

REFINITIV

DELTA REPORT

10-Q

FTDR - FRONTDOOR, INC.

10-Q - SEPTEMBER 30, 2023 COMPARED TO 10-Q - JUNE 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 2064

■ CHANGES	289
■ DELETIONS	1200
■ ADDITIONS	575

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

FORM 10-Q

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

For the quarterly period ended **June 30, 2023** **September 30, 2023**

or

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

For the transition period from to

Commission file number 001-38617



Frontdoor, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

82-3871179

(IRS Employer Identification No.)

3400 Players Club Parkway, Memphis, Tennessee 38125

(Address of principal executive offices) (Zip Code)

901-701-5000

(Registrant's telephone number, including area code)

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

Title of Each Class

Trading Symbol

Name of Each Exchange on which Registered

Common stock, par value \$0.01 per share

FTDR

The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

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 definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of **July 28, 2023** **October 27, 2023**, there were **80,337,939** **79,621,736** shares outstanding of the registrant's common stock, par value \$0.01 per share.

Frontdoor, Inc.

Quarterly Report on Form 10-Q

GLOSSARY OF TERMS AND SELECTED ABBREVIATIONS

To aid the reader, we have included certain terms and abbreviations used throughout this Quarterly Report on Form 10-Q below:

Term / Abbreviation	Definition
2022 Form 10-K	Frontdoor, Inc. Annual Report on Form 10-K for the year ended December 31, 2022
AOCI	Accumulated other comprehensive income or loss

ASC	FASB Accounting Standards Codification
ASU	FASB Accounting Standards Update
ASU 2020-04	ASU 2020-04, <i>Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting</i>
ASU 2022-06	ASU 2022-06, <i>Reference Rate Reform (Topic 848); Deferral of the Sunset Date of Topic 848</i>
Code	Internal Revenue Code of 1986, as amended
Credit Agreement	The agreements governing the Credit Facilities
Credit Facilities	The Term Loan Facilities together with the Revolving Credit Facility
ESPP	Frontdoor, Inc. 2019 Employee Stock Purchase Plan
Exchange Act	The Securities Exchange Act of 1934, as amended
FASB	U.S. Financial Accounting Standards Board
HVAC	Heating, ventilation and air conditioning
IRS	Internal Revenue Service
LIBOR	London Inter-bank Offered Rate
NASDAQ	Nasdaq Global Select Market
Omnibus Plan	Frontdoor, Inc. 2018 Omnibus Incentive Plan
Revolving Credit Facility	\$250 million revolving credit facility effective June 17, 2021
SEC	U.S. Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
Streem	Streem, LLC, our technology business that uses augmented reality, computer vision and machine learning to provide services
Term Loan A	\$260 million term loan A facility effective June 17, 2021
Term Loan B	\$380 million term loan B facility effective June 17, 2021
Term Loan Facilities	The Term Loan A together with the Term Loan B
Topic 848	ASC 848, <i>Reference Rate Reform</i>
U.S. or United States	United States of America
U.S. GAAP	Accounting principles generally accepted in the United States of America

In this Quarterly Report on Form 10-Q, unless the context indicates otherwise, references to "Frontdoor," "we," "our," "us," and the "company" refer to Frontdoor, Inc. and all of its subsidiaries. Frontdoor is a Delaware corporation with its principal executive offices in Memphis, Tennessee.

We hold various service marks, trademarks and trade names, such as Frontdoor®, American Home Shield®, HSA™, OneGuard®, Landmark Home Warranty®, ProConnect®, Streem® and the Frontdoor logo. Solely for convenience, the service marks, trademarks and trade names referred to in this Quarterly Report on Form 10-Q are presented without the SM, ®, and TM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these service marks, trademarks and trade names. All service marks, trademarks and trade names appearing in this Quarterly Report on Form 10-Q are the property of their respective owners.

Certain amounts presented in the tables in this report are subject to rounding adjustments and, as a result, the totals in such tables may not sum.

1

TABLE OF CONTENTS

	Page No.
<u>Part I. Financial Information</u>	
<u>Item 1. Financial Statements (Unaudited)</u>	
<u>Condensed Consolidated Statements of Operations and Comprehensive Income</u>	3
<u>Condensed Consolidated Statements of Financial Position</u>	4
<u>Condensed Consolidated Statements of Changes in Equity (Deficit)</u>	5
<u>Condensed Consolidated Statements of Cash Flows</u>	6
<u>Notes to Condensed Consolidated Financial Statements</u>	7
<u>Cautionary Statement Concerning Forward-Looking Statements</u>	17
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	19
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	32 33
<u>Item 4. Controls and Procedures</u>	32 33
<u>Part II. Other Information</u>	
<u>Item 1. Legal Proceedings</u>	32 33
<u>Item 1A. Risk Factors</u>	32 33
<u>Item 2. Unregistered Sales of Equity Securities, Use of Proceeds and Issuer Purchases of Equity Securities</u>	32
<u>Item 5. Other Information</u>	33

PART I. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****Frontdoor, Inc.****Condensed Consolidated Statements of Operations and Comprehensive Income (Unaudited)***(In millions, except per share data)*

					Three Months Ended		Six Months Ended		Three Months Ended				Nine Months Ended			
					June 30,		June 30,		2023		2022		September 30,		2023	
					2023		2022		2023		2022		2023		2023	
	\$	523	\$	487	\$	890	\$	838	\$	524	\$	484	\$	1,414	\$	1,322
Revenue																
Cost of services rendered		253		276		449		483		256		274		706		757
Gross Profit		270		211		440		355		268		210		708		565
Selling and administrative expenses		162		140		287		266		152		137		439		403
Depreciation and amortization expense		9		8		18		17		9		8		28		25
Goodwill and intangibles impairment															—	14
Restructuring charges		—		12		1		12		5		5		6		18
Interest expense		10		7		20		14		10		8		30		22
Interest and net investment income		(4)		—		(8)		—		(4)		(1)		(12)		(1)
Income before Income Taxes		93		43		122		46		96		39		217		85
Provision for income taxes		23		10		30		12		24		11		54		23
Net Income		\$ 70		\$ 33		\$ 91		\$ 35		\$ 71		\$ 28		\$ 163		\$ 63
Other Comprehensive Income, Net of Income Taxes:																
Unrealized gain on derivative instruments, net of income taxes		3		4		1		17		—		9		2		26
Total Other Comprehensive Income, Net of Income Taxes		3		4		1		17		—		9		2		26
Comprehensive Income		\$ 73		\$ 37		\$ 93		\$ 52		\$ 72		\$ 37		\$ 164		\$ 89
Earnings per Share:																
Basic		\$ 0.86		\$ 0.40		\$ 1.12		\$ 0.42		\$ 0.89		\$ 0.34		\$ 2.01		\$ 0.77
Diluted		\$ 0.85		\$ 0.40		\$ 1.12		\$ 0.42		\$ 0.89		\$ 0.34		\$ 2.00		\$ 0.77
Weighted-average Common Shares Outstanding:																
Basic		81.4		82.1		81.5		82.2		80.1		81.5		81.0		82.0
Diluted		81.8		82.2		81.8		82.4		80.6		81.6		81.3		82.1

See the accompanying Notes to the Condensed Consolidated Financial Statements (Unaudited).

Frontdoor, Inc.**Condensed Consolidated Statements of Financial Position (Unaudited)***(In millions, except share data)*

	As of		As of	
			September December	
	June 30,	December 31,	30,	31,
	2023	2022	2023	2022

Assets:					
Current Assets:					
Cash and cash equivalents	\$ 344	\$ 292	\$ 320	\$ 292	
Receivables, less allowance of \$4 and \$4, respectively	6	5			
Receivables, less allowance of \$5 and \$4, respectively			7	5	
Prepaid expenses and other current assets	27	33	31	33	
Contract asset	14	—			
Contract assets			72	—	
Total Current Assets	391	330	429	330	
Other Assets:					
Property and equipment, net	66	66	64	66	
Goodwill	503	503	503	503	
Intangible assets, net	145	148	144	148	
Operating lease right-of-use assets	9	11	8	11	
Deferred customer acquisition costs	14	16	12	16	
Other assets	8	8	8	8	
Total Assets	\$ 1,136	\$ 1,082	\$ 1,168	\$ 1,082	
Liabilities and Shareholders' Equity:					
Current Liabilities:					
Accounts payable	\$ 78	\$ 80	\$ 87	\$ 80	
Accrued liabilities:					
Payroll and related expenses	20	22	29	22	
Home service plan claims	108	103	93	103	
Other	34	21	40	21	
Deferred revenue	107	121	98	121	
Current portion of long-term debt	17	17	17	17	
Total Current Liabilities	365	364	364	364	
Long-Term Debt	584	592	580	592	
Other Long-Term Liabilities:					
Deferred tax liabilities, net	31	39	28	39	
Operating lease liabilities	16	18	16	18	
Other long-term liabilities	8	8	8	8	
Total Other Long-Term Liabilities	56	65	52	65	
Commitments and Contingencies (Note 8)					
Shareholders' Equity:					
Common stock, \$0.01 par value; 2,000,000,000 shares authorized; 86,437,468 shares issued and 80,793,358 shares outstanding as of June 30, 2023 and 86,079,773 shares issued and 81,517,243 shares outstanding as of December 31, 2022	1	1			
Common stock, \$0.01 par value; 2,000,000,000 shares authorized; 86,502,847 shares issued and 79,617,524 shares outstanding as of September 30, 2023 and 86,079,773 shares issued and 81,517,243 shares outstanding as of December 31, 2022			1	1	
Additional paid-in capital	101	90	110	90	
Retained earnings	216	124	287	124	
Accumulated other comprehensive income	9	8	10	8	
Less treasury stock, at cost; 5,644,110 shares as of June 30, 2023 and 4,562,530 shares as of December 31, 2022	(196)	(162)			
Less treasury stock, at cost; 6,885,323 shares as of September 30, 2023 and 4,562,530 shares as of December 31, 2022			(238)	(162)	
Total Shareholders' Equity	131	61	171	61	
Total Liabilities and Shareholders' Equity	\$ 1,136	\$ 1,082	\$ 1,168	\$ 1,082	

See the accompanying Notes to the Condensed Consolidated Financial Statements (Unaudited).

Condensed Consolidated Statement of Changes in Equity (Unaudited)

(In millions)

					Three Months Ended		Six Months Ended		Three Months Ended				Nine Months Ended			
					June 30,		June 30,		30,		30,		September		September	
					2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$	1	\$	1	\$	1	\$	1	\$	1	\$	1	\$	1	\$	1
Common Stock:																
Balance at beginning of period		1		1		1		1		1		1		1		1
Balance at end of period		1		1		1		1		1		1		1		1
Additional Paid-in Capital:																
Balance at beginning of period		92		73		90		70		101		80		90		70
Stock-based compensation expense		8		6		13		12		8		5		21		17
Exercise of stock options		1		—		1		—		2		3		—		—
Taxes paid related to net share settlement of equity awards														(4)		(3)
Issuance of common stock related to ESPP		—		1		—		1		—		—		—		1
Taxes paid related to net share settlement of equity awards		(1)		—		(4)		(3)								
Balance at end of period		101		80		101		80		110		85		110		85
Retained Earnings:																
Balance at beginning of period		146		55		124		53		216		88		124		53
Net income		70		33		91		35		71		28		163		63
Balance at end of period		216		88		216		88		287		116		287		116
Accumulated Other Comprehensive Income (Loss):																
Balance at beginning of period		6		(5)		8		(18)		9		(1)		8		(18)
Other comprehensive income, net of tax		3		4		1		17		—		9		2		26
Balance at end of period		9		(1)		9		(1)		10		8		10		8
Treasury Stock:																
Balance at beginning of period		(162)		(143)		(162)		(103)		(196)		(162)		(162)		(103)
Repurchase of common stock		(34)		(19)		(34)		(59)		(42)		—		(76)		(59)
Balance at end of period		(196)		(162)		(196)		(162)		(238)		(162)		(238)		(162)
Total Shareholders' Equity		\$ 131		\$ 6		\$ 131		\$ 6		\$ 171		\$ 47		\$ 171		\$ 47

See the accompanying Notes to the Condensed Consolidated Financial Statements (Unaudited).

5

Frontdoor, Inc.

