or Director to Manager or below) and (ii) a material reduction or diminution of authority, duties, responsibilities, and/or budget or fiscal authority. “Demotion” excludes any move from one job to another initiated by the Employee.

(c) A relocation of the Eligible Employee’s principal work location such that (i) the driving distance from the work location of the new position to the current position held immediately prior to the change in job location is more than 50 miles and (ii) the increase in commuting distance from the employee’s current home location to his/her work location (comparing current position location against the new position location) is more than 50 miles.

If an Employee’s current position or new position is classified as “work at home” (i.e., with no assigned office at a Company facility), his/her home address is or, as applicable, will be deemed his/her work location with respect to such work at home position.

In order to constitute a CIC Good Reason Resignation, one of the above three Trigger Events must occur within one year following a Change in Control.

Notwithstanding the foregoing, the written resignation shall not constitute a “CIC Good Reason Resignation” if the Company fully corrects the circumstances which gave rise to Eligible Employee’s claim that there has been a CIC Good Reason Resignation within 30 days following receipt of written notice from the Eligible Employee (the **“30-day Cure Period”**). If the Company does not fully correct the circumstances that gave rise to the CIC Good Reason Resignation within the 30-calendar day Cure Period, the Eligible Employee’s employment shall be deemed to be a CIC Good Reason Resignation and to have Terminated no later than two years following the expiration of the 30-calendar day Cure Period or the Company’s notice that it does not intend to cure, whichever is earlier.

“CIC Termination” means an Eligible Employee’s Involuntary Termination within one year after the date of a Change in Control or his CIC-Good Reason Resignation.

“**COBRA**” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as codified in section 4980B of the Code, and Part 6 of Title I of ERISA and as amended by subsequent legislation.

“**Code**” means the Internal Revenue Code of 1986, as amended, and regulations thereunder.

“**Company**” means Lumen Technologies, Inc. and, solely Lumen Technologies, Inc.’s U.S.-based affiliates and subsidiaries, as well as any predecessor (specifically including but not limited to U.S.-based affiliates and subsidiaries of EMBARQ Corporation, Qwest Communications International, Inc., etc.) that are Participating Companies as defined in the Plan and on **Exhibit C**; non-participating Companies are separately identified on **Exhibit C**.

“**Comparable Position**” means a position offered by the Company or by another entity (e.g., one providing services to or purchasing assets from the Company) in connection with a reduction in headcount, an outsourcing to a vendor, a reorganization impacting two or more distinct business groups, a sale of distinct business groups, or a merger or acquisition other than a Change in Control, **and** that

- (i) involve a relocation of 50 miles or less such that either (i) the driving distance from the work location of the new position to the current position held immediately prior to the change in job location is 50 miles or less or (ii) the increase in commuting distance from the employee’s current home location to his/her work location (comparing current position location against the new position location) is 50 miles or less.

If an Employee’s current position or new position is classified as “work at home” (i.e., with no assigned office at a Company facility), his/her home address is or, as applicable, will be deemed his/her work location with respect to such work at home position.

and

- (ii) has a Total Targeted Compensation (Base Salary plus target short term incentive or sales incentive opportunity) that is at least 90% of the Participant’s current Total Targeted Compensation. A job at job grades P6 and below (or their equivalent) is not a “Comparable Position.”

“**Competitive Employment**” means the direct or indirect performance of duties or responsibilities (whether paid or unpaid and whether as a consultant, employee or otherwise) for a Competitor, including, without limitation, the ownership of any interest in, the provision of any financing, management or advisory services to, any connection with or being a principal, partner or agent of, any Competitor; provided that the Eligible Employee may passively own less than 1% of the outstanding shares of any Competitor.

“**Competitor**” means any person, firm, company, corporation or other entity, that markets, sells, resells or otherwise engages in the business of selling to any business or government

customer any product or service that is competitive, in any territory or location where the Company does business, with any of the following services, which may be changed from time to time and over time: local exchange telephone service (including services provided by wireless and cable providers), E-911 service, long distance services, dial-up and high-speed Internet access, security monitoring and related services, video delivery, web development, web hosting, high speed data services, wireless communications, IPTV and other video services (including satellite or cable television services), data hosting, cloud computing, any other product or service provided to customers of the Company which the Employee sold or supported, and any other products and services ancillary or related thereto. The burden is on the Eligible Employee to demonstrate that such person is not a Competitor.

“Effective Date” means Jan. 1, 2025. The Plan applies to all Eligible Employees of a Participating Company who are terminated due to one of the reasons listed in Article IV of this Plan.

“Eligible Employee” means an Employee who holds, as of his Termination Date, a Director or Vice-President level job in grades P7 or above or E1 or above, or equivalent grades if a different job grading system is used, as reflected in the Company’s personnel records. “Director or Vice- President level” jobs include those job titles which were classified as Director (M6 or M7) or Vice- President (E1 or above) jobs as of January 1, 2016. A Legacy Level 3 Employee became an Eligible Employee upon the closing the LVLTL Corporate Transaction. A Legacy Level 3 SVP will become an Eligible Employee (and eligible for benefits under Sections 4.01, 4.01A, 4.02 and 4.03) immediately after he or she ceases to participate in the Level 3 Communications Key Employee Severance Plan (KESP), provided he or she continues in employment with a Participating Company. An Employee who is terminated for job performance is an Eligible Employee, but solely for limited Severance Benefits as set for in Section 4.01A. An otherwise “Eligible Employee” is not eligible for: (a) benefits under this Plan relating to a Non-CIC Termination, including Sections 4.01 and 4.03 (**“Non-CIC Severance Benefits”**), if he has signed and not revoked a binding contract with Company (including its predecessors) concerning the provision of benefits similar to Non-CIC Severance Benefits to that Employee following a termination of employment and (b) benefits under this Plan relating to a CIC Termination, including Sections and 4.03 (**“CIC Severance Benefits”**), if he has signed and not revoked a binding contract with Company (including its predecessors) concerning the provision of benefits similar to CIC Severance Benefits to that Employee following a termination of employment. If there is any question as to whether an Employee is an Eligible Employee for purposes of the Plan, the Administrator shall make the determination. The term “Eligible Employee” also excludes an Employee who signed a waiver of his rights under this Plan subsequent to the Effective Date. Additionally, an Employee is not an “Eligible Employee” if:

(1) he is covered by the provisions of a collective bargaining agreement which address the same issues as this Plan, in which case the collective bargaining agreement will prevail, and this Plan shall not apply;

(2) he is covered by the provisions of the Lumen Reduction In Force Policy or an individual employee agreement which address the same issues as this Plan, in which

case the Lumen Reduction In Force Plan or such individual agreement will prevail and this Plan shall not apply;

(3) the provisions of any other reduction in force or severance plan or policy apply to any group of employees of the Company (such as employees who join the Company via merger or acquisition who are covered by a reduction in force or severance plan or policy that remains in

effect after the acquisition; employees of a particular subsidiary or division; or employees at a particular location), in which case the terms of such plan or policy shall apply and this Plan shall not apply;

(4) he is a Temporary Employee, which term is defined to mean all employees of a Participating Company who are hired to perform an assignment which is not intended to be ongoing and which is intended to have a specified end date (by reference to a calendar end date or a project end date) and/or who are classified on the payroll and/or HR systems as “temporary;”

(5) his employment with the Company is Terminated voluntarily, such as by resignation (whether or not the employee claims a constructive discharge or forced resignation) or retirement (whether or not such voluntary Termination may have been influenced by pending or threatened layoffs), or Terminated involuntarily due to attendance (other than absences that are protected by applicable law) or misconduct, including but not limited to violation of the Code of Conduct or other Company policies;

(6) he is offered a Comparable Position, or he is offered and accepts a position with the Company, a vendor to which the Company outsourced the employee’s work, a buyer to which the Company has sold the business, or any successor to the Company, even if such position is a Non-Comparable Position;

(7) he is not classified in the Company’s payroll and/or HR systems as an “employee,” regardless of whether such person is determined by any court, governmental agency or other entity to be an employee under any federal, state or local law, regulation or rule;

(8) he is employed by a non-U.S. subsidiary or affiliate, or he/she has been transferred from a non-U.S. subsidiary or affiliate to U.S. subsidiary or affiliate for a finite period of time pursuant to a letter of assignment; or is employed by a non-Participating Company identified on **Exhibit C**; or

(9) he is not employed by a Participating Company, or the participation of the Participating Company is limited by the Plan such that the employee is not eligible, as described in Exhibit C; or

(10) he is considered classified on the payroll and/or HR systems as a Government Services Modified Benefits employee or is categorized on the payroll and / or HRIS systems as a Project Based Employee; or

(11) he is a participant in the Lumen Phased Retirement Program.

“Employee” means an individual employed by a Participating Company within the United States as an employee, and excludes any person working for the Company through a temporary service or on a leased basis or who is hired by the Company as an independent contractor, consultant, or otherwise, and excludes a person who is not an employee, or not treated as such, for purposes of withholding federal employment taxes, as evidenced by payroll records or a written agreement with the individual, regardless of any contrary governmental or judicial determination or holding relating to such status or tax withholding.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and regulations thereunder.

“Executive Officer” means an Eligible Employee who is (i) a Vice-President, including Senior Vice-President and Executive Vice-President, reporting directly to the CEO, (ii) an Officer, other than the CEO, designated on an annual or other periodic basis as a Section 16 Officer of the Company, or (iii) an Officer, other than the CEO, designated by the Compensation Committee of the Board as a Senior Officer (as such term is defined in the Compensation Committee’s charter).

“Involuntary Termination” means a Termination of the Eligible Employee’s employment, initiated by the Company for any reason other than Cause, Permanent Disability or death.

“Legacy Level 3 Employee” means any person who (i) is employed by Level 3 Communications, Inc., or any affiliate of it at the Vice-President level, other than any person covered by the Level 3 Key Executive Severance Plan (the “KESP”), immediately prior to the closing of the LVL Corporate Transaction and (ii) remains employed by Level 3 Communications, Inc., or any affiliate of it immediately after the closing of the LVL Corporate Transaction.

“Legacy Level 3 SVP” means person who (i) is, immediately prior to the closing of the LVL Corporate Transaction, employed by Level 3 Communications, Inc., or any affiliate of it at the Senior Vice-President level or above and is covered by the Level 3 Key Executive Severance Plan (the “KESP”) and (ii) remains employed by Level 3 Communications, Inc., or any affiliate of it immediately following the closing of the LVL Corporate Transaction.

“LVL Corporate Transaction” means the corporate combination transaction described in the Agreement and Plan of Merger, dated as of Oct. 31, 2016, by and among CenturyLink, Inc., Wildcat Merger Sub 1 LLC, WWG Merger Sub LLC and Level 3 Communications, Inc.

“Non-CIC Good Reason Resignation” means an Eligible Employee’s written notice to the Company, delivered within 7 calendar days of the offer to the Employee of a Non-Comparable Position, declining such offer and resigning employment. The written resignation shall not constitute a “Non-CIC Good Reason Resignation” if the Company fully corrects the circumstances giving rise to the Non-CIC Good Reason Resignation within 30 days following

receipt of written notice from the Eligible Employee (the “**30-day Cure Period**”). If the Company does not fully correct the circumstances that gave rise to the Non-CIC Good Reason Resignation within the 30- day Cure Period, the Eligible Employee’s employment shall be deemed to be a Non-CIC Good Reason Resignation and to have Terminated no later than two years following the expiration of the 30-day Cure Period or the Company’s notice that it does not intend to cure, whichever is earlier.

“**Non-CIC Termination**” means an Eligible Employee’s Involuntary Termination of employment prior to a Change in Control or his Non-CIC Good Reason Resignation.

“**Non-Comparable Position**” means a position offered by the Company or by another entity (e.g., one providing services to or purchasing assets from the Company) in connection with a reduction in headcount, an outsourcing to a vendor, a reorganization impacting two or more distinct business groups, a sale of distinct business groups, or a merger or acquisition other than a Change in Control, **and** that

- (i) involves a relocation of more than 50 miles in driving distance such that both (i) the driving distance from the work location of the new position to the current position held immediately prior to the change in job location is more than 50 miles and (ii) the increase in commuting distance from the employee’s current home location to his/her work location (comparing current position location against the new position location) is more than 50 miles.

If an Employee’s current position or new position is classified as “work at home” (i.e., with no assigned office at a Company facility), his/her home address is or, as applicable, will be deemed his/her work location with respect to such work at home position.

and/or

- (ii) has a Total Targeted Compensation (Base Salary plus target short term incentive or sales incentive opportunity) that is less than 90% of the Participant’s current Total Targeted Compensation. A job at job grades P6 and below (or their equivalent) is a “Non-Comparable Position.”

“**Non-Compete Period**” means the one-year (12 consecutive months, not necessarily a calendar year or month) time period immediately following Termination Date.

“**Participant**” means an Eligible Employee entitled to Severance Benefits.

“**Participating Company**” means any divisions, subsidiaries or affiliates of the Company that participate in the Plan on or after the Effective Date of this restatement of the Plan and as listed, or as may be restricted, on **Exhibit C**. The Company’s Plan Design Committee or the Vice President of Human Resources with responsibility for benefits, or their respective designee, have the authority to amend **Exhibit C** at any time and from time to time, including but not limited to, adding or restricting participation of an entity as a Participating Company as such participation is approved by the Plan Design Committee.

“Permanent Disability” means that an Eligible Employee has a permanent and total incapacity from engaging in any employment for the Company for physical or mental reasons. A “Permanent Disability” shall be deemed to exist if the Eligible Employee is judged to satisfy the requirements for disability benefits under the Company’s long-term disability plan.

“Plan” means the Lumen Executive Severance Plan, as set forth herein and as it may be amended from time to time.

“Plan Administrator” is the Lumen Employee Benefits Committee as delegated by the Board of Directors to administer the terms of the Plan. In the event any member of the Employee Benefits Committee is entitled to Severance Benefits under the Plan or makes a claim for benefits under the Plan, the remaining members of the Employee Benefits Committee shall act as the Plan Administrator for purposes of administering the terms of the Plan with respect to such employee. The Plan Administrator may delegate all or any portion of its authority under the Plan to any other person(s).

“Release” means the Confidential Separation Agreement and Release in Full of All Claims, substantially in the form attached hereto as **Exhibit A**, as the same may be amended from time to time in the sole discretion of the Company.

“Service” means the total number of completed years the Eligible Employee was an Employee of the Company, as reflected in the Company’s payroll and human resources records pursuant to the provisions of the Company’s Service Bridging Policy. Any period of employment with the Company, a Subsidiary, or a predecessor Company for which an Eligible Employee previously received Severance Benefits from the Company, shall be excluded from Service and, thus, not included in calculating any Severance Benefit, except to the extent the Eligible Employee repaid the Company the Severance Benefits relating to such Service pursuant to Section 4.07.

“Severance Benefit” means the severance pay amounts and benefits that a Participant is eligible to receive pursuant to Article IV of the Plan based on the Eligible Employee’s Service and job performance.

“Severance Period” means the number of weeks for which an Eligible Employee is entitled to receive Severance Benefits pursuant to Article IV of the Plan based on the Eligible Employee’s Service.

“Specified Employee” means, subject to section 409A(2)(B)(i) of the Code and Treasury Regulations issued thereunder, (i) an Employee who is an officer of the Company or its Subsidiaries and having annual compensation (within the meaning of section 414(q)(4) of the Code) greater than \$170,000 (for 2016, as it may be adjusted for inflation as described in section 416(i) of the Code), provided the number of such officers who are considered Specified Employees shall be limited to 50 employees as described in section 416(i) of the Code, (ii) a five-percent owner of the Company and its Subsidiaries, or (iii) a one-percent owner of the Company and its Subsidiaries who has annual compensation from the Company and its Subsidiaries greater than \$150,000. For purposes of determining who are Specified

Employees, all Employees of the Company and its Subsidiaries, including employees who are nonresident aliens, shall be considered. The Plan Administrator, or its duly-appointed designee, shall determine the Specified Employees each year in accordance with section 416(i) of the Code, the “specified employee” requirements of section 409A of the Code, and applicable regulations. Specified Employees shall be identified as of December 31 of each year with respect to the 12-month period beginning on the next following April 1.

“**Subsidiary**” means (a) a U.S.-based subsidiary of the Company (wherever incorporated, including but not limited to any subsidiary of EMBARQ Corporation, Qwest Communications International, Inc.), (b) any separately organized business unit, whether or not incorporated, of the Company, (c) any U.S.-based Company that is required to be aggregated with the Company pursuant to section 414 of the Code and regulations issued thereunder, and (iv) notwithstanding anything to the contrary herein, in order for employees a Subsidiary to be considered as eligible for benefits under the Plan, such Subsidiary must be a Participating Company and participation in this Plan is restricted as indicated on **Exhibit C**.

“**Termination**” or “**Terminated**” means a separation from service with the Company as defined in Treasury Regulation § 1.409A-1(h).

“**Termination Date**” means the date on which the active employment of the Eligible Employee by the Participating Company is severed, whether by reason of an Involuntary Termination, Voluntary Resignation, CIC Good Reason Resignation, Non-CIC Good Reason Resignation or Termination for Cause.

“**Total Targeted Cash Compensation**” means the Eligible Employee’s annual rate of Base Salary in effect on a specified date plus the targeted annual incentive opportunity under either the short- term incentive compensation program or the sales incentive compensation program, as applicable, on that same date.

“**Voluntary Resignation**” means any retirement or Termination that is not initiated by the Company other than a CIC Good Reason Resignation.

“**Year of Service**” means each completed full year of Service.

ARTICLE III ELIGIBILITY FOR BENEFITS

Section 3.01 Conditions.

- (a) Eligibility for and receipt of any Severance Benefits under the Plan are expressly conditioned on the Eligible Employee’s
 - (i) execution of a Release in connection with his termination of employment with the Company;
 - (ii) compliance with all the terms and conditions of such Release; (iii) compliance with all the terms and conditions of the restrictive covenants set forth in Article
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VI; (iv) execution of a written agreement that authorizes the deduction of amounts owed to the Company prior to the payment of any Severance Benefit (or in accordance with any other schedule as the Plan Administrator may determine to be appropriate); provided that, to the extent applicable, any such deduction shall be made in compliance with section 409A of the Code; and (v) acknowledgement that all decisions and determinations of the Plan Administrator shall be final and binding on the Eligible Employee, his beneficiaries and any other person having or claiming an interest under the Plan on his behalf.

(b) If the Plan Administrator determines that the Eligible Employee has not fully complied with any of the terms of the Plan or the Release, the Plan Administrator, acting on behalf of the Company, may deny Severance Benefits not yet paid or discontinue the payment of the Eligible Employee's Severance Benefits and may require the Eligible Employee to repay any portion of any Severance Benefits already received under the Plan, by providing written notice of such repayment obligation to the Eligible Employee. If the Plan Administrator notifies a Participant that repayment of all or any portion of the Severance Benefits received under the Plan is required, such amounts shall be repaid within 30 calendar days of the date the written notice is sent. Any remedy under this subsection (b) shall be in addition to, and not in place of, any other remedy, including injunctive relief, that the Company may have.

ARTICLE IV DETERMINATION OF SEVERANCE BENEFITS

Section 4.01 Severance Benefits – Non-CIC Termination. Each Participant who incurs an Involuntary Termination, other than a CIC Termination or a Lower Performer termination, or who declines an offer of a Non-Comparable Position or incurs a Non-CIC Good Reason Resignation, shall, subject to the conditions of the Plan, receive the Severance Benefits as provided in this Section. The Severance Benefits described in this Section shall be paid in accordance with Article V.

Tier Title	Severance Period
Directors at P7 or P8	2 weeks of Severance Benefits per year of Service, with a minimum of 12 weeks of Severance Benefits and a maximum of 34 weeks of Severance Benefits; Severance Benefits are calculated using Base Salary
Vice Presidents at E1 and E2	2 weeks of Severance Benefits per year of Service, with a minimum of 18 weeks of Severance Benefits and a maximum of 52 weeks of Severance Benefits; Severance Benefits are calculated using Base Salary

Vice-President at E3 or above, other than Executive Officers	6 weeks of Severance Benefits plus an additional 2 weeks of Severance Benefits for each Year of Service up to a maximum of 52 weeks, but in no event less than 39 weeks; Severance Benefits are calculated using Total Targeted Cash Compensation.
Executive Officers	52 weeks of Severance Benefits, calculated using Total Targeted Cash Compensation
CEO	104 weeks of Severance Benefits, calculated using Total Targeted Cash Compensation

Eligible Employees who are in positions classified as “Regular Part-Time” status will receive severance benefits prorated based on the Eligible Employee’s weekly base salary or wages as of the employee’s last day of work (excluding overtime, bonus or incentive compensation) as noted in the HR payroll system. Any Eligible Employee who is in a position that is classified as “Regular Full Time” status but working less than a 40 hour work week will receive severance benefits prorated based on the Eligible Employee’s weekly base salary or wages as of the employee’s last day of work (excluding overtime, bonus or incentive compensation) as noted in the HR payroll system.

