

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 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 number 001-09712



UNITED STATES CELLULAR CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware

62-1147325

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification No.)

8410 West Bryn Mawr, Chicago, Illinois 60631

(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: (773) 399-8900

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Shares, \$1 par value	USM	New York Stock Exchange
6.25% Senior Notes due 2069	UZD	New York Stock Exchange
5.50% Senior Notes due 2070	UZE	New York Stock Exchange
5.50% Senior Notes due 2070	UZF	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
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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 such files).	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input checked="" type="checkbox"/>
Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
	Emerging growth company <input type="checkbox"/>

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.	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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The number of shares outstanding of each of the issuer's classes of common stock, as of June 30, 2024, is 53 million Common Shares, \$1 par value, and 33 million Series A Common Shares, \$1 par value.

United States Cellular Corporation

Quarterly Report on Form 10-Q
For the Period Ended June 30, 2024

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**United States Cellular Corporation
Management's Discussion and Analysis of
Financial Condition and Results of Operations**

Executive Overview

The following discussion and analysis compares United States Cellular Corporation's (UScellular) financial results for the three and six months ended June 30, 2024, to the three and six months ended June 30, 2023. It should be read in conjunction with UScellular's interim consolidated financial statements and notes included herein, and with the description of UScellular's business, its audited consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) included in UScellular's Annual Report on Form 10-K (Form 10-K) for the year ended December 31, 2023. Certain numbers included herein are rounded to millions for ease of presentation; however, certain calculated amounts and percentages are determined using the unrounded numbers.

During the second quarter of 2024, UScellular modified its reporting structure due to the planned disposal of its wireless operations and, as a result, disaggregated its operations into two reportable segments – Wireless and Towers. This presentation reflects how UScellular's chief operating decision maker allocates resources and evaluates operating performance following this strategic shift. Prior periods have been updated to conform to the new reportable segments. See Note 11 — Business Segment Information in the Notes to Consolidated Financial Statements for additional information.

This report contains statements that are not based on historical facts, which may be identified by words such as "believes," "anticipates," "estimates," "expects," "plans," "intends," "projects," "will" and similar expressions. These statements constitute and represent "forward looking statements" as this term is defined in the Private Securities Litigation Reform Act of 1995. Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events or developments to be significantly different from any future results, events or developments expressed or implied by such forward looking statements. See the disclosure under the heading Private Securities Litigation Reform Act of 1995 Safe Harbor Cautionary Statement elsewhere in this report for additional information.

The accounting policies of UScellular conform to accounting principles generally accepted in the United States of America (GAAP). However, UScellular uses certain "non-GAAP financial measures" in the MD&A. A discussion of the reasons UScellular determines these metrics to be useful and reconciliations of these measures to their most directly comparable measures determined in accordance with GAAP are included in the disclosure under the heading Supplemental Information Relating to Non-GAAP Financial Measures within the MD&A of this report.

UScellular Mission and Strategy

UScellular's mission is to connect its customers to what matters most to them. This includes providing exceptional wireless communication services which enhance consumers' lives, increase the competitiveness of local businesses, and improve the efficiency of government operations in the markets UScellular serves.

UScellular's strategy is to attract and retain customers by providing a high-quality network, outstanding customer service, and competitive devices, plans and pricing - all provided with a local community focus. Strategic efforts include:

- UScellular offers economical and competitively priced service plans and devices to its customers and is focused on increasing revenues from sales of related products such as device protection plans and from services such as fixed wireless home internet. In addition, UScellular is focused on increasing tower rent revenues and expanding its solutions available to business and government customers.
- UScellular continues to enhance its network capabilities, including by deploying 5G technology. 5G technology helps address customers' growing demand for data services and creates opportunities for new services requiring high speed and reliability as well as low latency. UScellular's initial 5G deployment in 2019-2022 predominantly used low-band spectrum to launch 5G services in portions of substantially all of its markets. During 2023, UScellular continued to invest in 5G with a focus on deployment of mid-band spectrum, which largely overlaps areas already covered with low-band 5G service. During 2024, UScellular is continuing the multi-year deployment of 5G mid-band spectrum. 5G service deployed over mid-band spectrum further enhances speed and capacity for UScellular's mobility and fixed wireless services.
- UScellular seeks to grow revenue in its Towers segment primarily through increasing third-party colocations on existing towers through providing unique tower locations, attractive terms and streamlined implementation to third-party wireless operators.

Announced Transaction and Strategic Alternatives Review

On August 4, 2023, TDS and UScellular announced that the Boards of Directors of both companies decided to initiate a process to explore a range of strategic alternatives for UScellular. On May 28, 2024, UScellular announced that its Board of Directors unanimously approved the execution of a Securities Purchase Agreement (Securities Purchase Agreement) by and among TDS, UScellular, T-Mobile US, Inc. (T-Mobile) and USCC Wireless Holdings, LLC, pursuant to which, among other things, UScellular agreed to sell its wireless operations and select spectrum assets to T-Mobile for a purchase price, subject to adjustment as specified in the Securities Purchase Agreement, of \$4,400 million, which is payable in a combination of cash and the assumption of up to approximately \$2,000 million in debt. The transaction is expected to close in mid-2025, subject to the receipt of regulatory approvals and the satisfaction of customary closing conditions.

The strategic alternatives review process is ongoing as UScellular seeks to opportunistically monetize its spectrum assets that are not subject to the Securities Purchase Agreement. During the three and six months ended June 30, 2024, UScellular incurred third-party expenses of \$13 million and \$21 million, respectively, related to the strategic alternatives review.

Terms Used by UScellular

The following is a list of definitions of certain industry terms that are used throughout this document:

- **4G LTE** – fourth generation Long-Term Evolution, which is a wireless technology that enables more network capacity for more data per user as well as faster access to data compared to third generation (3G) technology.
- **5G** – fifth generation wireless technology that helps address customers' growing demand for data services and creates opportunities for new services requiring high speed and reliability as well as low latency.
- **Account** – represents an individual or business financially responsible for one or multiple associated connections. An account may include a variety of types of connections such as handsets and connected devices.
- **Churn Rate** – represents the percentage of the connections that disconnect service each month. These rates represent the average monthly churn rate for each respective period.
- **Colocations** – represents instances where a third-party wireless carrier rents or leases space on a company-owned tower.
- **Connected Devices** – non-handset devices that connect directly to the UScellular network. Connected devices include products such as tablets, wearables, modems, fixed wireless, and hotspots.
- **EBITDA** – refers to earnings before interest, taxes, depreciation, amortization and accretion and is used in the non-GAAP metric Adjusted EBITDA throughout this document. See Supplemental Information Relating to Non-GAAP Financial Measures within this MD&A for additional information.
- **Free Cash Flow** – non-GAAP metric defined as Cash flows from operating activities less Cash paid for additions to property, plant and equipment and less Cash paid for software license agreements. See Supplemental Information Relating to Non-GAAP Financial Measures within this MD&A for additional information.
- **Gross Additions** – represents the total number of new connections added during the period, without regard to connections that were terminated during that period.
- **Net Additions (Losses)** – represents the total number of new connections added during the period, net of connections that were terminated during that period.
- **OIBDA** – refers to operating income before depreciation, amortization and accretion and is used in the non-GAAP metric Adjusted OIBDA throughout this document. See Supplemental Information Relating to Non-GAAP Financial Measures within this MD&A for additional information.
- **Postpaid Average Revenue per Account (Postpaid ARPA)** – metric which is calculated by dividing total postpaid service revenues by the average number of postpaid accounts and by the number of months in the period.
- **Postpaid Average Revenue per User (Postpaid ARPU)** – metric which is calculated by dividing total postpaid service revenues by the average number of postpaid connections and by the number of months in the period.
- **Retail Connections** – individual lines of service associated with each device activated by a postpaid or prepaid customer. Connections are associated with all types of devices that connect directly to the UScellular network.
- **Tower Tenancy Rate** – average number of tenants that lease space on company-owned towers, measured on a per-tower basis.
- **Universal Service Fund (USF)** – a system of telecommunications collected fees and support payments managed by the Federal Communications Commission (FCC) intended to promote universal access to telecommunications services in the United States.

Financial Overview — UScellular

The following discussion and analysis compares financial results for the three and six months ended June 30, 2024 to the three and six months ended June 30, 2023.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	2024 vs. 2023	2024	2023	2024 vs. 2023
(Dollars in millions)						
Operating Revenues						
Wireless	\$ 902	\$ 932	(3)%	\$ 1,826	\$ 1,892	(3)%
Towers	58	57	3 %	116	113	3 %
Intra-company eliminations	(33)	(32)	(4)%	(65)	(63)	(3)%
Total operating revenues	<u>927</u>	<u>957</u>	(3)%	<u>1,877</u>	<u>1,942</u>	(3)%
Operating expenses						
Wireless	885	916	(3)%	1,779	1,868	(5)%
Towers	39	39	1 %	75	76	(1)%
Intra-company eliminations	(33)	(32)	(4)%	(65)	(63)	(3)%
Total operating expenses	<u>891</u>	<u>923</u>	(3)%	<u>1,789</u>	<u>1,881</u>	(5)%
Operating income	36	34	6 %	88	61	44 %
Investment and other income (expense)						
Equity in earnings of unconsolidated entities	38	38	2 %	80	82	(2)%
Interest and dividend income	3	3	18 %	6	5	11 %
Interest expense	(45)	(51)	8 %	(91)	(99)	8 %
Total investment and other income	<u>(4)</u>	<u>(10)</u>	54 %	<u>(5)</u>	<u>(12)</u>	61 %
Income before income taxes	32	24	31 %	83	49	69 %
Income tax expense	14	19	(28)%	41	29	41 %
Net income	18	5	N/M	42	20	N/M
Less: Net income attributable to noncontrolling interests, net of tax	1	—	(20)%	7	2	N/M
Net income attributable to UScellular shareholders	<u>\$ 17</u>	<u>\$ 5</u>	N/M	<u>\$ 35</u>	<u>\$ 18</u>	N/M
Adjusted OIBDA (Non-GAAP) ¹	\$ 227	\$ 198	14 %	\$ 456	\$ 404	13 %
Adjusted EBITDA (Non-GAAP) ¹	\$ 268	\$ 239	13 %	\$ 542	\$ 491	10 %
Capital expenditures ²	\$ 165	\$ 143	15 %	\$ 295	\$ 351	(16)%

N/M - Percentage change not meaningful

¹ Refer to Supplemental Information Relating to Non-GAAP Financial Measures within this MD&A for a reconciliation of this measure.

² Refer to Liquidity and Capital Resources within this MD&A for additional information on Capital expenditures.

Refer to individual segment discussions in this MD&A for additional details on operating revenues and expenses at the segment level.

Equity in earnings of unconsolidated entities

Equity in earnings of unconsolidated entities represents UScellular's share of net income from entities in which it has a noncontrolling interest and that are accounted for using the equity method or the net asset value practical expedient. UScellular's investment in the Los Angeles SMSA Limited Partnership (LA Partnership) contributed pre-tax income of \$17 million and \$18 million for the three months ended June 30, 2024 and 2023, respectively and \$33 million and \$38 million for the six months ended June 30, 2024 and 2023, respectively. See Note 8 — Investments in Unconsolidated Entities in the Notes to Consolidated Financial Statements for additional information.

Interest expense

Interest expense decreased for the three and six months ended June 30, 2024 due primarily to a decrease in the average principal balance outstanding on the receivables securitization agreement. See Market Risk for additional information regarding maturities of long-term debt and weighted average interest rates.

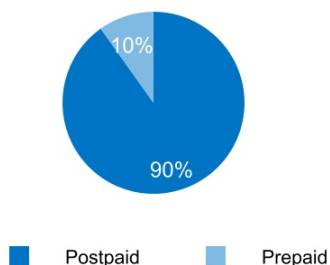
Income tax expense

Income tax expense decreased for the three months ended June 30, 2024 due primarily to increases to state valuation allowance adjustments recorded in the second quarter of 2023 that reduced the net value of deferred tax assets, partially offset by an increase in Income before income taxes.

Income tax expense increased for the six months ended June 30, 2024, due primarily to an increase in Income before income taxes, partially offset by state valuation allowance adjustments recorded in the second quarter of 2023 that reduced the net value of deferred tax assets.

Wireless Operations

Retail Connections Composition As of June 30, 2024



As of June 30,	2024	2023
Retail Connections – End of Period		
Postpaid	4,027,000	4,194,000
Prepaid	439,000	462,000
Total	4,466,000	4,656,000

	Q2 2024	Q2 2023	Q2 2024 vs. Q2 2023	YTD 2024	YTD 2023	YTD 2024 vs. YTD 2023
Postpaid Activity and Churn						
Gross Additions						
Handsets	73,000	83,000	(12)%	136,000	176,000	(23)%
Connected Devices	44,000	42,000	5 %	87,000	85,000	2 %
Total Gross Additions	117,000	125,000	(6)%	223,000	261,000	(15)%
Net Additions (Losses)						
Handsets	(29,000)	(29,000)	—	(76,000)	(54,000)	(41)%
Connected Devices	5,000	1,000	N/M	9,000	1,000	N/M
Total Net Additions (Losses)	(24,000)	(28,000)	14 %	(67,000)	(53,000)	(26)%
Churn						
Handsets	0.97 %	1.01 %		1.00 %	1.03 %	
Connected Devices	2.47 %	2.65 %		2.50 %	2.72 %	
Total Churn	1.16 %	1.21 %		1.19 %	1.24 %	

N/M - Percentage change not meaningful

Total postpaid handset net losses were flat for the three months ended June 30, 2024, when compared to the same period last year due to lower gross additions as a result of a decrease in the pool of available customers and continued aggressive industry-wide competition. This was offset by lower defections as a result of improvements in churn.

Total postpaid handset net losses increased for the six months ended June 30, 2024 when compared to the same period last year due to lower gross additions as a result of a decrease in the pool of available customers and continued aggressive industry-wide competition.

Total postpaid connected device net additions increased for the three and six months ended June 30, 2024, when compared to the same period last year due to higher demand for fixed wireless home internet as well as a decrease in tablet, hotspot and home phone defections as a result of improvements in churn.

Postpaid Revenue

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	2024 vs. 2023	2024	2023	2024 vs. 2023
Average Revenue Per User (ARPU)	\$ 51.45	\$ 50.64	2 %	\$ 51.69	\$ 50.64	2 %
Average Revenue Per Account (ARPA)	\$ 130.41	\$ 130.19	—	\$ 131.18	\$ 130.49	1 %

Postpaid ARPU increased for the three and six months ended June 30, 2024, when compared to the same period last year, due to favorable plan and product offering mix and an increase in cost recovery surcharges.

Postpaid ARPA increased slightly for the three and six months ended June 30, 2024, when compared to the same period last year, due to the impacts to Postpaid ARPU, partially offset by a decrease in the number of connections per account.

Financial Overview — Wireless

The following discussion and analysis compares financial results for the three and six months ended June 30, 2024 to the three and six months ended June 30, 2023.

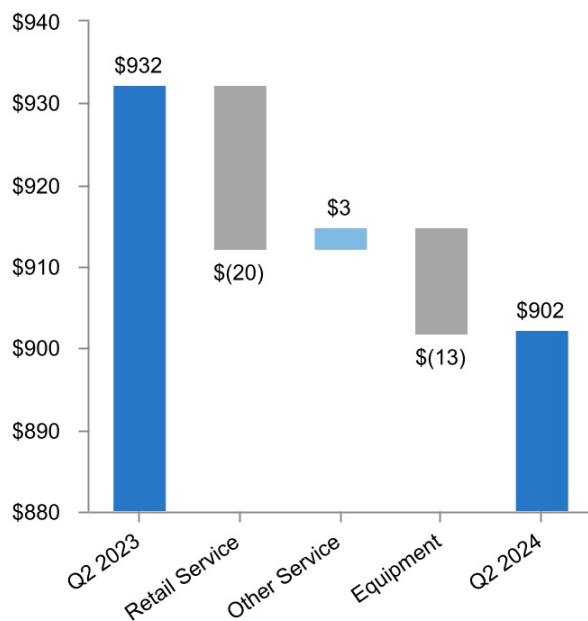
	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	2024 vs. 2023	2024	2023	2024 vs. 2023
(Dollars in millions)						
Retail service	\$ 666	\$ 686	(3)%	\$ 1,344	\$ 1,378	(2)%
Other	52	49	7 %	102	99	3 %
Service revenues	718	735	(2)%	1,446	1,477	(2)%
Equipment sales	184	197	(6)%	380	415	(9)%
Total operating revenues	902	932	(3)%	1,826	1,892	(3)%
System operations (excluding Depreciation, amortization and accretion reported below)	194	203	(4)%	390	398	(2)%
Cost of equipment sold	211	228	(7)%	427	480	(11)%
Selling, general and administrative	313	333	(6)%	637	670	(5)%
Depreciation, amortization and accretion	154	149	3 %	308	307	—
(Gain) loss on asset disposals, net	5	3	40 %	10	13	(23)%
(Gain) loss on license sales and exchanges, net	8	—	N/M	7	—	N/M
Total operating expenses	885	916	(3)%	1,779	1,868	(5)%
Operating income	\$ 17	\$ 16	5 %	\$ 47	\$ 24	97 %
Adjusted OIBDA (Non-GAAP) ¹	\$ 196	\$ 168	16 %	\$ 392	\$ 344	14 %
Adjusted EBITDA (Non-GAAP) ¹	\$ 196	\$ 168	16 %	\$ 392	\$ 344	14 %
Capital expenditures ²	\$ 160	\$ 140	13 %	\$ 286	\$ 346	(17)%

N/M - Percentage change not meaningful

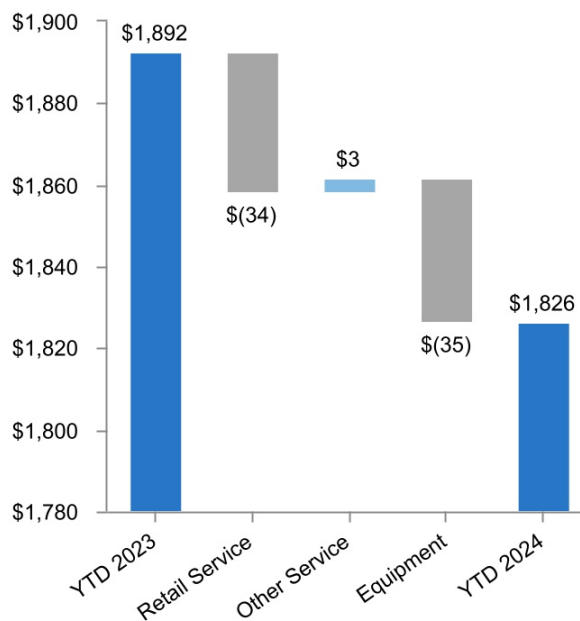
¹ Refer to Supplemental Information Relating to Non-GAAP Financial Measures within this MD&A for a reconciliation of this measure.

² Refer to Liquidity and Capital Resources within this MD&A for additional information on Capital expenditures.

Operating Revenues
Three Months Ended June 30, 2024 and 2023
(Dollars in millions)



Operating Revenues
Six Months Ended June 30, 2024 and 2023
(Dollars in millions)



Service revenues consist of:

- Retail Service - Postpaid and prepaid charges for voice, data and value-added services and cost recovery surcharges
- Other Service - Amounts received from the Federal USF, inbound roaming, miscellaneous other service revenues and Internet of Things (IoT)

Equipment revenues consist of:

- Sales of wireless devices and related accessories to new and existing customers, agents, and third-party distributors

Key components of changes in the statement of operations line items were as follows:

Total operating revenues

Retail service revenues decreased for the three and six months ended June 30, 2024, primarily as result of a decrease in average postpaid and prepaid connections, partially offset by an increase in Postpaid ARPU as previously discussed in the Operational Overview section.

Equipment sales revenues decreased for the three and six months ended June 30, 2024, due primarily to a decline in smartphone devices sold due to lower upgrade and gross additions, partially offset by a higher average price of new smartphone sales.

Wireless service providers have been aggressive promotionally and on price to attract and retain customers. This includes both traditional carriers and cable wireless companies. UScellular expects promotional aggressiveness by traditional carriers and pricing pressures from cable wireless companies to continue into the foreseeable future. Operating revenues and Operating income have been negatively impacted in current and prior periods, and are expected to be negatively impacted in future periods.

Total operating expenses

Total operating expenses for the six months ended June 30, 2023 include \$9 million of severance and related expenses associated with a reduction in workforce that was recorded in the first quarter of 2023. These severance expenses are included in System operations expenses and Selling, general and administrative expenses.

System operations expenses

System operations expenses decreased for the three and six months ended June 30, 2024, due primarily to decreases in customer usage and maintenance, utilities, and cell site expenses, partially offset by an increase in roaming expense primarily driven by an increase in outbound roaming usage.

Cost of equipment sold

Cost of equipment sold decreased for the three and six months ended June 30, 2024, due primarily to a decline in smartphone upgrades and gross additions, partially offset by a higher average cost per unit sold.

Selling, general and administrative expenses

Selling, general and administrative expenses decreased for the three and six months ended June 30, 2024, due to decreases in various general and administrative expenses, sales related expenses and bad debts expense, partially offset by an increase related to the strategic alternatives review expenses of \$12 million and \$20 million, respectively.

Towers Operations

As of June 30,	2024	2023	2024 vs. 2023
Owned towers	4,388	4,341	1 %
Number of colocations	2,392	2,458	(3)%
Tower tenancy rate	1.55	1.57	(1)%

Number of colocations

Number of colocations decreased for the period ended June 30, 2024 when compared to the same period last year due to an increase in terminations, partially offset by new tenant and equipment change executions.

Financial Overview — Towers

The following discussion and analysis compares financial results for the three and six months ended June 30, 2024 to the three and six months ended June 30, 2023.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	2024 vs. 2023	2024	2023	2024 vs. 2023
(Dollars in millions)						
Third-party revenues	\$ 25	\$ 25	1 %	\$ 51	\$ 50	2 %
Intra-company revenues	33	32	4 %	65	63	3 %
Total tower revenues	58	57	3 %	116	113	3 %
System operations (excluding Depreciation, amortization and accretion reported below)	19	19	(1)%	37	37	1 %
Selling, general and administrative	9	8	8 %	16	16	(3)%
Depreciation, amortization and accretion	11	12	(5)%	21	23	(5)%
(Gain) loss on asset disposals, net	—	—	N/M	1	—	N/M
Total operating expenses	39	39	1 %	75	76	(1)%
Operating income	\$ 19	\$ 18	7 %	\$ 41	\$ 37	10 %
Adjusted OIBDA (Non-GAAP) ¹	\$ 31	\$ 30	6 %	\$ 64	\$ 60	7 %
Adjusted EBITDA (Non-GAAP) ¹	\$ 31	\$ 30	6 %	\$ 64	\$ 60	7 %
Capital expenditures	\$ 5	\$ 3	N/M	\$ 9	\$ 5	89 %

N/M - Percentage change not meaningful

¹ Refer to Supplemental Information Relating to Non-GAAP Financial Measures within this MD&A for a reconciliation of this measure.

Key components of changes in the statement of operations line items were as follows:

Intra-company revenues

Intra-company revenues increased for the three and six months ended June 30, 2024, primarily as a result of an increase in the intra-company rate charged by Towers to Wireless.

Upon closing of the transaction to dispose of the wireless operations and select spectrum assets to T-Mobile, UScellular expects an increase in Third-party revenues that will be recognized under the Master License Agreement that will go into effect under the Securities Purchase Agreement. However, at such time Intra-company revenues would cease, resulting in significantly lower Total tower revenues in periods following the close.

Total operating expenses

Total operating expenses were relatively flat for the three and six months ended June 30, 2024.

Upon closing of the transaction to dispose of the wireless operations and select spectrum assets to T-Mobile, UScellular expects expenses may be incurred to effect the separation including costs to decommission certain towers and record remaining ground lease obligations on such decommissioned towers. These factors and other uncertainties in how the ongoing tower operations will be supported in the long-term may significantly impact operating expenses recorded in periods following the close.