Condensed Consolidated Statements of Cash Flows (Unaudited)

(In millions)

					Six Months Ended			Nine Months Ended				
					June 30,			30,		September		
					2023	2022		2023	2022	2023	2022	
	\$	292	\$	262	\$ 292	\$ 262						
Cash and Cash Equivalents at Beginning of Period												
Cash Flows from Operating Activities:												
Net Income								91		35	163	63
Adjustments to reconcile net income to net cash provided from operating activities:												
Depreciation and amortization expense								18		17	28	25
Deferred income tax benefit								(8)		(6)	(12)	(12)
Stock-based compensation expense								13		12	21	17

Goodwill and intangibles impairment		—	14
Restructuring charges	1	12	18
Payments for restructuring charges	(2)	(1)	(3) (2)
Other	3	(1)	5 (1)
Changes in working capital:			
Receivables	(1)	1	(1) 3
Prepaid expenses and other current assets	(9)	(13)	(70) (68)
Accounts payable	(2)	30	7 23
Deferred revenue	(13)	(30)	(22) (42)
Accrued liabilities	5	29	(2) 29
Current income taxes	15	9	22 15
Net Cash Provided from Operating Activities	112	94	139 80
Cash Flows from Investing Activities:			
Purchases of property and equipment	(15)	(19)	(23) (30)
Other investing activities			— 5
Net Cash Used for Investing Activities	(15)	(19)	(23) (25)
Cash Flows from Financing Activities:			
Repayments of debt	(8)	(8)	(13) (13)
Repurchase of common stock	(34)	(59)	(76) (59)
Other financing activities	(2)	(2)	— (2)
Net Cash Used for Financing Activities	(44)	(69)	(88) (74)
Cash Increase During the Period	52	6	
Cash Increase (Decrease) During the Period			28 (19)
Cash and Cash Equivalents at End of Period	\$ 344	\$ 269	\$ 320 \$244

See the accompanying Notes to the Condensed Consolidated Financial Statements (Unaudited).

6

Frontdoor, Inc.
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

Note 1. Description of Business

Frontdoor is the leading provider of home service plans in the United States, as measured by revenue, and operates primarily under the American Home Shield brand. Our customizable home service plans help customers protect and maintain their homes, typically their most valuable asset, from costly and unplanned breakdowns of essential home systems and appliances. Our home service plan customers usually subscribe to an annual service plan agreement that covers the repair or replacement of major components of more than 20 home systems and appliances, including electrical, plumbing, HVAC systems, water heaters, refrigerators, dishwashers and ranges/ovens/cooktops, as well as optional coverages for electronics, pools, spas and pumps. Frontdoor also provides on-demand home services and a one-stop app for home repair and maintenance. Enabled by our Streem technology, the app empowers homeowners by connecting them in real time through video chat with pre-qualified experts to diagnose and solve their problems. Additionally, Frontdoor now offers home service plans under the Frontdoor brand. As of June 30, 2023 September 30, 2023, we had 2.1 million 2.0 million active home service plans across all brands in the United States.

Note 2. Significant Accounting Policies

Our significant accounting policies are described in Note 2 to the audited consolidated financial statements included in our 2022 Form 10-K. There have been no material changes to our significant accounting policies during the six nine months ended June 30, 2023 September 30, 2023.

Basis of Presentation

We recommend that the accompanying condensed consolidated financial statements be read in conjunction with the audited consolidated financial statements and the notes thereto included in our 2022 Form 10-K. The accompanying condensed consolidated financial statements reflect all normal and recurring adjustments that are, in the opinion of management, necessary for the fair presentation of our financial position, results of operations and cash flows for the interim periods presented. The results of operations for any interim period are not necessarily indicative of the results that might be achieved for the respective full year.

Newly Adopted Accounting Standards

In March 2020, the FASB issued ASU 2020-04, which provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. The amendments apply only to contracts, hedging relationships and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. This standard is currently effective and upon adoption may be applied

prospectively to contract modifications. In March 2021, the FASB issued ASU 2020-06, which extended the sunset date for the required transition to December 31, 2024. In March 2023, in connection with the planned phase-out of LIBOR, we amended our Credit Facilities to replace LIBOR with SOFR as the benchmark rate under the Credit Agreement. We adopted ASU 2020-04 in connection with this transition of the benchmark rate under our Credit Agreement. This transition did not have a material impact on our consolidated financial statements and related disclosures.

Note 3. Revenue

The majority of our revenue is generated from annual home service plan contracts entered into with our customers. We derive substantially all of our revenue from customers in the United States.

We disaggregate revenue from contracts with customers into major customer acquisition channels. We determined that disaggregating revenue into these categories depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Revenue by major customer acquisition channel is as follows:

(In millions)	Three Months Ended				Six Months Ended				Three Months Ended		Nine Months Ended		
	June 30,		June 30,		September 30,		September 30,		September 30,		September 30,		
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	
Renewals	\$ 398	\$ 347	\$ 677	\$ 593	\$ 406	\$ 356	\$ 1,083	\$ 949					
Real estate ⁽¹⁾	42	57	75	102	40	51	115	153					
Direct-to-consumer ⁽¹⁾	58	66	103	112	54	64	157	176					
Other	24	18	35	31	24	13	59	44					
Total	\$ 523	\$ 487	\$ 890	\$ 838	\$ 524	\$ 484	\$ 1,414	\$ 1,322					

(1) First-year revenue only.

Our home service plan contracts have one performance obligation, which is to provide for the repair or replacement of essential home systems and appliances, as applicable per the contract. We recognize revenue at the agreed upon contractual amount over time using the input method in proportion to the costs expected to be incurred in performing services under the contracts. Those costs bear a direct relationship to the fulfillment of our obligations under the contracts and are representative of the relative fair value of the services provided to the customer. As the costs to fulfill the obligations of the home service plans are incurred on an other-than-straight-line basis, we utilize historical evidence to estimate the expected claims expense and related timing of such costs and make a corresponding adjustment each period to the timing of our related revenue recognition. This adjustment to the straight-line revenue creates a contract asset or contract liability, as described under the heading "Contract Assets and Liabilities" below. We regularly review our estimates of claims costs and adjust these estimates when appropriate.

Renewals

Revenue from customer renewals of home service plan contracts, which were previously initiated in the real estate or direct-to-consumer channel are classified as renewals above. Renewals relate to consecutive contract periods and take place at the end of the first year of a real estate or direct-to-consumer home service plan contract. Customer payments for renewals are typically primarily received either at the commencement of the renewal period or in installments over the new contract period.

Real estate

Real estate home service plans are sold through annual contracts which occur in connection with a real estate sale. These plans are typically paid in full at closing on the real estate transaction. First-year revenue from the real estate channel is classified as real estate above. At the option of the customer, upon renewal of the contract, the future revenue derived from home service plans sold in this channel is classified as Renewal revenue as described above.

Direct-to-consumer

Direct-to-consumer home service plans are sold through annual contracts which occur in response to our marketing efforts. Customer payments for direct-to-consumer sales are typically primarily received at the commencement of the contract or in installments over the contract period. First-year revenue from the direct-to-consumer channel is classified as direct-to-consumer above. At the option of the customer, upon renewal of the contract, the future revenue derived from home service plans sold in this channel is classified as Renewal revenue as described above.

Other

Other revenue primarily includes revenue generated by on-demand home services, and Strem, as well as administrative fees and ancillary services attributable to our home service plan contracts.

Deferred Customer Acquisition Costs

We capitalize the incremental costs of obtaining a contract with a customer primarily sales commissions, and recognize the related expense using the input method in proportion to the costs expected to be incurred in performing services under the contract, over the expected customer relationship period. Deferred customer acquisition costs

were \$14 million \$12 million and \$16 million as of June 30, 2023 September 30, 2023 and December 31, 2022, respectively. Amortization of deferred customer acquisition costs was \$5 million and \$6 million for the three months ended June 30, 2023 September 30, 2023 and 2022, respectively, and \$8 million \$13 million and \$10 million \$15 million for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively. There were no impairment losses related to these capitalized costs during the three months ended June 30, 2023 September 30, 2023 and 2022.

Receivables, Less Allowance

We record a receivable due from customers once we have an unconditional right to invoice and receive payment in the future related to the services provided and anticipate the collection of amounts due to us. Contracts for home service plans may be invoiced upfront or monthly in straight-line installment payments over the contract period. The payment terms are determined prior to the execution of the contract.

Contract Assets and Liabilities

Contract assets arise when we recognize revenue for our home service plan contracts prior to a customer being invoiced. These timing differences are created when the recognition of revenue in proportion to the costs expected to be incurred in performing the services under the contract are accelerated as compared to the recognition of revenue on a straight-line basis over the contract period. Contract assets were \$14 million \$72 million as of June 30, 2023 September 30, 2023.

Our contract liabilities consist of deferred revenue which is recognized when cash payments are received in advance of the performance of services, including when the amounts are refundable. Amounts are recognized as revenue in proportion to the costs expected to be incurred in performing services under our contracts.

A summary of the changes in deferred revenue for the six nine months ended June 30, 2023 September 30, 2023 is as follows:

(In millions)		\$	121	\$ 121
Balance at beginning of period			116	177
Deferral of revenue			(130)	(199)
Recognition of deferred revenue				
Balance at end of period		\$	107	\$ 98

There was approximately \$47 million \$25 million and \$94 million \$120 million of revenue recognized during the three and six nine months ended June 30, 2023 September 30, 2023, respectively, that was included in the deferred revenue balance as of December 31, 2022.

Note 4. Goodwill and Intangible Assets

Goodwill and indefinite-lived intangible assets are not amortized and are subject to assessment for impairment on an annual basis or more frequently if circumstances indicate a potential impairment. An assessment for impairment is performed on October 1 of every year.

In connection with the preparation of our condensed consolidated financial statements for the third quarter of 2022, we determined that indicators of a potential goodwill and intangible assets impairment were present for our Streem reporting unit. In particular, we will be more focused on integrating Streem's technology into our core business and will be less focused on selling this technology platform to third-party business-to-business customers as a software-as-a-service platform. This shift in focus resulted in significantly lower projected revenue for Streem. We performed an interim impairment analysis of the Streem reporting unit as of September 30, 2022. In performing the discounted cash flow analysis, we determined that the carrying amount of the Streem reporting unit exceeded its fair value. An impairment charge of \$14 million was recognized during the third quarter of 2022, which comprised the remaining net carrying amount of Streem's goodwill of \$9 million and intangible assets of \$5 million.

The balance of goodwill was \$503 million as of September 30, 2023 and December 31, 2022. There were no goodwill impairment charges recorded in the three and nine months ended September 30, 2023.

The following table provides a summary of the components of our intangible assets:

(In millions)	As of June 30, 2023			As of December 31, 2022			As of September 30, 2023			As of December 31, 2022		
	Accumulated			Accumulated			Accumulated			Accumulated		
	Gross	Amortization	Net	Gross	Amortization	Net	Gross	Amortization	Net	Gross	Amortization	Net
Trade names ⁽¹⁾	\$ 141	\$ —	\$ 141	\$ 141	\$ —	\$ 141	\$ 141	\$ —	\$ 141	\$ 141	\$ —	\$ 141
Customer relationships	173	(173)	—	173	(172)	—	173	(173)	—	173	(172)	—
Developed technology	19	(15)	4	19	(13)	5	19	(16)	3	19	(13)	5
Other	32	(32)	1	32	(31)	1	32	(32)	—	32	(31)	1
Total	\$ 365	\$ (219)	\$ 145	\$ 365	\$ (217)	\$ 148	\$ 365	\$ (220)	\$ 144	\$ 365	\$ (217)	\$ 148

(1) Not subject to amortization.

Amortization expense was \$1 million and \$2 million for the three months ended June 30, 2023 September 30, 2023 and 2022, respectively, and \$2 million \$3 million and \$4 million \$6 million for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively. As indicated above, an impairment charge of \$5 million was recognized during the three and nine months ended September 30, 2022 related to Streem's intangible assets. There were no intangible asset impairment charges in these periods for the three and nine months ended September 30, 2023.

Note 5. Leases

We have operating leases primarily for our corporate offices, customer service centers and engineering and technology campuses. Our leases have remaining lease terms ranging from less than one year to 12 years, some of which include options to extend the leases for up to five years.

The weighted-average remaining lease term and weighted-average discount rate related to our operating leases are as follows:

	As of		As of	
	June 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Weighted-average remaining lease term (years)	9	9	9	9
Weighted-average discount rate	6.4 %	6.3 %	6.4 %	6.3 %

We recognized operating lease expense of \$1 million for each of the three months ended June 30, 2023 September 30, 2023 and 2022 and \$2 million and \$3 million for each of the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively. These expenses are included in selling and administrative expenses in the accompanying condensed consolidated statements of operations and comprehensive income.