Section 4.01A Lower Performer Severance Benefit: Eligible Employees below the E3 job level who have at least one year of service are eligible for this Lower Performer Severance Benefit if they are terminated for poor job performance, such as missing sales targets or deficient leadership of their teams. An Employee who is terminated for poor attendance (other than absences that are protected by applicable law), misconduct, including but not limited to violation of the Company’s Code of Conduct, or violating other Company policies or supervisor directives, remains ineligible for Severance Benefits, including this Lower Performer Severance Benefit. As with other Severance Benefits under the Plan, the Lower Performer Severance Benefit is contingent upon the Participant signing an acceptable Release and complying with the restrictive covenants in Article VI of this Plan. The Severance Benefit under this subsection is:

Tier Title	Severance Period
Directors at P7 or P8, and Vice Presidents at E1 and E2 with one year of service	1 week of Severance Benefits per year of Service, with a minimum of 2 weeks of Severance Benefits and a maximum of 8 weeks of Severance Benefits; Severance Benefits are calculated using Base Salary; the benefit is prorated, as applicable, for Part-Time status or Full-Time status working less than 40 hours in a work week

Section 4.02 Severance Benefits – CIC Termination. Each Participant who incurs a CIC Termination shall, subject to the conditions of the Plan, receive the Severance Benefits

subject to the conditions of the Plan, as provided in this Section, which benefits shall be paid in accordance with Article V:

Tier Title	Severance Period
Director at P7 and P8	6 weeks of Severance Benefits, calculated using Total Targeted Cash Compensation plus an additional 2 weeks of Severance Benefits for each Year of Service up to a maximum of 52 weeks, but in no event less than 26 weeks; the benefit is prorated, as applicable, for Part-Time status or Full-Time status working less than 40 hours in a work week.
Vice-President at E1 or above, other than Executive Officers and the CEO	52 weeks of Severance Benefits, calculated using Total Targeted Cash Compensation; the benefit is prorated, as applicable, for Part-Time status or Full-Time status working less than 40 hours in a work week

Section 4.03 Severance Benefits – Non-CIC Terminations or CIC Terminations. The following additional provisions apply to Participants who incur either a CIC Termination or a Non-CIC Termination:

(a) Employee Benefits. Medical (including prescription drug), vision and dental benefits for the Participant and his/her dependents, if enrolled in the Company's Health Care Plan at the time of Termination, will continue through the last day of the month in which the Termination occurs. Eligibility for life insurance coverage and short-term disability coverage and benefits end on the date of termination from employment; however, in accordance with applicable laws and the respective plan documents, notice of any rights to continue, convert, or obtain replacement coverage will be provided to Participants.

(i) COBRA. Participants, and if applicable, their dependents, who participate in the Company's Health Care Plan may elect under COBRA to continue coverage for a monthly charge for a maximum of 18 months beyond the date coverage would otherwise terminate, subject to the provisions of the applicable plans and COBRA. The Company will provide COBRA enrollment information to employees within 45 days following the Termination Date. Employees who wish to continue coverage must return the COBRA enrollment forms within 60 days from receipt of the COBRA notification.

Participants whose job levels are below E3 (or its equivalent) who elect COBRA coverage will be eligible to receive a subsidy to their COBRA payments according to the schedule in the chart attached at Exhibit D. Participants whose job levels are at E3 and above who elect COBRA coverage will be eligible to receive a subsidy to their COBRA payments according to the applicable schedule in Exhibit D. For all Participants, the subsidy means that the Participant will pay the same premium

contribution rate for medical/prescription, vision and dental coverage during the period of the subsidy as comparable active employees pay. Following the expiration of the subsidy, the employee will pay the COBRA rate, which is 102% of the cost of coverage, as long as coverage remains in place.

(b) The COBRA subsidy will terminate upon the earlier of (i) the date the Participant discontinues COBRA coverage or otherwise becomes ineligible for COBRA coverage, or (ii) the date the Participant is eligible to enroll (regardless of whether he actually enrolls) in medical coverage sponsored by a subsequent employer of the Participant.

(c) Payment In Lieu of Short Term Incentive. In addition to the Severance Benefits in Sections 4.01 or 4.02, as applicable, and subject to the Eligible Employee's execution of a Release and, if applicable, the expiration of any revocation period for such Release, if during the year of Participant's termination, Participant has at least three months of consecutive service and at least one month in a position that would constitute an "Eligible Position" under Lumen's Short Term Incentive Plan (the "**STI Plan**"), the Company will pay to Eligible Employees who incur an Involuntary Termination, other than a Lower Performer Termination, or who decline an offer of a Non Comparable Position or incur a Non-Change In Control Good Reason Resignation on the date that it next pays Employees pursuant to the STI Plan, a lump sum payment (subject to withholding) equal to the Employee's last applicable target opportunity for such year of termination prorated for the portion of the year worked from January 1 through the employee's termination date, adjusted by the Corporate Performance Factor, capped at 100%, multiplied by .90, to be paid following the Determination and Approval Period as defined in the STI Plan.

(d) Sales Incentive Payment for Period Prior to Termination Date. Sales incentive compensation for the period prior to the Termination Date shall be calculated and paid in accordance with the terms of the applicable sales incentive compensation plan.

(e) Retirement Plans. The provisions of any applicable qualified and/or nonqualified defined contribution or defined benefit plan maintained by the Company pursuant to which an Eligible Employee is eligible to participate, shall control with respect to any recognition of service during the Severance Period and the eligibility for benefits before, during and after the Severance Period.

(f) Outplacement Assistance. The Company at its cost shall provide to the Participant outplacement assistance by a reputable firm specializing in such services. Such assistance shall comply with the requirements of the duration of Treasury Regulation § 1.409A-1(b)(9)(v)(A).

(g) Any failure to execute a Release within the time period set forth in Section 5.01 will result in the forfeiture of the compensation (if any) contingent upon execution of such Release.

Section 4.04 Voluntary Resignation; Termination for Death or Permanent Disability. If the Eligible Employee's employment terminates on account of the Eligible Employee's (a)

Voluntary Resignation, (b) death, or (c) Permanent Disability, then the Eligible Employee shall not be entitled to receive Severance Benefits under this Plan and shall be entitled only to those benefits (if any) as may be available under the Company's applicable equity incentive plans or long term incentive equity or cash grant agreements; other separation or severance plans, policies, or arrangements; or any other employee health, welfare, retirement or benefit plan.

Section 4.05 Termination for Cause. If the Company terminates the Eligible Employee's employment for Cause, the Eligible Employee shall not be entitled to receive Severance Benefits under this Plan. Notwithstanding any other provision of the Plan to the contrary, if the Plan Administrator determines that an Eligible Employee engaged in conduct that constitutes Cause at any time prior to the Eligible Employee's Termination Date, any Severance Benefits payable to the Eligible Employee under Article IV shall immediately cease, and the Eligible Employee shall be required to return any Severance Benefits paid to the Eligible Employee prior to such determination. The Company may withhold paying Severance Benefits under the Plan pending resolution of an inquiry that could lead to a determination that Cause exists.

Section 4.06 Deductions from Severance Benefits. The Plan Administrator reserves the right to make deductions in accordance with applicable law for any monies owed to the Company by the Eligible Employee or the value of Company property that the Eligible Employee has retained in his possession, *e.g.*, if an employee (a) was overpaid commissions/sales incentive, (b) had a negative PTO balance, (c) retained a company laptop or other property, or (d) used his corporate card for unauthorized personal purchases. To the extent applicable, any such deduction from Severance Benefits shall be made in compliance with section 409A of the Code. To the maximum extent allowed by applicable law, Eligible Employees are deemed, by their participation in the Plan and execution of a Release (which is a pre-condition to receipt of severance benefits hereunder), to have consented in writing to such deductions.

Section 4.07 Repayment of Severance Benefits upon subsequent rehire. Employees rehired by the Company before the expiration of the period covered by their Severance Benefit will be required to repay all or part of the Severance Benefit upon rehire. The repayment percentage is obtained by dividing the number of days remaining in the layoff period (*i.e.*, the total number of days included in the Severance Benefit calculation minus the number of prior days in layoff status) by the total number of days included in the Severance Benefit calculation. The amount to be repaid is equal to the total Severance Benefit multiplied by the repayment percentage.

ARTICLE V TIMING AND METHOD OF PAYMENT AND LIMITATION ON BENEFITS

Section 5.01 Timing and Method of Payment.

(a) Non-CIC Severance Benefits. Subject to Section 5.02 below, Non-CIC Severance Benefits (benefits under Sections 4.01 and 4.01A) shall be paid periodically, in prorated installments on a bi-weekly basis in accordance with the Company's normal payroll

cycle, less withholding for all applicable federal, state and local taxes and other applicable withholdings and deductions, over the Participant's Severance Period. The first installment (including any retroactive installments) shall begin no later than 60 days after the Eligible Employee's Termination Date, subject to the Eligible Employee's execution of a Release and, if applicable, the expiration of any revocation period for such Release within such 60-day period.

(b) CIC Severance Benefits. Subject to Section 5.02 below, CIC Severance Benefits (benefits under Section 4.02) shall be paid in a single lump sum cash payment, less withholding for all applicable federal, state and local taxes and other applicable withholdings and deductions, no later than 60 days after the Eligible Employee's Termination Date, subject to the Eligible Employee's execution of a Release and, if applicable, the expiration of any revocation period for such Release within such 60-day period.

(c) General Rules. In the event of the Participant's death after he becomes entitled to Severance Benefits under the Plan, but prior to full payment of all Severance Benefits due to such Participant, any remaining Severance Benefits due to the Participant under Section 4.01, 4.01A or 4.02 above shall be paid to the Participant's estate in a lump sum payment within 60 days following written notification of the Participant's death. Interest will not be credited on any unpaid Severance Benefit due to a Participant. Payment(s) shall be made by direct deposit or by mailing to the last address provided by the Participant to the Company or such other reasonable method as determined by the Plan Administrator

(d) Timing of Payment Rules Applicable to Specified Employees.

(i) If the Participant is a Specified Employee on the date of the Participant's Termination and there are benefits provided to the Employee hereunder that are taxable to the Participant, then the value of the aggregate amount of such taxable benefits provided to the Participant during the six month period following the Termination Date shall be limited to (A) the amount specified by section 402(g)(1)(B) of the Code for the year in which the Termination occurred, (B) medical benefits that are allowed to be provided during such time pursuant to Treasury Regulation § 1.409A-1(b)(9)(v)(B), (C) any amounts subject to the short-term deferral exception to section 409A of the Code, (D) any amount payable under the involuntary separation from service exception to section 409A of the Code, and (E) other payments to the extent they are covered by an exception to such 6-month delay applicable to Specified Employees, under section 409A of the Code, applicable Treasury Regulations and IRS guidance.

(ii) To the extent there has been delayed commencement of any portion of the Severance Benefits to which the Participant is entitled under this Plan in order to avoid a prohibited distribution under section 409A(a)(2)(B)(i) of the Code (any such delayed commencement, a "**Payment Delay**"), such portion of the Participant's Severance Benefit payments shall not be provided to Participant prior to the earlier of (A) the expiration of the six- month period measured from the date of Participant's Termination or (2) the date of the Participant's death. Upon the earlier of such dates, all

payments deferred pursuant to the Payment Delay shall be paid in a cash lump sum payment to the Participant, and any remaining payments due under the Plan shall be paid as otherwise provided herein.

(e) Application of Section 409A of the Code. To the extent that the Company determines that any compensation or benefit payable under the Plan constitutes nonqualified deferred compensation within the meaning of section 409A of the Code, the Plan, with respect to such compensation or benefit, will be construed and interpreted to comply with the requirements of section 409A of the Code or one or more applicable exceptions thereto, in accordance with the statutory provisions of section 409A of the Code and any Treasury Regulations and other interpretive guidance issued thereunder. Notwithstanding any provision of the Plan to the contrary:

(i) No Guaranty of Tax Liability. In no event does the Company guarantee any particular tax consequences, outcome or tax liability to Eligible Employees. No provision of the Plan shall be interpreted or construed to transfer any liability for failure to comply with the requirements of section 409A of the Code from an Eligible Employee or any other individual to the Company.

(ii) Additional Actions Permitted. In the event the Company determines that any compensation or benefit payable hereunder may be subject to section 409A of the Code, the Company (without any obligation to do so or obligation to indemnify any Eligible Employee for any failure to do so) may adopt, without the consent of any Eligible Employee, such amendments to the Plan or take any other actions that the Company in its sole discretion determines are necessary or appropriate for such compensation or benefit to either (a) be exempt from section 409A of the Code or (b) comply with the requirements of section 409A of the Code.

(iii) Actual Payment Date. Whenever a payment under the Plan specifies a payment period, the actual date of payment within such specified period shall be within the sole discretion of the Company, and no Participant shall have any right (directly or indirectly) to determine the year in which such payment is made.

(iv) Installments. Each installment payment payable hereunder shall be deemed to be a separate payment for purposes of section 409A of the Code. With respect to compensation or benefits subject to Code Section 409A that are paid pursuant to the Company's payroll schedule, in the event of any change in that payroll schedule after such compensation or benefits are no longer subject to a substantial risk of forfeiture, each installment or payment to be made to an Eligible Employee under this Plan shall be made according to such new payroll schedule in effect at the time of such payment, but in any event within thirty (30) days of the payroll date that would have applied pursuant to the payroll schedule in effect on the date that the compensation or benefits to such Employee were no longer subject to a substantial risk of forfeiture.

(v) Reimbursements. To the extent that any amounts payable hereunder are deemed to be reimbursements and other separation payments under Treasury Regulation §1.409A-1(b)(9)(v), they shall not be deemed to provide for the deferral of compensation governed by section 409A of the Code. If they do constitute deferral of compensation governed by Code Section 409A, they shall be deemed to be reimbursements or in-kind benefits governed by Treasury Regulation § 1.409A-3(i)(1)(iv). If the previous sentence applies, (i) the amount of expenses eligible for reimbursement or in-kind benefits provided during the Employee's taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits in any other taxable year, provided that the foregoing shall not be violated by any lifetime or annual limits contained in the Company's group health plans; (ii) the reimbursement of an eligible expense must be made on or before the last day of the Eligible Employee's taxable year following the taxable year in which the expense was incurred and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

(vi) Application of the exceptions to section 409A of the Code are additive, that is, the exceptions may be "stacked" and used in combination with other exceptions, including but not limited to the short-term deferral exception and the separation pay exception.

Section 5.02 Limitation on Benefits.

(a) Notwithstanding anything set forth in the Plan to the contrary, if any payment or benefit, including the Severance Benefits, an Eligible Employee would receive from the Company ("**Payment**") would (i) constitute a "parachute payment" within the meaning of section 280G of the Code and (ii) but for this sentence, be subject to the excise tax imposed by section 4999 of the Code (the "**Excise Tax**"), then such Payment shall be reduced to the Reduced Amount. The "Reduced Amount" shall be either (i) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax or (ii) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in the Eligible Employee's receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits (or a cancellation of the acceleration of vesting of stock options or equity awards) constituting "parachute payments" is necessary so that the Payment equals the Reduced Amount, such reduction and/or cancellation of acceleration shall occur in the order that provides the maximum economic benefit to the Eligible Employee. In the event that acceleration of vesting of a stock option or equity award is to be reduced, such acceleration of vesting also shall be canceled in the order that provides the maximum economic benefit to the Eligible Employee.

(b) The Company shall appoint a nationally-recognized accounting firm with appropriate subject matter expertise to make the determinations required under this Section 5.03.

(c) The Company shall bear all expenses with respect to the making of the determinations by such accounting firm required to be made under this Section 5.03. The accounting firm engaged to make the determinations under this Section 5.03 shall provide its calculations, together with detailed supporting documentation, to the Company and the Eligible Employee as soon as practicable after the date on which the Eligible Employee's right to a Payment is triggered (if requested at that time by the Company or the Eligible Employee) or such other time as requested by the Company or the Eligible Employee. If the accounting firm determines that no Excise Tax is payable with respect to a Payment, either before or after the application of the Reduced Amount, it shall furnish the Company with an opinion reasonably acceptable to the Eligible Employee that no Excise Tax will be imposed with respect to such Payment. Any good faith determinations of the accounting firm made under this Section 5.03 shall be final, binding, and conclusive upon the Company and the Eligible Employee.

ARTICLE VI RESTRICTIVE COVENANTS

Section 6.01 Code of Conduct. Each Eligible Employee shall adhere in all respects to the Company's ethics and compliance program, Code of Conduct, Employee Handbook and/or other applicable policies, as they may from time to time be established, interpreted, amended or terminated.

Section 6.02 Proprietary Information.

(a) Each Eligible Employee shall acknowledge that, during the course of his employment, the Eligible Employee has learned or will learn or develop Proprietary Information. Each Eligible Employee shall further acknowledge that unauthorized disclosure or use of such Proprietary Information, other than in discharge of the Eligible Employee's duties, will cause the Company irreparable harm. Except in the course of his employment with the Company, in pursuit of the business of the Company, or as otherwise required in employment with the Company or by applicable law, each Eligible Employee shall not, during the course of his employment or at any time following termination of his employment, directly or indirectly, disclose, publish, communicate, or use on his behalf or another's behalf, any Proprietary Information. If during or after his employment, the Eligible Employee has any questions about whether particular information is Proprietary Information, the Eligible Employee shall consult with the Company's General Counsel or other representative designated by the Company.

(b) Each Eligible Employee shall also agree to promptly disclose to the Company any information, ideas, or inventions made or conceived by him or her that results from or are suggested by services performed by the Eligible Employee for the Company, and to assign to the Company all rights pertaining to such information, ideas, or inventions. Knowledge or information of any kind disclosed by the Eligible Employee to the Company shall be deemed to have been disclosed without obligation on the part of the Company to hold the same in

confidence, and the Company shall have the full right to use and disclose such knowledge and information without compensation to the Eligible Employee.

Section 6.03 Non-Competition.

(a) During the Eligible Employee's employment with the Company and during the Non-Compete Period, each Eligible Employee shall agree, to the maximum extent allowed under applicable law, that he shall not engage in Competitive Employment.

(b) If an Eligible Employee ceases to be employed by the Company because of the sale, spin-off, divestiture, or other disposition by the Company of a Subsidiary, division, or other divested unit employing the Eligible Employee, this provision shall continue to apply during the Non-Compete Period, except that the Eligible Employee's continued employment for the Subsidiary, division, or other divested unit disposed of by the Company shall not be deemed a violation of this provision.

Section 6.04 Inducement of Employees, Customers and Others. During an Eligible Employee's employment with the Company and during the Non-Compete Period, each Eligible Employee shall agree, to the maximum extent allowed under applicable law, that he will not, directly or indirectly, solicit, induce, or encourage any employee, consultant, agent or customer of the Company or its Subsidiaries or vendors or other parties doing business with the Company or its Subsidiaries, to terminate their employment, agency, or other relationship with the Company or its Subsidiaries or to render services for or transfer business to any Competitor, and each Eligible Employee shall not initiate discussion with any such person for any such purpose or authorize or knowingly cooperate with the taking of any such actions by any other individual or entity on behalf of the Competitor.

Section 6.05 No Adverse Actions. During the Non-Compete Period, each Eligible Employee shall not, without the prior written consent of the Company, in any manner, solicit, request, advise, or assist any other person to (a) undertake any action that would be reasonably likely, or is intended, to result in a reorganization, merger, share exchange, transfer of ownership of 50% or more of the outstanding voting securities of the Company, consolidation, or sale or disposition of all or substantially all of the assets of the Company, or (b) seek to control or change the composition of the Board in any material manner.

Section 6.06 Return of Property. Each Eligible Employee shall, upon the Eligible Employee's Termination Date, return to the Company all property of the Company in the Eligible Employee's possession, including all notes, reports, sketches, plans, published memoranda, or other documents, whether in hard copy or in electronic form, created, developed, generated, received, or held by the Eligible Employee during the Eligible Employee's employment, concerning or related to the Company's business, whether or not containing or relating to Proprietary Information. Each Eligible Employee shall not remove, by e-mail, by removal of computer discs or hard drives, or by other means, any of the above property containing Proprietary Information, or reproductions or copies thereof, or any apparatus from the Company's premises without the Company's written consent.