Liquidity and Capital Resources

Sources of Liquidity

UScellular operates a capital-intensive business. In the past, UScellular's existing cash and investment balances, funds available under its financing agreements, and cash flows from operating and certain investing and financing activities, including sales of assets or businesses, provided sufficient liquidity and financial flexibility for UScellular to meet its day-to-day operating needs and debt service requirements, to finance the build-out and enhancement of markets and to fund wireless spectrum license acquisitions. There is no assurance that this will be the case in the future. UScellular has incurred negative free cash flow at times in past periods, and this could occur in future periods.

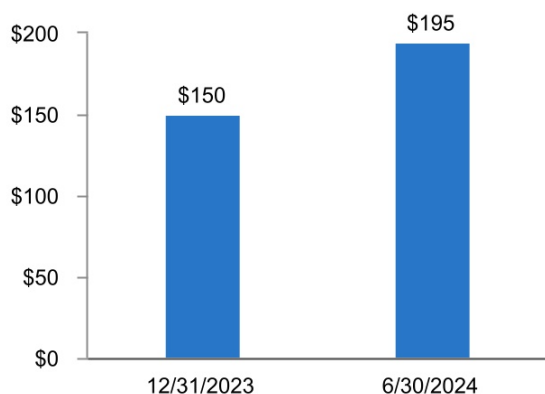
UScellular believes that existing cash and investment balances, funds available under its financing agreements, its ability to obtain future external financing, potential dispositions and expected cash flows from operating and investing activities will provide sufficient liquidity for UScellular to meet its day-to-day operating needs and debt service requirements. UScellular may require substantial additional funding for, among other uses, capital expenditures, agreements to purchase goods or services, leases, repurchases of shares, or making additional investments. It may be necessary from time to time to increase the size of its existing credit facilities, to amend existing or put in place new credit agreements, to obtain other forms of financing, issue equity securities, or to divest assets in order to fund potential expenditures. UScellular will continue to monitor the rapidly changing business and market conditions and is taking and intends to take appropriate actions, as necessary, to meet its liquidity needs.

Cash and Cash Equivalents

Cash and cash equivalents include cash and money market investments. The primary objective of UScellular's Cash and cash equivalents investment activities is to preserve principal.

Cash and Cash Equivalents

(Dollars in millions)



The majority of UScellular's Cash and cash equivalents are held in bank deposit accounts and in money market funds that purchase only debt issued by the U.S. Treasury or U.S. government agencies. Refer to the Consolidated Cash Flow Analysis for additional information related to changes in Cash and cash equivalents.

In addition to Cash and cash equivalents, UScellular had available undrawn borrowing capacity from the following debt facilities at June 30, 2024. See the Financing section below for further details.

(Dollars in millions)

Revolving Credit Agreement	\$	300
Receivables Securitization Agreement		448
Total available undrawn borrowing capacity	\$	748

Financing

Receivables Securitization Agreement

UScellular, through its subsidiaries, has a receivables securitization agreement that permits securitized borrowings using its equipment installment plan receivables. Amounts under the agreement may be borrowed, repaid and reborrowed from time to time until September 2025. Unless the agreement is amended to extend the maturity date, repayments based on receivable collections commence in October 2025. During the six months ended June 30, 2024, UScellular borrowed \$40 million and repaid \$188 million under the agreement. As of June 30, 2024, the outstanding borrowings under the agreement were \$2 million and the unused borrowing capacity was \$448 million, subject to sufficient collateral to satisfy the asset borrowing base provisions of the agreement.

Debt Covenants

The revolving credit agreement, term loan agreements, export credit financing agreement and receivables securitization agreement require UScellular to comply with certain affirmative and negative covenants, which include certain financial covenants that may restrict the borrowing capacity available. UScellular is required to maintain the Consolidated Leverage Ratio as of the end of any fiscal quarter at a level not to exceed the following: 4.00 to 1.00 from April 1, 2024 through March 31, 2025; 3.75 to 1.00 from April 1, 2025 and thereafter. UScellular is also required to maintain the Consolidated Interest Coverage Ratio at a level not lower than 3.00 to 1.00 as of the end of any fiscal quarter. UScellular believes that it was in compliance as of June 30, 2024 with all such financial covenants.

Other Long-Term Financing

UScellular has an effective shelf registration statement on Form S-3 to issue senior or subordinated debt securities, preferred shares and depository shares.

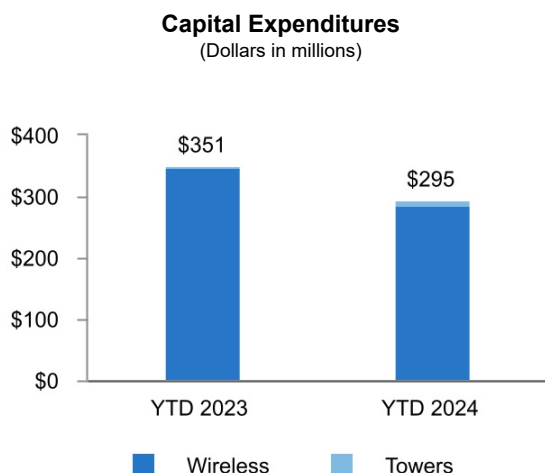
See Note 9 — Debt in the Notes to Consolidated Financial Statements for additional information related to the financing agreements.

Credit Ratings

Following the execution of the Securities Purchase Agreement in May 2024, Moody's placed UScellular's issuer credit rating on a review for downgrade. There was no change to the Ba1 rating issued by Moody's in October 2023. At the same time, Fitch Ratings placed UScellular's issuer credit rating on rating watch negative. There was no change to the BB+ rating issued by Fitch Ratings in October 2023. There was no change to the Standard & Poor's credit rating or outlook.

Capital Expenditures

Capital expenditures (i.e., additions to property, plant and equipment and system development expenditures; excludes wireless spectrum license additions), which include the effects of accruals and capitalized interest, for the six months ended June 30, 2024 and 2023, were as follows:



Capital expenditures for the full year 2024 are expected to be between \$550 million and \$650 million. These expenditures are expected to be used principally for the following purposes:

- Enhance and maintain UScellular's network capacity and coverage, including continued deployment of 5G with a focus on network deployment that uses mid-band spectrum to provide additional speed and capacity to accommodate increased data usage by current customers; and
- Invest in information technology to support existing and new services and products.

UScellular intends to finance its capital expenditures for 2024 using primarily Cash flows from operating activities, existing cash balances and, as required, additional debt financing from its existing agreements and/or other forms of available financing.

Divestitures

See Note 7 — Divestitures in the Notes to Consolidated Financial Statements for additional information related to divestitures.

The strategic alternatives review process is ongoing as UScellular seeks to opportunistically monetize its spectrum assets that are not subject to the Securities Purchase Agreement.

Other Obligations

UScellular will require capital for future spending on existing contractual obligations, including long-term debt obligations; lease commitments; commitments for device purchases, network facilities and transport services; agreements for software licensing; long-term marketing programs; and other agreements to purchase goods or services.

Variable Interest Entities

UScellular consolidates certain “variable interest entities” as defined under GAAP. See Note 10 — Variable Interest Entities in the Notes to Consolidated Financial Statements for additional information related to these variable interest entities. UScellular may elect to make additional capital contributions and/or advances to these variable interest entities in future periods to fund their operations.

Consolidated Cash Flow Analysis

UScellular operates a capital-intensive business. UScellular makes substantial investments to acquire wireless spectrum licenses and properties and to construct and upgrade wireless telecommunications networks and facilities with a goal of creating long-term value for shareholders. In recent years, rapid changes in technology and new opportunities have required substantial investments in potentially revenue-enhancing and cost-saving upgrades to UScellular's networks. Revenues from certain of these investments are long-term and in some cases are uncertain. To meet its cash-flow needs, UScellular may need to delay or reduce certain investments or sell assets. Refer to Liquidity and Capital Resources within this MD&A and Note 7 — Divestitures in the Notes to Consolidated Financial Statements for additional information. Cash flows may fluctuate from quarter to quarter and year to year due to seasonality, timing and other factors. The following discussion summarizes UScellular's cash flow activities for the six months ended June 30, 2024 and 2023.

2024 Commentary

UScellular's Cash, cash equivalents and restricted cash increased \$36 million. Net cash provided by operating activities was \$516 million due to net income of \$42 million adjusted for non-cash items of \$352 million, distributions received from unconsolidated entities of \$80 million, including \$37 million in distributions from the LA Partnership, and changes in working capital items which increased net cash by \$42 million. The working capital changes were primarily driven by reduced inventory balances and the timing of future tax payments, partially offset by payment of associate bonuses.

Cash flows used for investing activities were \$284 million, due primarily to payments for property, plant and equipment of \$270 million.

Cash flows used for financing activities were \$196 million, due primarily to \$188 million in repayments on the receivables securitization agreement and cash paid for software license agreements of \$20 million, partially offset by a borrowing of \$40 million on the receivables securitization agreement.

2023 Commentary

UScellular's Cash, cash equivalents and restricted cash decreased \$84 million. Net cash provided by operating activities was \$390 million due to net income of \$20 million adjusted for non-cash items of \$345 million, distributions received from unconsolidated entities of \$78 million, including \$37 million in distributions from the LA Partnership, and changes in working capital items which decreased net cash by \$53 million. The working capital changes were primarily driven by timing of vendor payments and payment of associate bonuses, partially offset by reduced inventory purchases and timing of collection on receivables.

Cash flows used for investing activities were \$345 million, due primarily to payments for property, plant and equipment of \$351 million.

Cash flows used for financing activities were \$129 million, due primarily to a repayment of \$150 million on the receivables securitization agreement, a \$60 million repayment on the EIP receivables repurchase agreement and cash paid for software license agreements of \$19 million, partially offset by \$115 million borrowed under the receivables securitization agreement.

Consolidated Balance Sheet Analysis

The following discussion addresses certain captions in the consolidated balance sheet and changes therein. This discussion is intended to highlight the significant changes and is not intended to fully reconcile the changes. Notable balance sheet changes during 2024 were as follows:

Inventory, net

Inventory, net decreased \$56 million due primarily to the sell through of inventory on hand which was elevated at the end of 2023 to support holiday promotions and ensure adequate device supply.

Property, plant and equipment

The gross basis of Property, plant and equipment as well as the related Accumulated depreciation and amortization, decreased by \$1,266 million and \$1,230 million, respectively, due primarily to the decommissioning of fully depreciated assets no longer in service related to the CDMA network shutdown.

Accrued compensation

Accrued compensation decreased \$26 million due primarily to associate bonus payments in March 2024.

Supplemental Information Relating to Non-GAAP Financial Measures

UScellular sometimes uses information derived from consolidated financial information but not presented in its financial statements prepared in accordance with GAAP to evaluate the performance of its business. Specifically, UScellular has referred to the following measures in this report:

- EBITDA
- Adjusted EBITDA
- Adjusted OIBDA
- Free cash flow

These measures are considered “non-GAAP financial measures” under U.S. Securities and Exchange Commission Rules. Following are explanations of each of these measures.

EBITDA, Adjusted EBITDA and Adjusted OIBDA

EBITDA, Adjusted EBITDA and Adjusted OIBDA are defined as Net income adjusted for the items set forth in the reconciliation below. EBITDA, Adjusted EBITDA and Adjusted OIBDA are not measures of financial performance under GAAP and should not be considered as alternatives to Net income or Cash flows from operating activities, as indicators of cash flows or as measures of liquidity. UScellular does not intend to imply that any such items set forth in the reconciliation below are non-recurring, infrequent or unusual; such items may occur in the future.

Adjusted EBITDA is a segment measure reported to the chief operating decision maker for purposes of assessing the segments' performance. See Note 11 — Business Segment Information in the Notes to Consolidated Financial Statements for additional information.

Management uses Adjusted EBITDA and Adjusted OIBDA as measurements of profitability, and therefore reconciliations to applicable GAAP income measures are deemed appropriate. Management believes Adjusted EBITDA and Adjusted OIBDA are useful measures of UScellular's operating results before significant recurring non-cash charges, nonrecurring expenses, gains and losses, and other items as presented below as they provide additional relevant and useful information to investors and other users of UScellular's financial data in evaluating the effectiveness of its operations and underlying business trends in a manner that is consistent with management's evaluation of business performance. Adjusted EBITDA shows adjusted earnings before interest, taxes, depreciation, amortization and accretion, gains and losses, and expenses related to the strategic alternatives review of UScellular, while Adjusted OIBDA reduces this measure further to exclude Equity in earnings of unconsolidated entities and Interest and dividend income in order to more effectively show the performance of operating activities excluding investment activities. The following tables reconcile EBITDA, Adjusted EBITDA and Adjusted OIBDA to the corresponding GAAP measures, Net income and/or Operating income. Income and expense items below Operating income are not provided at the individual segment level for Wireless and Towers; therefore, the reconciliations begin with EBITDA and the most directly comparable GAAP measure is Operating income rather than Net income at the segment level.

UScellular	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
(Dollars in millions)				
Net income (GAAP)	\$ 18	\$ 5	\$ 42	\$ 20
Add back:				
Income tax expense	14	19	41	29
Interest expense	45	51	91	99
Depreciation, amortization and accretion	165	161	329	330
EBITDA (Non-GAAP)	242	236	503	478
Add back or deduct:				
Expenses related to strategic alternatives review	13	—	21	—
(Gain) loss on asset disposals, net	5	3	11	13
(Gain) loss on license sales and exchanges, net	8	—	7	—
Adjusted EBITDA (Non-GAAP)	268	239	542	491
Deduct:				
Equity in earnings of unconsolidated entities	38	38	80	82
Interest and dividend income	3	3	6	5
Adjusted OIBDA (Non-GAAP)	227	198	456	404
Deduct:				
Depreciation, amortization and accretion	165	161	329	330
Expenses related to strategic alternatives review	13	—	21	—
(Gain) loss on asset disposals, net	5	3	11	13
(Gain) loss on license sales and exchanges, net	8	—	7	—
Operating income (GAAP)	\$ 36	\$ 34	\$ 88	\$ 61

UScellular Wireless	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
(Dollars in millions)				
EBITDA (Non-GAAP)	\$ 171	\$ 165	\$ 355	\$ 331
Add back or deduct:				
Expenses related to strategic alternatives review	12	—	20	—
(Gain) loss on asset disposals, net	5	3	10	13
(Gain) loss on license sales and exchanges, net	8	—	7	—
Adjusted EBITDA and Adjusted OIBDA (Non-GAAP)	196	168	392	344
Deduct:				
Depreciation, amortization and accretion	154	149	308	307
Expenses related to strategic alternatives review	12	—	20	—
(Gain) loss on asset disposals, net	5	3	10	13
(Gain) loss on license sales and exchanges, net	8	—	7	—
Operating income (GAAP)	\$ 17	\$ 16	\$ 47	\$ 24

UScellular Towers	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
(Dollars in millions)				
EBITDA (Non-GAAP)	\$ 30	\$ 30	\$ 62	\$ 60
Add back or deduct:				
Expenses related to strategic alternatives review	1	—	1	—
(Gain) loss on asset disposals	—	—	1	—
Adjusted EBITDA and Adjusted OIBDA (Non-GAAP)	31	30	64	60
Deduct:				
Depreciation, amortization and accretion	11	12	21	23
Expenses related to strategic alternatives review	1	—	1	—
(Gain) loss on asset disposals, net	—	—	1	—
Operating income (GAAP)	\$ 19	\$ 18	\$ 41	\$ 37

Free Cash Flow

The following table presents Free cash flow, which is defined as Cash flows from operating activities less Cash paid for additions to property, plant and equipment and Cash paid for software license agreements. Free cash flow is a non-GAAP financial measure which UScellular believes may be useful to investors and other users of its financial information in evaluating liquidity, specifically, the amount of net cash generated by business operations after deducting Cash paid for additions to property, plant and equipment and Cash paid for software license agreements.

	Six Months Ended June 30,	
	2024	2023
(Dollars in millions)		
Cash flows from operating activities (GAAP)	\$ 516	\$ 390
Cash paid for additions to property, plant and equipment	(270)	(351)
Cash paid for software license agreements	(20)	(19)
Free cash flow (Non-GAAP)	\$ 226	\$ 20

Application of Critical Accounting Policies and Estimates

UScellular prepares its consolidated financial statements in accordance with GAAP. UScellular's significant accounting policies are discussed in detail in Note 1 — Summary of Significant Accounting Policies, Note 2 — Revenue Recognition and Note 10 — Leases in the Notes to Consolidated Financial Statements included in UScellular's Form 10-K for the year ended December 31, 2023. UScellular's application of critical accounting policies and estimates is discussed in detail in Management's Discussion and Analysis of Financial Condition and Results of Operations, included in UScellular's Form 10-K for the year ended December 31, 2023.

Private Securities Litigation Reform Act of 1995 Safe Harbor Cautionary Statement

This Form 10-Q, including exhibits, contains statements that are not based on historical facts and represent forward-looking statements, as this term is defined in the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, that address activities, events or developments that UScellular intends, expects, projects, believes, estimates, plans or anticipates will or may occur in the future are forward-looking statements. The words “believes,” “anticipates,” “estimates,” “expects,” “plans,” “intends,” “projects” and similar expressions are intended to identify these forward-looking statements, but are not the exclusive means of identifying them. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events or developments to be significantly different from any future results, events or developments expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors include, but are not limited to, those set forth below, as more fully described under “Risk Factors” in UScellular’s Form 10-K for the year ended December 31, 2023 and in this Form 10-Q. Each of the following risks could have a material adverse effect on UScellular’s business, financial condition or results of operations. However, such factors are not necessarily all of the important factors that could cause actual results, performance or achievements to differ materially from those expressed in, or implied by, the forward-looking statements contained in this document. Other unknown or unpredictable factors also could have material adverse effects on future results, performance or achievements. UScellular undertakes no obligation to update publicly any forward-looking statements whether as a result of new information, future events or otherwise. You should carefully consider the Risk Factors in UScellular’s Form 10-K for the year ended December 31, 2023, the following factors and other information contained in, or incorporated by reference into, this Form 10-Q to understand the material risks relating to UScellular’s business, financial condition or results of operations.

Announced Transaction and Strategic Alternatives Review Risk Factors

- *TDS and UScellular entered into a Securities Purchase Agreement dated as of May 24, 2024 with T-Mobile US, Inc. and USCC Wireless Holdings, LLC, pursuant to which, among other things, UScellular has agreed to sell its wireless operations and select spectrum assets to T-Mobile. There is no guarantee that the transactions contemplated by the Securities Purchase Agreement will be able to be consummated or that UScellular will be able to find buyers at mutually agreeable prices for its spectrum assets not subject to the Securities Purchase Agreement.*

Operational Risk Factors

- *Intense competition involving products, services, pricing, promotions and network speed and technologies could adversely affect UScellular’s revenues or increase its costs to compete.*
- *Changes in roaming practices or other factors could cause UScellular’s roaming revenues to decline from current levels, roaming expenses to increase from current levels and/or impact UScellular’s ability to service its customers in geographic areas where UScellular does not have its own network, which could have an adverse effect on UScellular’s business, financial condition or results of operations.*
- *An inability to attract diverse people of outstanding talent throughout all levels of the organization, to develop their potential through education and assignments, and to retain them by keeping them engaged, challenged and properly rewarded could have an adverse effect on UScellular’s business, financial condition or results of operations.*
- *UScellular’s smaller scale relative to larger competitors that may have greater financial and other resources than UScellular could cause UScellular to be unable to compete successfully, which could adversely affect its business, financial condition or results of operations.*
- *Changes in various business factors, including changes in demand, consumer preferences and perceptions, price competition, churn from customer switching activity and other factors, could have an adverse effect on UScellular’s business, financial condition or results of operations.*
- *A failure by UScellular to obtain access to adequate radio spectrum to meet current or anticipated future needs and/or to accurately predict future needs for radio spectrum could have an adverse effect on UScellular’s business, financial condition or results of operations.*
- *Advances or changes in technology could render certain technologies used by UScellular obsolete, could put UScellular at a competitive disadvantage, could reduce UScellular’s revenues or could increase its costs of doing business.*
- *Complexities associated with deploying new technologies present substantial risk and UScellular investments in unproven technologies may not produce the benefits that UScellular expects.*
- *Costs, integration problems or other factors associated with acquisitions, divestitures or exchanges of properties or wireless spectrum licenses and/or expansion of UScellular’s business could have an adverse effect on UScellular’s business, financial condition or results of operations.*
- *A failure by UScellular to complete significant network construction and systems implementation activities as part of its plans to improve the quality, coverage, capabilities and capacity of its network, support and other systems and infrastructure could have an adverse effect on its operations.*

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- *Difficulties involving third parties with which UScellular does business, including changes in UScellular's relationships with or financial or operational difficulties, including supply chain disruptions, of key suppliers or independent agents and third-party national retailers who market UScellular's services, could adversely affect UScellular's business, financial condition or results of operations.*
- *A failure by UScellular to maintain flexible and capable telecommunication networks or information technologies, or a material disruption thereof, could have an adverse effect on UScellular's business, financial condition or results of operations.*

Financial Risk Factors

- *Uncertainty in UScellular's or TDS' future cash flow and liquidity or the inability to access capital, deterioration in the capital markets, changes in interest rates, other changes in UScellular's or TDS' performance or market conditions, changes in UScellular's or TDS' credit ratings or other factors could limit or restrict the availability of financing on terms and prices acceptable to UScellular, which has required and could in the future require UScellular to reduce or delay its construction, development or acquisition programs, reduce the amount of wireless spectrum licenses acquired, divest assets or businesses, and/or reduce or cease share repurchases.*
- *UScellular has a significant amount of indebtedness which could adversely affect its financial performance and in turn adversely affect its ability to make payments on its indebtedness, comply with terms of debt covenants and incur additional debt.*
- *UScellular's assets and revenue are concentrated in the U.S. wireless telecommunications industry. Consequently, its operating results may fluctuate based on factors related primarily to conditions in this industry.*
- *UScellular has significant investments in entities that it does not control. Losses in the value of such investments could have an adverse effect on UScellular's financial condition or results of operations.*

Regulatory, Legal and Governance Risk Factors

- *Failure by UScellular to timely or fully comply with any existing applicable legislative and/or regulatory requirements or changes thereto could adversely affect UScellular's business, financial condition or results of operations.*
- *UScellular receives significant regulatory support, and is also subject to numerous surcharges and fees from federal, state and local governments – the applicability and the amount of the support and fees are subject to uncertainty, including the ability to pass through certain fees to customers, and this uncertainty could have an adverse effect on UScellular's business, financial condition or results of operations.*
- *Settlements, judgments, restraints on its current or future manner of doing business and/or legal costs resulting from pending and future litigation could have an adverse effect on UScellular's business, financial condition or results of operations.*
- *The possible development of adverse precedent in litigation or conclusions in professional or environmental studies to the effect that potentially harmful emissions from devices or network equipment, including but not limited to radio frequencies emitted by wireless signals, may cause harmful health or environmental consequences, including cancer, tumors or otherwise harmful impacts, or may interfere with various electronic medical devices or frequencies used by other industries, could have an adverse effect on UScellular's business, financial condition or results of operations.*
- *Claims of infringement of intellectual property and proprietary rights of others, primarily involving patent infringement claims, could prevent UScellular from using necessary technology to provide products or services or subject UScellular to expensive intellectual property litigation or monetary penalties, which could have an adverse effect on UScellular's business, financial condition or results of operations.*
- *There are potential conflicts of interests between TDS and UScellular.*
- *Certain matters, such as control by TDS and provisions in the UScellular Restated Certificate of Incorporation, may serve to discourage or make more difficult a change in control of UScellular or have other consequences.*

General Risk Factors

- *UScellular has experienced, and in the future expects to experience, cyber-attacks or other breaches of network or information technology security of varying degrees on a regular basis, which could have an adverse effect on UScellular's business, financial condition or results of operations.*
- *Disruption in credit or other financial markets, a deterioration of U.S. or global economic conditions or other events could, among other things, impede UScellular's access to or increase the cost of financing its operating and investment activities and/or result in reduced revenues and lower operating income and cash flows, which would have an adverse effect on UScellular's business, financial condition or results of operations.*
- *The impact of public health emergencies on UScellular's business is uncertain, but depending on duration and severity could have a material adverse effect on UScellular's business, financial condition or results of operations.*

Risk Factors

In addition to the information set forth in this Form 10-Q, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in UScellular’s Form 10-K for the year ended December 31, 2023, which could materially affect UScellular’s business, financial condition or future results. The risks described in this Form 10-Q and the Form 10-K for the year ended December 31, 2023, may not be the only risks that could affect UScellular. Additional unidentified or unrecognized risks and uncertainties could materially adversely affect UScellular’s business, financial condition and/or operating results. Subject to the foregoing and other than the risk factors set forth below, UScellular has not identified for disclosure any material changes to the risk factors as previously disclosed in UScellular’s Annual Report on Form 10-K for the year ended December 31, 2023.