Supplemental balance sheet information related to our operating lease liabilities is as follows:

(In millions)	As of		As of	
	June 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Other accrued liabilities	\$ 3	\$ 3	\$ 3	\$ 3
Operating lease liabilities	16	18	16	18
Total operating lease liabilities	\$ 20	\$ 21	\$ 19	\$ 21

Supplemental cash flow information related to our operating leases is as follows:

(In millions)	Six Months Ended		Nine Months Ended	
	June 30, 2023	2022	June 30, 2023	September 30, 2022
Cash paid on operating lease liabilities(1)	\$ 2	\$ 3	\$ 3	\$ 4

(1) Amount is presented net of cash provided from sublease income.

10

The following table presents the maturities of our operating lease liabilities as of June 30, 2023 September 30, 2023:

(In millions)	2023 (remainder) ⁽¹⁾	2024 ⁽¹⁾	2025 ⁽¹⁾	2026 ⁽¹⁾	2027	2028	Thereafter	Total future minimum lease payments ⁽¹⁾	Less imputed interest	Total operating lease liabilities ⁽¹⁾
	\$ 2	2	2	2	3	2	10	22	(6)	\$ 16

(1) Amount is presented net of future sublease income totaling \$3 million, which relates to the remainder of the year ending December 31, 2023 and the years ending December 31, 2024 through December 31, 2026.

Sublease of Prior Corporate Headquarters

On August 10, 2022, we subleased our prior corporate headquarters facility in Memphis, Tennessee. As a result of us exiting the facility on June 27, 2022, we incurred a non-cash impairment charge of \$11 million for the three and six nine months ended June 30, 2022 September 30, 2022.

10 Relocation of Phoenix Customer Service Center

On August 15, 2023, we entered into a new lease in Scottsdale, Arizona, and subsequently decided to exit our lease in Phoenix, Arizona. As a result, we incurred a non-cash impairment charge of \$2 million for the three and nine months ended September 30, 2023.

Note 6. Income Taxes

We are subject to taxation in the United States, various states and foreign jurisdictions. Substantially all of our income before income taxes for the three months ended June 30, 2023 September 30, 2023 and 2022 was generated in the United States.

We compute interim period income taxes by applying an anticipated annual effective tax rate to our year-to-date income or loss from operations before income taxes, except for significant unusual or infrequently occurring items. As a result, our estimated tax rate is adjusted each quarter. The effective tax rate on income before income taxes was 24.8 25.3 percent and 23.2 28.2 percent for the three months ended June 30, 2023 September 30, 2023 and 2022, respectively, and 24.9 25.1 percent and 25.1 26.5 percent for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively. The increase decrease in the effective tax rate for the three and nine months ended June 30, 2023 September 30, 2023 compared to 2022 was primarily due to the impacts impact of share-based awards the goodwill and intangibles impairment recorded in the third quarter of 2022 and the impact of a decrease lower pre-tax income in 2022, offset, in part, by a reduction in income tax credits partially offset by state income taxes in 2023 as compared to 2022.

Note 7. Restructuring Charges

We incurred restructuring charges of less than \$1 million (less than \$1 million, \$5 million (\$4 million, net of tax) for each of the three months ended September 30, 2023 and 2022 and \$6 million (\$5 million, net of tax) and \$12 million \$18 million (\$9 13 million, net of tax) for the three nine months ended June 30, 2023 and 2022, respectively, and \$1 million (\$1 million, net of tax) and \$12 million (\$9 million, net of tax) for the six months ended June 30, 2023 September 30, 2023 and 2022, respectively.

For the three and six nine months ended June 30, 2023 September 30, 2023, restructuring charges primarily include comprised a \$2 million impairment charge related to our Phoenix, AZ customer service center's operating lease right-of-use asset and related fixed assets and \$2 million of professional fees, with the balance comprised of severance costs. The impairment charge was the result of our decision to exit the leased property.

For the three and six months ended June 30, 2022 September 30, 2022, restructuring charges primarily comprised a \$2 million impairment of certain internally developed software and \$3 million of severance and other costs. Severance costs of \$2 million related to a reduction in workforce of seven percent as part of our completed strategic review of our selling, general and administrative expenses.

11

For the nine months ended September 30, 2022, restructuring charges primarily comprised an \$11 million impairment charge related to our prior corporate headquarters facility operating lease right-of-use asset and leasehold improvements, a \$2 million impairment of certain internally developed software and \$1 million \$5 million of severance and other costs. The impairment was the result Severance costs of vacating the facility with the intent \$2 million related to sublease, a reduction in workforce of seven percent as part of our completed strategic review of our selling, general and administrative expenses.

The pre-tax charges discussed above are reported in "Restructuring charges" in the accompanying consolidated statements of operations and comprehensive income.

As of December 31, 2022, there were \$2 million of restructuring charges accrued, of which \$1 million were paid or otherwise settled during the six nine months ended June 30, 2023 September 30, 2023. As of June 30, 2023 September 30, 2023, there were \$1 million was \$2 million in accrued restructuring charges in the accompanying condensed consolidated statements of financial position.

Note 8. Commitments and Contingencies

Accruals for home service plan claims are made using internal actuarial projections, which are based on current claims and historical claims experience. Accruals are established based on estimates of the ultimate cost to settle claims. Home service plan claims take approximately three months to settle, on average, and substantially all claims are settled within six months of incurrence. The amount of time required to settle a claim can vary based on a number of factors, including whether a replacement is ultimately required. In addition to our estimates, we engage a third-party actuary to perform an accrual analysis utilizing generally accepted actuarial methods that incorporate cumulative historical claims experience and information provided by us. We regularly review our estimates of claims costs along with the third-party analysis and adjust our estimates when appropriate. We believe that utilizing actuarial methods in our estimation process to account for these liabilities provides a consistent and effective way to measure these judgmental accruals.

We have certain liabilities with respect to existing or potential claims, lawsuits and other proceedings. We accrue for these liabilities when it is probable that future costs will be incurred and such costs can be reasonably estimated. Any resulting adjustments, which could be material, are recorded in the period the adjustments are identified.

Due to the nature of our business activities, we are also at times subject to pending and threatened legal and regulatory actions that arise out of the ordinary course of business. In the opinion of management, based in part upon advice of legal counsel, the disposition of any such matters is not expected, individually or in the aggregate, to have a material adverse effect on our business, financial position, results of operations or cash flows. However, the results of legal actions cannot be predicted with certainty. Therefore, it is possible that our business, financial position, results of operations or cash flows could be materially adversely affected in any particular period by the unfavorable resolution of one or more legal actions.

11

Note 9. Stock-Based Compensation

We recognized stock-based compensation expense of \$8 million (\$7 million, net of tax) and \$6 million \$5 million (\$4 million, net of tax) for the three months ended June 30, 2023 September 30, 2023 and 2022, respectively, and \$13 21 million (\$11 18 million, net of tax) and \$12 million \$17 million (\$10 15 million, net of tax) for the six nine months ended

June 30, 2023 September 30, 2023 and 2022, respectively. These costs are included in selling and administrative expenses in the accompanying condensed consolidated statements of operations and comprehensive income.

A summary of awards granted under the Omnibus Plan during the six nine months ended June 30, 2023 September 30, 2023 is as follows:

	Number of	Weighted-	Weighted-	Weighted-	Weighted-Weighted-Weighted-			
		Awards	Average	Average	Average	Number	of	Average
		Granted	Exercise Price	Grant Date Fair Value	Vesting Period	Awards Granted	Exercise Price	Grant Date
Stock options	661,231		26.67	12.49	4.0	661,231	26.67	12.49
Performance options ⁽¹⁾	652,004		26.42	10.40	4.0	652,004	26.42	10.40
Restricted stock units	916,422			26.58	3.0	918,804		26.59

(1) The information related to performance options above assumes 100% of the performance target is met. The performance options contain a market condition that is based on a per share price target for our common stock, and the ultimate number of performance options that may be earned depends on the achievement of this market condition.

As of June 30, 2023 September 30, 2023, there was \$49 million \$41 million of total unrecognized compensation cost, net of estimated forfeitures, related to unvested stock options, performance options, restricted stock units ("RSUs"), performance shares and restricted stock awards ("RSAs"). These remaining costs are expected to be recognized over a weighted-average period of 2.95 2.84 years.

12

Note 10. Long-Term Debt

A summary of our debt is as follows:

(In millions)	As of		As of	
			September December	
	June 30, 2023	December 31, 2022	30, 2023	31, 2022
Term Loan A maturing in 2026 ⁽¹⁾	\$ 233	\$ 239	\$ 230	\$ 239
Term Loan B maturing in 2028 ⁽²⁾	368	370	368	370
Revolving Credit Facility maturing in 2026	—	—	—	—
Total debt	601	609	597	609
Less current portion	(17)	(17)	(17)	(17)
Total long-term debt	\$ 584	\$ 592	\$ 580	\$ 592

(1) Term Loan A is presented net of unamortized debt issuance costs of \$1 million and \$2 million as of June 30, 2023 September 30, 2023 and December 31, 2022, respectively.

(2) Term Loan B is presented net of unamortized debt issuance costs of \$2 million and \$3 million as of September 30, 2023 and December 31, 2022, respectively, and unamortized discount of \$1 million as of June 30, 2023 September 30, 2023 and December 31, 2022.

In March 2023, in connection with the planned phase-out of LIBOR, we amended our Credit Facilities to replace LIBOR with SOFR as the benchmark rate under the Credit Agreement. This change was effective in March 2023 for the Term Loan A and the Revolving Credit Facility and in June 2023 for the Term Loan B.

As of June 30, 2023 September 30, 2023, we had \$2 million of letters of credit outstanding under our \$250 million Revolving Credit Facility, and the available borrowing capacity under the Revolving Credit Facility was \$248 million. As of June 30, 2023 September 30, 2023, we were in compliance with the covenants under the Credit Agreement.

12

Scheduled Debt Payments

The following table presents future scheduled debt payments as of June 30, 2023 September 30, 2023:

(In millions)				
2023 (remainder)		\$	8	\$ 4
2024			17	17
2025			17	17
2026			205	205
2027			4	4
2028			355	355

Total future scheduled debt payments		606	602
Less unamortized debt issuance costs		(4)	(4)
Less unamortized discount		(1)	(1)
Total debt	\$	601	\$597

Note 11. Supplemental Cash Flow Information

Supplemental information relating to our accompanying condensed consolidated statements of cash flows is as follows:

(In millions)	Six Months Ended		Nine Months Ended September	
	June 30,		30,	
	2023	2022	2023	2022
Cash paid for (received from):				
Interest expense	\$ 19	\$ 28	\$ 13	\$ 21
Interest income	(8)	—	(12)	(1)
Income tax payments, net of refunds	23	9	44	20

13

Note 12. Comprehensive Income (Loss)

Comprehensive income (loss) consists of net income (loss) and the unrealized gains (losses) on our derivative instrument. We disclose comprehensive income (loss) in the accompanying condensed consolidated statements of operations and comprehensive income and condensed consolidated statements of changes in equity.

A summary of the changes in AOCI is as follows:

Balance at beginning of period	\$ 8	\$ 8
Other comprehensive income before reclassifications:		
Pre-tax amount	5	7
Impact of income taxes	1	2
After-tax amount	4	5
Amounts reclassified from AOCI ⁽¹⁾	(2)	(4)
Total other comprehensive income	1	2
Balance at end of period	\$ 9	\$ 10

(1) Amounts are net of income taxes. See the table below on reclassifications out of AOCI for additional information.

13

A summary of reclassifications out of AOCI is as follows:

(In millions)	Six Months Ended		Nine Months Ended September	
	June 30,		30,	
	2023	2022	2023	2022
Gain (loss) on interest rate swap contract ⁽¹⁾	\$ 3	\$ (5)	\$ 5	\$ (5)
Impact of income taxes ⁽²⁾	(1)	1	(1)	1
Total reclassifications during the period	\$ 2	\$ (4)	\$ 4	\$ (4)

(1) Included in interest expense in the accompanying condensed consolidated statements of income and comprehensive income.

(2) Included in provision for income taxes in the accompanying condensed consolidated statements of income and comprehensive income.