Section 6.07 Non-Disparagement. Each Eligible Employee shall agree to refrain from making any statements about the Company, its Subsidiaries or their officers or directors that would disparage, or reflect unfavorably upon the image or reputation of the Company, its Subsidiaries or any such officer or director.

Section 6.08 Assistance with Claims.

(a) Each Eligible Employee shall agree, that, during and after the Eligible Employee's employment by the Company, the Eligible Employee shall assist the Company, on a reasonable basis, in the defense of any claims or potential claims that may be made or threatened to be made against it in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative ("**Proceeding**") and shall assist the Company in the prosecution of any claims that may be made by the Company in any Proceeding, to the extent that such claims may relate to the Eligible Employee's services.

(b) Each Eligible Employee shall agree, unless precluded by law, to promptly inform the Company if the Eligible Employee is asked to participate (or otherwise become involved) in any Proceeding involving such claims or potential claims.

(c) Each Eligible Employee shall also agree, unless precluded by law, to promptly inform the Company if the Eligible Employee is asked to assist in any investigation (whether governmental or private) of the Company or its Subsidiaries (or its actions), regardless of whether a lawsuit has then been filed against the Company or its Subsidiaries with respect to such investigation.

Section 6.09 Reasonableness. In the event that any of the provisions of this Article VI should ever be adjudicated to exceed the time, geographic, service, or other limitations permitted by applicable law in any jurisdiction, then such provisions shall be deemed reformed in such jurisdiction to the maximum time, geographic, service, or other limitations permitted by applicable law.

Section 6.10 Equitable Relief.

(a) Each Eligible Employee shall acknowledge that the restrictions contained in this Article VI are reasonable and necessary to protect the legitimate interests of the Company, its Subsidiaries and its affiliates, that the Company would not have established this Plan in the absence of such restrictions, and that any violation of any provision of this Article VI will result in irreparable injury to the Company. Each Eligible Employee shall represent that his experience and capabilities are such that the restrictions contained in this Article VI will not prevent the Eligible Employee from obtaining employment or otherwise earning a living at the same general level of economic benefit as is currently the case. Each Eligible Employee shall further represent and acknowledge that (i) he has been advised by the Company to consult his own legal counsel in respect of this Plan, and (ii) that he has had full opportunity, prior to agreeing to participate in this Plan, to review thoroughly this Plan with his counsel.

(b) Each Eligible Employee shall agree that the Company shall be entitled to preliminary and permanent injunctive relief, without the necessity of proving actual damages and without posting a bond or other security, as well as an equitable accounting of all earnings, profits and other benefits arising from any violation of this Article VI, which rights shall be cumulative and in addition to any other rights or remedies to which the Company may be entitled.

(c) Each Eligible Employee shall also irrevocably and unconditionally consent to the service of any process, pleadings, notices or other papers in a manner permitted by the notice provisions of Section 10.04.

Section 6.11 Survival of Provisions. The obligations contained in this Article VI shall survive the termination of each Eligible Employee's employment with the Company and shall be fully enforceable, to the maximum extent allowed under applicable law, thereafter.

ARTICLE VII PLAN ADMINISTRATOR

Section 7.01 Authority and Duties. The Company has established this Plan on behalf of Company. The Company is the "**Plan Sponsor**" and the Employee Benefits Committee (the "**EBC**") is the "Plan Administrator" (unless and to the extent that Plan Administrator duties have been otherwise delegated), as those terms are defined under ERISA. In the absence of an EBC, the Company is the Plan Administrator. As Plan Administrator, the EBC shall have primary responsibility for the operation and administration of the Plan, and this responsibility shall be delegated as designated in the Plan or as determined by the EBC. To the extent of such delegation, the delegate shall be a "named fiduciary" of the Plan, as that term is defined in ERISA, and shall have all of the authority, discretion and powers of the Plan Administrator. It shall be the duty of the Plan Administrator to properly administer the Plan. The Plan Administrator shall have the full power, authority and discretion to construe, interpret and administer the Plan, to make factual determinations, to correct deficiencies therein, and to supply omissions. The Plan Administrator may adopt such rules and regulations and may make such decisions as it deems necessary or desirable for the proper administration of the Plan.

As set forth in this Section, "administration" of this Plan does not include any decisions to amend or terminate all or any portion of the Plan, which functions are reserved to the Company in its capacity as Plan Sponsor and not in any fiduciary capacity.

Section 7.02 Compensation of the Plan Administrator. The Plan Administrator shall receive no compensation for services as such. However, all reasonable expenses of the Plan Administrator shall be paid or reimbursed by the Company upon proper documentation. The Plan Administrator shall be indemnified by the Company against personal liability for actions taken in good faith in the discharge of the Plan Administrator's duties.

Section 7.03 Records, Reporting and Disclosure. The Plan Administrator shall keep a copy of all records relating to the payment of Severance Benefits to Participants and former

Participants and all other records necessary for the proper operation of the Plan. All Plan records shall be made available to the Company and to each Eligible Employee for examination during business hours except that an Eligible Employee shall examine only such records as pertain exclusively to the examining Eligible Employee and to the Plan. The Plan Administrator shall prepare and shall file as required by law or regulation all reports, forms, documents and other items required by ERISA, the Code, and every other relevant statute, each as amended, and all regulations thereunder (except that the Company, as payor of the Severance Benefits, shall prepare and distribute to the proper recipients all forms relating to withholding of income or wage taxes, Social Security taxes, and other amounts that may be similarly reportable).

Section 7.04 Discretion. Any decisions, actions or interpretations to be made under the Plan by the Plan Administrator shall be made in its sole and absolute discretion, subject to the terms of the Plan and applicable law, and need not be uniformly applied and such decisions, actions or interpretations shall be final, binding and conclusive upon all parties, with respect to denied claims for Severance Benefits. Not in limitation, but in amplification of the foregoing and of the authority conferred upon the Plan Administrator, the Plan Sponsor specifically intends that the Plan Administrator and its duly authorized delegates have the greatest permissible discretion to construe the terms of the Plan and to determine all questions concerning eligibility, participation, and benefits. The decisions by the Plan Administrator or any delegates shall be conclusive and binding, and any interpretation, determination, or other action by them is intended to be subject to the most deferential standard of review. Such standard of review is not to be affected by any real or alleged conflict of interest on the part of the Plan Administrator or its delegates. The EBC delegated its authority and discretion to review and grant or deny initial claims under the Plan to Severance Analyst, Legal & Corporate Administration, and this delegation has been accepted. In addition to the duties and powers described hereunder and elsewhere in this Plan, the Plan Administrator or its delegate is specifically given the discretionary authority and such powers as are necessary for the proper administration of the Plan, including, but not limited to, the following:

- to resolve ambiguities or inconsistencies,
 - to supply omissions and the like;
 - to make determinations, grants, or denials of the amount, manner, and time of payment of any Benefits under the terms of the Plan;
 - to authorize its agents or delegates to execute or deliver any instrument or make payments on the Plan Administrator's behalf or with respect to the Plan;
 - to select and retain counsel, service providers, vendors, employ agents, and provide for such clerical, accounting, actuarial, legal, consulting and/or claims processing services as it deems necessary or desirable to assist the Plan Administrator in the administration of the Plan;
 - to prepare and distribute, in such manner as the Plan Administrator determines to be appropriate, summary plan descriptions and other information explaining the Plan;
-

- to receive from each Participating Company and from Eligible Employees such information as shall be necessary for the proper administration of the Plan, and to require such information as a condition to receiving benefits under the Plan;
- to furnish the Company, upon request, such annual reports with respect to the administration of the Plan as the Plan Administrator deems reasonable and appropriate;
- to receive, review and keep on file, as the Plan Administrator deems necessary or appropriate, reports of Plan payments and reports of disbursements for expenses; and
- in general to decide and /or settle questions and disputes,

and all such authorizations, interpretations, determinations, decisions and settlements shall be final and binding for purposes of the Plan.

Section 7.05 Implementation of the Plan is Non-Fiduciary. The decision to implement the Plan and as to which employees, if any, will be included in an Involuntary Termination or terminated due to job performance, as well as all other Management Team decisions, including but not limited to, offering ongoing employment, shall be determined by the Management Team as Plan sponsor functions and not in any fiduciary capacity. Management shall have unlimited discretion under the Plan in making Involuntary Termination decisions.

ARTICLE VIII AMENDMENT, SUSPENSION AND TERMINATION

Section 8.01 Amendment, Suspension and Termination.

(a) **In General.** Except as otherwise provided in this Article VIII, the Plan may be amended, suspended or terminated, without prior notice, in whole or in part at any time, with future or with retroactive effect, by a writing approved by Board of Directors and signed on behalf of the Company by an authorized officer. The Plan may also be amended in writing by the Plan Design Committee. Amendment or termination of the Plan with respect to any Subsidiary of the Company shall not affect the rights of any Eligible Employee to any Plan benefit to which such Eligible Employee may have become irrevocably entitled under the Plan prior to the date such amendment or termination is adopted. On termination of the Plan, all rights to benefits end unless an Eligible Employee already has become entitled to such benefits. The Plan Design Committee or the Vice President - Legal with responsibility for Severance Benefits, or their respective designee, have the authority to amend **Exhibit C**, "List of Participating Companies," at any time and from time to time, including but not limited to, adding an entity as a Participating Company as such participation is approved by the Plan Design Committee.

(b) **Prospective Operation of Amendments.** Any amendment, suspension or termination shall operate prospectively only and shall not impair an Eligible Employee's right to retain any amount paid to him/her prior to the date of the amendment, suspension or

termination (except as expressly provided herein) or cause the cessation of Severance Benefits after an Eligible Employee has executed a Release as required under Article III.

Section 8.02 Continuation of Plan. Subject to Section 8.01, the Plan shall continue and shall be binding on the Company and its successors until the Company and/or its successors have fully performed all of the Company's obligations under the Plan with respect to all Eligible Employees covered under the Plan as of the Effective Date.

ARTICLE IX CLAIMS PROCEDURES

Section 9.01 Claims. The Plan Administrator, in its sole discretion, shall determine eligibility for Severance Benefits and the amount of Severance Benefits, as well as the administration of Severance Benefits, in accordance with the terms of this Plan. An Eligible Employee or his beneficiary, as applicable (the "claimant") may contest such determinations by completing and filing with the Plan Administrator a written request for review in the manner specified by the Plan Administrator within 90 days following the Eligible Employee's Termination Date. A Participant must send a written claim to the Plan Administrator as follows:

Lumen Employee Benefits Committee
c/o Lumen Technologies, Inc.
214 E. 24th Street
Vancouver, WA 98663.

Each such application must be supported by such information as the Plan Administrator deems relevant and appropriate. The claimant may not bring an action for any alleged wrongful denial of Plan benefits in a court of law unless the claims and appeals procedures described in this Article IX are exhausted and a final determination has been made by the Plan Administrator or its delegate. If the claimant challenges a decision by the Plan Administrator or its delegate, any review by a court of law will be limited to the facts, evidence and issues presented to the Plan Administrator during the claims procedure set forth in this Article IX. Facts and evidence that become known to the claimant after such individual has exhausted the claims procedure must be brought to the attention of the Plan Administrator for reconsideration. Issues not raised with the Plan Administrator will be deemed waived.

Section 9.02 Initial Claim. In the event that any claim under Section 9.01 is denied in whole or in part, the claimant whose claim has been so denied shall be notified of such denial in writing by the Plan Administrator, or its delegate, within ninety (90) days after the receipt of the claim for benefits. This period may be extended an additional ninety (90) days if the Plan Administrator, or its delegate, determines such extension is necessary and the Plan Administrator, or its delegate, provides notice of the extension to the claimant prior to the end of the initial ninety (90) day period. The notice advising of the denial shall: (i) specify the reason or reasons for denial, make specific reference to the Plan provisions on which the determination was based, describe any additional material or information necessary for the claimant to perfect the claim (explaining why such material or information is needed), and (iv) describe the Plan's review procedures and the time limits applicable to such procedures,

including a statement of the claimant's right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on review.

Section 9.03 Appeals of Denied Administrative Claims. All appeals of denied claims shall be made by the following procedure:

(a) A claimant whose claim has been denied shall file with the Plan Administrator a written notice of appeal of the denial. Such notice shall be filed within sixty (60) calendar days of receipt of notification by the Plan Administrator of the denial of a claim, shall be made in writing, and shall set forth all of the facts upon which the appeal is based. Appeals not timely filed shall be barred.

(b) The Plan Administrator shall consider the merits of the claimant's written presentations, the merits of any facts or evidence in support of the denial of benefits, and such other facts and circumstances as the Plan Administrator shall deem relevant.

(c) The Plan Administrator shall render a determination upon the appealed claim which determination shall be accompanied by a written statement as to the reasons therefore. The determination shall be made to the claimant within sixty (60) days of the claimant's request for review, unless the Plan Administrator determines that special circumstances require an extension of time for processing the claim. In such case, the Plan Administrator shall notify the claimant of the need for an extension of time to render its decision prior to the end of the initial sixty (60) day period, and the Plan Administrator shall have an additional sixty (60) day period to make its determination. The determination so rendered shall be binding upon all parties. If the determination is adverse to the claimant, the notice shall: (i) provide the reason or reasons for denial, (ii) make specific reference to the Plan provisions on which the determination was based, state that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to a the claimant's claim for benefits, and (iv) state that the claimant has the right to bring a civil action under section 502(a) of ERISA.

Section 9.04 Deadline to Bring a Plan Claim, Arbitration or Civil Suit.

(a) Claims regarding any Benefit under the Plan must be submitted in writing within six (6) months of the earlier of:

- (i) the date a claimant has reason to believe that the Plan has not been properly administered or
- (ii) the date that a claimant did not receive a Plan benefit to which he believes he was entitled.

(b) Plan claims and appeals procedures as explained above must be completely and timely exhausted by a claimant/Participant. A civil lawsuit, arbitration or other proceeding must be filed not later than one (1) year after the exhaustion of these internal Plan remedies as described in this Article IX.

ARTICLE X MISCELLANEOUS

Section 10.01 Waiver of Jury Trial.

(a) The Company waives and each Employee upon becoming an Eligible Employee in the Plan shall waive his, her or its right to a jury trial in any court action arising under the Plan or otherwise and whether made by claim, counter-claim, third-party claim or otherwise.

(b) If for any reason the jury waiver is held to be unenforceable, but only in that event, the Eligible Employee and the Company agree to binding arbitration for any dispute arising out of this Plan or any claim arising under any federal, state or local statutes, laws or regulations, pursuant to the arbitration terms set forth on attached **Exhibit B**.

(c) The agreement of the Eligible Employee to waive his right to a jury trial will be binding on his beneficiaries or assigns and will survive the termination of this Plan.

Section 10.2 Forum Selection. Except as the laws of the United States may otherwise require, any and all disputes relating to or arising under this Policy to enforce or interpret this Policy must be brought by civil action. Any court proceeding brought by you or the Company to enforce rights or obligations related to or arising under any provision of this Plan (a “**Claim**”) must be brought in the United States District Court in Denver, Colorado (the “**Court**”) or, if and only if another proceeding is pending between you and the Company in another jurisdiction and a Claim would be related to such pending proceeding, in such other jurisdiction. Each party agrees to personal jurisdiction in either venue. Each Participant, by virtue of his or her participation in this Policy, irrevocably consents to the jurisdiction and venue in the Court and that any and all disputes shall be adjudicated solely by the Court, and further irrevocably waives any defense based on lack of venue, personal jurisdiction, *forum non conveniens*, transfer, priority doctrines, and any defense(s) of similar type or import except that, as noted in Section 10.01, if the Court refuses to enforce the jury waiver in Section 10.01, the case shall proceed in arbitration.

Section 10.3 Non-Alienation of Benefits. None of the payments, benefits or rights of any Participant shall be subject to any claim of any creditor of any Participant, and, in particular, to the fullest extent permitted by law, all such payments, benefits and rights shall be free from attachment, garnishment (if permitted under applicable law), trustee’s process, or any other legal or equitable process available to any creditor of such Participant. No Eligible Employee shall have the right to alienate, anticipate, commute, plead, encumber or assign any of the benefits or payments that he may expect to receive, contingently or otherwise, under this Plan, except for the designation of a beneficiary.

Section 10.04 Notices. All notices and other communications required hereunder shall be in writing and shall be delivered personally or mailed by registered or certified mail, return receipt requested, or by overnight express courier service. In the case of the Eligible Employee, mailed notices shall be addressed to him or her at the home address which he

most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to the Plan Administrator.

Section 10.05 No Mitigation. Eligible Employees shall not be required to mitigate the amount of any Severance Benefit provided for in this Plan by seeking other employment or otherwise, nor shall the amount of any Severance Benefit provided for herein be reduced by any compensation earned by other employment or otherwise, except if the Eligible Employee is re-employed by the Company, in which case Severance Benefits shall cease.

Section 10.06 No Contract of Employment. Neither the establishment of the Plan, nor any modification thereof, nor the creation of any fund, trust or account, nor the payment of any benefits shall be construed as giving any Eligible Employee or any person whosever, the right to be retained in the service of the Company, and all Eligible Employees shall remain at-will employees, subject to discharge to the same extent as if the Plan had never been adopted.

Section 10.07 Severability of Provisions. Except to the extent provided in Section 6.09, if any provision of this Plan shall be held invalid, illegal or unenforceable by a court of competent jurisdiction, as to such jurisdiction that provision shall be limited (“blue penciled”) to the minimum extent necessary so that this Plan shall otherwise remain enforceable in full force and effect. To the extent such provision cannot be so modified, the offending provision shall, as to such jurisdiction, be deemed severable from the remainder of this Agreement, and the remaining provisions contained in this Agreement shall be construed to preserve to the maximum permissible extent the intent and purposes of this Agreement.

Section 10.08 Unfunded Plan. The Plan shall not be funded. No Participant shall have any right to, or interest in, any assets of the Company that may be applied by the Company to the payment of Severance Benefits. Payments of Severance Benefits under the Plan shall be paid from the Company’s general assets, in accordance with the terms of the Plan.

Section 10.09 Payments to Incompetent Persons. Any Severance Benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of receipting therefore shall be deemed paid when paid to such person’s guardian or to the party providing or reasonably appearing to provide for the care of such person, and such payment shall fully discharge the Company, the Plan Administrator and all other parties with respect thereto.

Section 10.10 Lost Payees. A Severance Benefit shall be deemed forfeited if the Committee is unable to locate an Eligible Employee to whom a Severance Benefit is due. Such Severance Benefit shall be reinstated if application is made by the Eligible Employee for the forfeited Severance Benefit while this Plan is in operation.

Section 10.11 Controlling Law. This Plan shall be construed and enforced according to the laws of the State of Colorado to the extent not superseded by Federal law. Any provision of this Plan that is determined by a court to be in conflict with any applicable Federal or State laws shall be deemed amended by this paragraph to conform to the minimum requirements of such laws, except to the extent they are preempted by ERISA.

Section 10.12 Clerical Error. By participation in this Plan, each Eligible Employee agrees that any amount paid in error will be returned promptly to Company and a payment error does not create a legally binding right to payment under *this* Plan. If a clerical error or other mistake occurs, however occurring, including but not limited to, by the Plan Administrator, its delegates, members of the Employee Benefits Group of the Company's Human Resources Organization, Vendors, a Participant, such clerical error or mistake does not and shall not create a right to a Benefit under the Plan. When an error is found, it will be corrected or adjusted appropriately as soon as practicable. Interest shall not be payable by the Plan, the Plan Administrator or any delegate with respect to a Benefit corrected or adjusted.

Executed this ____ day of Dec. 2024, but effective Jan. 1, 2025

Lumen Technologies, Inc.

Name: __

Title: __

EXHIBIT A
SEPARATION AGREEMENT
AND RELEASE IN FULL OF ALL CLAIMS
[SAMPLE]

Employee Name: NAME
Employee ID: PERNR
Work City, State: WORK CITY, STATE

Notice to Employee: You should discuss this Separation Agreement with an attorney prior to signing it. In any event, you should thoroughly review and understand the effect of this document before acting upon it. Therefore, please take this Separation Agreement home and carefully consider it before you decide whether to sign it. You have 45 calendar days from the date of receipt of this Separation Agreement in which to decide whether to sign it.