TDS and UScellular entered into a Securities Purchase Agreement dated as of May 24, 2024 with T-Mobile US, Inc. and USCC Wireless Holdings, LLC, pursuant to which, among other things, UScellular has agreed to sell its wireless operations and select spectrum assets to T-Mobile. There is no guarantee that the transactions contemplated by the Securities Purchase Agreement will be able to be consummated or that UScellular will be able to find buyers at mutually agreeable prices for its spectrum assets not subject to the Securities Purchase Agreement.

On August 4, 2023, TDS and UScellular announced that the Boards of Directors of both companies decided to initiate a process to explore a range of strategic alternatives for UScellular. As part of this review, on May 28, 2024, UScellular announced that its Board of Directors unanimously approved the execution of the Securities Purchase Agreement pursuant to which, among other things, UScellular has agreed to sell its wireless operations and select spectrum assets to T-Mobile (the Transactions). The Transactions are expected to close in mid-2025, subject to the receipt of regulatory approvals and the satisfaction of customary closing conditions.

The Transactions may not be completed on the terms or timeline currently contemplated, or at all, as UScellular may be unable to satisfy the conditions or obtain the approvals required to consummate the Transactions. In addition, UScellular may be unable to find buyers at mutually agreeable prices for its spectrum assets not subject to the Securities Purchase Agreement.

The uncertainty regarding the Transactions and continued strategic alternatives review process could result in: a diversion of management’s attention from UScellular’s existing business; a failure to achieve financial and operating objectives; adverse effects on UScellular’s financial condition or results of operations; a failure to retain key personnel, customers, business partners or contracts; and volatility in UScellular’s stock price.

In addition, the strategic alternatives review process has already resulted in the incurrence of significant expense - this is expected to continue. The execution of the Securities Purchase Agreement impacted UScellular’s units of accounting and asset groups for purposes of assessing wireless spectrum licenses and property, plant and equipment for impairment, but did not require an impairment assessment to be performed. There may be future events that could require an impairment assessment to be performed which may result in an impairment. There can be no assurance that such comprehensive process, which is ongoing, will result in the Transactions or any strategic alternative of any kind being successfully completed or that the process or any outcomes of the process will not have an adverse impact on UScellular’s business or financial statements.

UScellular receives significant regulatory support, and is also subject to numerous surcharges and fees from federal, state and local governments – the applicability and the amount of the support and fees are subject to uncertainty, including the ability to pass through certain fees to customers, and this uncertainty could have an adverse effect on UScellular’s business, financial condition or results of operations.

Telecommunications companies may be designated by states, or in some cases by the FCC, as an Eligible Telecommunications Carrier (ETC) to receive universal service support payments if they provide specified services in “high-cost” areas. UScellular has been designated as an ETC in certain states and received \$92 million in high-cost support for service to high-cost areas in 2023. While there is uncertainty, UScellular expects that regulatory support payments will likely decline in future periods, and there is no assurance that UScellular will qualify for future regulatory support programs. If regulatory support is discontinued or reduced from current levels, or if receipt of future regulatory support is contingent upon making certain network-related expenditures, this could have an adverse effect on UScellular’s business, financial condition or operating results and cash flows. Adding to this uncertainty are a series of court cases challenging the constitutionality of the universal service fund program that establishes and administers these regulatory support payments. On July 24, 2024, differing from earlier decisions at the Sixth and Eleventh Circuits, the U.S. Court of Appeals for the Fifth Circuit sitting in en banc review ruled that the universal service fund program is unconstitutional as currently administered, and remanded the case to the FCC. Parties may seek review of the Fifth Circuit decision in the Supreme Court and congressional action reforming the universal service funding program is also possible. This ruling may have significant adverse effects on the funding that UScellular receives from programs like high-cost support. Additionally, the decision may have significant adverse effects on federal government supported programs that many of UScellular’s customers benefit from.

Telecommunications providers pay a variety of surcharges and fees on their gross revenues from interstate and intrastate services, including USF fees and common carrier regulatory fees. The division of services between interstate services and intrastate services, including the divisions associated with Federal USF fees, is a matter of interpretation and in the future may be contested by the FCC or state authorities. The FCC in the future also may change the basis on which Federal USF fees are charged. The Federal government and many states also apply transaction-based taxes to sales of telecommunications services and products and to purchases of telecommunications services from various carriers. In addition, state regulators and local governments have imposed and may continue to impose various surcharges, taxes and fees on telecommunications services. The applicability of these surcharges and fees to UScellular's services is uncertain in many cases and periodically, state and federal regulators may increase or change the surcharges and fees UScellular currently pays. In some instances, UScellular passes through these charges to its customers. However, Congress, the FCC, state regulatory agencies or state legislatures may limit the ability to pass through transaction-based tax liabilities, regulatory surcharges and regulatory fees imposed on UScellular to customers. UScellular may or may not be able to recover some or all of those taxes from its customers and the amount of taxes may deter demand for its services or increase its cost to provide service.

Quantitative and Qualitative Disclosures about Market Risk

Market Risk

As of June 30, 2024, approximately 70% of UScellular's long-term debt was in fixed-rate senior notes and approximately 30% in variable-rate debt. Fluctuations in market interest rates can lead to volatility in the fair value of fixed-rate notes and interest expense on variable-rate debt.

The following table presents the scheduled principal payments on long-term debt, lease obligations, and the related weighted average interest rates by maturity dates at June 30, 2024.

	Principal Payments Due by Period	
	Long-Term Debt Obligations ¹	Weighted-Avg. Interest Rates on Long-Term Debt Obligations ²
(Dollars in millions)		
Remainder of 2024	\$ 10	7.1 %
2025	20	7.1 %
2026	268	7.0 %
2027	158	6.5 %
2028	286	7.5 %
Thereafter	2,228	6.2 %
Total	\$ 2,970	6.4 %

¹ The total long-term debt obligation differs from Long-term debt in the Consolidated Balance Sheet due to unamortized debt issuance costs on all non-revolving debt instruments, unamortized discounts related to the 6.7% Senior Notes, and outstanding borrowings under the receivables securitization agreement, which principal repayments are not scheduled but are instead based on actual receivable collections.

² Represents the weighted average stated interest rates at June 30, 2024, for debt maturing in the respective periods.

See Note 3 — Fair Value Measurements in the Notes to Consolidated Financial Statements for additional information related to the fair value of UScellular's Long-term debt as of June 30, 2024.

Financial Statements

United States Cellular Corporation Consolidated Statement of Operations (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
(Dollars and shares in millions, except per share amounts)				
Operating revenues				
Service	\$ 743	\$ 760	\$ 1,497	\$ 1,527
Equipment sales	184	197	380	415
Total operating revenues	927	957	1,877	1,942
Operating expenses				
System operations (excluding Depreciation, amortization and accretion reported below)	180	190	362	372
Cost of equipment sold	211	228	427	480
Selling, general and administrative	322	341	653	686
Depreciation, amortization and accretion	165	161	329	330
(Gain) loss on asset disposals, net	5	3	11	13
(Gain) loss on license sales and exchanges, net	8	—	7	—
Total operating expenses	891	923	1,789	1,881
Operating income	36	34	88	61
Investment and other income (expense)				
Equity in earnings of unconsolidated entities	38	38	80	82
Interest and dividend income	3	3	6	5
Interest expense	(45)	(51)	(91)	(99)
Total investment and other expense	(4)	(10)	(5)	(12)
Income before income taxes	32	24	83	49
Income tax expense	14	19	41	29
Net income	18	5	42	20
Less: Net income attributable to noncontrolling interests, net of tax	1	—	7	2
Net income attributable to UScellular shareholders	\$ 17	\$ 5	\$ 35	\$ 18
Basic weighted average shares outstanding	86	85	86	85
Basic earnings per share attributable to UScellular shareholders	\$ 0.20	\$ 0.05	\$ 0.41	\$ 0.21
Diluted weighted average shares outstanding	88	86	88	86
Diluted earnings per share attributable to UScellular shareholders	\$ 0.20	\$ 0.05	\$ 0.40	\$ 0.20

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

United States Cellular Corporation
Consolidated Statement of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
	2024	2023
(Dollars in millions)		
Cash flows from operating activities		
Net income	\$ 42	\$ 20
Add (deduct) adjustments to reconcile net income to net cash flows from operating activities		
Depreciation, amortization and accretion	329	330
Bad debts expense	46	50
Stock-based compensation expense	25	6
Deferred income taxes, net	11	25
Equity in earnings of unconsolidated entities	(80)	(82)
Distributions from unconsolidated entities	80	78
(Gain) loss on asset disposals, net	11	13
(Gain) loss on license sales and exchanges, net	7	—
Other operating activities	3	3
Changes in assets and liabilities from operations		
Accounts receivable	(1)	35
Equipment installment plans receivable	5	7
Inventory	57	52
Accounts payable	—	(106)
Customer deposits and deferred revenues	6	(9)
Accrued taxes	20	1
Accrued interest	(1)	(1)
Other assets and liabilities	(44)	(32)
Net cash provided by operating activities	<u>516</u>	<u>390</u>
Cash flows from investing activities		
Cash paid for additions to property, plant and equipment	(270)	(351)
Cash paid for licenses	(15)	(8)
Other investing activities	1	14
Net cash used in investing activities	<u>(284)</u>	<u>(345)</u>
Cash flows from financing activities		
Issuance of long-term debt	40	115
Repayment of long-term debt	(198)	(156)
Repayment of short-term debt	—	(60)
Tax payments for stock-based compensation awards	(12)	(6)
Distributions to noncontrolling interests	(3)	(2)
Cash paid for software license agreements	(20)	(19)
Other financing activities	(3)	(1)
Net cash used in financing activities	<u>(196)</u>	<u>(129)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	36	(84)
Cash, cash equivalents and restricted cash		
Beginning of period	179	308
End of period	<u>\$ 215</u>	<u>\$ 224</u>

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

United States Cellular Corporation
Consolidated Balance Sheet — Assets
(Unaudited)

	June 30, 2024	December 31, 2023
(Dollars in millions)		
Current assets		
Cash and cash equivalents	\$ 195	\$ 150
Accounts receivable		
Customers and agents, less allowances of \$61 and \$66, respectively	891	900
Affiliated	—	3
Other, less allowances of \$2 and \$4, respectively	61	54
Inventory, net	143	199
Prepaid expenses	58	57
Income taxes receivable	—	1
Other current assets	26	36
Total current assets	<u>1,374</u>	<u>1,400</u>
Assets held for sale	—	15
Licenses	4,715	4,693
Investments in unconsolidated entities	461	461
Property, plant and equipment		
In service and under construction	8,294	9,560
Less: Accumulated depreciation and amortization	5,754	6,984
Property, plant and equipment, net	<u>2,540</u>	<u>2,576</u>
Operating lease right-of-use assets	906	915
Other assets and deferred charges	643	690
Total assets¹	<u>\$ 10,639</u>	<u>\$ 10,750</u>

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

United States Cellular Corporation
Consolidated Balance Sheet — Liabilities and Equity
(Unaudited)

June 30, 2024

December 31, 2023

(Dollars and shares in millions, except per share amounts)

	June 30, 2024	December 31, 2023
Current liabilities		
Current portion of long-term debt	\$ 20	\$ 20
Accounts payable		
Affiliated	7	7
Trade	261	241
Customer deposits and deferred revenues	236	229
Accrued taxes	41	32
Accrued compensation	57	83
Short-term operating lease liabilities	134	135
Other current liabilities	130	154
Total current liabilities	<u>886</u>	<u>901</u>
Deferred liabilities and credits		
Deferred income tax liability, net	765	755
Long-term operating lease liabilities	822	831
Other deferred liabilities and credits	573	565
Long-term debt, net	2,887	3,044
Commitments and contingencies		
Noncontrolling interests with redemption features	16	12
Equity		
UScellular shareholders' equity		
Series A Common and Common Shares		
Authorized 190 shares (50 Series A Common and 140 Common Shares)		
Issued 88 shares (33 Series A Common and 55 Common Shares)		
Outstanding 86 shares (33 Series A Common and 53 Common Shares) and 85 shares (33 Series A Common and 52 Common Shares), respectively		
Par Value (\$1.00 per share) (\$33 Series A Common and \$55 Common Shares)	88	88
Additional paid-in capital	1,752	1,726
Treasury shares, at cost, 2 and 3 Common Shares, respectively	(58)	(80)
Retained earnings	2,893	2,892
Total UScellular shareholders' equity	<u>4,675</u>	<u>4,626</u>
Noncontrolling interests	15	16
Total equity	<u>4,690</u>	<u>4,642</u>
Total liabilities and equity¹	\$ 10,639	\$ 10,750

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

¹ The consolidated total assets as of June 30, 2024 and December 31, 2023, include assets held by consolidated variable interest entities (VIEs) of \$1,086 million and \$1,217 million, respectively, which are not available to be used to settle the obligations of UScellular. The consolidated total liabilities as of June 30, 2024 and December 31, 2023, include certain liabilities of consolidated VIEs of \$26 million, for which the creditors of the VIEs have no recourse to the general credit of UScellular. See Note 10 — Variable Interest Entities for additional information.

United States Cellular Corporation
Consolidated Statement of Changes in Equity
(Unaudited)

UScellular Shareholders

	Series A Common and Common shares	Additional paid-in capital	Treasury shares	Retained earnings	Total UScellular shareholders' equity	Noncontrolling interests	Total equity
(Dollars in millions)							
March 31, 2024	\$ 88	\$ 1,740	\$ (80)	\$ 2,910	\$ 4,658	\$ 15	\$ 4,673
Net income attributable to UScellular shareholders	—	—	—	17	17	—	17
Net income attributable to noncontrolling interests classified as equity	—	—	—	—	—	1	1
Incentive and compensation plans	—	12	22	(34)	—	—	—
Distributions to noncontrolling interests	—	—	—	—	—	(1)	(1)
June 30, 2024	<u>\$ 88</u>	<u>\$ 1,752</u>	<u>\$ (58)</u>	<u>\$ 2,893</u>	<u>\$ 4,675</u>	<u>\$ 15</u>	<u>\$ 4,690</u>

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

United States Cellular Corporation
Consolidated Statement of Changes in Equity
(Unaudited)

	UScellular Shareholders						
	Series A Common and Common shares	Additional paid-in capital	Treasury shares	Retained earnings	Total UScellular shareholders' equity	Noncontrolling interests	Total equity
(Dollars in millions)							
March 31, 2023	\$ 88	\$ 1,704	\$ (96)	\$ 2,872	\$ 4,568	\$ 15	\$ 4,583
Net income attributable to UScellular shareholders	—	—	—	5	5	—	5
Net income attributable to noncontrolling interests classified as equity	—	—	—	—	—	2	2
Incentive and compensation plans	—	6	16	(22)	—	—	—
Distributions to noncontrolling interests	—	—	—	—	—	(1)	(1)
June 30, 2023	\$ 88	\$ 1,710	\$ (80)	\$ 2,855	\$ 4,573	\$ 16	\$ 4,589

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

United States Cellular Corporation
Consolidated Statement of Changes in Equity
(Unaudited)

	UScellular Shareholders						
	Series A Common and Common shares	Additional paid-in capital	Treasury shares	Retained earnings	Total UScellular shareholders' equity	Noncontrolling interests	Total equity
(Dollars in millions)							
December 31, 2023	\$ 88	\$ 1,726	\$ (80)	\$ 2,892	\$ 4,626	\$ 16	\$ 4,642
Net income attributable to UScellular shareholders	—	—	—	35	35	—	35
Net income attributable to noncontrolling interests classified as equity	—	—	—	—	—	1	1
Incentive and compensation plans	—	26	22	(34)	14	—	14
Distributions to noncontrolling interests	—	—	—	—	—	(2)	(2)
June 30, 2024	\$ 88	\$ 1,752	\$ (58)	\$ 2,893	\$ 4,675	\$ 15	\$ 4,690

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

United States Cellular Corporation
Consolidated Statement of Changes in Equity
(Unaudited)

	UScellular Shareholders						
	Series A Common and Common shares	Additional paid-in capital	Treasury shares	Retained earnings	Total UScellular shareholders' equity	Noncontrolling interests	Total equity
(Dollars in millions)							
December 31, 2022	\$ 88	\$ 1,703	\$ (98)	\$ 2,861	\$ 4,554	\$ 16	\$ 4,570
Net income attributable to UScellular shareholders	—	—	—	18	18	—	18
Net income attributable to noncontrolling interests classified as equity	—	—	—	—	—	2	2
Incentive and compensation plans	—	7	18	(24)	1	—	1
Distributions to noncontrolling interests	—	—	—	—	—	(2)	(2)
June 30, 2023	\$ 88	\$ 1,710	\$ (80)	\$ 2,855	\$ 4,573	\$ 16	\$ 4,589

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

United States Cellular Corporation Notes to Consolidated Financial Statements

Note 1 Basis of Presentation

United States Cellular Corporation (UScellular), a Delaware Corporation, is an 82%-owned subsidiary of Telephone and Data Systems, Inc. (TDS).

The accounting policies of UScellular conform to accounting principles generally accepted in the United States of America (GAAP) as set forth in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Unless otherwise specified, references to accounting provisions and GAAP in these notes refer to the requirements of the FASB ASC. The consolidated financial statements include the accounts of UScellular, subsidiaries in which it has a controlling financial interest, general partnerships in which UScellular has a majority partnership interest and certain entities in which UScellular has a variable interest that requires consolidation into the UScellular financial statements under GAAP. Intercompany accounts and transactions have been eliminated.

Certain numbers included herein are rounded to millions for ease of presentation; however, certain calculated amounts and percentages are determined using the unrounded numbers. These unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in UScellular's Annual Report on Form 10-K (Form 10-K) for the year ended December 31, 2023.

The accompanying unaudited consolidated financial statements contain all adjustments (consisting of normal recurring items, unless otherwise disclosed) necessary for the fair statement of UScellular's financial position as of June 30, 2024 and December 31, 2023, its results of operations and changes in equity for the three and six months ended June 30, 2024 and 2023, and its cash flows for the six months ended June 30, 2024 and 2023. The Consolidated Statement of Comprehensive Income was not included because comprehensive income for the three and six months ended June 30, 2024 and 2023, equaled net income. These results are not necessarily indicative of the results to be expected for the full year. UScellular has not changed its significant accounting and reporting policies from those disclosed in its Form 10-K for the year ended December 31, 2023.

Change in Reportable Segments

During the second quarter of 2024, UScellular modified its reporting structure due to the planned disposal of its wireless operations and, as a result, disaggregated its operations into two reportable segments – Wireless and Towers. This presentation reflects how UScellular's chief operating decision maker allocates resources and evaluates operating performance following this strategic shift. Prior periods have been updated to conform to the new reportable segments. See Note 11 — Business Segment Information for additional information about UScellular's segments.

Software License Agreements

Certain software licenses are recorded as acquisitions of property, plant and equipment and the incurrence of a liability to the extent that the license fees are not fully paid at acquisition, and are treated as non-cash activity in the Consolidated Statement of Cash Flows. Such acquisitions of software licenses that are not reflected as Cash paid for additions to property, plant and equipment were \$6 million and \$11 million for the six months ended June 30, 2024 and 2023, respectively.

Restricted Cash

UScellular presents restricted cash with cash and cash equivalents in the Consolidated Statement of Cash Flows. Restricted cash primarily consists of balances required under the receivables securitization agreement. See Note 9 — Debt for additional information related to the receivables securitization agreement. The following table provides a reconciliation of Cash and cash equivalents and restricted cash reported in the Consolidated Balance Sheet to the total of the amounts in the Consolidated Statement of Cash Flows.

	June 30, 2024	December 31, 2023
(Dollars in millions)		
Cash and cash equivalents	\$ 195	\$ 150
Restricted cash included in Other current assets	20	29
Cash, cash equivalents and restricted cash in the statement of cash flows	<u>\$ 215</u>	<u>\$ 179</u>

Note 2 Revenue Recognition

Disaggregation of Revenue

In the following table, UScellular's revenues are disaggregated by type of service, which represents the relevant categorization of revenues for UScellular, and timing of recognition. Service revenues are recognized over time and Equipment sales are recognized at a point in time.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
(Dollars in millions)				
Revenues from contracts with customers:				
Retail service	\$ 666	\$ 686	\$ 1,344	\$ 1,378
Other service	52	49	102	99
Service revenues from contracts with customers	718	735	1,446	1,477
Equipment sales	184	197	380	415
Total revenues from contracts with customers ¹	902	932	1,826	1,892
Operating lease income ¹	25	25	51	50
Total operating revenues	\$ 927	\$ 957	\$ 1,877	\$ 1,942

¹ Total revenues from contracts with customers represents revenues related to the Wireless segment and Operating lease income represents revenues related to the Towers segment.

Contract Balances

The following table provides balances for contract assets from contracts with customers, which are recorded in Other current assets and Other assets and deferred charges in the Consolidated Balance Sheet, and contract liabilities from contracts with customers, which are recorded in Customer deposits and deferred revenues and Other deferred liabilities and credits in the Consolidated Balance Sheet.

	June 30, 2024	December 31, 2023
(Dollars in millions)		
Contract assets	\$ 4	\$ 4
Contract liabilities	\$ 329	\$ 331

Revenue recognized related to contract liabilities existing at January 1, 2024 was \$143 million for the six months ended June 30, 2024.

Transaction price allocated to the remaining performance obligations

The following table includes estimated service revenues expected to be recognized related to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period. These estimates represent service revenues to be recognized when wireless services are delivered to customers pursuant to service plan contracts and under certain roaming agreements with other carriers. These estimates are based on contracts in place as of June 30, 2024 and may vary from actual results. As practical expedients, revenue related to contracts of less than one year, generally month-to-month contracts, and contracts with a fixed per-unit price and variable quantity, are excluded from these estimates.

	Service Revenues
(Dollars in millions)	
Remainder of 2024	\$ 182
2025	143
Thereafter	71
Total	\$ 396

Contract Cost Assets

UScellular expects that commission fees paid as a result of obtaining contracts are recoverable, and therefore UScellular defers and amortizes these costs. As a practical expedient, costs with an amortization period of one year or less are expensed as incurred. The contract cost asset balance related to commission fees and other costs was \$127 million at both June 30, 2024 and December 31, 2023, and was recorded in Other assets and deferred charges in the Consolidated Balance Sheet. Deferred commission fees are amortized based on the timing of transfer of the goods or services to which the assets relate, typically the contract term. Amortization of contract cost assets was \$21 million and \$43 million for the three and six months ended June 30, 2024, respectively, and \$23 million and \$47 million for the three and six months ended June 30, 2023, respectively, and was included in Selling, general and administrative expenses.

Note 3 Fair Value Measurements

As of June 30, 2024 and December 31, 2023, UScellular did not have any material financial or nonfinancial assets or liabilities that were required to be recorded at fair value in its Consolidated Balance Sheet in accordance with GAAP.