Note 13. Derivative Financial Instruments

We currently use a derivative financial instrument to manage risks associated with changes in interest rates by hedging the interest payments on a portion of our variable rate debt through the use of an interest rate swap contract. We do not hold or issue derivative financial instruments for trading or speculative purposes. In designating derivative

financial instruments as hedging instruments under accounting standards for derivative instruments, we formally document the relationship between the hedging instrument and the hedged item, as well as the risk management objective and strategy for the use of the hedging instrument. This documentation includes linking the derivatives to forecasted transactions. We assess at the time a derivative contract is entered into, and at least quarterly thereafter, whether the derivative item is effective in offsetting the projected cash flows of the associated forecasted transaction.

Our interest rate swap contract is classified as a cash flow hedge, and, as such, it is recorded in the accompanying condensed consolidated statements of financial position as either an asset or liability at fair value, with changes in fair value recorded in AOCI. Cash flows related to the interest rate swap contract are classified as operating activities in the accompanying condensed consolidated statements of cash flows.

The effective portion of the gain or loss on our interest rate swap contract is recorded in AOCI. These amounts are reclassified into earnings in the same period or periods during which the hedged forecasted debt interest settlement affects earnings. See Note 12 to the accompanying condensed consolidated financial statements for the effective portion of the gain or loss on derivative instruments recorded in AOCI and for the amounts reclassified out of AOCI and into earnings during the periods presented. As the underlying forecasted transactions occur during the next 12 months, we estimate the unrealized hedging gain in AOCI expected to be recognized in earnings is \$6 million, net of tax, as of **June 30, 2023** **September 30, 2023**. The amounts ultimately reclassified into earnings during the next 12 months will be determined based on the actual interest rates in effect at the time the positions are settled, and as a result, they could differ materially from our estimate noted above.

14

Note 14. Fair Value Measurements

We estimate fair value at a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market for the asset or liability. The valuation techniques require inputs that we categorize into a three-level hierarchy, from highest to lowest level of observable inputs, as follows: unadjusted quoted prices for identical assets or liabilities in active markets ("Level 1"); direct or indirect observable inputs, including quoted prices or other market data, for similar assets or liabilities in active markets or identical assets or liabilities in less active markets ("Level 2"); and unobservable inputs that require significant judgment for which there is little or no market data ("Level 3"). When multiple input levels are required for a valuation, we categorize the entire fair value measurement according to the lowest level of input that is significant to the measurement, even though we may have also utilized significant inputs that are more readily observable.

The period-end carrying amounts of cash and cash equivalents, receivables, accounts payable and accrued liabilities approximate their fair values due to the short-term maturities of these financial instruments. As of **June 30, 2023** **September 30, 2023** and December 31, 2022, the carrying amounts of our total debt were **\$601 million** **\$597 million** and \$609 million, respectively, and the estimated fair values were **\$598 million** **\$600 million** and \$613 million, respectively. The fair value of our debt was estimated based on available market prices for the same or similar instruments that are considered significant other observable inputs (Level 2) within the fair value hierarchy and was based on information available to us as of the respective period end dates.

14

We determine the fair value of our interest rate swap contract using a forward interest rate curve obtained from a third-party market data provider. The fair value of the contract is the sum of the expected future settlements between the contract counterparties, discounted to present value. The expected future settlements are determined by comparing the contract interest rate to the expected forward interest rate as of each settlement date and applying the difference between these two rates to the notional amount of debt in the interest rate swap contract.

We did not change our valuation techniques for measuring the fair value of any financial assets and liabilities during the **six nine** months ended **June 30, 2023** **September 30, 2023**. Transfers between hierarchy levels, if any, are recognized at the end of the reporting period. There were no transfers between hierarchy levels during the **six nine** months ended **June** **September 30, 2023**.

Our interest rate swap contract is currently our only financial instrument remeasured at fair value on a recurring basis. A summary of the carrying value and fair value of this financial instrument are as follows:

(In millions)	Estimated Fair Value Measurements						Estimated Fair Value Measurements				
	Quoted Prices		Significant Other		Significant Inputs		Quoted Prices		Significant Other		
	in Active Markets		Observable Inputs		Unobservable Inputs		in Active Markets		Observable Inputs		
	Carrying Value	(Level 1)	Inputs	(Level 2)	Inputs	(Level 3)	Carrying Value	(Level 1)	Inputs	(Level 2)	Inputs
As of June 30, 2023:											
As of September 30, 2023:											
Prepaid expenses and other current assets	\$ 8	\$ —	\$ 8	\$ —	\$ 8	\$ —	\$ 8	\$ —	\$ 8	\$ —	
Other assets	4	—	4	—	4	—	4	—	4	—	
Total assets	\$ 12	\$ —	\$ 12	\$ —	\$ 12	\$ —	\$ 12	\$ —	\$ 12	\$ —	
As of December 31, 2022:											
Prepaid expenses and other current assets	\$ 6	\$ —	\$ 6	\$ —	\$ 6	\$ —	\$ 6	\$ —	\$ 6	\$ —	

Other assets	4	—	4	—	4	—	4	—
Total assets	\$ 10	\$ —	\$ 10	\$ —	\$ 10	\$ —	\$ 10	\$ —
			15					

Note 15. Share Repurchase Program

On September 7, 2021, we announced a three-year repurchase authorization of up to \$400 million of outstanding shares of our common stock over the three-year period from September 3, 2021 through September 3, 2024. As of **June 30, 2023** **September 30, 2023**, we have repurchased a total of **5,552,053** **6,793,266** outstanding shares at an aggregate cost of **\$195 million** **\$236 million**, which is included in treasury stock on the accompanying condensed consolidated statements of financial position, and we had **\$205 million** **\$164 million** remaining available for future repurchases under this program.

A summary of repurchases of outstanding shares is as follows:

(In millions, except per share data)	Three Months Ended				Six Months Ended				Three Months Ended		Nine Months Ended		
	June 30,		June 30,		September 30,		September 30,		2023	2022	2023	2022	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	
	Number of shares purchased	1.1	0.8	1.1	1.9	1.2	—	2.3	1.9	1.2	—	2.3	1.9
Average price paid per share ⁽¹⁾	\$ 31.43	\$ 22.16	\$ 31.43	\$ 30.51	\$ 33.23	\$ 32.39	\$ 30.51	\$ 30.51	\$ 33.23	\$ 32.39	\$ 30.51	\$ 33.23	\$ 32.39
Cost of shares purchased	\$ 34	\$ 19	\$ 34	\$ 59	\$ 41	\$ 75	\$ 59	\$ 41	\$ 75	\$ 59	\$ 41	\$ 75	\$ 59

(1) The average price paid per share is calculated on a trade date basis and excludes commissions, associated fees.

15

Note 16. Earnings Per Share

Basic earnings per share is computed by dividing net income by the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share is computed by dividing net income by the weighted-average number of shares of common stock outstanding during the period, increased to include the number of shares of common stock that would have been outstanding had potentially dilutive shares of common stock been issued. The dilutive effect of stock options, performance options, RSUs, performance shares and RSAs are reflected in diluted earnings per share by applying the treasury stock method.

A summary of the calculations of our basic and diluted earnings per share is as follows:

(In millions, except per share data)	Three Months Ended				Six Months Ended				Three Months Ended		Nine Months Ended					
	June 30,		June 30,		September 30,		September 30,		2023	2022	2023	2022				
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022				
	Net Income	\$ 70	\$ 33	\$ 91	\$ 35	\$ 71	\$ 28	\$ 163	\$ 63	\$ 70	\$ 33	\$ 91	\$ 35			
Weighted-average common shares outstanding:	81.4	82.1	81.5	82.2	80.1	81.5	81.0	82.0	81.4	82.1	81.5	81.0	82.1			
Effect of dilutive securities:	0.3	—	0.3	—	0.5	0.2	0.3	0.1	0.3	—	0.2	—	—			
RSUs ⁽¹⁾	—	0.1	—	0.2	—	—	—	—	—	—	—	—	—			
Stock options ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—	—			
Weighted-average common shares outstanding - assuming dilution:	81.8	82.2	81.8	82.4	80.6	81.6	81.3	82.1	81.8	82.2	80.6	81.6	81.3	82.1		
Basic earnings per share	\$ 0.86	\$ 0.40	\$ 1.12	\$ 0.42	\$ 0.89	\$ 0.34	\$ 2.01	\$ 0.77	\$ 0.86	\$ 0.40	\$ 1.12	\$ 0.42	\$ 0.89	\$ 0.34	\$ 2.01	\$ 0.77
Diluted earnings per share	\$ 0.85	\$ 0.40	\$ 1.12	\$ 0.42	\$ 0.89	\$ 0.34	\$ 2.00	\$ 0.77	\$ 0.85	\$ 0.40	\$ 1.12	\$ 0.42	\$ 0.89	\$ 0.34	\$ 2.00	\$ 0.77

(1) RSUs of **74,736** **59,880** shares and **1,009,556** **778,828** shares for the three months ended **June 30, 2023** **September 30, 2023** and 2022, respectively, and **719,660** **471,836** shares and **866,384** **973,418** shares for the **six** **nine** months ended **June 30, 2023** **September 30, 2023** and 2022, respectively, were not included in the diluted earnings per share calculation because their effect would have been anti-dilutive.

(2) Stock options to purchase 1,489,773 1,338,410 shares and 1,630,293 1,572,100 shares for the three months ended June 30, 2023 September 30, 2023 and 2022, respectively, and 1,332,990 1,279,130 shares and 1,416,344 1,442,599 shares for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively, were not included in the diluted earnings per share calculation because their effect would have been anti-dilutive. Performance options to purchase 785,119 710,323 shares and 89,836 272,503 shares for the three months ended June 30, 2023 September 30, 2023 and 2022, respectively, and 523,312 605,483 shares and 45,166 121,778 shares for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively, were not included in the diluted earnings per share calculation because their effect would have been anti-dilutive.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains certain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act, regarding business strategies, market potential, future financial performance and other matters. The words "believe," "expect," "estimate," "could," "should," "intend," "may," "plan," "seek," "anticipate," "project," "will," "shall," "would," "aim," and similar expressions, among others, generally identify "forward-looking statements," which speak only as of the date the statements were made. The matters discussed in these forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those projected, anticipated or implied in the forward-looking statements. Where, in any forward-looking statement, an expectation or belief as to future results or events is expressed, such expectation or belief is based on the current plans and expectations of our management and expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. Whether any such forward-looking statements are in fact achieved will depend on future events, some of which are beyond our control.

You should read this Quarterly Report on Form 10-Q completely and with the understanding that actual future results may be materially different from expectations. All forward-looking statements made in this report are qualified by these cautionary statements. These forward-looking statements are made only as of the date of this report, and we do not undertake any obligation, other than as may be required by law, to update or revise any forward-looking or cautionary statements to reflect changes in assumptions, the occurrence of events, unanticipated or otherwise, and changes in future operating results over time or otherwise. For a discussion of other important factors that could cause our results to differ materially from those expressed in, or implied by, the forward-looking statements included in this report, you should refer to the risks and uncertainties detailed from time to time in our periodic reports filed with the SEC, including the risk factors discussed in Part I, Item 1A. "Risk Factors" in our 2022 Form 10-K.