This Separation Agreement and Release in Full of All Claims ("Agreement") is made by and between

NAME ("Employee")

AND

The subsidiary or affiliate of CenturyLink, Inc. (doing business as Lumen*) which is Employee's employer, as reflected on Employee's pay/salary statements and W-2 form ("Employer").

1. Intent to Resolve all Claims. In connection with Employee's separation and termination of employment with Employer at the close of business on DATE ("Termination Date"), Employer and Employee desire to settle and compromise fully and finally all differences between them, including, but not limited to, all claims Employee has or might have asserted against Employer arising out of the employment with Employer or termination of that employment.

2. Severance Pay. Employee is entitled to Severance Pay provided all the following conditions have been met: (1) Employee's employment has terminated, (2) Employee has signed this Agreement on or after his/her last day of work and has returned it to Employer at the address provided in the notification letter, (3) the revocation period described in paragraph 21 has expired and Employee has not revoked the Agreement and (4) Employee has complied in full with the terms of this Agreement, including but not limited to paragraphs 9, 10, 11 and 12 (collectively, the "Conditions").

Employer agrees to pay Employee the gross sum of \$AMOUNT less withholdings, as severance pay. Severance will be paid in pro-rated installments on a bi-weekly basis over a 34 week period of time beginning no later than 60 days after the Termination Date, in accordance with

LUMEN EXECUTIVE SEVERANCE PLAN
As Amended and Restated Effective Jan. 1, 2025

B-1

Article V of the Executive Severance Plan (the “Plan”). In addition, Employer will provide a COBRA subsidy as further described in Paragraph 4 below.

- A. COBRA Subsidy for up to COBRA MONTHS, whereby Employee effectively pays the same rate for Medical/Prescription, Vision and Dental insurance during the subsidy period as active employees. The subsidy may terminate prior to the end of COBRA MONTHS, as specified in the Plan. Following the expiration of the subsidy, Employee will pay 102% of the cost of coverage, as long as COBRA coverage remains in place.
- B. Outplacement assistance in accordance with Section 4.03 of the Plan.

In addition to the benefits described in the Plan, and provided the above Conditions have been met, certain tranches of restricted shares granted will be accelerated as reflected on the attached Stock-Based Compensation Summary, attached as Exhibit A, within a reasonable period of time after the Termination Date.

3. Payment in Full of All Compensation and Benefits. Employee hereby expressly acknowledges and agrees that Employee has been paid for all work performed and is not entitled to from Employer as of the date of separation, except for: (i) final pay earned by Employee but not yet payable under Employer’s normal payroll cycle and not yet due under state law, (ii) unpaid sales compensation, if applicable, which will be determined by Employer and paid in accordance with the terms of the applicable sales compensation plan, (iii) applicable prorated short term incentive or bonus plan payment, subject to Employee signing and not revoking this Agreement, and (iv) severance payments payable under the terms of this Agreement.

4. Termination of Group Health Insurance/Continuation Coverage. Subject to applicable laws, Employee and dependent group health (medical, prescription, dental and vision) insurance coverage, if any, will end on 10/31/2020. Employer will provide, in accordance with applicable laws and plan documents, notice of any rights to continue, convert, or obtain (a) continued health coverage at Employee’s own expense, and (b) replacement coverage for any life insurance coverage in effect prior to Employee’s separation from employment. If Employee is eligible to continue health insurance coverage pursuant to COBRA and elects to do so, Employee is eligible for a COBRA subsidy (equal to the company subsidy provided for equivalent active employee coverage for similarly situated employees) for up to a maximum of 1 month, subject to earlier termination of the subsidy as described in COBRA or the applicable severance plan.

5. Full and Complete Waiver and Release. Employee hereby accepts Employer’s payment and promises in this Agreement in full settlement and satisfaction of all grievances, claims, actions and lawsuits of every nature and kind whatsoever, known or unknown, suspected or unsuspected, past, present or future, in any way related to or arising from the employment relationship between Employer and Employee or the termination of that relationship, which Employee has or might have asserted against Employer in the future.

In connection with Employee’s waiver of potential claims unknown to Employee at the time of signing the Agreement, if Employee lives in California, Employee hereby waives the provisions of

section 1542 of the California Civil Code, which states: “A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or released party.”

Employee releases, acquits, and forever discharges and covenants not to sue Employer, and its related and parent companies, including Lumen Technologies, Inc. and its affiliates such as EMBARQ Corporation, Qwest Communications International, Inc., SAVVIS, Inc., Level 3 Communications, Inc., and their subsidiaries, predecessors and successors (collectively “Lumen”), and each of their individual directors, officers, employees, agents and insurers, and assigns (collectively, the “Company”) as well as the Company’s shareholders, directors, officers, employees, agents, employee benefit plans, and insurers, and all other persons who might be claimed to be liable, to the fullest extent allowed by law, of and from any and all grievances, claims, actions and lawsuits arising out of or related to Employee’s employment with Employer or the termination of that employment, other than as expressly excepted in paragraph 6. Although (as noted in paragraph 6) this Agreement does not limit Employee’s right to file a charge with an administrative agency or participate in an agency investigation, Employee waives the right to recover additional compensation related to the employee’s prior employment or termination of employment with Employer in connection with any charge or investigation by any agency, regardless of whether Employee or someone else initiated that charge or investigation. Employee hereby assigns to Employer all rights to such compensation, if any, in consideration of the payments received under this Agreement.

This release includes to the fullest extent allowed by law, but is not limited to, any and all claims, grievances, actions or lawsuits in any forum, which have been, might have been, or in the future might be asserted by Employee and/or on behalf of Employee, under local, state and federal laws, administrative regulations, Executive Orders, and wage payment or equal employment opportunity legislation such as Title VII of the Civil Rights Act of 1964; the Sarbanes-Oxley Act of 2002 (15 USC § 78d-3); the Civil Rights Acts of 1866, 1870, 1871, 1964, and 1991; 42 U.S.C. § 1981, 1981a, 1983, 1985, or 1988; rehire or reemployment rights, the Age Discrimination in Employment Act; the Family and Medical Leave Act; the Older Workers Benefit Protection Act; the Americans with Disabilities Act; the Labor Management Relations Act; the National Labor Relations Act; the Employee Retirement Income Security Act of 1974, as amended to include COBRA and HIPAA, among other laws, the Uniformed Services Employment and Reemployment Rights Act; the Worker Adjustment and Retraining Notification (WARN) Act, 23 U.S.C. § 2101, including WARN Act claims that may arise after the date on which this Agreement became effective, and Executive Order 11246, all as amended as well as any and all state law, common-law or statutory claims, including retaliation, tort, fraud, misrepresentation and wrongful discharge claims; contract claims, including express or implied contract and breach of the covenant of good faith and fair dealing; and claims for attorneys’ fees (collectively, the “Claims”). “Claims” shall include all claims relating to Employee’s application for employment, background checks, privacy, unfair competition, compensation, hiring, employment, resignation, discharge, termination, and wages, including any disputes related to sales compensation for any months for which final payment has been made under the terms of any applicable sales compensation plan documents.

6. Exceptions to the Release. Notwithstanding any other provisions of this Agreement, nothing in this Agreement will waive, release, modify, or otherwise affect any of Employee's accrued and vested rights under existing pension and 401(k) plans, such as claims for vested benefits under the Employer-sponsored Pension or 401(k) plans, or under state workers' compensation and unemployment laws. This Agreement is not intended to change or modify any provision of any benefit plan governed by ERISA. With the exception of claims under the WARN Act, this Agreement does not govern claims or rights based on events that may occur after the date of this Agreement. Also excluded from this Agreement is your right to file a charge with an administrative agency, participate in an agency investigation and to file an unfair labor practice charge. You are, however, waiving all rights to recover money in connection with any such charge, investigation or related lawsuit, except that nothing in this Agreement is intended to waive your right to seek, receive or retain any monetary award you may be entitled to related to any federal whistleblower action.

7. No Pending Claims. Employee represents that there are no complaints, grievances, or claims related to Employee's employment with Employer or termination of that employment pending or filed against Employer, including grievances, claims, or charges filed or pending with any local, state, or federal agency or court as of the date this Agreement was signed.

8. No Admission of Liability. Nothing in this Agreement shall be interpreted as an admission of liability as to any of the complaints, claims, or lawsuits that it releases. Employer and each of its individual directors, officers, employees, agents and insurers, and their successors, individually and collectively, expressly deny any such liability.

9. Restrictive Covenants; Prohibitions on Solicitation of Customers and Employees. Employee agrees to each of the Restrictive Covenants listed in Article VI of the Plan including, but not limited to, the restrictions for a period of one year following the Termination Date against competitive employment and against inducing employees, customers or others to reduce, limit, terminate or discontinue their transactions, services, employment or relationship with the Company. The terms "solicit" and "induce," as used in this paragraph, apply to any contacts by Employee, regardless of whether Employee or another person initiated the first contact. Employee understands that if Employee breaches this paragraph 9, the Company is entitled to recover any and all damages caused by such breach.

If your work location immediately prior to your separation from employment was in the State of California, the above prohibition on soliciting customers does not apply to you.

If your work location immediately prior to your separation from employment was in the State of Louisiana, the above prohibition on soliciting customers applies only within the Restricted Territory, as attached hereto.

10. Cooperation. Employee agrees to cooperate with Employer in connection with any internal or external investigation or dispute involving Employer with respect to which Employee possesses relevant information. If Employer, in its sole discretion, determines that such cooperation is required, then upon reasonable notice and at reasonable times, and for reasonable periods,

Employee agrees that Employee will make him or herself available for interviews, and witness preparation sessions and for appearances in connection with any external investigation or dispute (including, but not limited to, appearances at depositions, hearings and trials). Recognizing that upon Employee's departure from Employer, participating in interviews and witness preparation sessions may be a burden, Employer agrees to reimburse Employee time spent in interviews and witness preparation sessions requested by Employer at a rate equal to Employee's final base pay computed on an hourly basis (assuming a 40 hour week). Employer will not reimburse Employee for testimony or time spent at the request of a third party or time spent with regard to Employee's own defense or in pursuing Employee's own action. In addition, Employer will reimburse Employee for reasonable expenses incurred in connection with such interviews and witness preparation sessions (except that Employer will not reimburse Employee for lost wages, lost opportunities etc. other than through payment of the hourly rate referred to above). Employee agrees that Employer will not pay you for any time spent testifying in any external investigation or dispute (including, but not limited to, appearances at deposition, hearings and trials). Nothing in this Agreement shall limit, restrict, preclude or influence Employee's testimony in any way or cause Employee not to provide truthful testimony or information in any matter or in response to any inquiry by a government official. Employer's agreement to reimburse Employee as described above is premised on Employee providing completely truthful information during any internal or external investigation or dispute.

11. No Disparagement. Employee agrees and covenants not in any way (directly or indirectly) to do or say anything at any time which disparages or derogates Employer or its business interests or reputation, or any of its individual directors, officers, employees, customers, or agents. However, nothing in this Paragraph shall limit Employee's right to file a charge of discrimination, participate in any agency investigation, or file an unfair labor practice charge as provided in paragraph 6. In addition, this paragraph does not prohibit Employee from providing truthful information a) as required by applicable law or regulation or by legal or regulatory process or proceeding or b) to governmental or regulatory agencies.

12. Property of Employee and Employer. Employee has possession of all of Employee's personal property that was on Employer's premises. Employee has returned all copies and originals of any Company property, documents, computer programs, or other records, regardless of how created, copied, stored and/or maintained, specifically including any documents or records relating to the Company's finance, accounting and/or audit policies and procedures. Employee has returned to Employer all Company property, including without limitation computer, cell phone, badge and security access equipment, Company credit cards, calling cards, etc. no later than the date of termination. In addition, Employee agrees to make no disclosure or use whatsoever of any proprietary or confidential information, data, developments or trade secrets belonging to the Company. This Agreement does not supersede the Intellectual Property Rights Agreement or any other similar written agreement with the Company.

13. Repayment Requirements. Employees rehired by Lumen before the expiration of the period covered by their severance allowance will be required to repay all or part of the allowance. The repayment amount will be determined by subtracting the number of days in layoff status before rehire from the number of days included in the severance allowance, and then dividing that amount

by the total number of days included in the severance allowance. The resulting percentage will be applied to the total severance amount to determine the amount to be repaid.

14. Choice of Venue, Jury Trial and Class Action Waiver-Court Proceedings. If Employee lives anywhere other than California, any claims under this Agreement must be brought in the United States District Court for the Western District of Louisiana or, if there is no federal jurisdiction, in the 4th Judicial District Court in Ouachita Parish, and Employee and Employer expressly consents to the jurisdiction of such court. The Parties voluntarily, knowingly and intelligently waive and relinquish the right to a trial before a jury in any action, brought in any court, concerning this Agreement or any other claim against Employer. Employee also expressly agrees to bring Claims against Employer in an individual capacity, and not as a plaintiff or class member in any purported class, collective or representative action. If for any reason either the jury waiver or the class action waiver of this paragraph is held to be unenforceable, but only in that event, the Parties agree to binding arbitration of any Claims, or any dispute arising out of this Agreement, pursuant to the arbitration terms set forth on the attached Exhibit C.

15. Agreement to Arbitrate Claims. If Employee lives in California, in consideration for and as a pre-condition to receiving severance pay under this Agreement, Employee agrees to this Agreement to Arbitrate Claims set forth in Exhibit C. This Agreement to Arbitrate Claims is governed by the Federal Arbitration Act, as amended, 9 U.S.C. §§ 1, et seq. (“FAA”).

16. Severability. To the extent that any provisions in this Agreement are deemed illegal and/or unenforceable, the parties agree that this Agreement shall be interpreted so that all other obligations and protections established by it are enforceable.

17. Final, Binding and Entire Agreement. This Agreement contains the entire agreement and understanding between the parties regarding the termination of Employee’s employment, severance to which employee is entitled, and disputes concerning Employee’s employment with Employer up to the date of this Agreement. It incorporates and supersedes all prior written and oral agreements on these subjects. This Agreement, however, does not supersede, modify, or limit any non-compete or non-solicit agreement previously signed by Employee. Employee specifically reaffirms and agrees to continue to abide by the terms of any such non-compete or non-solicit agreement and all such agreements remain in full force. This Agreement may be amended only by a written document signed by the parties which specifically states that it was intended as an amendment.

18. Acknowledgements. You acknowledge and agree that the severance pay and benefits described in paragraphs 2 and 4 of this Agreement are in addition to whatever you already are entitled to receive apart from this Agreement. You also acknowledge that termination of your employment is not in connection with an “exit incentive program” or “other employment termination program,” as defined in the Older Worker Benefit Protection Act (“OWBPA”). Thus, you acknowledge and agree that you are not entitled to any information which employers are required to disclose under the OWBPA (such as a description of the decisional unit, the job titles and age of all individuals in that decision unit who were or were not selected benefits) when such a program exists.

19. WARN. If Employer paid any payments under WARN, Employee agrees and acknowledges that the method used to determine the rate of pay and benefits is reasonable and fairly compensates Employee for the sixty day WARN Act period. In addition, Employee agrees and acknowledges that the separation pay is a voluntary and unconditional payment from Employer, which Employer is not legally obliged to provide unless you sign this Agreement, and such pay is sufficient and adequate consideration for your release of any WARN Act claims that you may have either now or in the future as a result of your termination of employment.

20. Section 409A. This Agreement will be construed and interpreted to comply with the requirements of Section 409A of the Internal Revenue Code, to the extent applicable, or one or more applicable exceptions thereto, in accordance with the provisions of section 409A of the Code and any Treasury Regulations or interpretive guidance issued thereunder.

21. Consideration and Revocation Periods. Employee hereby acknowledges having been allowed at least forty-five (45) days to consider this Agreement and that if the Agreement is signed sooner, such decision is entirely voluntary. Employee has been advised in writing by Employer to consult an attorney prior to signing this Agreement and to ask the attorney to review and explain this Agreement. Employee has thoroughly reviewed this Agreement and understands this Agreement and the effect of it. If Employee lives anywhere other than Minnesota, Employee understands that Employee may revoke this Agreement for a period of seven (7) days after signing it, and that the Agreement will not become effective or enforceable until the seven-day period has expired without such revocation. If Employee lives in Minnesota, Employee understands that Employee may revoke this Agreement for a period of fifteen (15) days after signing it, and that the Agreement will not become effective or enforceable until the fifteen-day period has expired without such revocation.

EMPLOYEE NAME

Employee Signature

Date of Signature

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**RESTRICTED TERRITORY FOR NON-COMPETE AND NON-SOLICITATION
AS OF JAN. 1, 2025**

STATE	COUNTY/PARISH	
AL	Limestone Madison	
AR	Crittendon Pulaski	
AZ	Maricopa Pima Yavapai Coconino	
CA	Los Angeles Orange San Francisco Alameda Santa Clara	Sacramento Placer San Diego Riverside San Bernardino
CO	Denver Adams Arapahoe Douglas El Paso	Boulder Larimer Weld Pueblo Mesa
DC	Washington, DC	
DE	Camden	
FL	Hillsborough Pinellas Orange Osceola Miami-Dade Broward	Lee Leon Duval Collier Okaloosa Walton
GA	Fulton Cobb	
IA	Polk Warren Linn Black Hawk	Dubuque Johnson Pottawattamie Scott
ID	Ada Canyon Bonneville	
IL	Cook DuPage McLean	Rock Island St. Clair Will
IN	Marion Hamilton	
KS	Johnson Wyandotte	
KY	Jefferson	
LA	Acadia Allen Avoyelles Beauregard Bienville Bossier Caddo Calcasieu Caldwell Catahoula Claiborne East Baton Rouge Evangeline Franklin Jackson	Jefferson Davis LaSalle Lincoln Morehouse Orleans Ouachita Rapides Richland St. Helena St. Landry St. Martin Union Webster West Baton Rouge

MA	Suffolk Norfolk Middlesex	
MD	Baltimore	
MI	Wayne Macomb Kent	
MN	Clay St. Louis Sherburne Benton Stearns	Olmsted Winona Hennepin Ramsey
MS	DeSoto	
MO	Boone Cole Callaway	St. Louis City and County Jackson Clay
MT	Yellowstone Flathead	
NC	Wake Mecklenburg Gaston Cabarrus	
ND	Burleigh Cass	
NE	Douglas	
NM	Bernalillo Santa Fe	
NV	Clark	
NJ	Essex New Castle	
NY	Erie Niagara New York Kings Bronx	Richmond Queens Essex Nassau Suffolk
OH	Franklin Cuyahoga Lorain Lake Hamilton	Butler Warren Summit Mahoning Trumbull
OK	Osage Tulsa Wagoner Oklahoma	Canadian Cleveland Pottawatomie
OR	Crook Lane Jackson	Multnomah Washington
PA	Allegheny Dauphin	Cumberland Philadelphia
SD	Minnehaha Lincoln	

TN	Davidson Rutherford Williamson Knox Washington Carter	Sullivan Shelby Sullivan Hawkins Washington
TX	Dallas Denton Tarrant Harris Fort Bend Chambers Bexar	Medina Comal Travis Williamson Nueces Aransas San Patricio
UT	Salt Lake Weber	Davis Utah
VA	Arlington Fairfax Richmond Washington	Virginia Beach New Port News Norfolk
WA	Clark King Pierce	Spokane Kitsap Thurston
WI	Dane Milwaukee Waukesha	Brown La Crosse
WY	Laramie	

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EXHIBIT B

DISPUTE RESOLUTION AGREEMENT

This DISPUTE RESOLUTION Agreement (“AGREEMENT”) is between Employee (also referred to in this Agreement as “You”, “Your”, or “I”) and LUMEN TECHNOLOGIES, INC. AND ITS PARENTS, SUBSIDIARIES, AND AFFILIATES (“LUMEN” or “Company”). **THIS DISPUTE RESOLUTION AGREEMENT INCLUDES A JURY TRIAL WAIVER, A CLASS AND COLLECTIVE ACTION WAIVER AND AN ARBITRATION AGREEMENT.**

Jury Trial Waiver and Class and Collective Action Waiver

(The Jury Trial Waiver and Class and Collective Action Waiver do not apply in any jurisdiction that does not permit such waivers, including currently Arkansas, California, Georgia, Illinois, Kentucky, Maryland, Montana, New Jersey, North Carolina, Oklahoma, and Vermont- but the Arbitration Agreement below does and will apply according to its terms.)