The provisions of GAAP establish a fair value hierarchy that contains three levels for inputs used in fair value measurements. Level 1 inputs include quoted market prices for identical assets or liabilities in active markets. Level 2 inputs include quoted market prices for similar assets and liabilities in active markets or quoted market prices for identical assets and liabilities in inactive markets. Level 3 inputs are unobservable. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. A financial instrument's level within the fair value hierarchy is not representative of its expected performance or its overall risk profile and, therefore Level 3 assets are not necessarily higher risk than Level 2 assets or Level 1 assets.

As of June 30, 2024, UScellular recorded a net written call option at fair value, which was considered Level 3 within the fair value hierarchy. See Note 7 — Divestitures for additional information.

UScellular has applied the provisions of fair value accounting for purposes of computing the fair value of financial instruments for disclosure purposes as displayed below.

	Level within the Fair Value Hierarchy	June 30, 2024		December 31, 2023	
		Book Value	Fair Value	Book Value	Fair Value
(Dollars in millions)					
Long-term debt	2	\$ 2,942	\$ 2,743	\$ 3,099	\$ 2,611

Long-term debt excludes lease obligations, the current portion of Long-term debt and debt financing costs. The fair value of Long-term debt was estimated using various methods, including quoted market prices and discounted cash flow analyses.

The fair values of Cash and cash equivalents, restricted cash and short-term debt approximate their book values due to the short-term nature of these financial instruments.

Note 4 Equipment Installment Plans

UScellular sells devices to customers under equipment installment plans over a specified time period. For certain equipment installment plans, after a specified period of time or amount of payments, the customer may have the right to upgrade to a new device and have the remaining unpaid equipment installment contract balance waived, subject to certain conditions, including trading in the original device in good working condition and signing a new equipment installment contract.

The following table summarizes equipment installment plan receivables.

	June 30, 2024	December 31, 2023
(Dollars in millions)		
Equipment installment plan receivables, gross	\$ 1,101	\$ 1,151
Allowance for credit losses	(85)	(90)
Equipment installment plan receivables, net	\$ 1,016	\$ 1,061

Net balance presented in the Consolidated Balance Sheet as:

Accounts receivable — Customers and agents (Current portion)	\$ 578	\$ 577
Other assets and deferred charges (Non-current portion)	438	484
Equipment installment plan receivables, net	\$ 1,016	\$ 1,061

UScellular uses various inputs to evaluate the credit profiles of its customers, including internal data, information from credit bureaus and other sources. From this evaluation, a credit class is assigned to the customer that determines the number of eligible lines, the amount of credit available, and the down payment requirement, if any. These credit classes are grouped into four credit categories: lowest risk, lower risk, slight risk and higher risk. A customer's assigned credit class is reviewed periodically and a change is made, if appropriate. An equipment installment plan billed amount is considered past due if not paid within 30 days. The balance and aging of the equipment installment plan receivables on a gross basis by credit category were as follows:

	June 30, 2024					December 31, 2023				
	Lowest Risk	Lower Risk	Slight Risk	Higher Risk	Total	Lowest Risk	Lower Risk	Slight Risk	Higher Risk	Total
(Dollars in millions)										
Unbilled	\$ 960	\$ 65	\$ 12	\$ 5	\$ 1,042	\$ 977	\$ 88	\$ 16	\$ 4	\$ 1,085
Billed — current	39	3	1	—	43	35	5	2	1	43
Billed — past due	10	4	1	1	16	12	7	3	1	23
Total	<u>\$ 1,009</u>	<u>\$ 72</u>	<u>\$ 14</u>	<u>\$ 6</u>	<u>\$ 1,101</u>	<u>\$ 1,024</u>	<u>\$ 100</u>	<u>\$ 21</u>	<u>\$ 6</u>	<u>\$ 1,151</u>

The balance of the equipment installment plan receivables as of June 30, 2024 on a gross basis by year of origination were as follows:

	2021	2022	2023	2024	Total
(Dollars in millions)					
Lowest Risk	\$ 3	\$ 259	\$ 462	\$ 285	\$ 1,009
Lower Risk	—	11	32	29	72
Slight Risk	—	1	6	7	14
Higher Risk	—	—	3	3	6
Total	<u>\$ 3</u>	<u>\$ 271</u>	<u>\$ 503</u>	<u>\$ 324</u>	<u>\$ 1,101</u>

The write-offs, net of recoveries for the six months ended June 30, 2024 on a gross basis by year of origination were as follows:

	2021	2022	2023	2024	Total
(Dollars in millions)					
Write-offs, net of recoveries	\$ (1)	\$ 13	\$ 25	\$ 1	\$ 38

Activity for the six months ended June 30, 2024 and 2023, in the allowance for credit losses for equipment installment plan receivables was as follows:

	June 30, 2024	June 30, 2023
(Dollars in millions)		
Allowance for credit losses, beginning of period	\$ 90	\$ 96
Bad debts expense	33	35
Write-offs, net of recoveries	(38)	(39)
Allowance for credit losses, end of period	<u>\$ 85</u>	<u>\$ 92</u>

Note 5 Income Taxes

The effective tax rate on Income before income taxes for the three and six months ended June 30, 2024 was 42.4% and 49.8%, respectively. These effective tax rates reflect the impacts of recurring tax adjustments including nondeductible interest and compensation expenses.

The effective tax rate on Income before income taxes for the three and six months ended June 30, 2023 was 77.2% and 59.8%, respectively. These effective tax rates were higher than normal due primarily to the relatively low amount of Income before income taxes which increased the effective tax rate impact of recurring tax adjustments including nondeductible interest and compensation expenses, as well as discrete increases in state valuation allowances which reduced the net value of deferred tax assets.

Note 6 Earnings Per Share

Basic earnings per share attributable to UScellular shareholders is computed by dividing Net income attributable to UScellular shareholders by the weighted average number of Common Shares outstanding during the period. Diluted earnings per share attributable to UScellular shareholders is computed by dividing Net income attributable to UScellular shareholders by the weighted average number of Common Shares outstanding during the period adjusted to include the effects of potentially dilutive securities. Potentially dilutive securities primarily include incremental shares issuable upon the exercise of outstanding stock options and the vesting of performance and restricted stock units, as calculated using the treasury stock method.

The amounts used in computing basic and diluted earnings per share attributable to UScellular shareholders were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
(Dollars and shares in millions, except per share amounts)				
Net income attributable to UScellular shareholders	\$ 17	\$ 5	\$ 35	\$ 18
Weighted average number of shares used in basic earnings per share	86	85	86	85
Effects of dilutive securities	2	1	2	1
Weighted average number of shares used in diluted earnings per share	88	86	88	86
Basic earnings per share attributable to UScellular shareholders	\$ 0.20	\$ 0.05	\$ 0.41	\$ 0.21
Diluted earnings per share attributable to UScellular shareholders	\$ 0.20	\$ 0.05	\$ 0.40	\$ 0.20

Certain Common Shares issuable upon the exercise of stock options or vesting of performance and restricted stock units were not included in weighted average diluted shares outstanding for the calculation of Diluted earnings per share attributable to UScellular shareholders because their effects were antidilutive. The number of such Common Shares excluded was less than 1 million for both the three and six months ended June 30, 2024, and 2 million for both the three and six months ended June 30, 2023.

Note 7 Divestitures

On August 4, 2023, TDS and UScellular announced that the Boards of Directors of both companies decided to initiate a process to explore a range of strategic alternatives for UScellular. On May 28, 2024, UScellular announced that its Board of Directors unanimously approved the execution of a Securities Purchase Agreement (Securities Purchase Agreement) by and among TDS, UScellular, T-Mobile US, Inc. (T-Mobile) and USCC Wireless Holdings, LLC, pursuant to which, among other things, UScellular has agreed to sell its wireless operations and select spectrum assets to T-Mobile for a purchase price, subject to adjustment as specified in the Securities Purchase Agreement, of \$4,400 million, which is payable in a combination of cash and the assumption of up to approximately \$2,000 million in debt. The transaction is expected to close in mid-2025, subject to the receipt of regulatory approvals and the satisfaction of customary closing conditions. UScellular expects to present the wireless operations and select spectrum assets sold to T-Mobile as discontinued operations if and when the accounting criteria is met.

The strategic alternatives review process is ongoing as UScellular seeks to opportunistically monetize its spectrum assets that are not subject to the Securities Purchase Agreement. During the three and six months ended June 30, 2024, UScellular incurred third-party expenses of \$13 million and \$21 million, respectively, related to the strategic alternatives review, which are included in Selling, general and administrative expenses.

As a result of executing the Securities Purchase Agreement, UScellular re-considered its unit of accounting for wireless spectrum licenses and bifurcated the historical single unit of accounting into two units of accounting – wireless spectrum licenses to be sold under the Securities Purchase Agreement and wireless spectrum licenses to be retained. UScellular also assessed whether an impairment test of its wireless spectrum licenses was required and determined that it is more likely than not that the carrying value of the wireless spectrum licenses in both units of accounting continues to exceed their respective fair values.

UScellular also assessed whether the execution of the Securities Purchase Agreement constituted a significant change in the way it expects to operate its long-lived assets. Specifically, given the Securities Purchase Agreement, and UScellular's plan to divest of its wireless operations, UScellular expects to generate cash flows from the wireless operations separately from the retained business. Therefore, UScellular bifurcated the historical single asset group into two asset groups – wireless and towers. UScellular also assessed whether an impairment test of its long-lived assets was required and determined that there was no triggering event present that may require a recoverability test.

As part of the transaction, UScellular entered into a Put/Call Agreement with T-Mobile whereby T-Mobile has the right to call certain spectrum assets and UScellular has the right to put certain spectrum assets to T-Mobile for an aggregate agreed upon price of \$106 million. The call option notice period started on May 24, 2024, and the put exercise period starts at the close of the broader transaction. There was no cash exchanged at the inception of the Put/Call Agreement. All license transfers pursuant to any put/call are subject to Federal Communications Commission (FCC) approval. At inception, UScellular will account for this instrument as a net written call option and will record such option at fair value each reporting period unless/until such option is exercised or terminated. UScellular estimated the fair value of the net written call option at \$8 million as of June 30, 2024, which was recorded to Other deferred liabilities and credits in the Consolidated Balance Sheet and (Gain) loss on license sales and exchanges, net in the Consolidated Statement of Operations.

Note 8 Investments in Unconsolidated Entities

Investments in unconsolidated entities consist of amounts invested in entities in which UScellular holds a noncontrolling interest. UScellular's Investments in unconsolidated entities are accounted for using the equity method, measurement alternative method or net asset value practical expedient method as shown in the table below. The carrying value of measurement alternative method investments represents cost minus any impairments plus or minus any observable price changes.

	June 30, 2024	December 31, 2023
(Dollars in millions)		
Equity method investments	\$ 448	\$ 448
Measurement alternative method investments	4	4
Investments recorded using the net asset value practical expedient	9	9
Total investments in unconsolidated entities	<u>\$ 461</u>	<u>\$ 461</u>

The following table, which is based on unaudited information provided in part by third parties, summarizes the combined results of operations of UScellular's equity method investments.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
(Dollars in millions)				
Revenues	\$ 1,821	\$ 1,762	\$ 3,663	\$ 3,564
Operating expenses	1,413	1,357	2,828	2,717
Operating income	408	405	835	847
Other income (expense), net	8	9	(1)	(7)
Net income	<u>\$ 416</u>	<u>\$ 414</u>	<u>\$ 834</u>	<u>\$ 840</u>

Note 9 Debt

Receivables Securitization Agreement

UScellular, through its subsidiaries, has a receivables securitization agreement that permits securitized borrowings using its equipment installment plan receivables. Amounts under the agreement may be borrowed, repaid and reborrowed from time to time until September 2025. Unless the agreement is amended to extend the maturity date, repayments based on receivable collections commence in October 2025. The outstanding borrowings bear interest at a rate of the lender's cost of funds (which has historically tracked closely to Secured Overnight Financing Rate (SOFR)) plus 1.15%. During the six months ended June 30, 2024, UScellular borrowed \$40 million and repaid \$188 million under its receivables securitization agreement. As of June 30, 2024, the outstanding borrowings under the agreement were \$2 million and the unused borrowing capacity was \$448 million, subject to sufficient collateral to satisfy the asset borrowing base provisions of the agreement. As of June 30, 2024, the USCC Master Note Trust held \$177 million of assets available to be pledged as collateral for the receivables securitization agreement.

Debt Covenants

The revolving credit agreement, term loan agreements, export credit financing agreement and receivables securitization agreement require UScellular to comply with certain affirmative and negative covenants, which include certain financial covenants that may restrict the borrowing capacity available. UScellular is required to maintain the Consolidated Leverage Ratio as of the end of any fiscal quarter at a level not to exceed the following: 4.00 to 1.00 from April 1, 2024 through March 31, 2025; 3.75 to 1.00 from April 1, 2025 and thereafter. UScellular is also required to maintain the Consolidated Interest Coverage Ratio at a level not lower than 3.00 to 1.00 as of the end of any fiscal quarter. UScellular believes that it was in compliance as of June 30, 2024 with all such financial covenants.

Note 10 Variable Interest Entities

Consolidated VIEs

UScellular consolidates VIEs in which it has a controlling financial interest as defined by GAAP and is therefore deemed the primary beneficiary. UScellular reviews the criteria for a controlling financial interest at the time it enters into agreements and subsequently when events warranting reconsideration occur. These VIEs have risks similar to those described in the “Risk Factors” in this Form 10-Q and UScellular’s Form 10-K for the year ended December 31, 2023.

UScellular formed USCC EIP LLC (Seller/Sub-Servicer), USCC Receivables Funding LLC (Transferor) and the USCC Master Note Trust (Trust), collectively the special purpose entities (SPEs), to facilitate a securitized borrowing using its equipment installment plan receivables. Under a Receivables Sale Agreement, UScellular wholly-owned, majority-owned and unconsolidated entities, collectively referred to as “affiliated entities”, transfer device equipment installment plan contracts to the Seller/Sub-Servicer. The Seller/Sub-Servicer aggregates device equipment installment plan contracts, and performs servicing, collection and all other administrative activities related to accounting for the equipment installment plan contracts. The Seller/Sub-Servicer sells the eligible equipment installment plan receivables to the Transferor, a bankruptcy remote entity, which subsequently sells the receivables to the Trust. The Trust, which is bankruptcy remote and isolated from the creditors of UScellular, will be responsible for issuing asset-backed variable funding notes (Notes), which are collateralized by the equipment installment plan receivables owned by the Trust. Given that UScellular has the power to direct the activities of these SPEs, and that these SPEs lack sufficient equity to finance their activities, UScellular is deemed to have a controlling financial interest in the SPEs, and therefore consolidates them. All transactions with third parties (e.g., issuance of the asset-backed variable funding notes) will be accounted for as a secured borrowing due to the pledging of equipment installment plan contracts as collateral, significant continuing involvement in the transferred assets, subordinated interests of the cash flows, and continued evidence of control of the receivables.

The following VIEs were formed to participate in FCC auctions of wireless spectrum licenses and to fund, establish, and provide wireless service with respect to any FCC wireless spectrum licenses won in the auctions:

- Advantage Spectrum, L.P. (Advantage Spectrum) and Sunshine Spectrum, Inc., the general partner of Advantage Spectrum; and
- King Street Wireless, L.P. (King Street Wireless) and King Street Wireless, Inc., the general partner of King Street Wireless.

These particular VIEs are collectively referred to as designated entities. The power to direct the activities that most significantly impact the economic performance of these VIEs is shared. Specifically, the general partner of these VIEs has the exclusive right to manage, operate and control the limited partnerships and make all decisions to carry on the business of the partnerships. The general partner of each partnership needs the consent of the limited partner, an indirect UScellular subsidiary, to sell or lease certain wireless spectrum licenses, to make certain large expenditures, admit other partners or liquidate the limited partnerships. Although the power to direct the activities of these VIEs is shared, UScellular has the most significant level of exposure to the variability associated with the economic performance of the VIEs, indicating that UScellular is the primary beneficiary of the VIEs. Therefore, in accordance with GAAP, these VIEs are consolidated into the UScellular financial statements.

UScellular also consolidates other VIEs that are limited partnerships that provide wireless service. A limited partnership is a variable interest entity unless the limited partners hold substantive participating rights or kick-out rights over the general partner. For certain limited partnerships, UScellular is the general partner and manages the operations. In these partnerships, the limited partners do not have substantive kick-out or participating rights and, further, such limited partners do not have the authority to remove the general partner. Therefore, these limited partnerships also are recognized as VIEs and are consolidated into the UScellular financial statements under the variable interest model.

The following table presents the classification and balances of the consolidated VIEs' assets and liabilities in UScellular's Consolidated Balance Sheet.

	June 30, 2024	December 31, 2023
(Dollars in millions)		
Assets		
Cash and cash equivalents	\$ 36	\$ 24
Accounts receivable	627	633
Inventory, net	4	4
Other current assets	21	30
Licenses	641	641
Property, plant and equipment, net	135	143
Operating lease right-of-use assets	49	48
Other assets and deferred charges	449	494
Total assets	<u>\$ 1,962</u>	<u>\$ 2,017</u>
Liabilities		
Current liabilities	\$ 37	\$ 37
Long-term operating lease liabilities	43	42
Other deferred liabilities and credits	28	29
Total liabilities ¹	<u>\$ 108</u>	<u>\$ 108</u>

¹ Total liabilities does not include amounts borrowed under the receivables securitization agreement. See Note 9 – Debt for additional information.

Unconsolidated VIEs

UScellular manages the operations of and holds a variable interest in certain other limited partnerships, but is not the primary beneficiary of these entities, and therefore does not consolidate them into the UScellular financial statements under the variable interest model.

UScellular's total investment in these unconsolidated entities was \$6 million at both June 30, 2024 and December 31, 2023, and is included in Investments in unconsolidated entities in UScellular's Consolidated Balance Sheet. The maximum exposure from unconsolidated VIEs is limited to the investment held by UScellular in those entities.

Other Related Matters

UScellular made contributions, loans or advances to its VIEs totaling \$250 million and \$238 million during the six months ended June 30, 2024 and 2023, respectively, of which \$219 million in 2024 and \$217 million in 2023, are related to USCC EIP LLC as discussed above. UScellular may agree to make additional capital contributions and/or advances to these or other VIEs and/or to their general partners to provide additional funding for their operations or the development of wireless spectrum licenses granted in various auctions. UScellular may finance such amounts with a combination of cash on hand, borrowings under its revolving credit or receivables securitization agreements and/or other long-term debt. There is no assurance that UScellular will be able to obtain additional financing on commercially reasonable terms or at all to provide such financial support.

The limited partnership agreement of Advantage Spectrum also provides the general partner with a put option whereby the general partner may require the limited partner, a subsidiary of UScellular, to purchase its interest in the limited partnership. The put option has not been exercised.

Note 11 Business Segment Information

During the second quarter of 2024, UScellular modified its reporting structure due to the planned disposal of its wireless operations and, as a result, disaggregated its operations into two reportable segments – Wireless and Towers. This presentation reflects how UScellular's chief operating decision maker allocates resources and evaluates operating performance following this strategic shift. The Towers segment records rental revenue and the Wireless segment records a related expense when the Wireless segment uses company-owned towers to locate its network equipment, using estimated market pricing - this revenue and expense is eliminated in consolidation. Prior periods have been updated to conform to the new reportable segments.

Financial data for UScellular's reportable segments for the three and six month periods ended, or as of June 30, 2024 and 2023, is as follows. See Note 1 — Basis of Presentation for additional information.

Three Months Ended or as of June 30, 2024	Wireless	Towers	Intra-company eliminations	UScellular Total
(Dollars in millions)				
Operating revenues				
Service	\$ 718	\$ 58	\$ (33)	\$ 743
Equipment and product sales	184	—	—	184
Total operating revenues	902	58	(33)	927
System operations (excluding Depreciation, amortization and accretion reported below)	194	19	(33)	180
Cost of equipment and products	211	—	—	211
Selling, general and administrative	313	9	—	322
Depreciation, amortization and accretion	154	11	—	165
(Gain) loss on asset disposals, net	5	—	—	5
(Gain) loss on license sales and exchanges, net	8	—	—	8
Operating income	17	19	—	36
Equity in earnings of unconsolidated entities ¹				38
Interest and dividend income ¹				3
Interest expense ¹				(45)
Income before income taxes				32
Income tax expense (benefit) ¹				14
Net income				18
Add back:				
Depreciation, amortization and accretion	154	11	—	165
Expenses related to strategic alternatives review	12	1	—	13
(Gain) loss on asset disposals, net	5	—	—	5
(Gain) loss on license sales and exchanges, net	8	—	—	8
Interest expense ¹				45
Income tax expense (benefit) ¹				14
Adjusted EBITDA²	\$ 196	\$ 31	\$ —	\$ 268
Investments in unconsolidated entities ¹				\$ 461
Total assets ³				\$ 10,639
Capital expenditures	\$ 160	\$ 5	\$ —	\$ 165

Three Months Ended or as of June 30, 2023	Wireless	Towers	Intra-company eliminations	UScellular Total
(Dollars in millions)				
Operating revenues				
Service	\$ 735	\$ 57	\$ (32)	\$ 760
Equipment and product sales	197	—	—	197
Total operating revenues	932	57	(32)	957
System operations (excluding Depreciation, amortization and accretion reported below)	203	19	(32)	190
Cost of equipment and products	228	—	—	228
Selling, general and administrative	333	8	—	341
Depreciation, amortization and accretion	149	12	—	161
(Gain) loss on asset disposals, net	3	—	—	3
Operating income	16	18	—	34
Equity in earnings of unconsolidated entities ¹				38
Interest and dividend income ¹				3
Interest expense ¹				(51)
Income before income taxes				24
Income tax expense ¹				19
Net income				5
Add back:				
Depreciation, amortization and accretion	149	12	—	161
(Gain) loss on asset disposals, net	3	—	—	3
Interest expense ¹				51
Income tax expense ¹				19
Adjusted EBITDA²	\$ 168	\$ 30	\$ —	\$ 239
Investments in unconsolidated entities ¹				\$ 457
Total assets ³				\$ 10,889
Capital expenditures	\$ 140	\$ 3	\$ —	\$ 143

Six Months Ended or as of June 30, 2024	Wireless	Towers	Intra-company eliminations	UScellular Total
(Dollars in millions)				
Operating revenues				
Service	\$ 1,446	\$ 116	\$ (65)	\$ 1,497
Equipment and product sales	380	—	—	380
Total operating revenues	1,826	116	(65)	1,877
System operations (excluding Depreciation, amortization and accretion reported below)	390	37	(65)	362
Cost of equipment and products	427	—	—	427
Selling, general and administrative	637	16	—	653
Depreciation, amortization and accretion	308	21	—	329
(Gain) loss on asset disposals, net	10	1	—	11
(Gain) loss on license sales and exchanges, net	7	—	—	7
Operating income	47	41	—	88
Equity in earnings of unconsolidated entities ¹				80
Interest and dividend income ¹				6
Interest expense ¹				(91)
Income before income taxes				83
Income tax expense (benefit) ¹				41
Net income				42
Add back:				
Depreciation, amortization and accretion	308	21	—	329
Expenses related to strategic alternatives review	20	1	—	21
(Gain) loss on asset disposals, net	10	1	—	11
(Gain) loss on license sales and exchanges, net	7	—	—	7
Interest expense ¹				91
Income tax expense (benefit) ¹				41
Adjusted EBITDA²	\$ 392	\$ 64	\$ —	\$ 542
Capital expenditures	\$ 286	\$ 9	\$ —	\$ 295

Six Months Ended or as of June 30, 2023	Wireless	Towers	Intra-company eliminations	UScellular Total
(Dollars in millions)				
Operating revenues				
Service	\$ 1,477	\$ 113	\$ (63)	\$ 1,527
Equipment and product sales	415	—	—	415
Total operating revenues	1,892	113	(63)	1,942
System operations (excluding Depreciation, amortization and accretion reported below)	398	37	(63)	372
Cost of equipment and products	480	—	—	480
Selling, general and administrative	670	16	—	686
Depreciation, amortization and accretion	307	23	—	330
(Gain) loss on asset disposals, net	13	—	—	13
Operating income	24	37	—	61
Equity in earnings of unconsolidated entities ¹				82
Interest and dividend income ¹				5
Interest expense ¹				(99)
Income before income taxes				49
Income tax expense ¹				29
Net income				20
Add back:				
Depreciation, amortization and accretion	307	23	—	330
(Gain) loss on asset disposals, net	13	—	—	13
Interest expense ¹				99
Income tax expense ¹				29
Adjusted EBITDA²	\$ 344	\$ 60	\$ —	\$ 491
Capital expenditures	\$ 346	\$ 5	\$ —	\$ 351

¹ Income and expense items below Operating income are not provided at the individual segment level for Wireless and Towers. These items are not included in the evaluation of operating performance of the segments, and therefore are reported for "UScellular Total".