SUMMARY OF MATERIAL RISKS

Factors, risks, trends and uncertainties that make an investment in us speculative or risky and that could cause actual results or events to differ materially from those anticipated in our forward-looking statements include the matters described under "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this report as well as Item 1A. Risk Factors in our 2022 Form 10-K filed with the SEC, in addition to the following other factors, risks, trends and uncertainties:

- changes in macroeconomic conditions, including inflation and global supply chain challenges, and instability in the banking system as a result of several recent regional bank failures, especially as they may affect existing home sales, interest rates, consumer confidence or labor availability;
- increases in parts, appliance and home system prices, and other operating costs;
- changes in the source and intensity of competition in our market;
- our ability to successfully implement our business strategies;
- the ability of our marketing efforts to be successful or cost-effective;
- our ability to attract, retain and maintain positive relations with third-party contractors and vendors;
- our dependence on our first-year real estate and direct-to-consumer acquisition channels and our renewals channel;
- our ability to attract and retain qualified key employees and labor availability in our customer service operations;
- our dependence on third-party vendors, including business process outsourcers, and third-party component suppliers;
- cybersecurity breaches, disruptions or failures in our technology systems;
- our ability to protect the security of personal information about our customers;
- evolving corporate governance and disclosure regulations and expectations related to environmental, social and governance matters;
- risks related to the COVID-19 pandemic;
- risks related to geopolitical instability;
- compliance with, or violation of, laws and regulations, including consumer protection laws, or lawsuits or other claims by third parties, increasing our legal and regulatory expenses;
- increases in tariffs or changes to import/export regulations;
- physical effects of climate change, adverse weather conditions and Acts of God, along with the increased focus on sustainability;
- our ability to protect our intellectual property and other material proprietary rights;
- negative reputational and financial impacts resulting from acquisitions or strategic transactions;

- a requirement to recognize impairment charges;
- third-party use of our trademarks as search engine keywords to direct our potential customers to their own websites;
- inappropriate use of social media by us or other parties to harm our reputation;
- special risks applicable to operations outside the United States by us or our business process outsource providers;
- a return on investment in our common stock is dependent on appreciation in the price;
- inclusion in our certificate of incorporation includes a forum selection clause that could discourage an acquisition of our company or litigation against us and our directors and officers;
- the effects of our significant indebtedness, our ability to incur additional debt and the limitations contained in the agreements governing such indebtedness;
- increases in interest rates increasing the cost of servicing our indebtedness and counterparty credit risk due to instruments designed to minimize exposure to market risks;
- increased borrowing costs due to lowering or withdrawal of the credit ratings, outlook or watch assigned to us, our debt securities or our Credit Facilities;
- our ability to generate the significant amount of cash needed to fund our operations and service our debt obligations; and
- other factors described in this report and from time to time in documents that we file with the SEC.

Available Information

Our website address is www.frontdoor.com. We use our website as a channel of distribution for company information. We will make available free of charge on the Investor section of our website our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act. We also make available through our website other reports filed with or furnished to the SEC under the Exchange Act, including our proxy statements and reports filed by officers and directors under Section 16(a) of the Exchange Act, as well as our Code of Conduct and Financial Code of Ethics. Financial and other material information regarding Frontdoor is routinely posted on our website and is readily accessible. We do not intend for information contained on our website to be part of this Quarterly Report on Form 10-Q.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following information should be read in conjunction with the unaudited condensed consolidated financial statements and related notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q, the audited consolidated financial statements and related notes thereto included in our 2022 Form 10-K and with the information under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2022 Form 10-K. The cautionary statements discussed in "Cautionary Statement Concerning Forward-Looking Statements" and elsewhere in this report should be read as applying to all forward-looking statements wherever they appear in this report. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include those factors discussed below and elsewhere in this report, particularly in "Cautionary Statement Concerning Forward-Looking Statements" as well as the risk factors discussed in Part I, Item 1A. "Risk Factors" in our 2022 Form 10-K.

Overview

Frontdoor is the leading provider of home service plans in the United States, as measured by revenue, and operates primarily under the American Home Shield brand. Our customizable home service plans help customers protect and maintain their homes, typically their most valuable asset, from costly and unplanned breakdowns of essential home systems and appliances. Our home service plan customers usually subscribe to an annual service plan agreement that covers the repair or replacement of major components of more than 20 home systems and appliances, including electrical, plumbing, HVAC systems, water heaters, refrigerators, dishwashers and ranges/ovens/cooktops, as well as optional coverages for electronics, pools, spas and pumps. Frontdoor also provides on-demand home services and a one-stop app for home repair and maintenance. Enabled by our Strem technology, the app empowers homeowners by connecting them in real time through video chat with pre-qualified experts to diagnose and solve their problems. Additionally, Frontdoor now offers home service plans under the Frontdoor brand. As of ~~June 30, 2023~~ September 30, 2023, we had ~~2.1 million~~ 2.0 million active home service plans across all brands in the United States.

For the three months ended ~~June 30, 2023~~ September 30, 2023 and 2022, we generated revenue, net income and Adjusted EBITDA of ~~\$523 million~~ \$524 million, ~~\$70 million~~ \$71 million and ~~\$121 million~~ \$128 million, respectively, and ~~\$487 million~~ \$484 million, ~~\$33 million~~ \$28 million and ~~\$77 million~~ \$79 million, respectively. For the ~~six~~ nine months ended ~~June 30, 2023~~ September 30, 2023 and 2022, we generated revenue, net income and Adjusted EBITDA of ~~\$890 million~~ \$1,414 million, ~~\$91 million~~ \$163 million and ~~\$174 million~~ \$302 million, respectively, and ~~\$838 million~~ \$1,322 million, ~~\$35 million~~ \$63 million and ~~\$102 million~~ \$181 million, respectively. For a reconciliation of Adjusted EBITDA to net income, see "—Results of Operations—Adjusted EBITDA."

For the ~~six~~ nine months ended ~~June 30, 2023~~ September 30, 2023, our total operating revenue included ~~76~~ 77 percent of revenue derived from existing customer renewals, while eight percent and ~~12~~ 11 percent were derived from new home service plan sales made in conjunction with existing home real estate transactions and direct-to-consumer sales, respectively, and four percent was derived from other revenue channels. For the ~~six~~ nine months ended ~~June 30, 2022~~ September 30, 2022, our total operating revenue

included 71 72 percent of revenue derived from existing customer renewals, while 12 percent and 13 percent were derived from new home service plan sales made in conjunction with existing home real estate transactions and direct-to-consumer sales, respectively, and three percent was derived from other revenue channels.

Key Factors and Trends Affecting Our Results of Operations

Macroeconomic Conditions

Evolving Current macroeconomic conditions, including inflation, higher interest rates, the challenging real estate market and rising global supply chain challenges and instability in the banking system as a result of several recent regional bank failures, especially as they geopolitical issues, may affect existing home sales, interest rates, consumer confidence, consumer sentiment or labor availability. These conditions may reduce demand for our services, increase our costs and or otherwise adversely impact our business. While these macroeconomic conditions generally impact the United States as a whole, we believe our nationwide presence limits the impact on us of unfavorable economic conditions in any particular region of the United States.

19

During the six nine months ended June 30, 2023 September 30, 2023, our financial condition and results of operations continued to be adversely impacted by the following:

- The challenging home seller's Challenging real estate market conditions, driven in part, by a decline in the number of home resale transactions, primarily resulting from higher interest rates, combined with extremely low home inventory levels, and rising interest rates, continued to constrain demand for home service plans in the first-year real estate channel.
- Consumer sentiment remains pressured mixed as higher inflation eroded real personal income, a result of a broad range of current macroeconomic conditions. We believe this environment combined with our higher prices impacted demand for a home service plan, impacted our ability to add customers, especially plans in the first-year direct-to-consumer channel, and renewal channels.
- Our contractors continued contractor network continues to be impacted by inflation, including higher labor, parts and equipment costs and labor availability challenges. We continue to take actions to mitigate these impacts, including increasing the percent of service requests completed by lower-cost preferred contractors, increasing the share of parts and equipment our contractors source through us at lower costs and accelerating contractor recruitment other process improvement efforts.
- Industry-wide parts The ultimate implications of the current macroeconomic conditions on our results of operations and equipment availability has returned overall financial performance remain uncertain. It remains difficult to pre-pandemic levels; however, inflation levels predict the overall continuing impact these conditions will have on our business as they may reduce demand for the period remained high, our services, increase our costs or otherwise adversely impact our business.

Seasonality

Our business is subject to seasonal fluctuations, which drive variations in our revenue, net income and Adjusted EBITDA for interim periods. Seasonal fluctuations are primarily driven by a higher number of HVAC work orders in the summer months. In 2022, approximately 21 percent, 29 percent, 29 percent and 21 percent of our revenue, approximately two percent, 47 percent, 39 percent and 12 percent of our net income, and approximately 12 percent, 36 percent, 37 percent and 15 percent of our Adjusted EBITDA was recognized in the first, second, third and fourth quarters, respectively.

Effect of Weather Conditions

The demand for our services, and our results of operations, are affected by weather conditions. Extreme temperatures, typically in the winter and summer months, can lead to an increase in service requests related to home systems, particularly HVAC systems, resulting in higher costs and lower profitability, while mild temperatures in the winter or summer months can lead to lower home systems claim frequency, resulting in lower costs and higher profitability. For example, favorable weather trends in the first six nine months of 2023 as compared to the first six nine months of 2022 resulted in a lower number of service requests per customer, which favorably impacted contract claims costs.

While weather variations as described above may affect our business, major weather events and other similar Acts of God, or natural disasters such as typhoons, hurricanes, tornadoes or earthquakes, typically do not increase our obligations to provide service. Generally, repairs associated with such isolated events are addressed by homeowners' and other forms of insurance as opposed to the home service plans that we offer.

Tariff and Import/Export Regulations

Changes in U.S. tariff and import/export regulations may impact the costs of parts, appliances and home systems. Import duties or restrictions on components and raw materials that are imposed, or the perception that they could occur, may materially and adversely affect our business by increasing our costs. For example, rising costs due to blanket tariffs on imported steel and aluminum could increase the costs of our parts, appliances and home systems.

Competition

We compete in the U.S. home service plan category and the broader U.S. home services industry. The home service plan category is highly competitive. While we have a broad range of competitors in each locality and region, we are the only home service plan company providing home service plans nationwide. The broader U.S. home services industry is also highly competitive. We compete against businesses providing on-demand home services directly and those offering leads to contractors seeking to provide on-demand home services. The principal methods of competition, and by which we differentiate ourselves from our competitors, are quality and speed of service, contract offerings, brand awareness and reputation, customer satisfaction, pricing and promotions, contractor network and referrals. We believe our nationwide network of approximately 15,000 pre-qualified professional contractor firms, in combination with our large base of contracted customers, differentiate us from other platforms in the home services industry.

20

Acquisition Activity

We anticipate that the highly fragmented nature of the home service plan category will continue to create strategic opportunities for acquisitions. Historically, we have used acquisitions to cost-effectively grow our customer base in high-growth geographies, and we intend to continue to do so. We may also explore opportunities to make strategic acquisitions that will expand our service offering in the broader home services industry. We have also used acquisitions to enhance our technological capabilities and geographic presence. For example, in 2019, we acquired Streem to enable home service professionals to more efficiently interact with customers and complete repairs, and, in 2020, we acquired a business to expand on-demand home services via its intellectual capital and know-how, technology platform capabilities and geographic presence.

Non-GAAP Financial Measures

To supplement our results presented in accordance with U.S. GAAP, we have disclosed non-GAAP financial measures that exclude or adjust certain items. We present within this "Management's Discussion and Analysis of Financial Condition and Results of Operations" section the non-GAAP financial measures of Adjusted EBITDA and Free Cash Flow. See "—Results of Operations—Adjusted EBITDA" for a reconciliation of net income to Adjusted EBITDA and "—Liquidity and Capital Resources—Free Cash Flow" for a reconciliation of net cash provided from operating activities to Free Cash Flow, as well as "Key Business Metrics" for further discussion of Adjusted EBITDA and Free Cash Flow. Management uses Adjusted EBITDA and Adjusted EBITDA margin to facilitate operating performance comparisons from period to period. We believe these non-GAAP financial measures provide investors, analysts and other interested parties useful information to evaluate our business performance as they facilitate company-to-company operating performance comparisons. Management believes Free Cash Flow is useful as a supplemental measure of our liquidity. Management uses Free Cash Flow to facilitate company-to-company cash flow comparisons, which may vary from company to company for reasons unrelated to operating performance. While we believe these non-GAAP financial measures are useful in evaluating our business, they should be considered as supplemental in nature and are not meant to be considered in isolation or as a substitute for the related financial information prepared in accordance with U.S. GAAP. In addition, these non-GAAP financial measures may not be the same as similarly entitled measures reported by other companies, limiting their usefulness as comparative measures.

Key Business Metrics

We focus on a variety of indicators and key operating and financial metrics to monitor the financial condition and performance of the continuing operations of our business. These metrics include:

- revenue,
- operating expenses,
- net income,
- earnings per share,
- Adjusted EBITDA,
- Adjusted EBITDA margin,
- net cash provided from operating activities,
- Free Cash Flow,
- **growth in** number of home service plans, and
- customer retention rate.

Revenue. The majority of our revenue is generated from annual home service plan contracts entered into with our customers. Home service plan contracts are typically one year in duration. We recognize revenue at the agreed upon contractual amount over time using the input method in proportion to the costs expected to be incurred in performing services under the contracts. Our revenue is primarily a function of the volume and pricing of the services provided to our customers, as well as the mix of services provided. Our revenue volume is impacted by new home service plan sales, customer retention and acquisitions. We derive substantially all of our revenue from customers in the United States.