As permitted by and in accordance with the state law in which the claim arose, Employee and Lumen knowingly, voluntarily, and intelligently agree to waive THE RIGHT TO A JURY TRIAL AND AGREE THAT ANY AND ALL CLAIMS OR DISPUTES WILL BE DECIDED BY A JUDGE—NOT A JURY. The following terms apply:

1. Jury Trial Waiver. This Jury Trial Waiver is intended to be as broad as legally permissible, and, applies to all claims or controversies, past, present, or future, including without limitation to claims arising out of or relating to Employee’s application and selection for employment, employment, and/or termination of employment with the Company, including but not limited to, claims or causes of actions relating to Employee’s application for employment, background checks, privacy, unfair competition, compensation, hiring, employment, resignation, discharge, termination, and wages, whether sounding in contract, statute, tort, fraud, misrepresentation, discrimination, common law or any other legal theory, and claims under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, 42 U.S.C. Sections 1981, 1981a, 1983, 1985, or 1988, the Family and Medical Leave Act of 1993, the Americans with Disabilities Act, the Rehabilitation Act of 1973; the Fair Labor Standards Act, the Fair Credit Reporting Act, Affordable Care Act, Genetic Information Non-Discrimination Act, Uniformed Services Employment and Reemployment Rights Act, Worker Adjustment and Retraining Notification Act, Older Workers Benefits Protection Act of 1990, Occupational Safety and Health Act, Consolidated Omnibus Budget Reconciliation Act of 1985, each as amended, and claims under any federal, state, or local law or regulation. This Jury Trial Waiver also applies to any claims arising out of or related to any Sales Compensation Agreement (or similar agreement) between Employee and the Company. This Jury Trial Waiver does not apply to any claims that are not subject to a jury trial waiver under applicable law.
2. Class and Collective Action Waiver. To the maximum extent allowed under applicable law, both Employee and the Company agree to bring and maintain any claim or dispute on an individual basis only, and not on a class or collective action basis on behalf of others. Accordingly, the parties waive any right for any claim or dispute to be heard, decided, or tried as a class and/or collective action. This Class and Collective Action Waiver shall be severable

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in any case in which the dispute is filed as an individual action and severance is necessary to ensure that the individual action proceeds before the judge under the Jury Trial Waiver.

If there is a final judicial determination that the Jury Trial Waiver and/or Class and Collective Action Waiver (if the dispute is brought as a class or collective action) is invalid, unenforceable, unconscionable, void or voidable, as to any claims alleged in any lawsuit before the court, the parties agree that the Jury Trial Waiver and Class and Collective Action Waiver will be severed from this Agreement, **and the parties agree to arbitrate covered disputes in accordance with the Arbitration Agreement below.**

ARBITRATION AGREEMENT: IF FOR ANY REASON THE JURY TRIAL WAIVER AND OR CLASS AND COLLECTIVE ACTION WAIVER ABOVE DO NOT APPLY, THIS ARBITRATION AGREEMENT WILL APPLY. The Federal Arbitration Act (“FAA”) (9 U.S.C. § 1 et seq.) applies to and governs this Arbitration Agreement and arbitration proceedings. All disputes covered by this Arbitration Agreement will be decided by a single arbitrator through final and binding arbitration **and not by way of court or jury trial.**

3. **Covered Claims.** Except as otherwise provided in this Arbitration Agreement, both the company and Employee knowingly and intelligently agree to final and binding arbitration of any and all claims or causes of action, past, present, or future, arising out of or relating to Employee’s application and selection for employment, employment, and/or termination of employment with the Company, including but not limited to, claims or causes of actions relating to Employee’s application for employment, background checks, privacy, unfair competition, compensation, hiring, employment, resignation, discharge, termination, and wages, whether sounding in contract, statute, tort, fraud, misrepresentation, discrimination, common law or any other legal theory, and claims under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, 42 U.S.C. Sections 1981, 1981a, 1983, 1985, or 1988, the Family and Medical Leave Act of 1993, the Americans with Disabilities Act, the Rehabilitation Act of 1973; the Fair Labor Standards Act, the Fair Credit Reporting Act, Affordable Care Act, Genetic Information Non-Discrimination Act, Uniformed Services Employment and Reemployment Rights Act, Worker Adjustment and Retraining Notification Act, Older Workers Benefits Protection Act of 1990, Occupational Safety and Health Act, Consolidated Omnibus Budget Reconciliation Act of 1985, each as amended, and claims under any federal, state, or local law or regulation. This Arbitration Agreement also applies to any claims arising out of or related to any Sales Compensation Agreement (or similar agreement) (the “Plan”) or the making, performance, or interpretation of the Plan.

Except as it otherwise provides, this Arbitration Agreement applies to any dispute that Lumen may have against You or that You may have against Lumen, and/or any of its past, present, or future: (i) officers, directors, shareholders, employees, members, or agents; (ii) parents, subsidiaries, affiliates, and d/b/as; (iii) benefit plans or the plans' sponsors, fiduciaries, administrators, affiliates, or agents to the extent such plans are not covered by ERISA; or (iv) successors or assigns. Each and all of the individuals/entities listed in (i) – (iv) of the preceding sentence may enforce this Arbitration Agreement as a third-party beneficiary.

The arbitrator, and not any federal, state, or local court or agency, shall have exclusive

authority to resolve any dispute relating to the validity, scope, applicability, enforceability, or waiver of this Arbitration Agreement including, but not limited to any claim that all or any part of this Arbitration Agreement is void or voidable. However, the preceding sentence does not apply to any claims under the Ending Forced Arbitration of Sexual Assault and Sexual Harassment Act, and it does not apply to the Class Action Waiver or PAGA Individual Action Requirement, each as further described below. Notwithstanding any other clause or language in this Arbitration Agreement and/or any rules or procedures that might otherwise apply because of this Arbitration Agreement, any disputes concerning the Ending Forced Arbitration of Sexual Assault and Sexual Harassment Act and/or the validity, enforceability, or applicability of all or any portion of the Class Action Waiver or PAGA Individual Action Requirement will be determined only by a court of competent jurisdiction and not by an arbitrator.

4. Exceptions to Arbitration Agreement. This Arbitration Agreement does not apply to: (i) claims for workers compensation, state disability insurance or unemployment insurance benefits; however, it applies to discrimination or retaliation claims based upon seeking such benefits; (ii) claims for employee benefits under any benefit plan sponsored by the Company and (a) covered by the Employee Retirement Income Security Act of 1974 or (b) funded by insurance, (iii) claims that are not be subject to pre-dispute arbitration agreement as provided by the Sarbanes Oxley Act, 18 U.S.C. § 1514A; (iv) disputes that an applicable federal statute expressly states cannot be arbitrated or subject to a pre-dispute arbitration agreement; (v) claims against a contractor that may not be the subject of a mandatory arbitration agreement as provided by the Department of Defense ("DoD") Appropriations Act of 2010, and its implementing regulations, or any successor DoD appropriations act addressing the arbitrability of claims; and (vi) disputes that may not be subject to pre-dispute arbitration agreement under the Ending Forced Arbitration of Sexual Assault and Sexual Harassment Act (at Employee's election). If any claim(s) not covered under this Arbitration Agreement above are combined with claims that are covered under this Arbitration Agreement, to the maximum extent permitted under applicable law, the covered claims will be arbitrated and continue to be covered under this Arbitration Agreement.

A party may apply to a court of competent jurisdiction for temporary or preliminary injunctive relief in connection with an arbitrable controversy in accordance with applicable law, and any such application shall not be deemed incompatible with or waiver of this Arbitration Agreement. The court to which the application is made is authorized to consider the merits of the arbitrable controversy to the extent it deems necessary in making its ruling, but only to the extent permitted by applicable law. All determinations of final relief, however, will be decided in arbitration.

5. Class and Collective Action Waivers. Employee and Company agree to bring any claim on an individual basis only. Accordingly, You and Lumen WAIVE ANY RIGHT FOR ANY DISPUTE TO BE BROUGHT, HEARD, DECIDED, OR ARBITRATED AS A CLASS AND/OR COLLECTIVE ACTION AND THE ARBITRATOR WILL HAVE NO AUTHORITY TO HEAR OR PRESIDE OVER ANY SUCH CLAIM ("Class Action Waiver"). Additionally, no arbitration proceeding under this Arbitration Agreement may be consolidated or joined with an arbitration proceeding involving different employees.

If there is a final judicial determination that the Class Action Waiver in this Section 3 is invalid, unenforceable, unconscionable, void or voidable and that a class or collective action may proceed notwithstanding the existence of this Arbitration Agreement, the arbitrator is nevertheless without authority to preside over a class or collective action and, in that event, any class or collective action must be brought in a court of competent jurisdiction—not in arbitration—but the portion of the Class Action Waiver that is enforceable shall be enforced in arbitration.

6. California Private Attorneys General Act (“PAGA”) Individual Action Requirement: Employee and the Company agree to arbitrate PAGA claims on an individual basis only. Therefore, any claim by Employee under PAGA to recover for unpaid wages, civil penalties, or other individual relief must be arbitrated under this Arbitration Agreement. Employee and the Company also agree and stipulate that any non-individual PAGA claims shall be stayed in the trial court, pending a final determination and written decision by the Arbitrator in arbitration with respect to Employee's alleged status as an "aggrieved employee", and Employee and the Company agree that the arbitrator, and not the court, will make this determination. The arbitrator is without authority to preside over any PAGA claim by Employee on behalf of any other person or joined by or consolidated with another person's or entity's PAGA claim. This PAGA Individual Action Requirement clause will be severable from this Arbitration Agreement if there is a final judicial determination that it is invalid, unenforceable, unconscionable, void or voidable. In such case, the PAGA action must be litigated in a civil court of competent jurisdiction—not in arbitration—but the portion of the PAGA Individual Action Requirement that is enforceable shall be enforced in arbitration.
7. Arbitration Procedures. A single neutral arbitrator will conduct the arbitration. The arbitrator must be an attorney experienced in employment law and licensed to practice law in the state in which the arbitration is convened, or a retired judge from any jurisdiction. The arbitrator must be neutral and comply with all disclosure requirements under applicable law. Unless consented to by all parties in writing, Employee and Company agree that they will not use any arbitrator or arbitration firm or agency which requires payment of an administrative filing fee (only the payment of the arbitrator's actual hourly fees and reimbursable costs), including but not limited to the American Arbitration Association (“AAA”) and/or JAMS. The parties will work in good faith to mutually agree on the arbitrator. If the parties cannot mutually agree to an arbitrator, they will exchange the names of three potential arbitrators to the other side and attempt to select a single arbitrator from the proposed names. If the parties are unable to mutually agree to an arbitrator or the arbitrator selected by the parties cannot serve, either party may apply to a court of competent jurisdiction with authority over the location where the arbitration will be conducted to appoint a neutral arbitrator (subject to the qualifications and limitations listed above), who shall act under this Arbitration Agreement with the same force and effect as if he or she had been specifically named herein.

Unless otherwise agreed to in writing, the arbitration will take place in or near the city and in the state where You are employed or were last employed by the Company. The arbitrator shall apply the substantive law of the state in which You principally performed the duties of your position at the Company. The arbitrator shall have the authority to order such discovery as is necessary for a fair resolution of the dispute. The arbitrator shall also have the authority to award all relief or remedies available to a party in their individual capacity provided under the

statute or other law pursuant to which an asserted prevailing claim or defense is raised, as if the matter were being decided in court. Unless otherwise agreed in writing by the parties, the arbitrator will apply the same statutes of limitation that would apply in court, and the filing of a lawsuit shall stop the running of the statute of limitations as to any claim(s) asserted in the lawsuit. The arbitrator will honor claims of privilege recognized by law and will take reasonable steps to protect confidential or proprietary information, including the use of protective orders. The arbitrator's award will be in writing and shall include the essential findings of fact and conclusions of law on which the award is based. The arbitrator's decision and award shall be final and binding, except as otherwise provided by the FAA, and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. The parties agree that any arbitration award shall have no preclusive effect as to issues or claims in any other dispute or arbitration proceeding.

8. Attorneys' Fees and Costs. The Company will pay all costs and expenses unique to arbitration, including without limitation the arbitrator's fees, except for the filing fee (if any) as required by the mutually selected arbitrator, but Employee will not be responsible for any portion of those fees in excess of the filing or initial appearance fees applicable to court actions in the jurisdiction where the arbitration will be conducted. The Company shall pay any remaining portion of the initial fee and will pay all costs and expenses unique to arbitration, including without limitation the arbitrator's fees. The arbitrator's fees will be assessed as the arbitration advances, rather than when the arbitration is initiated. Each party will pay its own attorneys' fees and costs in arbitration and in court proceedings, except the arbitrator has the discretion to award the prevailing party reasonable attorneys' fees and costs where fees and costs are expressly permitted under the law. The arbitrator will resolve any disputes regarding costs/fees associated with arbitration.
9. Severability. If any term of this Arbitration is held to be invalid or unenforceable the term shall be severed from this Arbitration Agreement, but the remaining terms of this Arbitration Agreement shall remain in full force and effect. However, under no circumstances may the arbitrator hear or preside over any class, collective, or other claim joined by or consolidated with another person's or entity's claim, unless all parties agree in writing.
10. Construction and Enforcement of this Arbitration Agreement. This is the complete agreement of the parties about arbitration of covered disputes, and unless this Arbitration Agreement is not entered into, deemed void, unenforceable, invalid, or inapplicable, this Arbitration Agreement replaces, supersedes, and takes priority over any other arbitration agreements addressing the claims and disputes covered in this Arbitration Agreement (including, without limitation, any arbitration agreement in any Sales Compensation Agreement between You and Lumen).

Nothing in this Agreement prevents Employee from making a report to, filing a claim or charge with, or participating in an investigation by a governmental agency, including, without limitation, the Equal Employment Opportunity Commission (or any other federal, state or local agency charged with enforcing antidiscrimination laws), the U.S. Department of Labor, National Labor Relations Board, Securities and Exchange Commission, Occupational Safety and Health Administration, or law enforcement agencies, and nothing in this Agreement prevents the investigation by a government agency of any report, claim or charge otherwise covered by this Agreement. Nothing in this Agreement

prevents or excuses a party from exhausting administrative remedies by filing any charges or complaints required by any governmental agency (including, without limitation, the Equal Employment Opportunity Commission and/or similar state or local agency). Nothing in this Agreement prevents Employee from making truthful statements or disclosures required by law, regulation, or legal process. Nothing in this Agreement prevents Employee from requesting and receiving confidential legal advice. Lumen will not retaliate against Employee for filing a claim with an administrative agency or for exercising rights under the National Labor Relations Act. This Agreement does not limit Employee's ability to disclose or discuss, orally or in writing, any alleged discriminatory or unfair employment practice, including discrimination, harassment, sexual abuse, retaliation, or wage-and-hour violations.

AGREED BY EMPLOYEE AND COMPANY

I HAVE CAREFULLY READ AND UNDERSTAND THIS DISPUTE RESOLUTION AGREEMENT AND AGREE TO ITS TERMS. BY SIGNING THIS AGREEMENT BY WET SIGNATURE (IF THIS IS A PAPER COPY) OR BY USING AN ELECTRONIC SIGNATURE ON THIS AGREEMENT OR ON SEPARATE SCREEN (IN WHICH CASE YOUR NAME, SIGNATURE AND DATE MAY NOT APPEAR ON THIS AGREEMENT), I AM AGREEING TO THIS AGREEMENT AND UNDERSTAND THAT ANY COVERED DISPUTES ARE SUBJECT TO A JURY TRIAL WAIVER AND CLASS AND COLLECTIVE ACTION WAIVER OR IN THE ALTERNATIVE A BINDING ARBITRATION AGREEMENT. ADDITIONALLY, IF I AM USING AN ELECTRONIC SIGNATURE, I AUTHORIZE THE USE OF AN ELECTRONIC SIGNATURE TO SHOW MY ACCEPTANCE AND AGREEMENT TO THIS AGREEMENT, AND UNDERSTAND AND ACKNOWLEDGE THAT AN ELECTRONIC SIGNATURE IS AS VALID AND HAS THE SAME LEGAL EFFECT AS AN INK SIGNATURE.

Signature: _____ Date: _____

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EXHIBIT C**PARTICIPATING AND NON-PARTICIPATING COMPANIES**

Participating Companies: Subject to the exceptions described below, Lumen Technologies, Inc. and its Subsidiaries and affiliates (including subsidiaries and affiliates of Embarq Corporation and Qwest Communications International, Inc.).

Non-Participating Companies: The Companies noted below are not participating in the Plan:

► None

The Plan Design Committee or the Vice President of Legal with responsibility for Severance Benefits, or their respective designee, have the authority to amend this **Exhibit C** at any time and from time to time, including but not limited to, adding an entity as a Participating Company as such participation is approved by the Plan Design Committee.

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EXHIBIT D**Period of Subsidized COBRA Coverage for
Directors and Vice Presidents Under Section 4.01**

Years of Service	Severance (weeks)			COBRA (months)		
	Directors	VPs (E1-E2)	VPs (E3 and above)	Directors	VPs (E1- E2)	VPs (E3 and above)
Up to 1	12	18	39	3	5	9
2	12	18	39	3	5	9
3	12	18	39	3	5	9
4	12	18	39	3	5	9
5	12	18	39	3	5	9
6	12	18	39	3	5	9
7	14	18	39	4	5	9
8	16	18	39	4	5	9
9	18	18	39	5	5	9
10	20	20	39	5	5	9
11	22	22	39	6	6	9
12	24	24	39	6	6	9
13	26	26	39	6	6	9
14	28	28	39	7	7	9
15	30	30	39	7	7	9
16	32	32	39	8	8	9
17	34	34	40	8	8	9
18	34	36	42	9	9	9
19	34	38	44	9	9	9
20	34	40	46	9	10	9
21	34	42	48	9	10	9
22	34	44	50	9	11	9
23	34	46	52	9	11	12
24	34	48	52	9	12	12
25	34	50	52	9	12	12
26	34	52	52	9	12	12
27+	34	52	52	9	12	12

Executive Officers and the CEO are eligible for a COBRA subsidy of up to one year in the event they are eligible for severance under Section 4.01, regardless of their years of service.

**Period of Subsidized COBRA Coverage for
Lower Performance Severance Under Section 4.01A**

Years of Services	Severance (weeks)		COBRA (months)	
	Directors	VPs (E1-E2)	Directors	VPs (E1- E2)
1	2	2	1	1
2	2	2	1	1
3	3	3	1	1
4	4	4	1	1
5	5	5	2	2
6	6	6	2	2
7	7	7	2	2
8 or more	8	8	2	2

**Period of Subsidized COBRA Coverage for Directors and Vice Presidents
at E1 or above Under Section 4.02**

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Directors	
Weeks of Severance	Maximum Months of COBRA Subsidy
26-38	6
39-51	9
52	12

Vice-Presidents at E1 or above, excluding Executive Officers and the CEO, are eligible for a COBRA subsidy of up to one year in the event they are eligible for severance under Section 4.02, regardless of their years of service.

EXHIBIT E
REMOVED NOV. 14, 2019

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EXHIBIT F
ENHANCED SEVERANCE BENEFIT OFFER
March 18, 2024 - March 25, 2024

This **Exhibit F** governs the Enhanced Severance Benefit Offer open during the Window Period and Enhanced Severance Benefit under the Plan.

Definitions:

The following definitions apply in this **Exhibit F**. Capitalized terms used but not defined in this Exhibit F shall have the meanings in Article II of the Plan.

“Enhanced Severance Benefit Offer” means an offer open during the Window Period for eligible Employees (as defined below) to make an “expression of interest” to terminate their employment with the Company on the Termination Date and receive the Enhanced Severance Benefit under this **Exhibit F** of the Plan if selected by the Company.

“Survey” means the “Expression of Interest” survey provided by the Company to Employees selected by the Company to indicate they are interested in terminating their employment with the Company and receiving the Enhanced Severance Benefit.

“Termination Date” means April 12, 2024 (or such later date that the Company determines for business needs).

“Window Period” means the period commencing on March 18, 2024 and ending at 11:59 PM (CST) on March 25, 2024:

Eligibility:

Employees eligible for the Enhanced Severance Benefit Offer are Employees who:

- 1) are Directors at P7 and P8 and Vice Presidents at E1, E2, E3 and above but other than Executive Officers and are in a workgroup designated by the Company to receive the Survey; and
- 2) meet the eligibility criteria specified in the Survey (e.g., performance, job grade or level) and the Plan (e.g., working through the date specified by the Company); and
- 3) respond to the Survey (in accordance with the Survey instructions) on or before the close of the Window Period indicating their desire to terminate employment with the Company on the Termination Date.

The foregoing notwithstanding, any Employee who (i) has tendered his or her resignation on or prior to the date the Survey is distributed to selected Employees (regardless of the effective date of the resignation), (ii) was previously notified of an involuntary termination (including a lay off or

reduction in force), and/or (iii) does not meet the above eligibility requirements are not eligible for the Enhanced Severance Benefit Offer.