² Adjusted earnings before interest, taxes, depreciation, amortization and accretion (Adjusted EBITDA) is a segment measure reported to the chief operating decision maker for purposes of assessing the segments' performance. Adjusted EBITDA is defined as net income, adjusted for the items set forth in the reconciliation above. UScellular believes Adjusted EBITDA is a useful measure of UScellular's operating results before significant recurring non-cash charges, gains and losses, and other items as presented above as it provides additional relevant and useful information to investors and other users of UScellular's financial data in evaluating the effectiveness of its operations and underlying business trends in a manner that is consistent with management's evaluation of business performance.

³ Assets are not provided at the individual segment level for Wireless and Towers. The segments operate under a common capital structure, and management has historically considered its assets collectively as part of a combined wireless network.

United States Cellular Corporation Additional Required Information

Controls and Procedures

Evaluation of Disclosure Controls and Procedures

UScellular maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) that are designed to ensure that information required to be disclosed in its reports filed or submitted under the Exchange Act is processed, recorded, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to UScellular's management, including its principal executive officer and principal financial officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

As required by SEC Rules 13a-15(b), UScellular carried out an evaluation, under the supervision and with the participation of management, including its principal executive officer and principal financial officer, of the effectiveness of the design and operation of UScellular's disclosure controls and procedures as of the end of the period covered by this Quarterly Report. Based on this evaluation, UScellular's principal executive officer and principal financial officer concluded that UScellular's disclosure controls and procedures were effective as of June 30, 2024, at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There have been no changes in internal controls over financial reporting that have occurred during the three months ended June 30, 2024, that have materially affected, or are reasonably likely to materially affect, UScellular's internal control over financial reporting.

Legal Proceedings

On May 2, 2023, a putative stockholder class action was filed against TDS and UScellular and certain current and former officers and directors in the United States District Court for the Northern District of Illinois. An Amended Complaint was filed on September 1, 2023, which names TDS, UScellular, and certain current UScellular officers and directors as defendants, and alleges that certain public statements made between May 6, 2022 and November 3, 2022 (the potential class period) regarding, among other things, UScellular's business strategies to address subscriber demand, violated Section 10(b) and 20(a) of the Securities Exchange Act of 1934. The plaintiff seeks to represent a class of stockholders who purchased TDS equity securities during the potential class period and demands unspecified monetary damages.

On June 18, 2024, a stockholder derivative lawsuit was filed in the Circuit Court of Cook County, Illinois, Chancery Division against UScellular, certain TDS and UScellular directors and officers, and nominal defendant TDS. The derivative lawsuit takes issue with the same public statements made between May 6, 2022 and November 3, 2022, alleging that the fact that the statements were made was a breach of fiduciary duty on the part of the officer and director defendants, and bringing claims for indemnification and contribution against the officer and director defendants and UScellular. In addition to indemnification and contribution, the plaintiff seeks money damages and the implementation of certain governance proposals.

UScellular is unable at this time to determine whether the outcome of these actions would have a material impact on its results of operations, financial condition, or cash flows. UScellular intends to contest plaintiffs' claims vigorously on the merits.

Refer to the disclosure under Legal Proceedings in UScellular's Form 10-K for the year ended December 31, 2023, for additional information. Other than as described above, there have been no material changes to such information since December 31, 2023.

Unregistered Sales of Equity Securities and Use of Proceeds

In November 2009, UScellular announced by Form 8-K that the Board of Directors of UScellular authorized the repurchase of up to 1,300,000 additional Common Shares on an annual basis beginning in 2009 and continuing each year thereafter, on a cumulative basis. In December 2016, the UScellular Board amended this authorization to provide that, beginning on January 1, 2017, the increase in the authorized repurchase amount with respect to a particular year will be any amount from zero to 1,300,000 Common Shares, as determined by the Pricing Committee of the Board of Directors, and that if the Pricing Committee did not specify an additional amount for any year, such additional amount would be zero for such year. The Pricing Committee has not specified any increase in the authorization since that time. The Pricing Committee also was authorized to decrease the cumulative amount of the authorization at any time, but has not taken any action to do so at this time. The authorization provides that share repurchases will be made pursuant to open market purchases, block purchases in compliance with Rule 10b-18 of the Exchange Act or Rule 10b5-1 of the Exchange Act, or pursuant to accelerated share repurchase arrangements, prepaid share repurchases, private purchases, or otherwise, depending on market prices and other conditions. This authorization does not have an expiration date. UScellular did not determine to terminate the foregoing Common Share repurchase program, as amended, or cease making further purchases thereunder, during the second quarter of 2024.

The maximum number of shares that may yet be purchased under this program was 1,927,000 as of June 30, 2024. There were no purchases made by or on behalf of UScellular, and no open market purchases made by any "affiliated purchaser" (as defined by the SEC) of UScellular, of UScellular Common Shares during the quarter covered by this Form 10-Q.

Other Information

During the three months ended June 30, 2024, none of UScellular's directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) has adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (each as defined in Item 408 of Regulation S-K under the 1934 Act).

Exhibits

Exhibit Number	Description of Documents
Exhibit 2.1*	Securities Purchase Agreement, dated as of May 24, 2024, among Telephone and Data Systems, Inc., United States Cellular Corporation, USCC Wireless Holdings, LLC and T-Mobile US, Inc., is hereby incorporated by reference to Exhibit 2.1 to UScellular's Current Report on Form 8-K filed May 28, 2024.
Exhibit 3.1	UScellular Amended and Restated Bylaws, as amended on May 24, 2024.
Exhibit 31.1	Principal executive officer certification pursuant to Rule 13a-14 of the Securities Exchange Act of 1934.
Exhibit 31.2	Principal financial officer certification pursuant to Rule 13a-14 of the Securities Exchange Act of 1934.
Exhibit 32.1	Principal executive officer certification pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code.
Exhibit 32.2	Principal financial officer certification pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code.
Exhibit 101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
Exhibit 101.SCH	Inline XBRL Taxonomy Extension Schema Document
Exhibit 101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document
Exhibit 101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document
Exhibit 101.LAB	Inline XBRL Taxonomy Label Linkbase Document
Exhibit 101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
Exhibit 104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the inline document.

*Pursuant to Item 601(b)(2) of Regulation S-K, certain exhibits, schedules and similar attachments have been omitted; exhibits, schedules and other attachments will be provided to the Securities and Exchange Commission upon request.

Form 10-Q Cross Reference Index

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SIGNATURES

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

UNITED STATES CELLULAR CORPORATION

(Registrant)

Date: August 2, 2024

/s/ Laurent C. Therivel

Laurent C. Therivel
President and Chief Executive Officer
(principal executive officer)

Date: August 2, 2024

/s/ Douglas W. Chambers

Douglas W. Chambers
Executive Vice President, Chief Financial Officer and Treasurer
(principal financial officer)

AMENDED AND RESTATED BYLAWS¹
OF
UNITED STATES CELLULAR CORPORATION
(a Delaware corporation)

ARTICLE I
STOCKHOLDERS

Section 1.1. Annual Meeting. The annual meeting of stockholders for the election of directors and the transaction of such other business as may properly come before such meeting shall be held on such date, and at such time and place, within or without the State of Delaware, as shall be determined by resolution of the Board of Directors.

Section 1.2. Special Meetings. Special meetings of stockholders may be called by the Board of Directors or by the Chair or the President and shall be called by the Chair or President at the request in writing, stating the purpose or purposes thereof, of holders of at least a majority of the voting power of the capital stock of the Corporation issued and outstanding and entitled to vote on the business proposed to be transacted at the meeting. Special meetings of stockholders may be held at such time and place, within or without the State of Delaware, as shall be determined by resolution of the Board of Directors or as may be specified in the call of any such special meeting. If not otherwise designated, the place of any special meeting shall be the principal office of the Corporation in the State of Illinois.

Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. For avoidance of doubt, the Corporation shall not be required to call, or distribute a notice of meeting relating to, a special meeting of stockholders at the request of any stockholders, other than a request by holders of at least a majority of the voting power of the capital stock of the Corporation issued and outstanding and entitled to vote on the business proposed to be transacted at the meeting pursuant to the first paragraph of this Section 1.2.

In the event that a special meeting of stockholders is called pursuant to the first paragraph of this Section 1.2 for the purpose of filling any vacancy or newly created directorship, and only in such event, a stockholder may nominate persons for election to such vacancy or newly created directorship (but only with respect to directorships specified in the Corporation's notice of meeting for such special meeting), if such stockholder (i) was a stockholder of record at the time of giving of notice provided for in this Section 1.2 through the time of the special meeting, (ii) is entitled to vote for the election of director(s) to be elected at such meeting as a stockholder of record on the date set therefor pursuant to Section 1.7(a) of these Bylaws and (iii) complies with the notice procedures set forth below in this Section 1.2. For the avoidance of doubt, the preceding sentence shall be the exclusive means for a stockholder to make nominations before a special meeting of stockholders. Notwithstanding anything herein to the contrary, a stockholder who otherwise complies with this Section 1.2 shall be entitled to nominate persons for election at a special meeting only with respect to director positions to be elected at such meeting for which such stockholder is entitled to vote at such meeting.

Any such nominations by a stockholder shall be made only pursuant to timely notice in proper form in writing to the Secretary of the Corporation.

To be timely, a stockholder's notice of a director nomination for a special meeting must be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth calendar day following the date that public notice is first made of the date of the special meeting and of the number of persons to be elected at such meeting. Delivery of any notice or update thereto required by this Section, Section 1.14 or Section 1.16 shall be by hand, or by certified or registered mail, return receipt requested.

For purposes of these Bylaws, "public notice" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission ("SEC") pursuant to Section 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended (such act, and the rules and regulations promulgated thereunder, the "Exchange Act").

In no event shall any adjournment, postponement, rescheduling, judicial stay or recess of a special meeting, for which notice of such special meeting has been given, or the announcement thereof, commence a new time period for the giving of a stockholder's notice as described above.

To be in proper form, a stockholder's notice of a director nomination shall set forth the information specified in Sections 1.14 and 1.16.

1. As adopted November 29, 2022 effective January 1, 2023, amended May 24, 2024.

Notwithstanding anything in these Bylaws to the contrary, no business, including the election of directors to fill vacancies or newly created directorships, shall be conducted at a special meeting of stockholders except in accordance with the procedures set forth in this Section 1.2. The chair of the meeting shall, if the facts warrant, determine and declare to the meeting that any business proposed, including any nomination of persons for election as directors, was not properly brought before the meeting in accordance with the procedures prescribed by these Bylaws, and if the chair should so determine, the chair shall so declare to the meeting and any such business not properly brought before the meeting shall not be considered.

For avoidance of doubt, nothing in these Bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act, or the right of the Corporation to exclude such proposals from the Corporation's proxy statement if not required to be included or permitted to be excluded under Rule 14a-8.

Section 1.3. Notice of Meetings and Adjourned Meetings.

(a) Whenever stockholders are required or permitted to take any action at a meeting, a written or electronic notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called.

(b) Notice of every meeting of stockholders shall, except when otherwise required by the Restated Certificate of Incorporation of the Corporation (as it may be amended from time to time, the "Restated Certificate of Incorporation"), or the laws of the State of Delaware, be given at least 10 but not more than 60 days prior to such meeting to each stockholder entitled to vote thereat as of the record date for determining the stockholders entitled to notice of the meeting, in the manner set forth in Section 9.1 of these Bylaws, by or at the direction of the President or the Secretary or the persons calling such meeting.

(c) Any meeting may be adjourned from time to time without notice (including an adjournment taken to address a technical failure to convene or continue a meeting using remote communication), if the time, place, if any, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are (i) announced at the meeting at which the adjournment or recess is taken, (ii) displayed during the time scheduled for the meeting on the same electronic network, if any, used to enable stockholders and proxy holders to participate in the meeting by means of remote communication or (iii) set forth in the notice of meeting given in accordance with these Bylaws. At such adjourned meeting, any business may be transacted which might have been transacted at the original meeting. If the adjournment is for more than 30 days, written or electronic notice of the adjourned meeting shall be given to each stockholder of record entitled to vote thereat as above provided. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix a new record date for notice of such adjourned meeting in accordance with Section 1.7(a) of these Bylaws, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

Section 1.4. Quorum.

(a) Except as otherwise required by the laws of the State of Delaware or the Restated Certificate of Incorporation, a majority of the voting power of shares of capital stock of the Corporation in matters other than the election of directors under the Restated Certificate of Incorporation and entitled to vote, represented in person or by proxy, shall constitute a quorum at any meeting of stockholders, notwithstanding the subsequent withdrawal of enough stockholders to leave less than a quorum.

(b) Where a separate vote by a class or group is required with respect to the election of directors or any other matter by the laws of the State of Delaware, the Restated Certificate of Incorporation or by these Bylaws, except as otherwise required by the laws of the State of Delaware or the Restated Certificate of Incorporation, the presence in person or representation by proxy of a majority of the voting power of the outstanding shares of each such class or group entitled to vote with respect to such matter, shall constitute a quorum entitled to take action with respect to the vote on that matter at any meeting of stockholders, notwithstanding the subsequent withdrawal of enough stockholders to leave less than a quorum. For avoidance of doubt, if two or more classes vote as a group in the election of directors or other matters, a majority of the voting power of all outstanding shares in such group shall constitute a quorum, and a majority of the voting power of each class in such group shall not be required as well.

(c) If at any meeting a quorum shall not be present as required pursuant to paragraph (a), the chair of such meeting may adjourn such meeting to another time and/or place without notice other than announcement at such meeting. If at any meeting a quorum shall be present as required pursuant to paragraph (a) but is not present with respect to one or more matters as required pursuant to paragraph (b), business may be conducted at such meeting with respect to any matters for which a quorum is present and, with respect to matters for which a quorum is not present, the chair of such meeting may adjourn such meeting to another time and/or place without notice other than announcement at such meeting, to consider action with respect to such matters for which a quorum is not present. At such adjourned meeting, if a quorum shall be present or represented pursuant to paragraph (a) and pursuant to paragraph (b) with respect to any matter for which a quorum was not present at the original meeting, any business may be transacted which might have been transacted at the original meeting and with respect to any matter for which a quorum is present at the adjourned meeting, notwithstanding the subsequent withdrawal of enough stockholders to leave less than a quorum.

Section 1.5. Voting.

(a) Unless otherwise required by law, the stockholders entitled to vote at any meeting of stockholders and the number of votes to which such stockholders are entitled shall be determined as provided in the Restated Certificate of Incorporation.

(b) Provided that a quorum is present as provided in Section 1.4, unless otherwise provided by law or in the Restated Certificate of Incorporation, directors shall be elected by a plurality of the votes cast in the election of directors by the class or group of stockholders entitled to vote in the election of such directors which are present in person or represented by proxy at the meeting. For avoidance of doubt, if two or more classes vote as a group in the election of certain directors, a plurality of the votes cast by the holders of such group which are present in person or represented by proxy at the meeting shall be the act of such group, and the affirmative vote of a plurality of each class in such group shall not be required as well.

(c) Provided that a quorum is present as provided in Section 1.4, except as provided in paragraph (d), each question other than the election of directors shall, unless otherwise required by law, the Restated Certificate of Incorporation, these Bylaws or, if determined to be applicable and appropriate by the Board of Directors, stock exchange listing requirements, be decided by the affirmative vote of the holders of stock having a majority of the votes which could be cast by the holders of all stock entitled to vote on such question which are present in person or by proxy at the meeting.

(d) Provided that a quorum is present as provided in Section 1.4, where a separate vote by a class or group is required on matters other than the election of directors by the laws of the State of Delaware, the Restated Certificate of Incorporation, these Bylaws or, if determined to be applicable and appropriate by the Board of Directors, stock exchange listing requirements, the affirmative vote of holders of stock having a majority of the votes which could be cast by the holders of each such class or group entitled to vote on such matter which are present in person or represented by proxy at the meeting shall be the act of each such class or group, unless otherwise required by law, the Restated Certificate of Incorporation, stock exchange listing requirements or these Bylaws. For avoidance of doubt, if two or more classes vote as a group in matters other than the election of directors, the affirmative vote of a majority of the votes which could be cast by the holders of such group which are present in person or represented by proxy at the meeting shall be the act of such group, and the affirmative vote of a majority of the voting power of each class in such group shall not be required as well.

Section 1.6. Proxies.

(a) At every meeting of stockholders, each stockholder having the right to vote thereat shall be entitled to vote in person or by proxy. No proxy shall be valid after eleven months from its date, unless such proxy provides for a longer period. Any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white, which shall be reserved for the exclusive use of the Board of Directors.

(b) A stockholder may authorize another person or persons to act for such stockholder as proxy (i) by executing a writing authorizing such person or persons to act as such, which execution may be accomplished by such stockholder or such stockholder's authorized officer, director, employee or agent signing such writing or causing his or her signature to be affixed to such writing by any reasonable means, including, but not limited to, facsimile signature, or (ii) by transmitting or authorizing the transmission of information by telephone, website, telecopy, electronic mail or other means of electronic transmission (a "Transmission") to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such Transmission; provided, however, that any such Transmission must either set forth or be submitted with information from which it can be determined that such Transmission was authorized by such stockholder. The inspector or inspectors appointed pursuant to Section 1.10 of these Bylaws shall examine Transmissions to determine if they are valid. If it is determined that a Transmission is valid, the person or persons making that determination shall specify the information upon which such person or persons relied. Any copy, facsimile telecommunication or other reliable reproduction of such a writing or such a Transmission may be substituted or used in lieu of the original writing or Transmission for any and all purposes for which the original writing or Transmission could be used; provided, however, that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or Transmission.

Section 1.7. Fixing Date for Determination of Stockholders of Record.

(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing such record date shall be adopted by the Board of Directors, and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no such record date shall have been fixed by the Board of Directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which such notice is given or, if such notice is waived, at the close of business on the day next preceding the day on which such meeting shall be held. A determination of stockholders of record entitled to notice of or to vote at any meeting of stockholders shall apply to any adjournment of such meeting; provided, however, that the Board of Directors may fix a new record date for the determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the foregoing provisions of this subsection (a) at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing such record date shall be adopted by the Board of Directors, and which record date shall not be more than 10 days after the date upon which such resolution shall be adopted. If no such record date shall have been fixed by the Board of Directors, such record date shall be, if no prior action by the Board of Directors shall be required by the laws of the State of Delaware, the first date on which a signed written consent setting forth the action taken or proposed to be taken shall be delivered to the Corporation at its registered office in the State of Delaware, at its principal place of business or to the Secretary. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no such record date shall have been fixed by the Board of Directors and prior action by the Board of Directors shall be required by the laws of the State of Delaware, such record date shall be at the close of business on the day on which the Board of Directors shall adopt the resolution taking such prior action.

(c) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or any allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of any capital stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing such record date shall be adopted by the Board of Directors, and which record date shall not be more than 60 days prior to such payment, allotment or other action. If no such record date shall have been fixed, such record date shall be at the close of business on the day on which the Board of Directors shall adopt the resolution relating to such payment, allotment or other action.

Section 1.8. Stockholder List. The Secretary or any other officer who has charge of the stock ledger of the Corporation shall prepare, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at such meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The Corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to such meeting for a period of at least 10 days ending on the day before the date of such meeting, (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation shall take reasonable steps to ensure that such information is available only to stockholders of the Corporation.

Section 1.9. Voting of Shares by Certain Holders.

Shares of capital stock of the Corporation standing in the name of a deceased person, a minor, an incompetent or a corporation declared bankrupt and entitled to vote may be voted by an administrator, executor, guardian, conservator or trustee, as the case may be, either in person or by proxy, without transfer of such shares into the name of the official so voting.

A stockholder whose shares of capital stock of the Corporation are pledged shall be entitled to vote such shares unless on the transfer books of the Corporation the pledgor has expressly empowered the pledgee to vote such shares, in which case only the pledgee, or such pledgee's proxy, may represent such shares and vote thereon.

Shares of capital stock of the Corporation belonging to the Corporation, or to another corporation if a majority of the shares entitled to vote in the election of directors of such other corporation shall be held by the Corporation, shall not be voted at any meeting of stockholders and shall not be counted in determining the total number of outstanding shares for the purpose of determining whether a quorum is present. Nothing in this Section 1.9 shall be construed to limit the right of any corporation to vote shares of capital stock of the Corporation held by it in a fiduciary capacity.

Section 1.10. Voting Procedures and Inspectors of Elections.

(a) The Board of Directors shall, in advance of any meeting of stockholders, appoint one or more inspectors (individually an "Inspector," and collectively the "Inspectors") to act at such meeting and make a written report thereof. The Board of Directors may designate one or more persons as alternate Inspectors to replace any Inspector who shall fail to act. If no Inspector or alternate shall be able to act at such meeting, the person presiding at such meeting shall appoint one or more other persons to act as Inspectors thereat. Each Inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of Inspector with strict impartiality and according to the best of his or her ability.

(b) The Inspectors shall (i) ascertain the number of shares of capital stock of the Corporation outstanding and the voting power of each, (ii) determine the shares of capital stock of the Corporation represented at such meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the Inspectors and (v) certify their determination of the number of such shares represented at such meeting and their count of all votes and ballots. The Inspectors may appoint or retain other persons or entities to assist them in the performance of their duties.

(c) The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at such meeting shall be announced at such meeting. No ballots, proxies or votes, nor any revocations thereof or changes thereto, shall be accepted by the Inspectors after the closing of the polls unless the Court of Chancery of the State of Delaware (the "Court of Chancery") upon application by any stockholder shall determine otherwise.

(d) In determining the validity and counting of proxies and ballots, the Inspectors shall be limited to an examination of the proxies, any envelopes submitted with such proxies, any information provided in accordance with the second paragraph of Section 1.6 of these Bylaws, ballots and the regular books and records of the Corporation, except that the Inspectors may consider other reliable information for the limited purpose of reconciling proxies and ballots submitted by or on behalf of banks, brokers, their nominees or similar persons which represent more votes than the holder of a proxy is authorized by a stockholder of record to cast or more votes than such stockholder holds of record. If the Inspectors consider other reliable information for the limited purpose permitted herein, the Inspectors, at the time they make their certification pursuant to paragraph (b) of this Section 1.10, shall specify the precise information considered by them, including the person or persons from whom they obtained such information, when the information was obtained, the means by which such information was obtained and the basis for the Inspectors' belief that such information is accurate and reliable.

Section 1.11. Consent of Stockholders in Lieu of Meeting. Any action required to be taken or which may be taken at any annual or special meeting of stockholders may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, shall be signed by persons entitled to vote capital stock of the Corporation representing not less than the minimum voting power of the shares that would be necessary to authorize or take such action at a meeting at which all shares of capital stock of the Corporation entitled to vote thereon were present and voted. Every written consent shall bear the date of signature of each stockholder (or his, her or its proxy) who shall sign such consent. All such written consents shall be delivered to the Corporation at its registered office in the State of Delaware, at its principal place of business or to the Secretary. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. No written consent shall be effective to authorize or take the corporate action referred to therein unless, within 60 days of the earliest dated written consent delivered in the manner required by this Section 1.11 to the Corporation, written consents signed by a sufficient number of persons to authorize or take such action shall be delivered to the Corporation at its registered office in the State of Delaware, at its principal place of business or to the Secretary as aforesaid. All such written consents shall be filed with the minutes of proceedings of the stockholders and actions authorized or taken under such written consents shall have the same force and effect as those adopted by vote of the stockholders at any annual or special meeting thereof. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for notice of such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation as provided in this section.