Operating Expenses. In addition to changes in our revenue, our operating results are affected by, among other things, the level of our operating expenses. Our operating expenses primarily include contract claims costs and expenses associated with sales and marketing, customer service and general corporate overhead. A number of our operating expenses are subject to inflationary pressures, such as: salaries and wages, employee benefits and healthcare; contractor costs; parts, appliances and home systems costs; tariffs; insurance premiums; and various regulatory compliance costs.

21

Net Income and Earnings Per Share. The presentation of net income and basic and diluted earnings per share provides measures of performance which are useful for investors, analysts and other interested parties in company-to-company operating performance comparisons. Basic earnings per share is computed by dividing net income by the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share is computed by dividing net income by the weighted-average number of shares of common stock outstanding during the period, increased to include the number of shares of common stock that would have been outstanding had potentially dilutive shares of common stock been issued. The dilutive effect, if any, of stock options, performance options (which are stock options that become exercisable upon the achievement, in whole or in part, of the applicable performance goals, pursuant to the terms of the Omnibus Plan and the award agreement), restricted stock units ("RSUs"), performance shares (which are contractual rights to receive a share of our common stock (or the cash equivalent thereof) upon the achievement, in whole or in part, of the applicable performance goals, pursuant to the terms of the Omnibus Plan and the award agreement) and restricted stock awards ("RSAs") are reflected in diluted earnings per share by applying the treasury stock method.

Adjusted EBITDA and Adjusted EBITDA margin. We evaluate our operating and financial performance primarily based on Adjusted EBITDA, which is a financial measure not calculated in accordance with U.S. GAAP. We define Adjusted EBITDA as net income before: depreciation and amortization expense; goodwill and intangibles impairment;

restructuring charges; provision for income taxes; non-cash stock-based compensation expense; interest expense; loss on extinguishment of debt; and other non-operating expenses. We define "Adjusted EBITDA margin" as Adjusted EBITDA divided by revenue. We believe Adjusted EBITDA and Adjusted EBITDA margin are useful for investors, analysts and other interested parties as they facilitate company-to-company operating performance comparisons by excluding potential differences caused by variations in capital structures, taxation, the age and book depreciation of facilities and equipment, restructuring initiatives and equity-based, long-term incentive plans.

Net Cash Provided from Operating Activities and Free Cash Flow. We focus on measures designed to monitor cash flow, including net cash provided from operating activities and Free Cash Flow. Free Cash Flow is a financial measure that is not calculated in accordance with U.S. GAAP and represents net cash provided from operating activities less property additions.

Growth in Number of Home Service Plans and Customer Retention Rate. We report on our growth (reduction) in number of home service plans and customer retention rate as measurements of our operating performance. These measurements are presented on a rolling 12-month basis in order to avoid seasonal anomalies. The number of home service plans is representative of our recurring home service plan customer base and is measured as the number of customers with active contracts as of the respective period-end date. Our customer retention rate is calculated as the ratio of the number of end-of-period home service plan contracts to the sum of the number of beginning-of-period home service plan contracts and the number of new home service plan sales and acquired accounts during the respective period.

Critical Accounting Policies and Estimates

Our critical accounting policies and estimates are described under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2022 Form 10-K. There have been no material changes to our critical accounting policies for the **six** nine months ended **June 30, 2023** September 30, 2023.

Goodwill and Intangible Assets

In accordance with applicable accounting standards, goodwill and indefinite-lived intangible assets are not amortized and are subject to assessment for impairment on an annual basis, or more frequently, if circumstances indicate a potential impairment.

In connection with the preparation of our condensed consolidated financial statements for the third quarter of 2022, we determined that indicators of a potential goodwill and intangible assets impairment were present for our Strem reporting unit. In particular, we will be more focused on integrating Strem's technology into our core business and will be less focused on selling this technology platform to third-party business-to-business customers as a software-as-a-service platform. This shift in focus resulted in significantly lower projected revenue for Strem. We performed an interim impairment analysis of the Strem reporting unit as of September 30, 2022. In performing the discounted cash flow analysis, we determined that the carrying amount of the Strem reporting unit exceeded its fair value. An impairment charge of \$14 million was recognized during the third quarter of 2022, which comprised the remaining net carrying amount of Strem's goodwill of \$9 million and intangibles of \$5 million.

We do not believe there are any additional circumstances that would indicate any other potential impairment of our goodwill or indefinite-lived intangible assets. We will continue to monitor the macroeconomic impacts on our business in our ongoing evaluation of potential impairments.

Results of Operations

Three Months Ended **June 30, 2023** September 30, 2023 Compared to Three Months Ended **June 30, 2022** September 30, 2022

(In millions)	Three Months Ended						% of Revenue		% of Revenue				
	June 30,		Increase		Three Months Ended		Three Months Ended		Three Months Ended		Three Months Ended		
	2023	2022	(Decrease)	%	2023	2022	100 %	100 %	2023	2022	% (Decrease)	2023	2022
	June 30,	2022	(Decrease)	%	2023	2022	100 %	100 %	2023	2022	% (Decrease)	2023	2022
Revenue	\$ 523	\$ 487	(36)	7 %	100 %	100 %	\$ 524	\$ 484	8 %	100 %	100 %	\$ 524	\$ 484
Cost of services rendered	253	276	(23)	(9)	48	57	256	274	(6)	49	57	(6)	49
Gross Profit	270	211	59	28	52	43	268	210	27	51	43	268	210
Selling and administrative expenses	162	140	22	16	31	29	152	137	11	29	28	152	137
Depreciation and amortization expense	9	8	1	10	2	2	9	8	13	2	2	9	8
Goodwill and intangibles impairment	—	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring charges	—	12	(12)	(96)	—	2	5	5	(8)	1	1	5	5
Interest expense	10	7	3	38	2	1	10	8	22	2	2	10	8
Interest and net investment income	(4)	—	—	*	(1)	—	(4)	(1)	*	(1)	—	(4)	(1)
Income before Income Taxes	93	43	50	114	18	9	96	39	145	18	8	96	39
Provision for income taxes	23	10	13	129	4	2	24	11	120	5	2	24	11
Net Income	\$ 70	\$ 33	37	110 %	13 %	7 %	\$ 71	\$ 28	154 %	14 %	6 %	\$ 71	\$ 28

* not meaningful

Six Months Nine months Ended June 30, 2023 September 30, 2023 Compared to Six Months Nine months Ended June 30, 2022 September 30, 2022

(In millions)	% of Revenue						Nine Months Ended September		Revenue		
	Six Months Ended		Increase		Six Months Ended						
	June 30,		(Decrease)		June 30,		September 30, (Decrease)		September 30,		
	2023	2022	%	2023	2022	%	2023	2022	%	2023	2022
Revenue	\$ 890	\$ 838	6 %	100 %	100 %	100 %	\$ 1,414	\$ 1,322	7 %	100	100 %
Cost of services rendered	449	483	(7)	51	58	—	706	757	(7)	50	57
Gross Profit	440	355	24	49	42	—	708	565	25	50	43
Selling and administrative expenses	287	266	8	32	32	—	439	403	9	31	30
Depreciation and amortization expense	18	17	10	2	2	—	28	25	11	2	2
Goodwill and intangibles impairment	—	—	—	—	—	—	—	—	—	—	—
Restructuring charges	1	12	(89)	—	1	—	6	18	(65)	—	1
Interest expense	20	14	40	2	2	—	30	22	33	2	2
Interest and net investment income	(8)	—	*	(1)	—	—	(12)	(1)	*	(1)	—
Income before Income Taxes	122	46	162	14	6	—	217	85	154	15	6
Provision for income taxes	30	12	160	3	1	—	54	23	141	4	2
Net Income	\$ 91	\$ 35	163 %	10 %	4 %	\$ 163	\$ 63	159 %	12 %	5 %	—

* not meaningful

23

Revenue

We reported revenue of \$523 million \$524 million and \$487 million \$484 million for the three months ended June 30, 2023 September 30, 2023 and 2022, respectively, and \$890 million \$1,414 million and \$838 million \$1,322 million for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively. The following tables provide a summary of our revenue by major customer acquisition channel:

Three Months Ended June 30, 2023 September 30, 2023 Compared to Three Months Ended June 30, 2022 September 30, 2022

(In millions)	Three Months Ended						September		Three Months Ended September	
	June 30,		Increase (Decrease)		30, (Decrease)					
	2023		2022		\$	%	2023	2022	\$	%
	\$ 398	\$ 347	\$ 51	\$ 51	15 %	\$ 406	\$ 356	\$ 50	14 %	\$ 406
Renewals	\$ 398	\$ 347	\$ 51	\$ 51	15 %	\$ 406	\$ 356	\$ 50	14 %	\$ 406
Real estate ⁽¹⁾	42	57	(14)	(14)	(25)	40	51	(12)	(23)	40
Direct-to-consumer ⁽¹⁾	58	66	(7)	(7)	(11)	54	64	(10)	(16)	54
Other	24	18	6	6	32	24	13	11	85	24
Total	\$ 523	\$ 487	\$ 36	\$ 36	7 %	\$ 524	\$ 484	\$ 40	8 %	\$ 524

(1) First-year revenue only.

Revenue increased seven eight percent for the three months ended June 30, 2023 September 30, 2023 compared to the three months ended June 30, 2022 September 30, 2022. The increase in renewal revenue primarily reflects improved price realization, realization resulting from our prior pricing actions. The decrease in real estate revenue primarily reflects a decline in the number of first-year real estate home service plans driven by a continuation of the challenging home seller's real estate market. The decrease in direct-to-consumer revenue primarily reflects a decline in the number of first-year direct-to-consumer home service plans which we believe resulted from a change in consumer sentiment as is a result of a broad range of macroeconomic factors and higher conditions impacting consumer price sensitivity, demand in the home service plan category. The increase in other revenue was primarily driven by growth in on-demand home services.

Six Months Nine months Ended June 30, 2023 September 30, 2023 Compared to Six Months Nine months Ended June 30, 2022 September 30, 2022

(In millions)	Six Months Ended				Nine Months Ended			
	June 30,		September 30,		Increase (Decrease)		September 30, (Decrease)	
	2023	2022	\$	%	2023	2022	\$	%
Renewals	\$ 677	\$ 593	\$ 83	14 %	\$ 1,083	\$ 949	\$ 134	14 %
Real estate ⁽¹⁾	75	102	(27)	(26)	115	153	(39)	(25)
Direct-to-consumer ⁽¹⁾	103	112	(9)	(8)	157	176	(19)	(11)
Other	35	31	4	14	59	44	16	35
Total	\$ 890	\$ 838	\$ 51	6 %	\$ 1,414	\$ 1,322	\$ 91	7 %

(1) First-year revenue only.

Revenue increased **six** **seven** percent for the **six** **nine** months ended **June 30, 2023** **September 30, 2023** compared to the **six** **nine** months ended **June 30, 2022** **September 30, 2022**. The increase in renewal revenue primarily reflects improved price realization, resulting from our prior pricing actions. The decrease in real estate revenue primarily reflects a decline in the number of first-year real estate home service plans driven by a continuation of the challenging home seller's real estate market. The decrease in direct-to-consumer revenue primarily reflects a decline in the number of first-year direct-to-consumer home service plans which we believe resulted from a change in consumer sentiment as is a result of a broad range of macroeconomic factors and higher conditions impacting consumer price sensitivity, demand in the home service plan category. The increase in other revenue was primarily driven by growth in on-demand home services.

The following table provides a summary of the number of home service plans, reduction in number of home service plans and customer retention rate:

(In millions)	As of	
	September 30,	June 30,
	2023	2022
Number of home service plans	2.04	2.16
Reduction in number of home service plans	(6)%	(3)%
Customer retention rate	76.2 %	75.3 %

24

The following table provides a summary of the number of home service plans, growth in number of home service plans and customer retention rate:

(In millions)	As of	
	June 30,	September 30,
	2023	2022
Number of home service plans	2.07	2.17
Reduction in number of home service plans	(4)%	(3)%
Customer retention rate	76.3 %	74.4 %

The reduction in the number of home service plans as of **June 30, 2023** **September 30, 2023** was primarily impacted by a decline in the number of first-year real estate home service plans, which was driven by a continuation of the challenging home seller's real estate market, as well as a decline in the number of direct-to-consumer home service plans, which we believe resulted from a change in consumer sentiment as a result of macroeconomic factors and higher consumer price sensitivity, conditions.