Employee who meet all of the eligibility requirements above and are selected by the Company for layoff and terminate employment with the Company (“**Selected Employees**”) are eligible for the Enhanced Service Benefit described in this **Exhibit F**. For the avoidance of doubt, Employees who are not Selected Employees are not eligible for the Enhanced Severance Benefit regardless of whether the Employees timely responded to the Survey.

Enhanced Severance Benefit:

A Selected Employees shall be eligible for the Severance Benefit under Section 4.01 of the Plan; *provided, however*, that the Severance Benefit under Section 4.01 shall be based on 125% of the Selected Employee’s weekly base salary or wages as of his or her Termination Date (excluding overtime, bonus or incentive compensation) as noted in the HR payroll systems, and other benefits available under Article IV of the Plan, subject to the Plan’s terms and conditions.

All other Plan terms, conditions and provisions not inconsistent with this Exhibit F shall apply with respect to the Enhanced Severance Benefit Offer and Enhanced Severance Benefit. The Enhanced Severance Benefit is contingent upon the Selected Employee timely signing a release (without revocation) and complying with all other restrictions and terms and conditions in the Plan

Enhanced Severance Benefit under Other Company Plans:

In addition to the Enhanced Severance Benefit provided under the Plan, Selected Employees shall be eligible for the following benefits under other Company plans:

- 1) ***Retiree Health Benefits***. Selected Employees who (i) are eligible for retiree health care benefits under the Lumen Retiree and Inactive Health Plan, including the retiree Surest Health Plan (collectively, the “***Retiree Health Plan***”), (ii) are age 62 or older as of June 1, 2024, and (iii) have not reached their “maximum level of company subsidy” as of their Termination Date, shall be provided additional service credit, if and as needed in order to accelerate them to the full retiree medical benefit subsidy available to them under the Retiree Health Plan.
- 2) ***Retiree Life Insurance Benefit***. Selected Employees who are age 62 or older as of June 1, 2024, shall be eligible for the \$10,000 retiree life benefit under the Lumen Life Insurance Plan to the extent not already eligible for such benefit under Lumen Life Insurance Plan.

The retiree health and life insurance benefits described above are subject to the terms and conditions of the applicable plans. Any conflict between the Plan and the Retiree Health Plan or Lumen Life Insurance Plan shall be governed by terms of the Retiree Health Plan or Lumen Life Insurance Plan, as applicable.

Miscellaneous:

The Enhanced Severance Benefit Offer expires at the end of the Window Period. This **Exhibit F** shall not apply to any Survey responses received after the end of the Window Period. A Survey response shall only be validly made if it is submitted by an eligible Employee in accordance with the submission requirements set forth in the Survey and a Survey remitted to the Company in other manner shall not be considered received by the Company and regardless of the response the Employee shall not be a Selected Employee for any reason.

The decisions to implement the Enhanced Severance Benefit Offer under the Plan with regard to a business unit, as to which Employees, if any, will be included, and all other Company decisions, including but not limited to, offering ongoing employment, shall be determined by the Company and not in any fiduciary capacity. The Company, including the Company's Senior Leaders and Management Team, shall have sole discretion to make all Enhanced Severance Benefit Offer decisions and such decisions shall be binding on all persons and entities."

LUMEN EXECUTIVE SEVERANCE PLAN
As Amended and Restated Effective Jan. 1, 2025
F-3

Purpose

The Policy exists to provide the Retirement Benefit for an Eligible Employee who voluntarily terminates employment with the Employer and is retirement eligible as of the employee's termination date.

Retirement Benefit

If an Eligible Employee voluntarily terminates employment with the Employer and as of such termination date the Eligible Employee had (a) at least three months of consecutive service with the Employer and (b) at least one month in a position that constitutes an Eligible Position under the Lumen Short Term Incentive Plan (the "**STI Plan**"), then the Eligible Employee is eligible for a lump sum cash payment ("**Retirement Benefit**") in an amount equal to the Eligible Employee's STI Target Percent (as defined in the STI Plan) for such year of voluntary termination prorated for the portion of the year worked from Jan. 1 through the employee's termination date, adjusted by the Corporate Performance Factor, capped at 100%, and then such amount multiplied by 0.9, subject to the release requirement and other terms and conditions.

Eligible Employee

An "**Eligible Employee**" is an active non-bargaining regular, full time employee (as classified on the Company's HRIS system or any successor system thereto) employed by an Employer who voluntarily terminates employment with the Employer and as of the employee's termination date is at least (a) 55 years of age and has at least 10 years of service or (b) 60 years of age and has at least five years of service. Employees who are covered by a collective bargaining agreement are not Eligible Employees unless such collective bargaining agreement expressly provides otherwise.

Release requirement

Payment of the Retirement Benefit is conditioned on an Eligible Employee signing, returning and not revoking a Release Agreement in the form required by Lumen.

Payment date

The Retirement Benefit will be paid following the Determination and Approval Period as defined in the STI Plan.

HR use only:

Effective date: 01/01/2025

Owner: Human Resources

Approval: EVP Human Resources

Scope: U.S. Employees

NON-EMPLOYEE DIRECTOR COMPENSATION GUIDELINES

(as of August 16, 2023)

The Board of Directors (the “**Board**”) of Lumen Technologies, Inc. (“**Lumen**” or the “**Company**”) has adopted these Non-Employee Director Compensation Guidelines effective August 16, 2023 (the “**Guidelines**”)¹ to reflect the compensation package approved by the Board for non-employee members of the Board (“**Outside Directors**”) to enable the Company to attract and retain high-caliber Outside Directors.

I. Compensation Eligibility

- (a) Outside Director Elected At The Annual Meeting. An Outside Director elected at an Annual Meeting of the shareholders of the Company (an “**Annual Meeting**”) is eligible to receive cash and equity compensation for services provided to the Company from the date of election through the date of the next Annual Meeting (each such period a “**Service Year**”).
- (b) Outside Director Appointed During A Service Year. An Outside Director appointed to the Board during a Service Year is eligible receive (i) prorated cash compensation, as described below in Section II, for the time served during such Service Year, (ii) prorated equity compensation, as described below in Section III(b), and (iii) the payments and benefits under Sections IV, V and VI below in the same manner as an Outside Director elected at the Annual Meeting.

II. Cash Retainers

Outside Directors will receive the following cash retainers, which will be paid, pro rata, quarterly in advance of services anticipated for the subsequent three months. The Company will remit payments within five (5) business days following the last day of regularly scheduled, quarterly Board or committee meetings.

- (a) Annual Retainer. Each Outside Director is eligible for a \$100,000 annual retainer payable as consideration for the overall time and commitment expected of an Outside Director in the ordinary course of business during a Service Year (the “**Annual Retainer**”). The Annual Retainer is compensation for fulfilling responsibilities typical of any publicly-traded company director such as preparation for, and participation in, Board meetings, new director orientation, general availability to discuss issues as may arise, continuing director education, and other routine Board matters.
- (b) Committee Chair Retainers. Outside Directors serving as chair of the Board committees listed below will receive the following additional annual retainers:

¹ The Guidelines replace and supersede the non-employee director compensation policy approved by the Board effective August 19, 2021.

- (i) Audit Committee Chair \$35,000
- (ii) Human Resources & Compensation ("**HRC**") Committee Chair \$35,000
- (iii) Nominating & Corporate Governance ("**NCG**") Committee Chair \$30,000
- (iv) Risk and Security ("**Risk**") Committee Chair \$30,000

(c) Committee Membership Retainers. Outside Directors serving as a member, but not as chair, of the Board committees listed below will receive the following additional annual retainers:

- (i) Audit Committee Membership \$17,500
- (ii) HRC Committee Membership \$17,500
- (iii) NCG Committee Membership \$15,000
- (iv) Risk Committee Membership \$15,000

(d) Board Chair and Vice Chair Retainers. In addition to serving on or leading Board committees, Outside Directors serving as Board chair and Board vice chair will receive the following additional annual retainers:

- (i) Board Chair \$200,000
- (ii) Board Vice Chair \$100,000

III. Equity Retainer

Outside Directors will receive an annual equity retainer with respect to Lumen's common stock in accordance with the following provisions:

(a) Annual Grant. An Outside Director who is elected or re-elected during an Annual Meeting will be granted a restricted stock or restricted stock unit² (collectively, "**RSU**") award under the Second Amended and Restated 2018 Equity Incentive Plan or any successor equity incentive plan providing for awards to Outside Directors (the "**Equity Plan**") on the business day following the Annual Meeting (the "**Grant Date**") with a Grant Date value ("**Grant Value**") of \$200,000 as additional consideration for the Outside Director's contributions during the Service Year commencing on the date of such Annual Meeting (the "**Annual Grant**"). The Annual Grant vests in full on the one-year anniversary of the Grant Date, provided the Outside Director completes the relevant Service Year, except as otherwise provided in the applicable award agreement, which currently provides that the Annual Grant shall vest and all restrictions shall lapse on the earlier of:

- (i) the date on which the Outside Director's service on the Board terminates as a result of (1) death, (2) disability within the meaning of Section 22(e)(3) of the Internal Revenue Code, (3) the ineligibility to stand for re-election due to

² Outside Directors who have elected to defer receipt of their annual equity grant as set forth in Section III(f) will receive restricted stock units, and all other Outside Directors will receive restricted stock. Each restricted stock unit represents one share of Lumen common stock.

Lumen's mandatory retirement policy, (4) the failure to re-nominate or reelect the Outside Director to another term of office, provided that the Outside Director is willing and able to serve such additional term, or (5) the occurrence of a Change of Control (as defined in the Equity Plan); or

- (ii) the date, if any, that the HRC Committee elects, in its sole discretion, to accelerate the vesting of such unvested RSUs in the case of Outside Director's retirement from the Board on or after attaining the age of 55 with at least six full years of prior service on the Board.

- (b) Prorated Annual Grant. An Outside Director who is appointed to the Board after an Annual Meeting but on or before the date of the regularly scheduled First Quarter (February) Board Meeting ("**Q1 Meeting**") next following the director's appointment date, will be granted a prorated Annual Grant for the Service Year of appointment (the "**Prorated Annual Grant**") on the business day following the director's appointment date (the "**Prorated Award Grant Date**") and with a Grant Date Value as follows:

New Outside Director Appointment Date	Prorated Percentage of \$200,000	Grant Date Value
After the Annual Meeting but on or before the Third Quarter (August) Board Meeting (" Q3 Meeting ")	75%	\$150,000
After the Q3 Meeting but on or before the Fourth Quarter (November) Board Meeting (" Q4 Meeting ")	50%	\$100,000
After the Q4 Meeting but on or before the Q1 Meeting	25%	\$50,000

An Outside Director who is appointed to the Board after a Q1 Meeting but prior to the Annual Meeting immediately following the Q1 Meeting will not be eligible for Prorated Annual Grant for the Service Year of appointment.

The Prorated Annual Grant vests in full on the one-year anniversary of the Prorated Award Grant Date, subject to the terms and conditions set forth in Section III(a) above and in the Equity Plan or in the applicable award agreement.

- (c) Number of RSUs Granted under an RSU Award. The aggregate number of RSUs granted on the Grant Date or Prorated Award Grant Date is determined by dividing:

- (i) the Annual Grant Value or Prorated Annual Grant Value, by

- (ii) the volume weighted average closing price of one share of Lumen common stock over the trailing 15-day trading period ending on the trading day immediately prior to such date.
- (d) Revisions. The HRC Committee, in its discretion, may change and otherwise revise the terms of RSU awards granted under the Guidelines, including, without limitation, the method of determining the number of shares subject thereto, and may change the type of award granted.
- (e) Accelerated Vesting. In addition to the conditions set forth in Section III above, vesting of outstanding Annual Grants and Prorated Annual Grants may be accelerated under such other terms and conditions as approved by the HRC Committee.
- (f) Deferral. An Outside Director may elect to defer all or a portion of the director's Annual Grant and Prorated Annual Grant under the terms of the Company's Non-Employee Director Deferred Compensation Plan.
- (g) Stock Ownership Requirement. Lumen's Corporate Governance Guidelines, as it may be amended in the future, govern Outside Director stock ownership and currently requires each Outside Director to beneficially own Lumen common stock with a fair value of at least five (5) times the amount of the Annual Retainer (*i.e.* $5 \times \$100,000 = \$500,000$) within five (5) years of joining the Board and thereafter. For an Outside Director who has not served at least five (5) years on the Board or in the event an Outside Director does not meet the holding requirement, the Outside Director must hold at least sixty-five percent (65%) of the RSUs awarded as part of the Outside Directors equity compensation.

IV. Extraordinary Service Fee

If during a Service Year, an extraordinary business circumstance or committee assignment require an Outside Director to contribute significantly more time than expected of a publicly-traded company's non-employee director in the ordinary course of business and as anticipated by the total value of cash and equity retainers described in these Guidelines, then the Board, in its discretion, may approve payment of supplemental cash and/or equity compensation for such Outside Director.

V. Benefits

Included as part of their total compensation, Outside Directors are entitled to receive the following benefits during a Service Year:

- (a) Director Education Programs. Lumen will provide or reimburse up to \$10,000 toward tuition, fees, and travel expenses for director education programs. Any amount in excess of the limit requires NCG Committee chair pre-approval. Additionally, Lumen will pay for Outside Directors' membership in the National Association of Corporate Directors and G100 and a subscription to Agenda.

(b) Annual Physical. Each Outside Director is entitled to be reimbursed up to \$5,000 for the cost of a physical examination.

VI. Travel Expense Reimbursement

During a Service Year, Lumen will reimburse all reasonable out-of-pocket travel expenses (e.g. transportation, accommodation, meals) incurred by an Outside Director to attend full Board meetings, meetings of committees on which the director serves.

VII. Maximum Annual Compensation

The aggregate amount of cash and equity compensation paid to an Outside Director during a calendar year period shall not exceed \$750,000. For this purpose, the amount of equity compensation paid in a calendar year shall be determined based on the Grant Date or Prorated Award Grant Date Fair Market Value (as defined in the Equity Plan).

VII. Review and Amendment

The Board will review and amend the Guidelines from time to time and may terminated the Guidelines in each case as the Board determines in its discretion is appropriated.

HRC Committee will review the Guidelines from time to time as it determines is appropriate in its discretion and may make recommended changes based upon its review to the Board and the Board will make such changes to the Guidelines as it determines are appropriate in its discretion.

Nov. 13, 2024

Insider Trading Policy

Nov. 13, 2024

The Board of Directors (the “Board”) of Lumen Technologies, Inc. (“Lumen,” and together with its subsidiaries, the “Company”) has adopted this Insider Trading Policy (the “Policy”) on behalf of the Company. This Policy sets forth the general standards for all Personnel (defined below) and directors of the Company with respect to (1) the handling of confidential information about the Company, and (2) engaging in transactions in Company securities and securities of other publicly traded companies. This Policy also explains the prohibitions against “insider trading” based on federal securities laws and establishes Lumen’s policies and procedures to promote and monitor compliance with those laws.

1. Reasons for adopting this policy

- 1.1. **Insider Trading Under the Securities Laws.** Various federal, state, and foreign securities laws prohibit persons who possess material nonpublic information from (1) trading securities on the basis of such information and (2) disclosing such information to others who might be expected to trade while in possession of that information (also known as “tipping”). In addition, public companies and their directors can be subject to liability if they fail to take appropriate steps to prevent insider trading violations. Accordingly, we have adopted this Policy to highlight the importance of complying with insider trading laws and to take measures where appropriate to prevent violations of such laws. In addition, we have adopted this Policy to avoid even the appearance of improper conduct. We have worked hard over the years to establish the Company’s reputation for integrity and ethical conduct, and it is important that we continue to uphold that standard.
- 1.2. Insider trading laws are distinct from and in addition to the other securities laws to which the Company’s Personnel and directors may be subject. A transaction that is structured specifically in order to meet the requirements of other securities laws (for example, the Section 16(b) prohibition against short-swing profits) may nonetheless be a violation of insider trading laws if the applicable person possesses material nonpublic information at the time of the transaction.
- 1.3. **Penalties for Insider Trading.** Insider trading violations are pursued vigorously by the Securities and Exchange Commission (the “SEC”), the Department of Justice and state and foreign enforcement authorities. The consequences of insider trading violations are extremely serious. Individuals who engage in insider trading or tipping may be liable for substantial penalties, including, as of the date of this Policy:
 - 1.3.1. a civil penalty of up to three times the profit gained or loss avoided;
 - 1.3.2. a criminal fine (no matter how small the benefit) of up to \$5 million; and
 - 1.3.3. a jail term of up to 20 years.
- 1.4. In addition, if the Company fails to take appropriate steps to prevent unlawful insider trading, it may have “controlling person” liability for an insider trading violation. Controlling person liability may also extend to any officer or director of the Company or any supervisory employee who fails to take appropriate steps to prevent unlawful insider trading by other Personnel over whom he or she exercises control. As of the date of this Policy, controlling persons may be held liable for civil penalties equal to the greater of (1) \$1 million and (2) three times the profit gained or loss avoided. In addition, if the Company is found to be a “controlling person,” it may also be liable for criminal penalties of up to \$25 million.
- 1.5. In addition to the criminal and civil penalties, anyone who buys from, or sells to, persons subject to this Policy or who buys from, or sells to, an individual who has been “tipped” by a person subject to this Policy could have a civil cause of action for damages against the trading or tipping person. Moreover, as discussed further below, failure to comply with this Policy could result in disciplinary action, including your dismissal for cause.
- 1.6.

2. Scope of this policy

- 2.1. Persons Subject to this Policy.** This Policy applies to you if you are an employee, including an officer, consultant, or independent contractor (each and collectively “Personnel”) or a director of the Company. The same restrictions that apply to you also apply to
- 2.1.1. members of your family who reside with you,
 - 2.1.2. anyone else who lives in your household,
 - 2.1.3. any parents, children or other family members who do not live in your household but whose transactions in Company Securities (as defined below) are directed by you or are subject to your influence or control, and
 - 2.1.4. all trusts, corporations, partnerships, limited liability companies or other entities controlled by you or any other person specified in items (2.1.1), (2.1.2) or (2.1.3) above (with all persons referred to in the foregoing items (2.1.1), (2.1.2), (2.1.3) and (2.1.4) being referred to collectively as “related persons”).
- 2.2. Transactions Covered.** For purposes of this Policy, “Securities” means any debt or equity securities within the meaning of the federal securities laws, including without limitation, common stock, preferred stock, options or warrants to purchase common or preferred stock, senior or subordinated notes, and other instruments convertible into or exchangeable for any of the foregoing. This Policy applies to transactions in any Securities of any type issued by Lumen or any of its subsidiaries that file periodic reports with the SEC (collectively referred to in this Policy as “Company Securities”), as well as derivative securities that are not issued by the Company, such as exchange-traded put or call options or swaps, relating to Company Securities. Transactions subject to this Policy include purchases, sales and bona fide gifts of Company Securities.
- 2.3. Individual Responsibility.** Persons subject to this Policy have ethical and legal obligations to maintain the confidentiality of information about the Company and to not engage in transactions in Company Securities while in possession of material nonpublic information. All persons subject to this Policy are responsible for (1) determining whether they possess material nonpublic information, (2) complying with this Policy and (3) ensuring that all of their related persons also comply with this Policy. While the Company provides policies, procedures and training on insider trading, those or similar actions by the Company, or by any of its employees, officers or directors, shall not constitute legal advice and do not insulate you from liability under applicable securities laws.
- 2.4. Application to the Company.** It is Lumen’s policy that it will not engage in transactions in Company Securities in violation of applicable securities laws.

3. Statement of policy

- 3.1. Prohibition Against Trading on or Disclosing Material Nonpublic Information.** No person subject to this Policy who is in possession of material nonpublic information relating to the Company, nor any related person, may directly or indirectly:
- 3.1.1. engage in transactions in Company Securities, except as otherwise specified in this Policy (see Section 5 “Transactions excluded from this policy”);
 - 3.1.2. recommend that others engage in transactions in any of the Company’s Securities;
 - 3.1.3. disclose material nonpublic information to persons (a) within the Company whose jobs do not require them to have that information, or (b) outside of the Company, including family, friends, business associates, investors and consulting firms, unless any such disclosure is made in accordance with Lumen’s policies and procedures; or
 - 3.1.4. assist anyone engaged in the above activities.
- 3.2. It makes no difference whether or not you relied upon or otherwise considered material nonpublic information in deciding to transact in Company Securities. If you are aware of material nonpublic information about the Company, the prohibition applies. You should avoid even the appearance of an improper transaction.
- 3.3. A transaction that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) is not an exception to this Policy. Even the appearance of an improper transaction must be avoided to preserve Lumen’s reputation for adhering to the highest standard of conduct.