Section 1.12. Introduction of Business at an Annual Meeting of Stockholders. At an annual meeting of stockholders, only such business (other than the election of directors) shall be conducted, and only such proposals (other than the nomination of persons for election of directors pursuant to Section 1.13) shall be acted upon, as shall have been properly brought before an annual meeting of stockholders.

To be properly brought before an annual meeting of stockholders, business (other than director nominations) must be (a) pursuant to the Corporation's notice of meeting and proxy materials with respect to such meeting, (b) properly brought before the meeting by or at the direction of the Board of Directors, or (c) otherwise properly brought before the annual meeting by a stockholder who (i) was a stockholder of record at the time of giving of notice provided for in this Section 1.12 through the time of the annual meeting, (ii) is entitled to vote with respect to such business at the meeting as a stockholder of record on the date set therefor pursuant to Section 1.7(a) of these Bylaws and (iii) complies with the notice procedures set forth in these Bylaws as to such business. For the avoidance of doubt, clause (c) above shall be the exclusive means for a stockholder to propose business (other than business included in the Corporation's proxy materials pursuant to Rule 14a-8 under the Exchange Act) before an annual meeting of stockholders. Notwithstanding anything to the contrary, a stockholder who otherwise complies with this Section 1.12 shall be entitled to propose business at an annual meeting only with respect to matters for which such stockholder is entitled to vote at such meeting.

For business to be properly brought before an annual meeting of stockholders by a stockholder, the stockholder must have given timely notice in proper form in writing to the Secretary of the Corporation.

To be timely, a stockholder's notice of proposed business (other than director nominations) with respect to an annual meeting must be received by the Secretary at the principal executive offices of the Corporation not earlier than 120 calendar days nor later than the close of business on the 90th calendar day in advance of the anniversary of the date on which the Corporation filed with the SEC its definitive proxy statement (regardless of any later filed amendments thereto) in connection with the most recent preceding annual meeting of stockholders, except that, subject to the next paragraph, if the date of the annual meeting for a year has been changed by more than 30 calendar days before or after the anniversary date of the most recent preceding annual meeting, a stockholder's notice of proposed business (other than director nominations) shall be timely if it is received by the Corporation not earlier than 150 calendar days nor later than the close of business on the 120th calendar day in advance of the date of such annual meeting or, if the first public notice of the date of such annual meeting is less than 130 days prior to the date of such annual meeting, not later than the close of business on the tenth calendar day following the date that public notice is first made by the Corporation of the date of the annual meeting for such year. Delivery of any notice or update thereto required by this Section or Section 1.16 shall be by hand or by certified or registered mail, return receipt requested.

In no event shall any adjournment, postponement, rescheduling, judicial stay or recess of an annual meeting, for which notice of such annual meeting has been given, or the announcement thereof, commence a new time period for the giving of a stockholder's notice as described above.

Unless otherwise required by law, if the stockholder providing notice (or a Qualified Representative (as defined in Section 1.17) of the stockholder) proposing business to be conducted at a meeting does not appear at the meeting of stockholders of the Corporation to propose such business, such proposed business shall not be transacted, and no vote shall be taken with respect to such proposed business, notwithstanding that proxies with respect to such vote may have been received by the Corporation.

To be in proper form, a stockholder's notice shall set forth the following information.

A stockholder's notice shall set forth as to each matter the stockholder proposes to bring before an annual meeting of stockholders (a) a reasonably brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (b) the text of the proposal or business (including the complete text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend the Restated Certificate of Incorporation or these Bylaws, the text of the proposed amendment), (c) the name and address of the stockholder proposing such business and each other Covered Person (as defined in Section 1.17) (including, as applicable, as they appear on the Corporation's books), (d) the class and number of shares of the Corporation which are, directly or indirectly, beneficially owned or owned of record (specifying the type of ownership) by such stockholder and any other Covered Person (including any rights to acquire beneficial ownership at any time in the future); the date or dates on which such shares were acquired; and the investment intent of such acquisition, (e) a representation that the stockholder is a holder of record of shares of stock of the Corporation entitled to vote with respect to such business at such meeting and that such stockholder intends to appear in person or cause a Qualified Representative of such stockholder to appear in person at the meeting to move the consideration of such business and an acknowledgement that, if such stockholder (or a Qualified Representative of such stockholder) does not appear to present such business at such meeting, the Corporation need not present such business for a vote at such meeting, notwithstanding that proxies in respect of such vote may have been received by the Corporation, (f) a description of all agreements, arrangements or understandings (whether written or oral) between or among any Covered Person and any other Covered Person or any other person or persons, including competitors of the Corporation, specifying the names and addresses of such persons, relating to the proposal of such business by such stockholder (or the support thereof) or relating to acquiring, holding, voting or disposing of any securities of the Corporation or any Derivative Interests (as defined in Section 1.17) therein, or to cooperate in obtaining, changing or influencing the control of the Corporation, (g) any material interest of the stockholder or any other Covered Person in such business, (h) all information that would be required to be filed on Schedule 13D (including the exhibits thereto) under the Exchange Act, by any Covered Person, regardless of whether such Covered Person has publicly filed or is actually required to file a Schedule 13D containing such information, (i) a statement whether or not such stockholder or any other Covered Person will deliver a proxy statement and form of proxy to any other stockholders or otherwise engage in a solicitation (within the meaning of Exchange Act Rule 14a-1(l)) relating to such business and, if so, a description of which stockholders will be solicited and how such stockholder or Covered Person will conduct the solicitation and the name of each participant (as defined in Item 4 of Schedule 14A under the Exchange Act) in such solicitation and (j) the information specified in Sections 1.14(b)(iii), (vi)-(xiv) and (xix) and Section 1.16 with respect to each Covered Person; provided, however, that the disclosures in the foregoing subclauses (a) through (j) shall not include any such disclosures with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is a stockholder solely as a result of being the stockholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner.

The stockholder shall be deemed to have affirmatively asserted that no person is a Covered Person other than the stockholder and any Covered Person expressly identified by the stockholder in its notice. To the extent that the stockholder's notice (or any update thereto provided pursuant to this paragraph) is inaccurate in any material respect and/or incomplete in any material respect, as determined by the Board of Directors, the stockholder shall be deemed not to have complied with the requirements of this Section 1.12. Such stockholder shall provide further notice or notices to the Secretary at the principal executive offices of the Corporation to update the foregoing information if such information changes between the date of such stockholder's notice and the date of the stockholders' meeting to which it relates, such notice to be provided within three business days after such information changes but no later than the day prior to such stockholders' meeting, it being understood that no such notice may cure any deficiencies or inaccuracies with respect to any prior submission by such stockholder. To the extent the stockholder fails to so update such information on a timely basis in any material respect, as determined by the Board of Directors, the stockholder shall be deemed not to have complied with the requirements of this Section 1.12. If the Board of Directors determines before the stockholders' meeting that such stockholder's notice does not comply with the requirements of this Section 1.12, the chair of the meeting shall declare to the meeting that such stockholder's notice does not comply with the procedures prescribed by these Bylaws and the business proposed by such stockholder shall be disregarded (notwithstanding that proxies with respect to a vote on such business may have been received by the Corporation).

Notwithstanding anything in these Bylaws to the contrary, no business (other than the election of directors as provided in Section 1.13) shall be conducted at an annual meeting of stockholders except in accordance with the procedures set forth in this Section 1.12. The chair of the meeting shall, if the facts warrant, determine and declare to the meeting that the business was not properly brought before the meeting in accordance with the procedures prescribed by these Bylaws, and if the chair should so determine, the chair shall so declare to the meeting and any such business not properly brought before the meeting shall not be considered.

Notwithstanding the foregoing provisions of this Section 1.12, a stockholder shall also comply with all applicable requirements of the Exchange Act with respect to the matters set forth in this Section 1.12; provided, however, that any references in these Bylaws to the Exchange Act are not intended to and shall not limit the requirements applicable to proposals as to any other business to be considered pursuant to this Section 1.12.

For avoidance of doubt, nothing in these Bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act, or the right of the Corporation to exclude such proposals from the Corporation's proxy statement if not required to be included or permitted to be excluded under Rule 14a-8.

Section 1.13. Nomination of Directors at an Annual Meeting. Only persons nominated in accordance with the procedures set forth in this section shall be eligible for election as directors at an annual meeting.

Nominations of persons for election to the Board may be made at an annual meeting of stockholders (a) by or at the direction of the Board of Directors, or (b) by any stockholder of the Corporation who (i) was a stockholder of record at the time of giving of notice provided for in this Section 1.13 through the time of the annual meeting, (ii) is entitled to vote for the election of the directors to be elected at such meeting as a stockholder of record on the date set therefor pursuant to Section 1.7(a) of these Bylaws and (iii) complies with the notice procedures set forth in Sections 1.13 and 1.14. For the avoidance of doubt, clause (b) in the immediately preceding sentence shall be the exclusive means for a stockholder to make nominations before an annual meeting of stockholders. The number of nominees a stockholder may nominate for election at an annual meeting may not exceed the number of directors such stockholder is entitled to vote for at such meeting, and for the avoidance of doubt, no stockholder shall be entitled to make additional or substitute nominations following the expiration of the time periods set forth in this Section 1.13. Notwithstanding anything herein to the contrary, a stockholder who otherwise complies with this Section 1.13 shall be entitled to nominate persons for election at an annual meeting only with respect to director positions to be elected at such meeting for which such stockholder is entitled to vote at such meeting.

Such nominations, other than those made by or at the direction of the Board of Directors, shall be made only pursuant to timely notice in proper form in writing to the Secretary of the Corporation.

To be timely, a stockholder's notice of director nomination for an annual meeting must be received by the Secretary at the principal executive offices of the Corporation not earlier than 120 calendar days nor later than the close of business on the 90th calendar day in advance of the anniversary of the date on which the Corporation filed with the SEC its definitive proxy statement (regardless of any later filed amendments thereto) in connection with the preceding year's annual meeting of stockholders, except that, subject to the next paragraph, if the date of the annual meeting for a year has been changed by more than 30 calendar days before or after the anniversary date of the most recent preceding annual meeting, a stockholder's notice shall be timely if it is received by the Corporation not earlier than 150 calendar days nor later than the close of business on the 120th calendar day in advance of the date of such annual meeting or, if the first public notice of the date of such annual meeting is less than 130 days prior to the date of such annual meeting, not later than the close of business on the tenth calendar day following the date that public notice is first made by the Corporation of the date of the annual meeting for such year. Notwithstanding anything in the preceding sentence to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased and there is no public notice naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least ten days before the last day a stockholder may deliver a notice of nomination in accordance with the preceding sentence, a stockholder's notice required by this bylaw shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth calendar day following the day on which such public notice is first made by the Corporation. Delivery of any notice required by this Section or update thereto required by Section 1.14 or Section 1.16 shall be by hand, or by certified or registered mail, return receipt requested.

In no event shall any adjournment, postponement, rescheduling, judicial stay or recess of an annual meeting, for which notice of such annual meeting has been given, or the announcement thereof, commence a new time period for the giving of a stockholder's notice as described above. To be in proper form, a stockholder's notice of a director nomination shall set forth the information specified in Sections 1.14 and 1.16.

Unless otherwise required by law, if the stockholder providing notice (or a Qualified Representative of the stockholder) proposing a nominee for director at an annual meeting does not appear at the meeting to present such nomination, such proposed nomination shall be disregarded, and no vote shall be taken with respect to such nomination, notwithstanding that proxies with respect to such vote may have been received by the Corporation.

Notwithstanding the foregoing provisions of this Section 1.13, a stockholder shall also comply with all applicable requirements of the Exchange Act with respect to the matters set forth in this Section 1.13; provided, however, that any references in these Bylaws to the Exchange Act are not intended to and shall not limit the requirements applicable to nominations pursuant to this Section 1.13.

Section 1.14. Stockholder's Notice for Nomination of Directors.

A stockholder's notice with respect to director nominations under Section 1.2 or 1.13 shall set forth:

(a) as to each person whom the stockholder proposes to nominate for election or reelection as a director (each, a "Proposed Nominee") (i) the name, age, business address and residence address of such Proposed Nominee; (ii) the principal occupation or employment of such Proposed Nominee; (iii) the class and number of shares of the Corporation which are beneficially owned by such Proposed Nominee; (iv) a description of any agreement, arrangement or understanding (whether written or oral) within the past three years with respect to any direct or indirect compensation, participation, interest, reimbursement or indemnification arrangement received or to be received from any person or entity other than the Corporation, in connection with or in any way related to such Proposed Nominee's nomination as a candidate for election as a director or service as a director of the Corporation; (v) a description of any material relationships between or among such Proposed Nominee or any of such Proposed Nominee's affiliates or associates (as each is defined in Section 1.17), on the one hand, and such stockholder or any other Covered Person, on the other hand, including all information that would be required to be disclosed pursuant to Item 404 promulgated under Regulation S-K as if such stockholder or Covered Person were the "registrant" for purposes of such rule and the Proposed Nominee were a director or executive officer of such registrant; (vi) a description of any business or personal interests that could reasonably be expected to place such Proposed Nominee in a potential conflict of interest with the Corporation or any of its subsidiaries; (vii) a written representation and agreement completed by such Proposed Nominee in the form required by the Corporation (which form such stockholder shall request in writing from the Secretary prior to submitting notice and which the Secretary shall provide to such stockholder within 10 days after receiving such request) providing that such Proposed Nominee: (A) is not and will not become a party to any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such Proposed Nominee, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or any Voting Commitment that could limit or interfere with such Proposed Nominee's ability to comply, if elected as a director of the Corporation, with such Proposed Nominee's fiduciary duties under applicable law; (B) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director or nominee that has not been disclosed to the Corporation; (C) will, if elected as a director of the Corporation, comply with all applicable rules of any securities exchanges upon which the Corporation's securities are listed, the Restated Certificate of Incorporation, these Bylaws, all applicable publicly disclosed corporate governance, ethics, conflict of interest, confidentiality, stock ownership and trading policies and all other guidelines and policies of the Corporation generally applicable to directors (which other guidelines and policies will be provided to such Proposed Nominee within five (5) business days after the Secretary receives any written request therefor from such Proposed Nominee), and all applicable fiduciary duties under state law; (D) consents to being named as a nominee in the Corporation's proxy statement and form of proxy for the meeting; (E) intends to serve a full term as a director of the Corporation, if elected; (F) will provide facts, statements and other information in all communications with the Corporation and its stockholders that are or will be true and correct and that do not and will not omit to state any fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading; and (G) will tender his or her resignation as a director of the Corporation if the Board of Directors determines that such Proposed Nominee failed to comply with the provisions of this Section 1.14(a)(vii) in all material respects, provides such Proposed Nominee notice of any such determination and, if such non-compliance may be cured, such Proposed Nominee fails to cure such non-compliance within 10 business days after delivery of such notice to such Proposed Nominee; (viii) a written questionnaire with respect to the background and qualifications of such Proposed Nominee, completed by such Proposed Nominee in the form required by the Corporation (which form such stockholder shall request in writing from the Secretary prior to submitting notice and which the Secretary shall provide to such stockholder within 10 days after receiving such request); and (ix) any other information relating to such Proposed Nominee that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act. To the extent that the notice (or any update thereto provided pursuant to this paragraph) is inaccurate in any material respect and/or incomplete in any material respect, as determined by the Board of Directors, the stockholder shall be deemed not to have complied with the requirements of this Section 1.14(a). Such stockholder shall provide further notice or notices to the Secretary at the principal executive offices of the Corporation to update the foregoing information if such information changes between the date of such stockholder's notice and the date of the stockholders' meeting to which it relates, such notice to be provided within three business days after such information changes but no later than the day prior to such stockholders' meeting, it being understood that no such notice may cure any deficiencies or inaccuracies with respect to any prior submission by such stockholder. To the extent the stockholder fails to so update such information on a timely basis in any material respect, as determined by the Board of Directors, the stockholder shall be deemed not to have complied with the requirements of this Section 1.14(a); and

(b) as to the stockholder giving the notice (i) the name and address of such stockholder and any other Covered Person (including, as applicable, as they appear on the Corporation's books); (ii) the class and number of shares of the Corporation which are, directly or indirectly, beneficially owned or owned of record (specifying the type of ownership) by such stockholder and any other Covered Person (including any rights to acquire beneficial ownership at any time in the future); the date or dates on which such shares were acquired; and the investment intent of such acquisition; (iii) the name of each nominee holder for, and number of, any securities of the Corporation owned beneficially but not of record by such stockholder or any other Covered Person and any pledge by such stockholder or any other Covered Person with respect to any of such securities; (iv) a representation that the stockholder is a holder of record of shares of stock of the Corporation entitled to vote on the election of the directors to be elected at such meeting and the Proposed Nominee(s) being nominated by such person, and that such stockholder intends to appear in person or cause a Qualified Representative of such stockholder to appear in person at the meeting to nominate the Proposed Nominee(s) and an acknowledgement that, if such stockholder (or a Qualified Representative of such stockholder) does not appear to present such Proposed Nominee(s) at such meeting, the Corporation need not present such Proposed Nominee(s) for a vote at such meeting, notwithstanding that proxies in respect of such vote may have been received by the Corporation;; (v) a description of all agreements, arrangements or understandings (whether written or oral) between or among any Covered Person and any other Covered Person or any other person or persons, including competitors of the Corporation, specifying the names and addresses of such persons, relating to the nomination or nominations to be made by the stockholder (or the support thereof) or relating to acquiring, holding, voting, or disposing of any securities of the Corporation or any Derivative Interests therein, or to cooperate in obtaining, changing or influencing the control of the

Corporation; (vi) any substantial interest, direct or indirect (including any existing or prospective commercial, business or contractual relationship with the Corporation), by security holdings or otherwise, of such stockholder or any other Covered Person in the Corporation or any affiliate thereof, other than an interest arising from the ownership of Corporation securities where such stockholder or such Covered Person receives no extra or special benefit not shared on a pro rata basis by all other holders of the same class or series; (vii) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership, limited liability company or similar entity in which such stockholder or any Covered Person (A) is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership or (B) is the manager, managing member or, directly or indirectly, beneficially owns an interest in the manager or managing member of such limited liability company or similar entity; (viii) any significant equity interests or any Derivative Instruments in any principal competitor of the Corporation held by such stockholder or any other Covered Person; (ix) any direct or indirect interest of such stockholder or any other Covered Person in any contract or arrangement with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including any employment agreement, collective bargaining agreement or consulting agreement); (x) a representation that (A) neither such stockholder nor any Covered Person has breached any contract or other agreement, arrangement or understanding with the Corporation except as disclosed to the Corporation pursuant hereto and (B) such stockholder and each Covered Person has complied, and will comply, with all applicable requirements of state law and the Exchange Act with respect to the matters set forth in this Section 1.14; (xi) (A) a description of the investment strategy or objective, if any, of such stockholder or any Covered Person who is not an individual and (B) a copy of the prospectus, offering memorandum or similar document and any presentation, document or marketing material provided to third parties (including investors and potential investors) to solicit an investment in the stockholder or any Covered Person that contains or describes the stockholder's or such Covered Person's performance, personnel or investment thesis or plans or proposals with respect to the Corporation; (xii) a certification regarding whether such stockholder and each Covered Person has complied with all applicable federal, state and other legal requirements in connection with such stockholder's or Covered Person's acquisition of shares of capital stock or other securities of the Corporation and such stockholder's or Covered Person's acts or omissions as a stockholder of the Corporation, if such stockholder or Covered Person is or has been a stockholder of the Corporation; (xiii) (A) if the stockholder (or the beneficial owner(s) on whose behalf such stockholder is submitting a notice to the Corporation) is not a natural person, the identity of the natural person or persons associated with such stockholder (or beneficial owner(s)) responsible for the formulation of and decision to propose the business or nomination to be brought before the meeting (such person or persons, the "Responsible Person"), the manner in which such Responsible Person was selected, any fiduciary duties owed by such Responsible Person to the equity holders or other beneficiaries of such stockholder (or beneficial owner(s)), the qualifications and background of such Responsible Person and any material interests or relationships of such Responsible Person that are not shared generally by any other record or beneficial holder of the shares of any class or series of the capital stock of the Corporation and that reasonably could have influenced the decision of such stockholder (or beneficial owner(s)) to propose such business or nomination to be brought before the meeting and (B) if the stockholder (or the beneficial owner(s) on whose behalf such stockholder is submitting a notice to the Corporation) is a natural person, the qualifications and background of such natural person and any material interests or relationships of such natural person that are not shared generally by any other record or beneficial holder of the shares of any class or series of the capital stock of the Corporation and that reasonably could have influenced the decision of such stockholder (or beneficial owner(s)) to propose such business or nomination to be brought before the meeting; (xiv) a complete and accurate description of any pending or, to such stockholder's knowledge, threatened legal proceeding in which such stockholder or any other Covered Person is a party or participant involving the Corporation or, to such stockholder's knowledge, any current or former officer, director, affiliate or associate of the Corporation; (xv) a description of any material interest of such stockholder or any other Covered Person in the election of any Proposed Nominee; (xvi) all information that would be required to be filed on Schedule 13D (including the exhibits thereto) under the Exchange Act, by any Covered Person, regardless of whether such Covered Person has publicly filed or is actually required to file a Schedule 13D containing such information; (xvii) a statement whether or not such stockholder or any other Covered Person will deliver a proxy statement and form of proxy to any other stockholders or otherwise engage in a solicitation (within the meaning of Exchange Act Rule 14a-1(l)) relating to such nomination and, if so, a description of which stockholders will be solicited and how such stockholder or Covered Person will conduct the solicitation, the name of each participant (as defined in Item 4 of Schedule 14A under the Exchange Act) in such solicitation and a representation as to whether such stockholder intends or is part of a group that intends to solicit proxies in support of the election of any Proposed Nominee in accordance with Rule 14a-19 under the Exchange Act; (xviii) the information specified by Section 1.16 with respect to each Covered Person; and (xix) all other information relating to such stockholder or any Covered Person, or such stockholder's or any Covered Person's associates, that would be required to be disclosed in a proxy statement or other filing required to be made in connection with the solicitation of proxies in support of the business proposed by such stockholder, if any, or for the election of any Proposed Nominee in a contested election or otherwise pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder; provided, however, that the disclosures in the foregoing subclauses (i) through (xix) shall not include any such disclosures with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is a stockholder solely as a result of being the stockholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner.

The stockholder shall be deemed to have affirmatively asserted that no person is a Covered Person other than the stockholder and any Covered Person expressly identified by the stockholder in its notice.

Notwithstanding anything herein to the contrary, if (a) the stockholder providing notice under this Section 1.14 or any other Covered Person provides notice pursuant to Rule 14a-19(b) under the Exchange Act with respect to any Proposed Nominee and (b) (i) such stockholder or any other Covered Person subsequently either (A) notifies the Corporation that such stockholder or other Covered Person no longer intends to solicit proxies in support of the election of such Proposed Nominee in accordance with Rule 14a-19(b) under the Exchange Act or (B) fails to comply with the requirements of Rule 14a-19(a)(2) or Rule 14a-19(a)(3) under the Exchange Act (or fails to timely provide reasonable evidence sufficient to satisfy the Corporation that such stockholder or other Covered Person has met the requirements of Rule 14a-19(a)(3) under the Exchange Act in accordance with the immediately following sentence) and (ii) no other stockholder or Covered Person that has provided notice pursuant to Rule 14a-19(b) under the Exchange Act with respect to such Proposed Nominee (A) to the Corporation's knowledge, intends to solicit proxies in support of the election of such Proposed Nominee in accordance with Rule 14a-19(b) under the Exchange Act and (B) has complied with the requirements of Rule 14a-19(a)(2) and Rule 14a-19(a)(3) under the Exchange Act, then the nomination of such Proposed Nominee shall be disregarded and no vote on the election of such Proposed Nominee shall occur (notwithstanding that proxies in respect of such vote may have been received by the Corporation). Upon request by the Corporation, if any stockholder providing notice under Section 1.13 or any other Covered Person provides notice pursuant to Rule 14a-19(b) under the Exchange Act, such stockholder shall deliver to the Secretary, no later than five (5) business days prior to the applicable meeting date, reasonable evidence that the requirements of Rule 14a-19(a)(3) under the Exchange Act have been satisfied.