Cost of Services Rendered

We reported cost of services rendered of **\$253 million** **\$256 million** and **\$276 million** **\$274 million** for the three months ended **June 30, 2023** **September 30, 2023** and 2022, respectively, and **\$449 million** **\$706 million** and **\$483 million** **\$757 million** for the **six** **nine** months ended **June 30, 2023** **September 30, 2023** and 2022, respectively. The following tables provide a summary of the changes in cost of services rendered:

Three Months Ended June 30, 2023 September 30, 2023 Compared to Three Months Ended June 30, 2022

(In millions)	September 30, 2023	June 30, 2023	September 30, 2022	June 30, 2022
Three Months Ended June 30, 2022				\$ 276
Three Months Ended September 30, 2022				\$ 274
Impact of change in revenue				(7) 3
Contract claims costs				(18) (22)
Other				1 2
Three Months Ended June 30, 2023				\$ 253
Three Months Ended September 30, 2023				\$ 256

The impact of change in revenue is driven by growth in on-demand home services, offset, in part, by the reduction in number of home service plans.

The decrease in contract claims costs primarily reflects the favorable impact of continued process improvement initiatives specifically relating to better cost management efforts across our contractor network, a transition to higher service fees, and a lower number of service requests per customer, offset, in part, by ongoing inflationary cost pressure. Additionally, contract claims costs reflects a \$9 million favorable adjustment related to the development of prior period claims, compared to a \$2 million favorable adjustment in the third quarter of 2022.

Nine months Ended September 30, 2023 Compared to Nine months Ended September 30, 2022

(In millions)

Nine Months Ended September 30, 2022	\$ 757
Impact of change in revenue	(6)
Contract claims costs	(48)
Other	3
Nine Months Ended September 30, 2023	\$ 706

The impact of change in revenue is driven by the reduction in number of home service plans, offset, in part, by growth in on-demand home services.

The decrease in contract claims costs primarily reflects a favorable weather impact of \$17 million as cooler than normal weather drove a lower number of service requests per customer. Additionally, contract claims costs reflects a \$4 million favorable adjustment related to the development of prior period claims, compared to a \$7 million unfavorable adjustment in the second quarter of 2022, and continued process improvement initiatives. These favorable items were offset, in part, by inflationary cost pressures, including higher contractor-related expenses and parts and equipment costs.

Six Months Ended June 30, 2023 Compared to Six Months Ended June 30, 2022

(In millions)

Six Months Ended June 30, 2022	\$ 483
Impact of change in revenue	(13)
Contract claims costs	(22)
Other	1
Six Months Ended June 30, 2023	\$ 449

The impact of change in revenue is driven by the reduction in number of home service plans. The decrease in contract claims costs reflects a favorable weather impact of \$23 million \$21 million as mild weather drove a lower number of service requests per customer. The favorable impact of continued process improvement initiatives specifically relating to better cost management efforts across our contractor network and a transition to higher service fees, were offset, in part, by ongoing inflationary cost pressure. Additionally, contract claims costs reflects a \$9 million favorable adjustment related to the development of prior period claims, compared to a \$12 million unfavorable adjustment in the first six nine months of 2022, and continued process improvement initiatives. These favorable items were offset, in part, by inflationary cost pressures, including higher contractor-related expenses and parts and equipment costs, 2022.

25

Selling and Administrative Expenses

We reported selling and administrative expenses of \$162 \$152 million and \$140 \$137 million for the three months ended June September 30, 2023 and 2022, respectively, and \$287 \$439 million and \$266 \$403 million for the six nine months ended June 30, 2023 ad September 30, 2023 and 2022, respectively. The following tables provide a summary of the components of selling and administrative expenses:

(In millions)	Three Months Ended				Six Months Ended				Three Months Ended		Nine Months Ended	
	June 30,		September 30,		June 30,		September 30,		2023	2022	2023	2022
	2023		2022		2023		2022		2023	2022	2023	2022
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Sales and marketing costs	\$ 88	\$ 72	\$ 147	\$ 128	\$ 81	\$ 70	\$ 228	\$ 198				
Customer service costs	27	30	53	58	27	28	80	86				
General and administrative costs	47	38	86	80	44	38	131	118				
Total	\$ 162	\$ 140	\$ 287	\$ 266	\$ 152	\$ 137	\$ 439	\$ 403				

The following tables provide a summary of the changes in selling and administrative expenses:

Three Months Ended June 30, 2023 September 30, 2023 Compared to Three Months Ended June 30, 2022 September 30, 2022

(In millions)

Three Months Ended June 30, 2022	\$ 140
Three Months Ended September 30, 2022	\$ 137
Sales and marketing costs	16 10
Customer service costs	(3) (1)

Stock-based compensation expense	2	3
General and administrative costs	6	4
Three Months Ended June 30, 2023	\$ 162	
Three Months Ended September 30, 2023		\$152

Sales and marketing costs increased primarily due to our investment in marketing associated with the launch of the Frontdoor brand. Customer service costs decreased primarily due to lower labor costs driven by a lower number of service requests. General and administrative costs increased primarily due to investments in technology and increased personnel costs and professional fees.

	Six Months Ended June 30, 2023	Nine months Ended June 30, 2023	September 30, 2023	Compared to	Six Months Ended June 30, 2022	Nine months Ended June 30, 2022	September 30, 2022
(In millions)							
Six Months Ended June 30, 2022					\$ 266		
Nine Months Ended September 30, 2022						\$403	
Sales and marketing costs					19	29	
Customer service costs					(5)	(6)	
Stock-based compensation expense					1	4	
General and administrative costs					6	10	
Six Months Ended June 30, 2023					\$ 287		
Nine Months Ended September 30, 2023						\$439	

Sales and marketing costs increased primarily due to our investment in marketing associated with the launch of the Frontdoor brand. Customer service costs decreased primarily due to lower labor costs driven by a lower number of service requests. General and administrative costs increased primarily due to investments in technology and increased personnel costs and professional fees.

Depreciation and Amortization Expense

Depreciation expense was \$8 million and \$7 million \$6 million for the three months ended June 30, 2023 September 30, 2023 and 2022, respectively, and \$16 million \$24 million and \$13 million \$19 million for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively. Amortization expense was \$1 million and \$2 million for the three months ended June 30, 2023 September 30, 2023 and 2022, respectively, and \$2 million \$3 million and \$4 million \$6 million for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively. The increase in depreciation expense was primarily due to incremental capital expenditures. The decrease in amortization expense was primarily driven by the impairment to the Stroom reporting unit in the third quarter of 2022.

Restructuring Charges Goodwill and Intangibles Impairment

We had restructuring charges of less than \$1 million Goodwill and \$12 million intangibles impairment was \$14 million for the three and nine months ended June 30, 2023 and 2022, respectively, and \$1 million and \$12 million September 30, 2022. There was no such impairment for the six months ended June 30, 2023 and 2022, respectively.

For the three and six nine months ended June 30, 2023, these charges primarily include severance costs. September 30, 2023. See Critical Accounting Policies and Estimates - Goodwill and Intangible Assets for further information.

26

Restructuring Charges

Restructuring charges were \$5 million for each of the three months ended September 30, 2023 and 2022 and \$6 million and \$18 million for the nine months ended September 30, 2023 and 2022, respectively.

For the three and six nine months ended June 30, 2022 September 30, 2023, restructuring charges primarily comprised a \$2 million impairment charge related to our Phoenix, AZ customer service center's operating lease right-of-use asset and the related fixed assets and \$2 million of professional fees, with the balance comprised of severance costs. The impairment charge was the result of our decision to exit the leased property.

For the three months ended September 30, 2022, restructuring charges primarily comprised a \$2 million impairment of certain internally developed software and \$3 million of severance and other costs. Severance costs of \$2 million related to a reduction in workforce of seven percent as part of our completed strategic review of our selling, general and administrative expenses.

For the nine months ended September 30, 2022, restructuring charges primarily comprised an \$11 million impairment charge related to our prior corporate headquarters facility operating lease right-of-use asset and leasehold improvements, a \$2 million impairment of certain internally developed software and \$1 million \$5 million of severance and other costs. The severance costs of \$2 million related to a reduction in workforce of seven percent as part of our completed strategic review of our selling, general and administrative expenses.

During the fourth quarter of 2023, we will continue the evaluation of our long-term plan for our owned and leased properties. If a decision is made to exit additional properties, an impairment was the result of vacating the facility with the intent to sublease certain right-of-use assets, leasehold improvements and other related assets is reasonably possible.

Interest Expense

Interest expense was \$10 million and \$7 million \$8 million for the three months ended June 30, 2023 September 30, 2023 and 2022, respectively, and \$20 million \$30 million and \$14 million \$22 million for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively. The increase was driven by higher interest rates on our variable rate debt.

Interest and Net Investment Income

Interest and net investment income was \$4 million and **less than \$1 million** for the three months ended **June 30, 2023** **September 30, 2023** and 2022, respectively, and **\$8 million \$12 million** and **less than \$1 million** for the **six nine** months ended **June 30, 2023** **September 30, 2023** and 2022, respectively. The increase driven was by higher interest rates on our cash and cash equivalent balances.

Provision for Income Taxes

The effective tax rate on income before income taxes was **24.8** **25.3** percent and **23.2** **28.2** percent for the three months ended **June** **September** 30, 2023 and 2022, respectively, and **24.9** **25.1** percent and **25.1** **26.5** percent for the **six nine** months ended **June 30, 2023** **September 30, 2023** and 2022, respectively. The **increase** **decrease** in the effective tax rate for the three and nine months ended **June 30, 2023** **September 30, 2023** compared to 2022 was primarily due to the **impacts** **impact of share-based awards** **the goodwill** and **intangibles impairment** recorded in the third quarter of 2022 and the **impact of a decrease** **lower pre-tax income** in 2022, offset, in part, by a **reduction** in income tax credits **partially offset** by state income taxes, in 2023 as compared to 2022.

Net Income

Net income was **\$70 million** **\$71 million** and **\$33 million** **\$28 million** for the three months ended **June** **September** 30, 2023 and 2022, respectively, and **\$91 million** **\$163 million** and **\$35 million** **\$63 million** for the **six nine** months ended **June 30, 2023** **September 30, 2023** and 2022, respectively. The increase was primarily driven by the operating results discussed throughout "—Results of Operations" above.

Adjusted EBITDA

Adjusted EBITDA was **\$121 million** **\$128 million** and **\$77 million** **\$79 million** for the three months ended **June** **September** 30, 2023 and 2022, respectively, **\$302 million** and **\$174 million** and **\$102 million** **\$181 million** for the **six nine** months ended **June 30, 2023** **September 30, 2023** and 2022, respectively. The following table provides a summary of the changes in our Adjusted EBITDA:

27

Three Months Ended **June 30, 2023** **September 30, 2023** Compared to Three Months Ended **June 30, 2022** **September 30, 2022**

(In millions)			
Three Months Ended June 30, 2022		\$	77
Three Months Ended September 30, 2022			\$ 79
Impact of change in revenue			42 37
Contract claims costs			18 22
Sales and marketing costs			(16) (10)
Customer service costs			3 1
General and administrative costs			(6) (4)
Interest and net investment income			4 4
Other			(1) (2)
Three Months Ended June 30, 2023		\$	121
Three Months Ended September 30, 2023			\$128

The impact of change in revenue reflects improved price realization and growth in on-demand home services, offset, in part, by the reduction in number of home service plans.

The decrease in contract claims costs primarily reflects **the favorable weather** impact of **\$17 million** as cooler than normal weather drove **continued process improvement** initiatives specifically relating to better cost management efforts across our contractor network, a transition to higher service fees, and a lower number of service requests per customer, offset, in part, by ongoing inflationary cost pressure. Additionally, contract claims costs reflects a **\$4 million** **\$9 million** favorable adjustment related to the development of prior period claims, compared to a **\$7 million** **unfavorable** **\$2 million** favorable adjustment in the **second** **third** quarter of **2022**, and process improvement initiatives. These favorable items were offset, in part, by inflationary cost pressures, including higher contractor-related expenses and parts and equipment costs. **2022**.