3.4. Serious problems could be caused for Lumen by unauthorized disclosure of internal information about the Company or other companies with which it does business, whether or not for the purpose of facilitating improper trading in securities. This prohibition against unauthorized disclosures of nonpublic information to others will apply regardless of whether or not you derive any monetary benefit from such disclosure.

3.5. Specific Prohibited Transactions. The Company has determined that there is a heightened legal risk and the appearance of improper or inappropriate conduct if Personnel and directors engage in certain types of transactions. Therefore, it is the Company's policy that you may not engage in any of the following transactions with respect to Company Securities:

3.5.1. **Short-Term Trading.** Short-term trading of Company Securities may unduly focus you on the Company's short-term stock market performance instead of the Company's long-term business objectives. For this reason, any Personnel or director of the Company who purchases Company Securities in the open market may not sell any Company Securities of the same class during the six months following the purchase (or vice versa).

3.5.2. **Publicly-Traded Options.** Given the relatively short term of publicly-traded options, transactions in options may create the appearance that you are focused on short-term performance at the expense of the Company's long term objectives. Accordingly, transactions in put options, call options or other derivative securities with respect to Company Securities, on an exchange or in any other organized market, are prohibited by this Policy.

3.5.3. **Short Sales.** Short sales of Company Securities (i.e., the sale of a security that the seller does not own) may evidence an expectation that the Company Securities will decline in value, and therefore have the potential to signal to the market that you lack confidence in the Company's prospects. In addition, short sales may reduce your incentive to improve the Company's performance. For these reasons, short sales of Company Securities are prohibited by this Policy.

3.5.4. **Hedging Transactions.** Hedging or monetization transactions can be accomplished through a number of possible mechanisms, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds. Such transactions may permit you to continue to own Company Securities obtained through employee benefit plans or otherwise, but without the full risks and rewards of ownership. When that occurs, you may no longer have the same objectives as the Company's other Personnel and directors. Therefore, these types of transactions are prohibited by this Policy.

3.6. Prohibition against trading on material nonpublic information about other companies. If any Personnel or director, in the course of working for, or providing services to, the Company, learns of material nonpublic information about a company that transacts business with the Company, then neither that person nor their related persons may trade in such company's Securities, or any derivative securities relating to such company's Securities, until the information becomes public or is no longer material. Such companies include current or prospective customers or suppliers of the Company, companies with which the Company may be negotiating a significant agreement, and companies that may be a party to potential corporate transactions such as an acquisition, investment or sale.

4. Material nonpublic information

4.1. Material Information. Material information includes any information, whether positive or negative, that a reasonable investor would consider important in a decision to buy, hold, or sell Securities. Information is material even if it alone would not influence the investor's decision; the fact that a reasonable investor would want to know it in connection with the investor's decision to buy, hold or sell Securities will suffice. Any information that could reasonably be expected to affect the market price of a Security is likely to be considered material. This determination is made based on the facts and circumstances of each particular situation. Material information can relate to any aspect of the Company's business or to any type of Company Securities, whether debt, equity or a hybrid. Information that could be considered material to the Company includes, but is not limited to, information regarding:

- Revenues, expenses or other financial or operational results, including anticipated results or projections;
- Proposed or pending mergers, acquisitions, divestitures, joint ventures, exchange offers or tender offers;
- Significant borrowings or financing transactions;
- A major change in strategy;
- Development of a new product or service;
- Plans to open or close a particular operation;
- Changes in the Company's pricing or cost structure or significant developments regarding major customers or contracts;
- Changes in dividend policy, the declaration of a stock split or an offering of additional securities, a default on securities or a call of securities for redemption;
- Establishment of, or change in, a repurchase program for Company Securities;
- Significant cybersecurity incidents, such as a data breach, or any other significant disruption in the Company's operations or loss, potential loss, breach or unauthorized access of its property or assets, whether at its facilities or through its information technology infrastructure;
- Changes in Lumen's executive officers or directors;
- Change in auditors or notification that the auditor's reports may no longer be relied upon;
- Developments regarding threatened, new or pending significant litigation or government investigations, or the resolution of such litigation or investigations;
- Significant unusual accounting charges or gains;
- A change in control of the Company; and
- Bankruptcies or receiverships involving the Company.

4.2. The above list (which also applies in connection with determining the materiality of any other company's information) is not exclusive and many other types of information may be considered material, depending on the circumstances. The probability of whether an event will or will not occur affects the determination of whether it is material. The determination of whether information was material will be viewed in hindsight, and any questions concerning the materiality of particular information should be resolved in favor of materiality and trading should be avoided.

- 4.3. Policy on When Information is Public.** In order for information to be considered public, it must be widely disseminated in a manner making it generally available to investors, including through the issuance of a press release, a webcast or a filing with the SEC. Generally, information regarding relatively simple matters, such as quarterly or annual financial results, will be considered public one full business day after its release. For example, if we release the information after the normal trading day ends in the U.S. markets on a Tuesday and you are not otherwise in possession of material nonpublic information, you are permitted to trade immediately after the trading day begins on Thursday. If the information involves more complex matters such as a prospective major acquisition or disposition, it may be necessary to allow additional time for the information to be adequately absorbed. In such circumstances, Personnel and directors desiring to trade Company Securities should consult with the Office of the Chief Legal Officer regarding a suitable waiting period before trading.
- 4.4. "Window Period."** As a general guideline, unless you are subject to a blackout period (as described in Section 6.2), the most appropriate time to trade in Company Securities is during the 20-business day period commencing one full business day following the release of quarterly or annual financial results. This period of time is frequently referred to as the "window period." Unless you are subject to a blackout period, it may be permissible to trade at other times. *However, you may never engage in transactions in Company Securities (whether during or outside of a window period), if you are in possession of material, nonpublic information.*

5. Transactions excluded from this policy

This Policy does not apply to the following transactions, except as specifically noted:

- 5.1. Restricted Stock and Restricted Stock Unit Awards.** This Policy does not apply to the vesting of restricted stock and restricted stock units, or the exercise of a tax withholding right pursuant to which you elect to have the Company withhold shares of stock to satisfy tax withholding obligations upon the vesting of such compensatory awards. However, this Policy does apply to any sale of common stock received by you as a result of the vesting, including to satisfy tax liabilities.
- 5.2. Stock Option Exercises.** This Policy does not apply to the exercise of a compensatory stock option if the exercise price is paid in cash or to an award recipient's use of shares delivered or withheld from the exercise to cover the cost of the option exercise or the satisfaction of tax withholding obligations. However, this Policy does apply to any sale of the underlying stock or to a cashless option exercise through a broker (which entails the sale of a portion of the underlying stock on the market to cover the costs of exercise or the resulting taxes), or any other market sale for the purpose of generating cash to pay the exercise price.
- 5.3. Company Benefit Plans.** This Policy does not apply to purchases of Company Securities under any employee stock purchase plan, retirement plan or other broad-based benefit plan of the Company that automatically allocates shares to employee accounts at pre-established intervals pursuant to pre-established and non-discretionary procedures. This Policy does apply, however, to certain elections you may make under such plans, including: (1) an election to increase or decrease the percentage of your periodic contributions that are to be allocated to the Company Securities fund; (2) an election to make an intra-plan transfer of an existing account balance into or out of the Company Securities fund; (3) an election to borrow money against your plan account if the loan will result in a liquidation of some or all of your Company Securities fund balance; and (4) an election to pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to the Company Securities fund.
- 5.4. Transactions with the Company.** Any other purchase of Company Securities from the Company or sale of Company Securities to the Company are not subject to this Policy.
- 5.5. Transactions Pursuant to Rule 10b5-1 Plans.** Notwithstanding this Policy, you may engage in transactions involving Company Securities if made in accordance with a compliant Rule 10b5-1 plan and Section 9 of this Policy. Rule 10b5-1 under the Securities Exchange Act of 1934 provides an affirmative defense from insider trading liability to a person who enters into a trading plan for transactions in Company Securities that meets the conditions specified in Rule 10b5-1. It is your responsibility to ensure that your trading plan, and transactions made pursuant to such plan, meet all the conditions of Rule 10b5-1. See Section 9 of this Policy for additional requirements with respect to Rule 10b5-1 plans, some of which apply to all persons covered by this Policy and some of which apply only to directors and Section 16 officers.

6. Additional restrictions applicable to Directors, Section 16 Officers and certain other personnel.

7. In addition to all of the other requirements of this Policy, the following additional restrictions apply:

- 7.1. Pre-Clearance.** You must pre-clear your transaction with the Office of the Chief Legal Officer if you are a Section 16 officer, a director or have otherwise been notified by the Company that you are subject to this pre-clearance requirement. All pre-cleared transactions must be effected within two business days following the date of receipt of pre-clearance or the pre-clearance automatically expires. However, under no circumstance may you effect a transaction while in possession of material nonpublic information, even if pre-cleared. Lumen's approval of any particular transaction under this pre-clearance procedure does not insulate you from liability under securities laws.

7.2. Blackout Periods. Section 16 officers, directors and other persons who have been notified in writing by the Company that they are subject to additional restrictions on when they may trade are considered “Insiders.” If you are an Insider, you may not trade during any blackout period that the Company indicates is applicable to you. All Section 16 officers and directors, and other designated Insiders, are subject to quarterly “blackout periods” that begin at the close of business on the tenth day of the third month of each fiscal quarter and ends on the date the next succeeding window period commences. The Company may also designate other periods during which trading is not permitted for some or all Insiders.

7.3. For example, an event may occur or information may arise that is material to the Company and is known by only certain directors or Personnel. If you are one of the persons with such knowledge and the Company imposes a related blackout period, you may not transact in Company Securities as long as the event or information remains material and nonpublic, even if a window period would otherwise be open. The existence of such an event or information specific blackout period will not be announced, and should not be communicated by you to any other person.

7.4. Under certain extremely limited circumstances, a person may request an exception to trade during a blackout period, but only if the person does not in fact possess material nonpublic information and the Chief Legal Officer approves such request. Persons wishing to request an exception to trade during a blackout period must contact the Office of the Chief Legal Officer at least 10 business days in advance of any proposed transaction.

7.5. Notwithstanding the foregoing, during a blackout period you may: purchase or sell Company Securities under a written plan, contract or other arrangement that (1) has been approved in advance in writing by the Office of the Chief Legal Officer, (2) satisfies all the requirements of Rule 10b5-1 promulgated under the Securities Exchange Act of 1934 and (3) otherwise complies with Section 9 below.

7.6. Pledging. If you are a Section 16 officer or a director of the Company, you are prohibited from holding Company Securities in a margin account or otherwise pledging Company Securities as collateral.

8. Post-termination transactions

If a person subject to this Policy is in possession of material nonpublic information when the individual’s service terminates, that person may not disclose that information or trade in Company Securities until that information has become public or is no longer material. Further, individuals who are subject to a blackout period in effect at the time of termination are prohibited from trading Company Securities until such blackout period expires.

9. Sanctions for violations of policy

The Company expects the strictest compliance with the terms of this Policy. Failure to comply will result in disciplinary action, up to and including dismissal for cause.

10. Policies and procedures related to the adoption or termination of 10b5-1 trading plans

Directors and Personnel may enter into trading plans under Rule 10b5-1 under the Securities Exchange Act of 1934, which provides a defense from insider trading liability to a person who enters into a plan in compliance with such rule. Any Rule 10b5-1 trading plan must be pre-cleared with the Office of the Chief Legal Officer. A compliant Rule 10b5-1 trading plan must satisfy the requirements of the rule, including the following:

- 10.1. Written Certifications When Entering Into Plans.** You must certify at the time of adoption or modification of a Rule 10b5-1 plan that you are (1) not aware of material nonpublic information about the Company or the Company Securities and (2) adopting the plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5.
- 10.2. Mandatory Cooling-Off Period.** Rule 10b5-1 plans adopted by directors and Section 16 officers must not permit trading under the plan until the later of (1) 90 days after the adoption or modification date and (2) two business days after the Company's disclosure of financial results in the Form 10-Q or 10-K for the fiscal quarter in which the plan was adopted or modified (but not to exceed 120 days). Persons other than directors and Section 16 officers have a "cooling-off" period of 30 days.
- 10.3. Restrictions on Overlapping and Single-Trade Plans.** Multiple overlapping plans are prohibited except for: (1) plans that authorize sell-to-cover transactions to satisfy tax withholding obligations on vesting of compensatory equity awards where the insider has no control over timing of the sales and (2) trades under contracts with multiple broker-dealers or agents that constitute a "single plan" for securities held in different accounts. For single-trade plans, the affirmative defense is limited to one such plan during any consecutive 12-month period.

Directors and Section 16 officers should be aware that the Company must disclose in its Form 10-Qs and Form 10-K the adoption (including modification) or termination of Rule 10b5-1 trading plans by directors and Section 16 officers during the last quarter, and the material terms of the plan (other than price), including the person's name, date of adoption or termination, duration of plan, aggregate number of securities subject to the plan and, if applicable, description of any modification.

11. Other

If your transactions in Company Securities become the subject of scrutiny, the transactions would be analyzed after the fact with the benefit of hindsight. Before any transaction, you should carefully consider how regulators and others might view the transaction in hindsight. If you have any questions about specific transactions or this Policy, please email Insider.Trading@lumen.com. However, as noted above, the ultimate responsibility for adhering to this Policy and avoiding improper transactions rests with you.

LUMEN TECHNOLOGIES, INC.
SUBSIDIARIES OF THE REGISTRANT
AS OF December 31, 2024

Subsidiary	State of incorporation or formation
Actel, LLC	Delaware
Century Cellunet International, Inc.	Louisiana
Cellunet of India Limited	Mauritius
Century Telephone of West Virginia, Inc.	West Virginia
CenturyLink Community Giving Foundation, Inc.	Colorado
CenturyLink Communications, LLC	Delaware
Boxgate Holdings, LLC	Delaware
ELASTICBOX INC., SUCURSAL EN ESPAÑA	Spain
Q Fiber, LLC	Delaware
Qwest International Services Corporation	Delaware
Qwest Transoceanic, Inc.	Delaware
Qwest Peru S.R.L.	Peru
SEAL Consulting, Inc.	New Jersey
Lumen Technologies Philippines, Inc.	Philippines
Lumen Technology Services Taiwan Limited	Taiwan
Lumen Technologies Hong Kong Limited	Hong Kong
Lumen Technologies Colocation Hong Kong Limited	Hong Kong
Lumen Technologies Services (Shanghai) Co., Ltd.	China
Digital Savvis HK JV Limited	British VI
Digital Savvis HK Holding 1 Limited	British VI
Digital Savvis Investment Management HK Limited	Hong Kong
Digital Savvis Management Subsidiary Limited	Hong Kong
Lumen Technologies Services Malaysia Sdn. Bhd	Malaysia
Lumen Technologies (Thailand) Limited	Thailand
CenturyLink Canada, Inc.	Canada
SAVVIS Communications Chile, S.A.	Chile
SAVVIS Federal Systems, Inc.	Delaware
SAVVIS Communications International, Inc.	Delaware
Lumen Technologies Korea Limited	Korea
SAVVIS Communications Private Limited	India
SAVVIS Mexico, S.A. de C.V.	Mexico
CenturyTel Broadband Wireless, LLC	Louisiana
Qwest Broadband Services, Inc.	Delaware
CenturyTel of Chester, Inc.	Iowa
CenturyTel Holdings, Inc.	Louisiana
Century Marketing Solutions, LLC	Louisiana
CenturyTel Arkansas Holdings, Inc.	Arkansas
CenturyTel Holdings Alabama, Inc.	Alabama
CenturyTel Holdings Missouri, Inc.	Missouri
CenturyTel of the Northwest, Inc.	Washington

Subsidiary	State of incorporation or formation
Cascade Autovon Company	Washington
CenturyTel/Cable Layers, Inc.	Wisconsin
CenturyTel of Colorado, Inc.	Colorado
CenturyTel of Eagle, Inc.	Colorado
CenturyTel of Eastern Oregon, Inc.	Oregon
CenturyTel Entertainment, Inc.	Washington
CenturyTel of the Gem State, Inc.	Idaho
CenturyTel of Inter Island, Inc.	Washington
CenturyTel of Minnesota, Inc.	Minnesota
CenturyTel of Montana, Inc.	Oregon
CenturyTel of Oregon, Inc.	Oregon
CenturyTel of Paradise, Inc.	Washington
CenturyTel of Cowiche, Inc.	Washington
CenturyTel of Postville, Inc.	Iowa
CenturyTel of the Southwest, Inc.	New Mexico
CenturyTel Telecom Service, Inc.	Washington
CenturyTel Telephone Utilities, Inc.	Washington
CenturyTel of Washington, Inc.	Washington
CenturyTel/WORLDDVOX, Inc.	Oregon
CenturyTel of Wyoming, Inc.	Wyoming
Eagle Valley Communications Corporation	Colorado
Pacific Telecom, Inc.	Oregon
Universal Manufacturing Corp.	Wisconsin
CenturyLink of Minnesota, Inc.	Minnesota
CenturyLink of Florida, Inc.	Florida
CenturyLink Interactive Holdings LLC	Delaware
CenturyLink Interactive Markets LLC	Delaware
CenturyLink Management Company	Delaware
CenturyLink Network Company, LLC	Delaware
CenturyLink of Nevada, LLC	Delaware
CenturyLink Intellectual Property LLC	Delaware
CenturyLink Sales Solutions, Inc.	Delaware
United Telephone Company of the Northwest	Oregon
United Telephone Company of the West	Delaware
CenturyTel of Idaho, Inc.	Delaware
CenturyTel Internet Holdings, Inc.	Louisiana
centurytel.com, LLC	Louisiana
CenturyTel Investments, LLC	Louisiana
CenturyTel Mobile Communications, Inc.	Louisiana
CenturyTel SM Telecorp, Inc.	Texas
CenturyTel Telecommunications, Inc.	Texas
Lumen Technologies Service Group, LLC	Louisiana
CenturyTel Supply Group, Inc.	Louisiana
CenturyTel Web Solutions, LLC	Louisiana

Subsidiary	State of incorporation or formation
Qwest Communications International Inc.	Delaware
Qwest Capital Funding, Inc.	Colorado
Qwest Services Corporation	Colorado
CenturyLink Investment Management Company	Colorado
Qwest Corporation	Colorado
1200 Landmark Center Condominium Association, Inc.	Nebraska
Qwest Database Services, Inc.	Colorado
Qwest India Holdings, LLC	Delaware
Lumen IT India Private Limited	India
Seal Infotech Private Limited	India
The El Paso County Telephone Company	Colorado
49 Percent Qwest Sub 1, LLC	Delaware
Qwest Dex Holdings, Inc.	Delaware
Lumen Technologies Government Solutions, Inc.	Colorado
Qwest Wireless, L.L.C.	Delaware
TelUSA Holdings, LLC	Delaware
Telephone USA of Wisconsin, LLC	Delaware
Western Re, Inc.	Louisiana
Wildcat Holdco LLC	Delaware
Level 3 Parent, LLC	Delaware
Legend Circle Holdings, Inc.	Delaware
Eldorado Acquisition Two, Inc.	Delaware
Level 3 EON, LLC	Delaware
Level 3 Financing, Inc.	Delaware
Streamroot, Inc.	Delaware
Streamroot SAS	France
Level 3 Holdings, Inc.	Delaware
Continental Holdings, Inc.	Wyoming
KMI Continental Lignite, Inc.	Delaware
Continental Level 3, Inc.	Delaware
Continental Mineral Sales, Inc.	Delaware
CCC Canada Holding, Inc.	Delaware
AmSoft Information Services Limited	Mauritius
Level 3 International Services, Inc.	Delaware
BTE Equipment, LLC	Delaware
Level 3 Communications Canada Co.	Nova Scotia
Level 3 Communications, LLC	Delaware
Level 3 Communications of Virginia, Inc.	Virginia
XCOM Technologies of New York, Inc.	New York
IP Networks, Inc.	Delaware
TelCove Operations, LLC	Delaware
TelCove of Pennsylvania, LLC	Delaware
WilTel Communications (Cayman) Limited	Cayman Islands
WilTel International Telecom (Chile) Limited	Cayman Islands