To the extent that the notice (or any update thereto provided pursuant to this paragraph) is inaccurate in any material respect and/or incomplete in any material respect, as determined by the Board of Directors, the stockholder shall be deemed not to have complied with the requirements of this Section 1.14(b). Such stockholder shall provide further notice or notices to the Secretary at the principal executive offices of the Corporation to update the foregoing information if such information (including the representation made pursuant to Section 1.14(b)(xvii)) changes between the date of such stockholder's notice and the date of the stockholders' meeting to which it relates, such notice to be provided within three business days after such information changes but no later than the day prior to such stockholders' meeting, it being understood that no such notice may cure any deficiencies or inaccuracies with respect to any prior submission by such stockholder. To the extent the stockholder fails to so update such information on a timely basis in any material respect, as determined by the Board of Directors, the stockholder shall be deemed not to have complied with the requirements of this Section 1.14(b).

Notwithstanding anything to the contrary in these Bylaws, no nomination by any stockholder shall be effective unless made, and no person shall be eligible for election as a director of the Corporation unless nominated, in accordance with the procedures set forth in Section 1.2 or this Section 1.14.

If the Board of Directors determines before the stockholders' meeting that such stockholder's notice does not comply with the requirements of this Section 1.14, the chair of the meeting shall declare to the meeting that such stockholder's notice does not comply with the procedures prescribed by these Bylaws and the director nomination by such stockholder shall be disregarded (notwithstanding that proxies may have been received by the Corporation).

Section 1.15. Qualifications:

(a) In addition to any other qualifications for director election set forth in these Bylaws, a person properly nominated under Section 1.2 or 1.13 (a "candidate") shall not be eligible for election as a director in the following circumstances:

(i) Federal Communications Commission Qualification. Such candidate shall not be eligible for election or continued service as a director unless he or she is eligible to serve as a director of a company that controls licenses granted by the Federal Communications Commission ("FCC"), as determined by the Board of Directors with the advice of counsel.

(ii) Competition with Corporation. Such candidate shall not be eligible for election or continued service as a director if he or she is or becomes affiliated with, employed by or a representative of, or has or acquires a material personal involvement with, or material financial interest in, any individual, corporation, association, partnership, firm, business enterprise or other entity, organization or person which is engaged in competition with the Corporation or any of its subsidiaries or affiliates ("Business Competitor"), as determined by the Board of Directors. Such affiliation, employment or representation shall include, without limitation, service or status as an owner, partner, stockholder, trustee, director, officer, consultant, employee, agent or counsel, or the existence of any relationship which results in such person having an express, legal or fiduciary obligation to act on behalf of or in the interests of a Business Competitor; provided, however, that passive ownership of an interest not exceeding 1% of the outstanding securities in any publicly-owned Business Competitor shall not constitute such affiliation, employment or representation.

(iii) Other Qualifications. Such candidate shall not be eligible for election or continued service as a director if, as determined by the Board of Directors with the advice of counsel, (i) such candidate's election as a director would violate federal, state or foreign law or applicable stock exchange requirements (other than those related to independence) or (ii) such candidate has been convicted, including a plea of guilty or nolo contendere, of any felony, or of any misdemeanor involving moral turpitude.

(b) Additional Information. In addition to any other qualifications for director election set forth in these Bylaws, a person nominated by a stockholder under Section 1.2 or 1.13 shall not be eligible for election as a director unless, prior to such person's initial election as a director, he or she signs and returns to the Secretary, within ten days of a request therefor, written responses to any questions posed by the Secretary that are intended to:

(i) determine whether such person, if elected, would qualify as an "independent director" under listing standards of the New York Stock Exchange and any other exchange on which the Corporation's shares are listed;

(ii) determine whether such person is eligible or qualified to serve as a director of the Corporation under these Bylaws;

(iii) obtain other information with respect to such person, and a description of all direct and indirect agreements, arrangements and understandings (whether written or oral) during the past three years, identifying all amounts, and any other relationships, between or among such person and any Covered Person or any other person, including competitors of the Corporation, specifying the names and addresses of such persons, that could be material or otherwise required to be disclosed under SEC proxy solicitation rules or applicable stock exchange listing standards relating to such person's possible election as a director of the Corporation, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 of Regulation S-K of the SEC if the stockholder or any other Covered Person were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant, and information relating to any agreement, arrangement or understanding (whether written or oral) with respect to any direct or indirect compensation, participation, interest, reimbursement or indemnification received or to be received from any person or entity other than the Corporation, in connection with or in any way related to such person's nomination as a candidate for election as a director or service as a director of the Corporation; and

(iv) solicit from such person any other information that the Secretary determines could be material to a reasonable stockholder, including information relating to the independence, or lack thereof, of such person.

In addition, any person nominated by a stockholder under Section 1.2 or 1.13 shall not be eligible for election as a director unless such person has, within 10 days following any reasonable request therefor from the Board of Directors or any committee thereof, made himself or herself available to be interviewed by directors of the Corporation and/or other persons designated by the Board of Directors with respect to, among other things, the information about such person included in the notice from the stockholder described in Section 1.14(a), such person's qualifications to serve as a director under Section 1.15(a) and otherwise, responses by such person to the questions described in Section 1.15(b)(i)-(iv), information obtained from the background check described in Section 1.15(c), and other matters relating to such person's candidacy or service as a director of the Corporation.

To the extent that the responses to the questions posed pursuant to this Section 1.15(b) are inaccurate in any material respect as determined by the Board of Directors (including any such deemed affirmative assertions) and/or incomplete in any material respect, the person returning the responses shall be deemed not to have complied with the requirements of this Section 1.15. If any answer changes between the date that such answer is originally returned to the Secretary and the date of the stockholders' meeting at which such person is nominated for election or reelection as a director, such person shall update such answer in writing to the Secretary at the principal executive offices of the Corporation, such update to be provided within three business days after such information changes but no later than the day prior to such stockholders' meeting, it being understood that no such update may cure any deficiencies or inaccuracies with respect to any prior answer by such person. Any failure to so update the answers in any material respect shall result in such person being deemed not to have complied with the qualification requirements of this Section 1.15.

Notwithstanding compliance with the foregoing requirements, any such person shall also be required to promptly (but in no event later than three business days) respond to reasonable requests by the Secretary for additional information or clarification of responses from such person.

(c) Each person who consents to serve as a director of the Corporation if elected shall be deemed to have consented to an investigation and background check of such person by the Corporation or its agents of the type typically obtained by the Corporation with respect to the initial nomination of persons as directors. The scope of the background check may include information relating to character, general reputation and similar information. The types of reports which may be requested from reporting agencies and other sources may include, but not be limited to, credit reports, criminal record checks, public court records checks, driving records, summaries and verifications of education and histories/summaries and verification of employment positions held and related duties, last pay rate or salary, work performance, experience, skills, qualifications, compliance with employer or institutional policies, licensing, certification, training, honesty and other personal characteristics. The information may be obtained from any and all lawful private or public records or sources.

(d) If the Board of Directors determines before the closing of the polls at a stockholders' meeting that such person does not comply with the qualification requirements of this Section 1.15, the chair of the meeting shall declare to the meeting that such person is not eligible to be elected as a director in accordance with the procedures prescribed by these Bylaws and the nomination of such person shall be disregarded (notwithstanding that proxies may have been received by the Corporation).

Section 1.16. Information About Stockholders. To be in proper form, a stockholder's notice (whether given pursuant to Section 1.2, Section 1.12 or Section 1.13) to the Secretary must set forth, in addition to the information required pursuant to Section 1.2, Section 1.12 or Section 1.13, as applicable, (i) the names and addresses of other stockholders (including beneficial owners) known by the stockholder giving the notice to support the nomination(s) or other business proposal(s) submitted by such stockholder and, to the extent known, the class and number of all shares of the Corporation's capital stock owned beneficially or of record by such other stockholder(s) or other beneficial owner(s) and (ii) as to the stockholder giving the notice, and as to each Covered Person with respect to such stockholder, information as to any direct or indirect interest, right or obligation (whether written or oral) of any such person in, with respect to or related to (a) all securities, including securities that are not equity securities, of the Corporation that are beneficially owned, within the meaning of Rule 13d-3 under the Exchange Act (a "Long Interest"), (b) any short sale within the meaning of Rule 200 of the Exchange Act, any sale of borrowed securities, "naked short sale" or any other short interest in any security of the Corporation, other than a Synthetic Short Interest, as defined below (a "Short Interest"), (c) any Derivative Instrument (as defined in Section 1.17) that represents an opportunity to profit or share in any profit derived from any increase in the value of securities of the Corporation, other than any Long Interest (a "Synthetic Long Interest"), (d) any Derivative Instrument that represents an opportunity to profit or share in any profit derived from any decrease in the value of securities of the Corporation, other than any Short Interest (a "Synthetic Short Interest"), (e) any Proxy (as defined in Section 1.17) that permits such person to vote, share voting, participate in any voting decision or otherwise direct the vote of any securities of the Corporation ("Vote Buying Interest"), (f) any Proxy pursuant to which such person has authorized any other person to vote, share voting, participate in any voting decision or otherwise direct the vote of any securities of the Corporation ("Vote Selling Interest"), (g) any rights to or obligations with respect to dividends or interests on any securities of the Corporation that are separated or separable from the underlying securities of the Corporation ("Income Interest"), (h) any rights to or obligations with respect to any performance-related or other fees (other than any asset-based fees) based on any increase or decrease in the value of securities of the Corporation or any Derivative Interests therein ("Fee Interest"), and (i) any other direct or indirect economic, voting or derivative interest, right or obligation related to any securities of the Corporation including security lending or borrowing arrangements ("Other Interest" and, together with Short Interests, Synthetic Long Interests, Synthetic Short Interests, Vote Buying Interests, Vote Selling Interests, Income Interests and Fee Interests, the "Derivative Interests"). The notice shall include a description of all economic, voting and other terms of each such Derivative Interest. Notwithstanding the foregoing, no disclosure is required of any option, right or other instrument or benefit of a person that was received from the Corporation or to which the Corporation is a party.

If the stockholder does not expressly disclose that such stockholder or any other Covered Person has an interest in one or more of the foregoing interests in such stockholder's notice, the stockholder shall be deemed to have affirmatively asserted that the stockholder and each other Covered Person does not have any direct or indirect interest, right or obligation (whether written or oral) with respect to or related to such interest. In the event that any such notice is inaccurate in any material respect (including any such deemed affirmative assertions), as determined by the Board of Directors, the stockholder shall be deemed not to have complied with the requirements of this Section 1.16. Such stockholder shall provide further notice or notices to the Secretary at the principal executive offices of the Corporation to update the foregoing information if such information changes between the date of such stockholder's notice and the date of the stockholders' meeting to which it relates, such notice to be provided within three business days after such information changes but no later than the day prior to such stockholders' meeting, it being understood that no such notice may cure any deficiencies or inaccuracies with respect to any prior submission by such stockholder. To the extent the stockholder fails to so update such information on a timely basis in any material respect, as determined by the Board of Directors, the stockholder shall be deemed not to have complied with the requirements of this Section 1.16.

In addition, the stockholder providing notice pursuant to Section 1.2, Section 1.12 or Section 1.13 shall update such notice, if necessary, such that the information provided or required to be provided in such notice shall be true and correct (a) as of the record date for determining the stockholders entitled to receive notice of the meeting and (b) as of the date that is 10 business days prior to the meeting (or any postponement, rescheduling or adjournment thereof), and such update shall (i) be received by the Secretary at the principal executive offices of the Corporation (x) not later than the close of business five (5) business days after the record date for determining the stockholders entitled to receive notice of such meeting (in the case of an update required to be made under clause (a)) and (y) not later than the close of business seven (7) business days prior to the date for the meeting or, if practicable, any postponement, rescheduling or adjournment thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been postponed, rescheduled or adjourned) (in the case of an update required to be made pursuant to clause (b)), (ii) be made only to the extent that information has changed since such stockholder's prior submission and (iii) clearly identify the information that has changed since such stockholder's prior submission. For the avoidance of doubt, any information provided pursuant to this paragraph shall not be deemed to cure any deficiencies or inaccuracies in a notice previously delivered pursuant to Section 1.2, Section 1.12 or Section 1.13 and shall not extend the time period for the delivery of notice pursuant to Section 1.2, Section 1.12 or Section 1.13.

If the Board of Directors determines before the stockholders' meeting that such stockholder's notice does not comply with the requirements of this Section 1.16, the chair of the meeting shall declare to the meeting that such stockholder's notice does not comply with the procedures prescribed by these Bylaws and the director nomination or business proposed by such stockholder shall be disregarded (notwithstanding that proxies may have been received by the Corporation).

Section 1.17. Certain Definitions and Interpretive Matters.

For purposes of these Bylaws, an "affiliate" of a person shall have the meaning set forth in Rule 12b-2 of the Exchange Act.

For purposes of these Bylaws, an "associate" of a person shall have the meaning set forth in Rule 12b-2 of the Exchange Act.

For purposes of these Bylaws, a “Covered Person” with respect to a stockholder proposing to make a nomination or propose business at a meeting of stockholders and any beneficial owner(s) on whose behalf the nomination or proposal is made, shall mean (a) such stockholder and such beneficial owner(s), (b) any person directly or indirectly controlling, controlled by or under common control with such stockholder or beneficial owner(s), (c) any member of the immediate family of such stockholder or beneficial owner(s) sharing the same household, (d) any person or entity who is a member of a “group” (as such term is used in Rule 13d-5 under the Exchange Act (or any successor provision at law)) with, or is otherwise known by such stockholder or other Covered Person to be acting in concert with, such stockholder, such beneficial owner(s) or any other Covered Person with respect to the stock of the Corporation, (e) any affiliate or associate of such Covered Person, such beneficial owner(s) or any other Covered Person, (f) if such stockholder or any such beneficial owner is not a natural person, any Responsible Person, (g) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A) with such Covered Person, such beneficial owner(s) or any other Covered Person with respect to any proposed business or nominations, as applicable, (h) any beneficial owner of shares of stock of the Corporation owned of record by such stockholder or any other Covered Person (other than a stockholder that is a depository) and (i) any Proposed Nominee.

For purposes of these Bylaws, a “Derivative Instrument” shall mean any option, warrant, convertible security, stock appreciation right, future, forward, swap, synthetic arrangement or similar right, agreement or arrangement (whether or not currently exercisable and whether written or oral) with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any securities of the Corporation, or with a value derived in whole or in part from the value of any securities of the Corporation, including by reference to the market price, volatility, dividend or interest rate or other attribute, whether or not such instrument or right shall be subject to settlement in the underlying securities of the Corporation or otherwise and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of securities of the Corporation, including by reference to the market price, volatility, dividend or interest rate or other attribute, including but not limited to “derivative securities” as defined under Rule 16a-1 under the Exchange Act (a “Derivative Instrument”).

For purposes of these Bylaws, a “Proxy” shall mean any proxy, contract, arrangement, understanding, or relationship (whether written or oral), other than a revocable proxy given in response to a public proxy solicitation made pursuant to, and in accordance with, the Exchange Act, pursuant to which such stockholder has a right to vote, shares voting rights, has authorized another person to vote, has transferred any right to vote, or relates in any way to the voting of any securities of the Corporation.

For purposes of these Bylaws, a “Qualified Representative” of a stockholder means (a) a duly authorized officer, manager or partner of such stockholder or (b) a person authorized by a writing executed by such stockholder (or a reliable reproduction or electronic transmission of the writing) delivered by such stockholder to the Corporation prior to the making of any nomination or proposal at a stockholder meeting stating that such person is authorized to act for such stockholder as proxy at the meeting of stockholders, which writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, must be produced at the meeting of stockholders.

With respect to any provision of these Bylaws which requires action prior to the close of business on a specified date, “close of business” shall mean 5:00 p.m. Central Time, and if such date is a Saturday, Sunday or holiday for the Corporation, such action shall be required to be taken prior to 5:00 p.m. Central Time on the first business day for the Corporation immediately preceding such specified date.

Any determinations or interpretations relating to Article I of these Bylaws shall be made by the Board of Directors or by the chair of the meeting.

Any action or disclosure by a stockholder under this Article I may be rejected by the Board of Directors or by the chair of the meeting as not complying with the requirements of this Article I, if such action or disclosure, as determined by the Board of Directors or chair of the meeting, makes any untrue statement of material fact, omits to state a material fact necessary to make the statements made not misleading, or was not properly taken or made in accordance with the procedures prescribed by these Bylaws.

Section 1.18. Conduct of Meetings of Stockholders. The person that shall preside as chair at all meetings of stockholders shall be, if present, the Chair or, in his or her absence or failure to act, the Chair of the Board of the Company’s parent company, Telephone and Data Systems, Inc. (“TDS Chair of the Board”), who is a director of the Company, and in his or her absence or failure to act, the President or other senior officer of the Corporation present shall adjourn the meeting to another time and/or place without notice other than announcement at such meeting or shall otherwise postpone or recess the meeting. The chair of a meeting of stockholders shall have the power to adopt and enforce rules for the conduct of such meeting, including but not limited to the maintenance of order and decorum. Each of the chair of the meeting and the Board shall have the authority to adopt and enforce rules providing for the orderly conduct of the meeting and the safety of those in attendance, including without limitation the authority to: (i) determine when the polls will open and close on items submitted for stockholder action; (ii) fix the time allotted for consideration of each agenda item and for questions and comments by persons in attendance; (iii) adopt rules for determining who may pose questions and comments during the meeting; (iv) adopt rules for determining who may attend the meeting; and (v) adopt procedures (if any) requiring attendees to provide the Corporation advance notice of their intent to attend the meeting. The chair of the meeting may in his or her discretion adjourn or recess any meeting of the stockholders to another time and/or place without notice other than announcement at such meeting, whether or not a quorum is present at such meeting.

ARTICLE II

DIRECTORS

Section 2.1. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

Section 2.2. Number and Term of Directors. The Board of Directors shall consist of not less than nine nor more than fifteen members with the number of members to be set from time to time by resolution of the Board of Directors. The term of office of each director shall be as specified in the Restated Certificate of Incorporation. Each director elected or appointed shall serve until his or her successor shall be elected and qualify, or until his or her earlier death, resignation, removal or disqualification.

Section 2.3. Resignation or Removal. Any director may resign by giving written notice to the Board of Directors or the President. Any such resignation shall take effect at the time of receipt of such notice or at any later time, or at the time of the happening of an event, specified therein; and, unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective. Directors may be removed from office, either with or without cause, only as provided in the Restated Certificate of Incorporation or the laws of the State of Delaware.

Section 2.4. Vacancies. Vacancies and newly created directorships shall be filled as set forth in the Restated Certificate of Incorporation.

Section 2.5. Place of Meetings. Meetings of the Board of Directors may be held at such places, within or without the State of Delaware, as the Board of Directors may from time to time determine or as may be specified in the call of any such meeting.

Section 2.6. Regular Meetings. A regular annual meeting of the Board of Directors shall be held, without call or notice, immediately after and at the same place as the annual meeting of stockholders, or at such other time and place as may be fixed by resolution of the Board of Directors or specified by the Secretary at the direction of the Chair or the President, for the purpose of organizing the Board of Directors, electing officers and transacting any other business that may properly come before such meeting. Additional regular meetings of the Board of Directors may be held without call or notice at such times as shall be fixed by resolution of the Board of Directors or specified by the Secretary at the direction of the Chair or the President.

Section 2.7. Special Meetings. Special meetings of the Board of Directors may be called by the Chair, the President or by a majority of the directors then in office. Notice of each special meeting shall be mailed by the Secretary to each director at least three days before such meeting, or be given by the Secretary personally or by telecopy, electronic mail or other means of electronic transmission at least four hours before such meeting, in the manner set forth in Section 9.1 of these Bylaws. Such notice shall set forth the date, time and place of such meeting but need not, unless otherwise required by the laws of the State of Delaware, state the purpose of such meeting.

Section 2.8. Quorum and Voting. A majority of the entire Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The act of the majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, unless otherwise provided by the laws of the State of Delaware, the Restated Certificate of Incorporation or these Bylaws. A majority of the directors present at any meeting at which a quorum shall be present may adjourn such meeting to any other date, time or place without further notice other than announcement at such meeting. If at any meeting a quorum shall not be present, a majority of the directors present may adjourn such meeting to any other date, time or place upon notice to all directors pursuant to Section 2.7.

Section 2.9. Telephonic Meetings. Members of the Board of Directors or of any committee designated by the Board of Directors may participate in a meeting of the Board of Directors or such committee through conference telephone or similar communications equipment by means of which all persons participating in such meeting can hear each other, and participation in any meeting conducted pursuant to this Section 2.9 shall constitute presence in person at such meeting.

Section 2.10. Presumption of Assent. Unless otherwise provided by the laws of the State of Delaware, a director who is present at a meeting of the Board of Directors or a committee thereof at which action is taken on any corporate matter shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of such meeting or unless he or she shall file his or her written dissent to such action with the person acting as secretary of such meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary immediately after the adjournment of such meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 2.11. Action without Meeting. Unless otherwise restricted by the laws of the State of Delaware, the Restated Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or any committee thereof, may be taken without a meeting if written consents, or consents by electronic transmission, thereto are signed, or transmitted, by all members of the Board of Directors or of such committee, as the case may be, and such written consents, or electronic transmissions, are filed with the minutes of proceedings of the Board of Directors or such committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 2.12. Major Responsibilities. The major responsibilities of the Board of Directors shall include, without limitation, oversight of the Corporation's: strategy; condition, performance and longer-term value; customer, economic, social, regulatory and technological environment; competitive position; legal compliance; management organization; human resources; senior management succession planning; and contribution to communities served and society.

Section 2.13. Presiding Director. The presiding director at any meeting of the Board of Directors shall be the Chair, or in his or her absence or failure to act, the TDS Chair of the Board (if such person is a director of the Corporation), and (as applicable) in his or her absence or failure to act, the meeting shall be postponed or adjourned to another time and/or place as specified by a majority of the directors or sole director present at such meeting, upon notice to all directors pursuant to Section 2.7.

Section 2.14. Committees. The Board of Directors may from time to time, in its discretion, by resolution passed by a majority of the entire Board of Directors, designate committees of the Board of Directors consisting of such number of directors as the Board of Directors shall determine, which shall have and may exercise such lawfully delegable powers and duties of the Board of Directors as shall be conferred or authorized by such resolution. The Board of Directors shall have the power to change at any time the members of any such committee, to fill vacancies and to dissolve any such committee.

Section 2.15. Alternates. The Board of Directors may from time to time designate from among the directors alternates to serve on any committee of the Board of Directors to replace any absent or disqualified member at any meeting of such committee. Whenever a quorum cannot be secured for any meeting of any committee from among the regular members thereof and designated alternates, the member or members, including alternates, of such committee present at such meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another director to act at such meeting in place of any absent or disqualified member.

Section 2.16. Quorum and Manner of Acting of Committees. A majority of the members of any committee of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of such committee, and the act of a majority of the members present at any meeting at which a quorum is present shall be the act of such committee.

Section 2.17. Committee Chair, Books and Records, Etc. Except as otherwise provided herein, the chair of each committee of the Board of Directors shall be selected from among the members of such committee by the Board of Directors.

Each committee shall keep a record of its acts and proceedings, and all actions of each committee shall be reported to the Board of Directors at its next meeting.

Each committee shall fix its own rules of procedure not inconsistent with these Bylaws or the resolution of the Board of Directors designating such committee and shall meet at such times and places and upon such call or notice as shall be provided by such rules.