Subsidiary	State of incorporation or formation
Williams Comunicaciones Chile Limitada	Chile
WilTel Communications Network, Inc.	Canada
WilTel Communications, LLC	Delaware
WilTel Communications Pty Limited	Australia
Vyvx, LLC	Delaware
FTV Communications, LLC	Delaware
Broadwing, LLC	Delaware
Broadwing Communications, LLC	Delaware
Corvis Gratings Company	Nova Scotia, Canada
Corvis Canada Inc.	Quebec, Canada
Global Crossing North American Holdings, Inc.	Delaware
Global Crossing North America, Inc.	New York
Global Crossing Telecommunications, Inc.	Michigan
Global Crossing Local Services, Inc.	Michigan
Global Crossing Telemanagement VA, LLC	Virginia
Lumen Technologies Puerto Rico, LLC	Puerto Rico
Lumen Technologies St. Croix, LLC	US Virgin Islands
Level 3 Enhanced Services, LLC	Delaware
Level 3 Telecom, LLC	Delaware
Level 3 Telecom Holdings, LLC	Delaware
Level 3 Telecom Data Services, LLC	Delaware
Level 3 Telecom of Arizona, LLC	Delaware
Level 3 Telecom of Colorado, LLC	Delaware
Level 3 Telecom of Idaho, LLC	Delaware
Level 3 Telecom of Illinois, LLC	Delaware
Level 3 Telecom of Iowa, LLC	Delaware
Level 3 Telecom of Minnesota, LLC	Delaware
Level 3 Telecom of New Mexico, LLC	Delaware
Level 3 Telecom of Ohio, LLC	Delaware
Level 3 Telecom of Oregon, LLC	Delaware
Level 3 Telecom of South Carolina, LLC	Delaware
Level 3 Telecom of Tennessee, LLC	Delaware
Level 3 Telecom of Texas, LLC	Delaware
Level 3 Telecom of Utah, LLC	Delaware
Level 3 Telecom of Washington, LLC	Delaware
Level 3 Telecom Management Co., LLC	Delaware
Xspedius Management Co. International, LLC	Delaware
Level 3 Telecom of Alabama, LLC	Delaware
Level 3 Telecom of Arkansas, LLC	Delaware
Level 3 Telecom of DC, LLC	Delaware
Level 3 Telecom of Kansas City, LLC	Delaware
Level 3 Telecom of Kentucky, LLC	Kentucky
Level 3 Telecom of Louisiana, LLC	Delaware
Level 3 Telecom of Maryland, LLC	Delaware

Subsidiary	State of incorporation or formation
Level 3 Telecom of Mississippi, LLC	Delaware
Level 3 Telecom of Nevada, LLC	Delaware
Level 3 Telecom of Oklahoma, LLC	Delaware
Level 3 Telecom of Virginia, LLC	Virginia
Level 3 Telecom Holdings II, LLC	Delaware
Level 3 Telecom, LP	Delaware
Level 3 Telecom of California, LP	Delaware
Level 3 Telecom of Florida, LP	Delaware
Level 3 Telecom of Georgia, LP	Delaware
Level 3 Telecom of Hawaii, LP	Delaware
Level 3 Telecom of Indiana, LP	Delaware
Level 3 Telecom of New Jersey, LP	Delaware
Level 3 Telecom of New York, LP	Delaware
Level 3 Telecom of North Carolina, LP	Delaware
Level 3 Telecom of Wisconsin, LP	Delaware
Level 3 Asia, Inc.	Delaware
Level 3 Communications (Asia Pacific) Ltd.	Hong Kong
Level 3 International, Inc.	Delaware
Level 3 CDN International, Inc.	Delaware
Lumen Technologies New Zealand Limited	New Zealand
Lumen Technologies APAC Holdings Limited	United Kingdom
Level 3 Communications Australia Pty Ltd	Australia
Level 3 Communications Hong Kong Limited	Hong Kong
Lumen Communications India Private Limited	India
Lumen Technologies Asia Pacific Holdings Limited	Hong Kong
Lumen Technologies Australia Pty Ltd	Australia
Lumen Technologies Japan KK	Japan
Level 3 Communications Japan KK	Japan
Qwest Communications Korea, Limited	Korea
Qwest Hong Kong Telecommunications, Limited	Hong Kong
Lumen Technologies Singapore Pte. Ltd.	Singapore
Qwest Taiwan Telecommunications, Limited	Taiwan
Lumen Technologies Europe Holdings Limited	United Kingdom
Lumen Technologies CDN Ireland Limited	Ireland
Lumen Technologies Solutions UK Limited	United Kingdom
Lumen Technologies Solutions Poland S.P. Z.O.O.	Poland
Level 3 Telecom DE 1, LLC	Delaware
Level 3 Telecom DE 2, LLC	Delaware
Level 3 Telecom DE 3, LLC	Delaware
Level 3 Telecom C, LLC	Delaware
Level 3 Telecom C1 Limited	Cayman Islands
Level 3 Telecom C2 Limited	Cayman Islands

Subsidiary	State of incorporation or formation

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statement (No. 333-227251) on Form S-3 and the registration statements (Nos. 333-279467, 333-273710, 333-245036, 333-225154, 333-221267, 333-215121, 333-174571, and 333-150157) on Form S-8 of our reports dated February 20, 2025, with respect to the consolidated financial statements of Lumen Technologies, Inc. and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Denver, Colorado
February 20, 2025

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Kate Johnson, Chief Executive Officer, certify that:

1. I have reviewed this Annual Report on Form 10-K of Lumen Technologies, 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 and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer 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:
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2025

/s/ Kate Johnson

Kate Johnson
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Chris Stansbury, Chief Financial Officer, certify that:

1. I have reviewed this Annual Report on Form 10-K of Lumen Technologies, 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 and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer 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:
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2025

/s/ Chris Stansbury

Chris Stansbury
Executive Vice President and Chief
Financial Officer

**Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

I, Kate Johnson, Chief Executive Officer of Lumen Technologies, Inc. ("Lumen Technologies"), certify that, to my knowledge, the Annual Report on Form 10-K for the year ended December 31, 2024 of Lumen Technologies fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Lumen Technologies as of the dates and for the periods covered by such report.

A signed original of this statement has been provided to Lumen Technologies and will be retained by Lumen Technologies and furnished to the Securities and Exchange Commission or its staff upon request.

Date: February 20, 2025

/s/ Kate Johnson

Kate Johnson
Chief Executive Officer

**Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

I, Chris Stansbury, Chief Financial Officer of Lumen Technologies, Inc. ("Lumen Technologies"), certify that, to my knowledge, the Annual Report on Form 10-K for the year ended December 31, 2024 of Lumen Technologies fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Lumen Technologies as of the dates and for the periods covered by such report.

A signed original of this statement has been provided to Lumen Technologies and will be retained by Lumen Technologies and furnished to the Securities and Exchange Commission or its staff upon request.

Date: February 20, 2025

/s/ Chris Stansbury
Chris Stansbury
Executive Vice President and Chief
Financial Officer

LUMEN TECHNOLOGIES, INC.**Policy for the
Recovery of Erroneously Awarded Compensation**

The Board of Directors (the “**Board**”) of Lumen Technologies, Inc. (the “**Company**”) has determined that it is in the best interests of the Company and its shareholders to adopt this Policy for the Recovery of Erroneously Awarded Compensation (this “**Policy**”), which provides for the recovery of certain incentive compensation in the event of an Accounting Restatement (as defined below). This Policy is designed to comply with, and shall be interpreted to be consistent with, Section 10D of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), Rule 10D-1 promulgated under the Exchange Act (“**Rule 10D-1**”) and Section 303A.14 of the Listed Company Manual (the “**Listing Standards**”) of the New York Stock Exchange (“**NYSE**”). Capitalized terms not otherwise defined herein have the meanings set forth in Section 2 hereof.

1. Administration

Except as specifically set forth herein, this Policy shall be administered by the Human Resources and Compensation Committee of the Board (the “**Committee**”). The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable to administer this Policy. Any determinations made by the Committee shall be final and binding on all affected individuals and need not be uniform with respect to each individual covered by the Policy. The Committee is authorized to consult with the full Board, the Audit Committee of the Board, or any other committee of the Board if and to the extent it deems necessary or appropriate to administer this Policy.

2. Definitions

As used in this Policy, the following definitions shall apply:

- (1) “**Accounting Restatement**” means an accounting restatement that corrects an error in the Company’s financial statements that is (i) material to the previously issued financial statements (commonly referred to as a “Big R” restatement, or (ii) that is not material to previously-issued financial statements, but would result in a material misstatement if the error were corrected or left uncorrected, in the current period (commonly referred to as a “little r” restatement).
 - (2) “**Clawback Period**” means, with respect to any Accounting Restatement, the three completed fiscal years of the Company immediately preceding the Restatement Date and any transition period (that results from a change in the Company’s fiscal year) of less than nine months within or immediately following those three completed fiscal years.
 - (3) “**Code**” means the U.S. Internal Revenue Code of 1986, as amended. Any reference to a section of the Code or regulation thereunder includes such section or regulation, any valid regulation or other official guidance promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing, or superseding such section or regulation.
 - (4) “**Committee**” has the meaning set forth in Section 1 hereof.
 - (5) “**Covered Executives**” means the Company’s current and former executive officers, as determined by the Board in accordance with the definition of executive officer set forth in Rule 10D-1 and the Listing Standards.
 - (6) “**Effective Date**” means October 2, 2023.
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- (7) **“Erroneously Awarded Compensation”** has the meaning set forth in Section 4 of this Policy.
- (8) **“Financial Reporting Measures”** means measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and all other measures that are derived wholly or in part from such measures. Stock price and total shareholder return (and any measures that are derived wholly or in part from stock price or total shareholder return) shall, for purposes of this Policy, be considered Financial Reporting Measures. For the avoidance of doubt, a Financial Reporting Measure need not be actually presented in the Company’s financial statements or included in a filing with the SEC.
- (9) **“Incentive-Based Compensation”** means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.
- (10) **“Restatement Date”** shall mean the earlier to occur of (i) the date the Board, a committee of the Board or the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement, in each case regardless of if or when the restated financial statements are publicly disseminated.
- (11) **“SEC”** means the U.S. Securities and Exchange Commission.

3. Covered Executives; Incentive-Based Compensation

This Policy applies to all Incentive-Based Compensation received by a person: (a) on or after the Effective Date (even if approved, awarded or granted prior to the Effective Date); (b) after beginning service as a Covered Executive; (c) who served as a Covered Executive at any time during the performance period for such Incentive-Based Compensation; (d) while the Company had a class of securities listed on a national securities exchange or a national securities association; and (e) during the Clawback Period.

For purposes of this Policy, Incentive-Based Compensation is deemed “received” in the Company’s applicable fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period. For the avoidance of doubt, Incentive-Based Compensation that is subject to both a Financial Reporting Measure vesting condition and a service-based vesting condition shall be considered received when the relevant Financial Reporting Measure is achieved, even if the Incentive-Based Compensation continues to be subject to the service-based vesting condition.

4. Required Recoupment of Erroneously Awarded Compensation in the Event of an Accounting Restatement

In the event of an Accounting Restatement, the Company must recover, reasonably promptly, Erroneously Awarded Compensation, in amounts determined pursuant to this Policy and in accordance with Rule 10D-1 and the Listing Standards, as follows:

- (1) For purposes of this Policy, **“Erroneously Awarded Compensation”** means, in the event of an Accounting Restatement, the amount of Incentive-Based Compensation previously received that exceeds the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the restated amounts in such Accounting Restatement, computed without regard to any taxes paid by the relevant Covered Executive.

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- (1) With respect to Incentive-Based Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement:
 1. the amount of Erroneously Awarded Compensation will be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was received; and
 2. the Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to the NYSE.
 - (2) With respect to any compensation plans or programs that take into account Incentive-Based Compensation, the amount of Erroneously Awarded Compensation subject to recovery hereunder includes, but is not limited to, the amount contributed to any notional account based on Erroneously Awarded Compensation and any earnings accrued to date on that notional amount.
- (2) After an Accounting Restatement, the Committee shall determine the amount of any Erroneously Awarded Compensation received by each Covered Executive and shall promptly provide written notice to each Covered Executive by email or certified mail of the amount of any Erroneously Awarded Compensation and a demand for repayment or return of such compensation, as applicable.
 - (3) The Committee shall have discretion to determine the appropriate means of recovering Erroneously Awarded Compensation based on the particular facts and circumstances. Notwithstanding the foregoing, except as set forth in Section 5 below, in no event may the Company accept an amount that is less than the amount of Erroneously Awarded Compensation in satisfaction of a Covered Executive's obligations hereunder.
 - (4) To the extent that the Covered Executive has already reimbursed the Company for any Erroneously Awarded Compensation Received under any duplicative recovery obligations established by the Company or applicable law, the Committee may credit such reimbursed amount against the amount of Erroneously Awarded Compensation that is subject to recovery under this Policy.
 - (5) To the extent that a Covered Executive fails to repay all Erroneously Awarded Compensation to the Company when due, the Company shall take all reasonable and appropriate actions to recover such Erroneously Awarded Compensation from the applicable Covered Executive. The applicable Covered Executive shall be required to reimburse the Company for any and all expenses reasonably incurred (including legal fees) by the Company in recovering such Erroneously Awarded Compensation in accordance with the immediately preceding sentence.
 - (6) Recovery under this Policy with respect to a Covered Executive shall not require any finding that such Covered Executive engaged in misconduct or was responsible for any error that caused or contributed to the Accounting Restatement.
 - (7) Any action by the Company to recover Erroneously Awarded Compensation under this Policy from a Covered Executive shall not, whether alone or in combination with any other action, event or condition, be deemed (i) "good reason" for resignation or to serve as a basis for a claim of constructive termination under any benefits or compensation arrangement applicable to such Covered Executive, or (ii) to constitute a breach of a contract or other arrangement to which such Covered Executive is party.

5. Method of Recoupment

The Committee shall determine, in its sole discretion, the timing and method for promptly recouping Erroneously Awarded Compensation hereunder, which may include without limitation (a) seeking reimbursement of all or part of any cash or equity-based award, (b) cancelling prior cash or equity-based awards, whether vested or unvested or paid or unpaid, (c) cancelling or offsetting against base salary and/or any planned future cash or equity-based awards, (d) forfeiture of deferred compensation, subject to compliance with Section 409A of the Code, and (e) any other method that does not contravene any applicable law, including without limitation Section 409A of the Code.

The Company is authorized and directed pursuant to this Policy to recoup Erroneously Awarded Compensation in compliance with this Policy unless the Committee or, in the absence of the Committee, a majority of the independent directors serving on the Board, has determined in good faith that recovery would be impracticable solely for the following limited reasons, and subject to the following procedural and disclosure requirements:

- The direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on the expense of enforcement, the Committee must make reasonable attempts to recover such Erroneously Awarded Compensation, document such reasonable attempts to recover and provide that documentation to the NYSE;
- Recovery would violate home country law where that law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Committee must satisfy the applicable opinion and disclosure requirements of Rule 10D-1 and the Listing Standards; or
- Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. §401(a)(13) or 26 U.S.C. §411(a) and regulations thereunder.

6. No Indemnification of Covered Executives

Notwithstanding the terms of any indemnification or insurance policy or any contractual arrangement with any Covered Executive that provides or may be interpreted to provide to the contrary, the Company shall not indemnify any Covered Executives against the loss of any Erroneously Awarded Compensation, including any payment or reimbursement for the cost of third-party insurance purchased by any Covered Executives to fund potential clawback obligations under this Policy.

7. Committee Indemnification

Any members of the Committee, and any other members of the Board who assist in the administration of this Policy, shall not be personally liable for any action, determination or interpretation made with respect to this Policy and shall be fully indemnified by the Company to the fullest extent under any article, bylaw, contract, policy or law applicable to the Company with respect to any such action, determination or interpretation. The foregoing sentence shall not limit any other rights to indemnification of the members of the Board under any article, bylaw, contract, policy or law applicable to the Company.

8. Effective Date

This Policy shall be effective as of the Effective Date. Without limiting the generality of Section 5 hereof, and subject to applicable law, the Committee may affect recovery under this Policy from any amount of compensation approved, awarded, granted, payable or paid to the Covered Executive prior to, on or after the Effective Date.

9. Other Recoupment Rights; Company Claims

The Board intends that this Policy shall be applied to the fullest extent of the law. Any right of recoupment by the Company under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company under applicable law, including Section 304 of the Sarbanes-Oxley Act of 2002, government regulation, or stock exchange listing requirement or pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or other agreement, policy or plan of the Company and any other legal remedies available to the Company, including those set forth in the Company's Corporate Governance Guidelines. Notwithstanding the foregoing, unless otherwise required by applicable law, any amounts recouped under any other such recoupment or clawback rights that would be recoupable under this Policy shall count toward any required recoupment under this Policy and vice versa.

Nothing contained in this Policy, and no recoupment or recovery as contemplated by this Policy, shall limit any claims, damages or other legal remedies the Company or any of its affiliates may have against a Covered Executive arising out of or resulting from any actions or omissions by the Covered Executive.

10. Amendment

The Board may amend, modify, supplement, rescind or replace all or any portion of this Policy at any time and from time to time in its discretion, and shall amend this Policy as it deems necessary to comply with applicable law or any rules or standards adopted by the NYSE or other national securities exchange on which the Company's securities are listed.

11. Acknowledgement of Binding Effect

As a condition to continued employment, each Covered Executive shall sign and deliver to the Company, within 30 calendar days following the later of (i) the Effective Date of this Policy or (ii) the date the individual becomes a Covered Executive, the Acknowledgement Form attached hereto as **Exhibit A**, pursuant to which the Covered Executive agrees to be bound by, and to comply with, the terms and conditions of this Policy. This Policy is binding upon all Covered Executives, even if such Covered Executive fails to execute or deliver the attached Acknowledgment Form to the Company.

12. Severability

The provisions in this Policy are intended to be applied to the fullest extent of the law. To the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision shall be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

13. Successors

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

14. Governing Law; Jurisdiction and Forum; Waiver of Jury Trial

- (1) This Policy shall be governed by, and construed and enforced in accordance with, Section 10 of the Exchange Act, Rule 10D-1 and the Listing Standards, and to the extent applicable, the laws of the State of Colorado.
- (2) The Company and each Covered Executive: (i) submits to the personal jurisdiction of United States District Court for the District of Colorado, and, if the United States District Court for the District of Colorado lacks jurisdiction, the state District Court for

the 2nd Judicial District, Denver County, Colorado in the event any dispute arises out of this Policy; (ii) agrees that it, he or she will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court; and (iii) agrees that it, he or she will not bring any proceeding relating to this Policy in any court other than the United States District Court for the District of Colorado and, if the United States District Court for the District of Colorado lacks jurisdiction, the state District Court for the 2nd Judicial District, Denver County, Colorado.

- (3) The Company and each Covered Executive: (i) waives trial by jury in any action, proceeding, or counterclaim arising out of or in any way connected with this Policy or the administration thereof, and (ii) agrees to refrain from seeking a jury trial in any lawsuit, proceeding, counterclaim or any other litigation procedure based upon, or arising out of, this Policy.

15. Required Policy-Related Filings and Disclosures

A copy of this Policy and any amendments thereto will be filed as an exhibit to the Company's annual report on Form 10-K filed with the SEC. In addition, the Company shall file all disclosures with respect to this Policy in accordance with the requirements of the federal securities laws, including disclosures required by the SEC.

EXHIBIT A
LUMEN TECHNOLOGIES INC.
POLICY FOR THE
RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION
ACKNOWLEDGEMENT FORM

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the Lumen Technologies Inc. Policy for the Recovery of Erroneously Awarded Compensation (as it may be amended, restated, supplemented or otherwise modified from time to time, the “**Policy**”). Capitalized terms used but not otherwise defined in this

Acknowledgement Form (this “**Acknowledgement Form**”) shall have the meanings ascribed to such terms in the Policy.

By signing this Acknowledgement Form, the undersigned further acknowledges and agrees that:

- the undersigned is and will continue to be subject to the Policy;
- the Policy will apply both during and after the undersigned's employment with the Company;
- in the event of any inconsistency between the Policy and the terms of any employment agreement to which the undersigned is a party, or the terms of any compensation plan, program or agreement under which any compensation has been granted, awarded, earned or paid, the terms of the Policy shall govern;
- the undersigned will abide by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Compensation to the Company to the extent required by, and in a manner permitted by, the Policy; and
- the Policy shall be binding and enforceable against the undersigned and the undersigned's beneficiaries, heirs, executors, administrators and other legal representatives.

Covered Executive

Signature

Printed Name

Date