Section 2.18. Reliance upon Records. Every director, and every member of any committee of the Board of Directors, shall, in the performance of his or her duties, be fully protected in relying in good faith upon the records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees of the Board of Directors, or by any other person as to matters the director or member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation, including, but not limited to, such records, information, opinions, reports or statements as to the value and amount of the assets, liabilities and/or net profits of the Corporation, or any other facts pertinent to the existence and amount of surplus or other funds from which dividends might properly be declared and paid, or with which the Corporation's capital stock might properly be purchased or redeemed.

Section 2.19. Interested Directors. The presence of a director, who is directly or indirectly a party in a contract or transaction with the Corporation, or between the Corporation and any other corporation, partnership, association or other organization in which such director is a director or officer or has a financial interest, may be counted in determining whether a quorum is present at any meeting of the Board of Directors or a committee thereof at which such contract or transaction is discussed or authorized, and such director may participate in such meeting to the extent permitted by applicable law, including Section 144 of the General Corporation Law of the State of Delaware.

Section 2.20. Compensation. Unless otherwise restricted by the laws of the State of Delaware or the Restated Certificate of Incorporation, the Board of Directors shall have the authority to fix the compensation of directors. The directors shall be paid their reasonable expenses, if any, of attendance at each meeting of the Board of Directors or a committee thereof and may be paid a fixed sum for attendance at each such meeting and an annual retainer or salary for services as a chair, director, committee chair or committee member. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 2.21. Director Emeritus. The Board of Directors may appoint any former director of the Corporation to serve as director emeritus of the Corporation. Any person appointed as director emeritus shall be entitled to receive notice of, and to attend all meetings of the Board of Directors, and shall continue to provide advice and counsel to the Board of Directors. In such capacity, such person shall not be a director and shall not have any of the liabilities or duties of a director under law, nor shall he or she be counted in determining a quorum of the Board of Directors or vote as a director.

ARTICLE III

OFFICERS

Section 3.1. Number and Designation. The officers of the Corporation shall be a Chair, a President, one or more Executive Vice Presidents, Senior Vice Presidents and Vice Presidents, a General Counsel, a Secretary, a Treasurer, a Controller, a Chief Accounting Officer, and such Assistant Secretaries, Assistant Treasurers or other officers or agents as may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person unless the Restated Certificate of Incorporation or these Bylaws provide otherwise.

Section 3.2. Election and Term of Office. The officers of the Corporation shall be elected by the Board of Directors at the first meeting of the Board of Directors held after the election of directors. If the election of such other officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Except as otherwise provided herein, each officer shall hold office until his or her successor shall have been duly elected and shall have qualified or until his or her earlier death, resignation, removal or disqualification.

Section 3.3. Removal and Resignation. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any officer or agent may resign at any time by giving written notice to the Chair or the President with a copy to the Secretary. Any such resignation shall take effect at the time of receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective.

Section 3.4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3.5. Chair. The Chair shall preside at all meetings of the stockholders and of the Board of Directors and shall see that orders and resolutions of the Board of Directors are carried into effect. He or she may sign bonds, mortgages, certificates for shares and all other contracts and documents whether or not under the seal of the Corporation except in cases where the signing and execution thereof shall be expressly delegated by law, by the Board of Directors or by these bylaws to some other officer or agent of the Corporation. The Chair shall determine short term and recommend (to the Long-Term Incentive Compensation Committee) long term compensation for the President, Executive Vice Presidents and Senior Vice Presidents. In the absence of the President (including a vacancy in such office) or in the event of his or her inability or refusal to act, which inability shall be determined by the Chair, the Chair shall perform the duties of the chief executive officer and, when so acting, shall have all the powers of the President.

Section 3.6. President. The President shall be the chief executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. The President, or the President's designee, shall supervise the duties assigned to the officers of the Corporation, but not including the Chair. The President may execute, alone or with the Secretary or any other officer of the Corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors or an authorized committee thereof has authorized to be executed, except in cases where the execution thereof shall be expressly delegated by the Board of Directors or a committee thereof or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise executed. The President also shall in general perform all duties incident to the office of President and such other duties as from time to time may be prescribed by the Board of Directors or by the Chair. In the event of the absence of the President or in the event of his or her inability or refusal to act as President or in the event of his or her earlier death, resignation, removal or disqualification (a "permanent absence"), the Chair shall, automatically and without any action on the part of the Board of Directors or otherwise, succeed to and perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions placed upon the President set forth in this Section 3.6. In the event of the permanent absence of both such persons, the vacancy in the position of President shall be filled with a person who is selected by the Board of Directors.

Section 3.7. Chief Financial Officer. The Chief Financial Officer shall in general supervise and control the financial business and financial affairs of the Corporation. The Chief Financial Officer shall supervise the duties assigned to the Controller, shall administratively supervise the chief internal auditor, and in general he or she shall perform all the duties incident to the offices of Chief Financial Officer and such other duties as from time to time may be assigned to him or her by the Chair of the Board, the President, the President's designee, or the Board of Directors. The duties and powers of the Chief Financial Officer shall extend to all subsidiaries of the Corporation insofar as the Chair of the Board, the President, or the President's designee may deem appropriate and practicable.

Section 3.8. The Executive Vice Presidents, Senior Vice Presidents and Vice Presidents. In the temporary absence of the President, the Executive Vice Presidents, the Senior Vice Presidents and the Vice Presidents shall, from time to time, perform such specific duties of the President as may be delegated to one or more of such persons in writing by the Chair and, when so acting, shall have such powers and be subject to such restrictions as would be applicable to the President with respect to such specific duties. The Board of Directors may also designate certain Executive Vice Presidents, Senior Vice Presidents or Vice Presidents as being in charge of designated divisions, plants or functions of the Corporation's business and add appropriate descriptions to their titles. In addition, any Executive Vice President, Senior Vice President or Vice President shall perform such duties as from time to time may be assigned to him or her by the Chair, the President or the Board of Directors.

Section 3.9. General Counsel. The General Counsel shall be the principal legal officer of the Corporation and shall be responsible for and have charge of all legal matters affecting the Corporation, its subsidiaries, and those affiliated entities which it controls. The General Counsel shall perform or supervise the performance of all duties incident to such legal matters, together with such other duties as from time to time may be assigned to him by the Chair, the President or the Board of Directors. The duties and powers of the General Counsel shall extend to all subsidiaries of the Corporation and, insofar as the Chair or the President may deem appropriate and practicable, to all affiliated entities.

Section 3.10. The Secretary. The Secretary shall (a) keep the minutes of proceedings of the stockholders, the Board of Directors and any committee of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Corporation; (d) affix the seal of the Corporation or a facsimile thereof, or cause it to be affixed, and, when so affixed, attest the seal by his or her signature, to all Certificates for shares of capital stock of the Corporation prior to the issue thereof and to all other documents the execution of which on behalf of the Corporation under its seal is duly authorized by the Board of Directors or otherwise in accordance with the provisions of these Bylaws; (e) keep a register of the post office address of each stockholder, director or committee member, which shall be furnished to the Secretary by such stockholder, director or member; (f) have general charge of the stock transfer books of the Corporation; and (g) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Chair, the President, the General Counsel or the Board of Directors.

Section 3.11. The Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation, receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article IV of these Bylaws, disburse the funds of the Corporation as ordered by the Board of Directors, the Chair, the President or as otherwise required in the conduct of the business of the Corporation and render to the Chair, the President or the Board of Directors, upon request, an accounting of all his or her transactions as Treasurer and a report on the financial condition of the Corporation. The Treasurer shall in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the Chair, the President or the Board of Directors. If required by the Board of Directors, the Chair or the President, the Treasurer shall give a bond (which shall be renewed regularly), in such sum and with such surety or sureties as the Board of Directors or the President, shall determine, for the faithful discharge of his or her duties and for the restoration to the Corporation, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the Corporation.

Section 3.12. Chief Accounting Officer. The Chief Accounting Officer shall be responsible for determining and establishing accounting systems, policies and standards for the Corporation. The Chief Accounting Officer shall perform all duties as from time to time may be assigned to him or her by the Chair, the President or the Board of Directors.

Section 3.13. Controller. The Controller shall be responsible for implementing accounting systems, policies, procedures and standards for the Corporation under the direction of the President, the Treasurer or the Chief Accounting Officer. The duties of the Controller shall be to maintain adequate records of all assets, liabilities and transactions of the Corporation in accordance with such accounting systems, policies, procedures and standards; to see that adequate audits are currently and regularly performed; and, in conjunction with other officers and department heads, to initiate and enforce measures and procedures whereby the business of the Corporation shall be conducted with the maximum effectiveness and efficiency. Employing the foregoing accounting systems, policies, procedures and standards, the Controller shall develop, implement and administer an effective plan for the control of operations, including properly maintaining internal controls over all assets, liabilities and transactions of the Corporation. The Controller shall perform all duties as from time to time may be assigned to him or her by the Chair, the President, the Chief Financial Officer, the Chief Accounting Officer or the Board of Directors. The duties and powers of the Controller shall extend to all subsidiaries and all affiliated entities of the Corporation insofar as the Chair, the President, the Chief Financial Officer or the Chief Accounting Officer may deem appropriate and practicable.

Section 3.14. Assistant Secretaries and Treasurers. In the absence of the Secretary or the Treasurer, as the case may be, or in the event of his or her inability or refusal to act, the Assistant Secretaries and the Assistant Treasurers, respectively, in the order determined by the Board of Directors (or if there shall have been no such determination, then in the order of their election), shall perform the duties and exercise the powers of the Secretary or the Treasurer, as the case may be. In addition, the Assistant Secretaries shall, in general, perform such duties as may be assigned to them by the Chair, the President, the General Counsel, the Secretary or the Board of Directors. In addition, the Assistant Treasurers shall, in general, perform such duties as may be assigned to them by the Chair, the President, the Treasurer or the Board of Directors. Each Assistant Treasurer shall, if required by the Board of Directors, the Chair, the President or the Treasurer, give a bond (which shall be renewed regularly), in such sum and with such surety or sureties as the Board of Directors, the Chair, the President or the Treasurer shall determine, for the faithful discharge of his or her duties.

Section 3.15. Salaries. The salaries and other compensation of the officers and agents of the Corporation shall be fixed from time to time by the Board of Directors or by such committee or officer as it shall designate for such purpose. No officer shall be prevented from receiving such salary by reason of the fact that he or she is also a director of the Corporation.

ARTICLE IV

CONTRACTS, LOANS, CHECKS, AND DEPOSITS

Section 4.1. Contracts. The Board of Directors may authorize any officer or officers, or agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 4.2. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in the name of the Corporation unless authorized by or pursuant to a resolution adopted by the Board of Directors. Such authority may be general or confined to specific instances.

Section 4.3. Checks, Drafts, Etc. All checks, drafts or other orders for payment of money issued in the name of the Corporation shall be signed by such officers, employees or agents of the Corporation as shall from time to time be designated by the Board of Directors, the Chair, the President, the Chief Financial Officer, the Treasurer, the Chief Accounting Officer or the Controller.

Section 4.4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as shall be designated from time to time by the Board of Directors, the Chair, the President, the Chief Financial Officer, the Treasurer, the Chief Accounting Officer or the Controller; and such officers may designate any type of depository arrangement (including, but not limited to, depository arrangements resulting in net debits against the Corporation) as may from time to time be offered or made available.

ARTICLE V

CERTIFICATES OF STOCK AND THEIR TRANSFER

Section 5.1. Certificates of Stock. Shares of capital stock of the Corporation shall be represented by Certificates, provided that the Board of Directors may provide by resolution or resolutions under Section 158 of the General Corporation Law of the State of Delaware that some or all of any or all classes or series of the Corporation's capital stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a Certificate until such Certificate is surrendered to the Corporation. Every holder of a class or series of capital stock in the Corporation represented by Certificates shall be entitled to have a Certificate representing the number of such shares owned by the stockholder in the Corporation unless and until the Board of Directors provides by resolution or resolutions that the shares of such class or series shall be represented solely in book-entry form as uncertificated shares. Certificates shall be in such form as may be determined by the Board of Directors, shall be numbered and shall be entered on the books of the Corporation as they are issued. Such Certificates shall indicate the holder's name and the number of shares evidenced thereby and shall be signed by the Chair, the President, an Executive Vice President, Senior Vice President or a Vice President and by the Secretary or an Assistant Secretary. If any stock Certificate shall be manually signed (a) by a transfer agent or an assistant transfer agent or (b) by a transfer clerk acting on behalf of the Corporation and a registrar, the signature of any officer of the Corporation may be facsimile. In case any such officer whose facsimile signature has been used on any such stock Certificate shall cease to be such officer, whether because of death, resignation, removal or otherwise, before such stock Certificate shall have been delivered by the Corporation, such stock Certificate may nevertheless be delivered by the Corporation as though the person whose facsimile signature has been used thereon had not ceased to be such officer.

Section 5.2. Lost, Stolen or Destroyed Certificates. With respect to any shares represented by a Certificate, the Board of Directors in individual cases, or by general resolution or by delegation to the transfer agent for the Corporation, may direct that a new stock Certificate or Certificates for shares of capital stock of the Corporation be issued in place of any stock Certificate or Certificates theretofore issued by the Corporation claimed to have been lost, stolen or destroyed, upon the filing of an affidavit to that effect by the person claiming such loss, theft or destruction. When authorizing such an issuance of a new stock Certificate or Certificates, the Board of Directors may, in its discretion and as a condition precedent to such issuance, require the owner of such lost, stolen or destroyed stock Certificate or Certificates to advertise the same in such manner as the Corporation shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the stock Certificate or Certificates claimed to have been lost, stolen or destroyed.

Section 5.3. Transfers of Stock. With respect to any shares represented by a Certificate, upon surrender to the Corporation or the transfer agent of the Corporation of a stock Certificate for shares of capital stock of the Corporation duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer or, if the relevant stock Certificate for shares of capital stock of the Corporation is claimed to have been lost, stolen or destroyed, upon compliance with the provisions of Section 5.2 of these Bylaws, and upon payment of applicable taxes with respect to such transfer, and in compliance with any restrictions on transfer applicable to such stock Certificate or the shares represented thereby of which the Corporation shall have notice and subject to such rules and regulations as the Board of Directors may from time to time deem advisable concerning the transfer and registration of stock Certificates for shares of capital stock of the Corporation, the Corporation shall issue a new stock Certificate or Certificates for such shares to the person entitled thereto, cancel the old stock Certificate and record the transaction upon its books. Transfers of shares shall be made only on the books of the Corporation by the registered holder thereof or by such holder's attorney or successor duly authorized as evidenced by documents filed with the Secretary or transfer agent of the Corporation. Whenever any transfer of shares of capital stock of the Corporation shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of transfer if, when the stock Certificate or Certificates representing such shares are presented to the Corporation for transfer or, in the case of uncertificated shares, documents of transfer are presented to the Corporation, both the transferor and transferee request the Corporation to do so.

Section 5.4. Stockholders of Record. The Corporation shall be entitled to treat the holder of record of any share of capital stock of the Corporation as the holder thereof and shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Delaware.

ARTICLE VI

GENERAL PROVISIONS

Section 6.1. Fiscal Year. The fiscal year of the Corporation shall be the same as the calendar year.

Section 6.2. Seal. The Corporation shall not be required to use a Corporate Seal. If used, the corporate seal of the Corporation shall have inscribed thereon the name of the Corporation and the words "CORPORATE SEAL" and "DELAWARE"; and it shall otherwise be in the form approved by the Board of Directors. Such seal may be used by causing it, or a facsimile thereof, to be impressed or affixed or otherwise reproduced.

ARTICLE VII

OFFICES

Section 7.1. Registered Office. The registered office of the Corporation in the State of Delaware shall be located at 2711 Centerville Road in the City of Wilmington, County of New Castle, and the name of its registered agent is The Prentice-Hall Corporation System, Inc.

Section 7.2. Other Offices. The Corporation may have offices at such other places, both within or without the State of Delaware, as shall be determined from time to time by the Board of Directors or as the business of the Corporation may require.

ARTICLE VIII

INDEMNIFICATION

The Corporation shall indemnify directors, officers and persons as specified the Restated Certificate of Incorporation to the extent set forth in the Restated Certificate of Incorporation, except as otherwise required by the laws of the State of Delaware.

ARTICLE IX

NOTICES

Section 9.1. Manner of Notice. Except as otherwise provided by law, whenever under the provisions of the laws of the State of Delaware, the Restated Certificate of Incorporation or these Bylaws notice is required to be given to any stockholder, director or member of any committee of the Board of Directors, such notice may be given (a) by personal delivery or (b) by depositing it, in a sealed envelope properly addressed, (i) in the United States mails, air mail or first class, postage prepaid, or (ii) with an overnight delivery service that obtains a receipt or maintains a record of delivery, or (c) by telecopy, electronic mail or other means of electronic transmission, to such stockholder, director or committee member either at the address of such stockholder, director or committee member as it appears on the books of the Corporation or, in the case of such a director or committee member, at his or her business address; and such notice shall be deemed to be given at the time when it is thus personally delivered, deposited or transmitted, as the case may be. Such requirement for notice shall also be deemed satisfied, except in the case of stockholder meetings with respect to which written notice is required by law, if actual notice is received orally or by other writing by the person entitled thereto as far in advance of the event with respect to which notice is being given as the minimum notice period required by the laws of the State of Delaware or these Bylaws.

Whenever notice is required to be given under any provision of the laws of the State of Delaware, the Restated Certificate of Incorporation or these Bylaws to any stockholder to whom (a) notice of two consecutive annual meetings of stockholders, and all notices of meetings of stockholders or of the taking of action by stockholders by written consent without a meeting to such stockholder during the period between such two consecutive annual meetings, or (b) all, and at least two, payments (if sent by first class mail) of dividends or interest on securities of the Corporation during a 12-month period, have been mailed addressed to such stockholder at the address of such stockholder as shown on the records of the Corporation and have been returned undeliverable, the giving of such notice to such stockholder shall not be required. Any action or meeting which shall be taken or held without notice to such stockholder shall have the same force and effect as if such notice had been duly given. If any such stockholder shall deliver to the Corporation a written notice setting forth the then current address of such stockholder, the requirement that notice be given to such stockholder shall be reinstated.

Section 9.2. Waiver of Notice. Whenever any notice is required to be given under any provision of the laws of the State of Delaware, the Restated Certificate of Incorporation or these Bylaws, a written waiver thereof, signed by the person or persons entitled to such notice, or waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to such notice. Attendance by a person at a meeting shall constitute a waiver of notice of such meeting, except when such person attends such meeting for the express purpose of objecting, at the beginning of such meeting, to the transaction of any business because such meeting has not been lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of stockholders, the Board of Directors or a committee of the Board of Directors need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the laws of the State of Delaware, the Restated Certificate of Incorporation or these Bylaws.

ARTICLE X

DIVIDENDS

The Board of Directors may from time to time declare, and the Corporation may pay, dividends, in cash, in property or in shares of capital stock of the Corporation, on its outstanding shares of capital stock in the manner and upon the terms and conditions provided by law and by the Restated Certificate of Incorporation.

ARTICLE XI

AMENDMENTS

Except to the extent otherwise provided in the Restated Certificate of Incorporation or these Bylaws, these Bylaws shall be subject to alteration, amendment or repeal, and new Bylaws may be adopted (a) by the affirmative vote of the holders of not less than a majority of the voting power of all outstanding shares of capital stock of the Corporation entitled to vote thereon or (b) by the affirmative vote of not less than a majority of the Board of Directors present at any meeting of the Board of Directors at which there is a quorum present and voting.

ARTICLE XII

EMERGENCIES

Section 12.1. Emergency Bylaws.

(a) This article shall be operative during an emergency. An emergency exists for purposes of this section if a quorum of the Corporation's directors cannot be readily assembled within the time period determined by the Chair or TDS Chair of the Board because of an emergency as determined by the Chair or TDS Chair of the Board. Such emergency is intended to include events of extraordinary magnitude and may include the declaration of a civil defense emergency, war, enemy attack, other warlike acts, a catastrophic event, disaster or other similar emergency condition, which prevents the conduct and management of the affairs and business of the Corporation by the Board of Directors and officers in the ordinary course as contemplated by the other Articles of these Bylaws. An emergency, once declared by the Chair or TDS Chair of the Board, shall be deemed to continue until terminated by resolutions adopted for that purpose by the Board of Directors.

(b) During an emergency, special meetings of the Board of Directors and of any committee thereof may be called by the Chair or the TDS Chair of the Board. Notice of any special or regular meetings of the Board of Directors or any committee need be given only to those directors whom it is practical to reach, may be given in any practical manner and may call a meeting at any time following the notice, including immediately after the notice.

(c) The directors or sole director in attendance or otherwise participating at a meeting during an emergency shall constitute a quorum of the Board of Directors. Such directors or sole director may temporarily reassign duties and responsibilities of officers, relocate offices, and authorize officers to take emergency actions. Any action taken at a meeting by majority vote of the directors or the sole director in attendance or otherwise participating, shall be the action of the Board of Directors.

(d) If a quorum of any committee is not in attendance or otherwise participating at a meeting of such committee called during an emergency, any action of such committee may be taken by a majority of the directors or the sole director in attendance or participating in a meeting during such emergency. Alternatively, a majority of such directors or the sole director may temporarily redesignate the membership of committees to serve during the emergency.

(e) Corporate action taken in good faith during an emergency under this section to further the business affairs of the Corporation shall bind the Corporation and may not be used to impose liability on a director, officer, employee or agent.

ARTICLE XIII

FORUM

Unless the Corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, (a) the Court of Chancery (or, if and only if the Court of Chancery lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action or proceeding asserting a claim of or based on a breach of a fiduciary duty owed by any current or former director, officer, other employee, agent or stockholder of the Corporation to the Corporation or the stockholders, (iii) any action or proceeding asserting a claim against the Corporation or any current or former director, officer, other employee, agent or stockholder of the Corporation arising pursuant to, or seeking to enforce any right, obligation or remedy under, any provision of the General Corporation Law of the State of Delaware (the "DGCL") or the Restated Certificate of Incorporation or these Bylaws (as each may be amended from time to time), (iv) any action or proceeding asserting a claim against the Corporation or any current or former director, officer, other employee, agent or stockholder of the Corporation governed by the internal affairs doctrine, (v) any action or proceeding to interpret, apply, enforce or determine the validity of the Restated Certificate of Incorporation or these Bylaws (as each may be amended from time to time) (including any right, obligation or remedy thereunder), (vi) any action or proceeding asserting an "internal corporate claim", as that term is defined in Section 115 of the DGCL and (vii) any action or proceeding as to which the DGCL confers jurisdiction to the Court of Chancery; provided, however, that this clause (a) shall not apply to suits brought to enforce a duty or liability created by the Securities Act of 1933, as amended (the "Securities Act"), the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction; and (b) the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Any person or entity holding, owning or otherwise acquiring any interest in any security of the Corporation shall be deemed to have notice of and consented to the provisions of this Article XIII.

Certification of principal executive officer

I, Laurent C. Therivel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of United States Cellular Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2024

/s/ Laurent C. Therivel

Laurent C. Therivel
President and Chief Executive Officer
(principal executive officer)

Certification of principal financial officer

I, Douglas W. Chambers, certify that:

1. I have reviewed this quarterly report on Form 10-Q of United States Cellular Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2024

/s/ Douglas W. Chambers

Douglas W. Chambers
Executive Vice President, Chief Financial Officer and Treasurer
(principal financial officer)

**Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code**

I, Laurent C. Therivel, the principal executive officer of United States Cellular Corporation, certify that (i) the quarterly report on Form 10-Q for the second quarter of 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of United States Cellular Corporation.

/s/ Laurent C. Therivel

Laurent C. Therivel

August 2, 2024

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to United States Cellular Corporation and will be retained by United States Cellular Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code**

I, Douglas W. Chambers, the principal financial officer of United States Cellular Corporation, certify that (i) the quarterly report on Form 10-Q for the second quarter of 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of United States Cellular Corporation.

/s/ Douglas W. Chambers

Douglas W. Chambers

August 2, 2024

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to United States Cellular Corporation and will be retained by United States Cellular Corporation and furnished to the Securities and Exchange Commission or its staff upon request.