Sales and marketing costs increased primarily due to our investment in marketing associated with the **launch of the** **Frontdoor** brand. Customer service costs decreased primarily due to lower labor costs driven by a lower number of service requests. General and administrative costs increased primarily due to **investments in technology** and increased personnel **costs and professional fees**.

27

The increase in interest and net investment income was driven by higher interest rates on our cash and cash equivalent balances.

Six Months Nine months Ended **June 30, 2023** **September 30, 2023** Compared to Six Months Nine months Ended June 30, 2022

September 30, 2022

(In millions)			
Six Months Ended June 30, 2022		\$	102
Nine Months Ended September 30, 2022			\$181
Impact of change in revenue			65 97
Contract claims costs			22 48
Sales and marketing costs			(19) (29)

Customer service costs		5	6
General and administrative costs		(6)	(10)
Interest and net investment income		7	11
Other		(1)	(3)
Six Months Ended June 30, 2023		\$ 174	
Nine Months Ended September 30, 2023			\$302

The impact of change in revenue reflects improved price realization and growth in on-demand home services, offset, in part, by the reduction in number of home service plans.

The decrease in contract claims costs primarily reflects a favorable weather impact of \$23 million \$21 million as mild weather drove a lower number of service requests per customer. The favorable impact of continued process improvement initiatives specifically relating to better cost management efforts across our contractor network and a transition to higher service fees, were offset, in part, by ongoing inflationary cost pressure. Additionally, contract claims costs reflects a \$9 million favorable adjustment related to the development of prior period claims, compared to a \$12 million unfavorable adjustment in the first six nine months of 2022, and process improvement initiatives. These favorable items were offset, in part, by inflationary cost pressures, including higher contractor-related expenses and parts and equipment costs. 2022.

Sales and marketing costs increased primarily due to our investment in marketing associated with the launch of the Frontdoor brand. Customer service costs decreased primarily due to lower labor costs driven by a lower number of service requests. General and administrative costs increased primarily due to investments in technology and increased personnel costs and professional fees.

The increase in interest and net investment income was driven by higher interest rates on our cash and cash equivalent balances.

28

A reconciliation of Net Income to Adjusted EBITDA is as follows:

(In millions)	Three Months Ended				Six Months Ended				Three Months Ended		Nine Months Ended		
	June 30,		September 30,		June 30,		September 30,		2023	2022	2023	2022	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	
Net Income	\$ 70	\$ 33	\$ 91	\$ 71	\$ 35	\$ 71	\$ 28	\$ 163	\$ 63				
Depreciation and amortization expense	9	8	18	17	9	8	28	25					
Goodwill and intangibles impairment ⁽¹⁾									—	14	—	14	
Restructuring charges ⁽¹⁾			12	1	12	5	5	6	18				
Provision for income taxes	23	10	30	12	24	11	54	23					
Non-cash stock-based compensation expense ⁽²⁾	8	6	13	12	8	5	21	17					
Interest expense	10	7	20	14	10	8	30	22					
Adjusted EBITDA	\$ 121	\$ 77	\$ 174	\$ 102	\$ 128	\$ 79	\$ 302	\$ 181					

(1) We exclude goodwill and intangibles impairment and restructuring charges from Adjusted EBITDA because we believe it does not reflect our ongoing operations and because we believe doing so is useful to investors in aiding period-to-period comparability.

(2) We exclude non-cash stock-based compensation expense from Adjusted EBITDA primarily because it is a non-cash expense and because it is not used by management to assess ongoing operational performance. We believe excluding this expense from Adjusted EBITDA is useful to investors in aiding period-to-period comparability.

Liquidity and Capital Resources

Liquidity

A substantial portion of our liquidity needs are due to debt service requirements on our indebtedness. The Credit Agreement contains covenants that limit or restrict our ability, including the ability of certain of our subsidiaries, to incur additional indebtedness, repurchase debt, incur liens, sell assets, make certain payments (including dividends) and enter into transactions with affiliates. As of June 30, 2023 September 30, 2023, we were in compliance with the covenants under the Credit Agreement. We do not believe current macroeconomic conditions will affect our ongoing ability to meet our debt covenants.

28

Cash and cash equivalents totaled \$344 million \$320 million and \$292 million as of June 30, 2023 September 30, 2023 and December 31, 2022, respectively. Our cash and cash equivalents include balances associated with regulatory requirements in our business. See “—Limitations on Distributions and Dividends by Subsidiaries.” As of June 30, 2023 September 30, 2023 and December 31, 2022, the total net assets subject to these third-party restrictions were \$158 million \$152 million and \$145 million, respectively. As of June 30, 2023 September 30, 2023, there was \$2 million of letters of credit outstanding under our \$250 million Revolving Credit Facility, and the available borrowing capacity under the

Revolving Credit Facility was \$248 million. The letters of credit are posted in lieu of cash to satisfy regulatory requirements in certain states in which we operate. We currently believe that cash generated from operations, our cash on hand and available borrowing capacity under the Revolving Credit Facility as of **June 30, 2023** **September 30, 2023** will provide us with sufficient liquidity to meet our obligations in the short- and long-term.

In March 2023, in connection with the planned phase-out of LIBOR, we amended our Credit Facilities to replace LIBOR with SOFR as the benchmark rate under the Credit Agreement. This change was effective in March 2023 for Term Loan A and the Revolving Credit Facility and in June 2023 for Term Loan B.

We closely monitor the performance of our investment portfolio, primarily cash deposits. From time to time, we review the statutory reserve requirements to which our regulated entities are subject and any changes to such requirements. These reviews may result in identifying current reserve levels above or below minimum statutory reserve requirements, in which case we may adjust our reserves. The reviews may also identify opportunities to satisfy certain regulatory reserve requirements through alternate financial vehicles.

We have a diversified investment strategy for our cash investments, and look for opportunities to improve their performance, by diversifying these financial instruments among various counterparties, with priority given for the major financial institutions that serve as lenders under the Credit Agreement. Generally, our cash deposits may be redeemed on demand and are maintained with major financial institutions with solid credit ratings, although our holdings exceed insured limits in substantially all of our accounts.

29

We may, from time to time, repurchase or otherwise retire or extend our debt and/or take other steps to reduce our debt or otherwise improve our financial position, gross leverage, results of operations or cash flows. These actions may include open market debt repurchases, negotiated repurchases, other retirements of outstanding debt and/or opportunistic refinancing of debt. The amount of debt that may be repurchased or otherwise retired or refinanced, if any, and the price of such repurchases, retirements or refinancings will depend on market conditions, trading levels of our debt, our cash position, compliance with debt covenants and other considerations.

On September 7, 2021, we announced a three-year repurchase authorization of up to \$400 million of outstanding shares of our common stock. We expect to fund the share repurchases from net cash provided from operating activities. As of **June 30, 2023** **September 30, 2023**, we have repurchased a total of **5,552,053** **6,793,266** outstanding shares at an aggregate cost of **\$195 million** **\$236 million**, which is included in treasury stock on the condensed consolidated statements of financial position, and we had **\$205 million** **\$164 million** remaining available for future repurchases under this program. Purchases under the repurchase program may be made from time to time by the company in the open market at prevailing market prices (including through a Rule 10b5-1 Plan), in privately negotiated transactions, or through any combination of these methods, through September 3, 2024. The actual timing, number, manner and value of any shares repurchased will depend on several factors, including the market price of the company's stock, general market and economic conditions, the company's liquidity requirements, applicable legal requirements and other business considerations. The repurchase program does not obligate us to acquire any number of shares in any specific period or at all and may be suspended or discontinued at any time at our discretion.

Limitations on Distributions and Dividends by Subsidiaries

We depend on our subsidiaries to distribute funds to us so that we may pay obligations and expenses, including satisfying obligations with respect to indebtedness. The ability of our subsidiaries to make distributions and dividends to us depends on their operating results, cash requirements, financial condition and general business conditions, as well as restrictions under the laws of our subsidiaries' jurisdictions.

Our subsidiaries are permitted under the terms of the Credit Agreement and other indebtedness to incur additional indebtedness that may restrict or prohibit the making of distributions, the payment of dividends or the making of loans by such subsidiaries to us.

29

Furthermore, there are third-party restrictions on the ability of certain of our subsidiaries to transfer funds to us. These restrictions are related to regulatory requirements. The payments of ordinary and extraordinary dividends by certain of our subsidiaries (through which we conduct our business) are subject to significant regulatory restrictions under the laws and regulations of the states in which they operate. Among other things, such laws and regulations require certain subsidiaries to maintain minimum capital and net worth requirements and may limit the amount of ordinary and extraordinary dividends and other payments that these subsidiaries can pay to us. We expect that such limitations will be in effect for the foreseeable future. In Texas, we are relieved of the obligation to post 75 percent of our otherwise required reserves because we operate a captive insurer approved by Texas regulators in order to satisfy such obligations. None of our subsidiaries are obligated to make funds available to us through the payment of dividends.

Cash Flows

Cash flows from operating, investing and financing activities, as reflected in the condensed consolidated statements of cash flows included in Part I, Item 1 of this Quarterly Report on Form 10-Q are summarized in the following table:

(In millions)	Six Months Ended		Nine Months Ended	
	June 30,		September 30,	
	2023	2022	2023	2022
Net cash provided from (used for):				
Operating activities	\$ 112	\$ 94	\$ 139	\$ 80
Investing activities	(15)	(19)	(23)	(25)
Financing activities	(44)	(69)	(88)	(74)

Cash increase during the period	\$ 52	\$ 6	\$ 28	\$ (19)
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Operating Activities

Net cash provided from operating activities was \$112 million \$139 million and \$94 million \$80 million for the six nine months ended June September 30, 2023 and 2022, respectively.

30

Net cash provided from operating activities for the six nine months ended June 30, 2023 September 30, 2023 comprised \$117 million \$207 million in earnings adjusted for non-cash charges, offset, in part, by \$5 million \$68 million in cash used for working capital. Cash used for working capital was primarily driven by seasonality, favorable development of prior period claims and a decline in the number of first-year real estate home service plans, which are typically paid for upfront at the time of closing on the home sale, offset, in part, by seasonality, sale.

Net cash provided from operating activities for the six nine months ended June 30, 2022 September 30, 2022 comprised \$68 million \$121 million in earnings adjusted for non-cash charges, and \$26 million offset, in part, by \$41 million in cash provided from used for working capital. Cash provided from used for working capital was primarily driven by seasonality, seasonality and the impacts on deferred revenue of a decline in the number of first-year real estate home service plans.

Investing Activities

Net cash used for investing activities was \$15 million \$23 million and \$19 million \$25 million for the six nine months ended June September 30, 2023 and 2022, respectively.

Capital expenditures were \$15 million \$23 million and \$19 million \$30 million for the six nine months ended June September 30, 2023 and 2022, respectively, and included recurring capital needs and technology projects. We expect capital expenditures for the full year 2023 relating to committed, recurring capital needs and the continuation of investments in information systems and productivity enhancing technology to be approximately \$35 million to \$45 million \$35 million. We have no additional material capital commitments at this time.

Financing Activities

Net cash used for financing activities was \$44 million \$88 million and \$69 million \$74 million for the six nine months ended June September 30, 2023 and 2022, respectively.

For the six nine months ended June 30, 2023 September 30, 2023, we made scheduled principal payment of debt of \$8 million \$13 million and purchased outstanding shares at an aggregate cost of \$34 million \$76 million.

For the six nine months ended June 30, 2022 September 30, 2022, we made scheduled principal payments of debt and finance lease obligations of \$8 million \$13 million and purchased outstanding shares at an aggregate cost of \$59 million.

30

Free Cash Flow

The following table reconciles net cash provided from operating activities, which we consider to be the most directly comparable U.S. GAAP measure, to Free Cash Flow using data derived from the condensed consolidated statements of cash flows in Part 1, Item 1 of this Quarterly Report on Form 10-Q:

(In millions)	Six Months Ended		Nine Months Ended September 30,	
	June 30,		September 30,	
	2023	2022	2023	2022
Net cash provided from operating activities	\$ 112	\$ 94	\$ 139	\$ 80
Property additions	(15)	(19)	(23)	(30)
Free Cash Flow	\$ 96	\$ 75	\$ 116	\$ 50

Contractual Obligations

Our 2022 Form 10-K includes disclosures of our contractual obligations and commitments as of December 31, 2022. We continue to make the contractually required payments associated with these commitments. There are no significant additions to our obligations and commitments since those reported in the 2022 Form 10-K.

31

Financial Position

A summary of the significant changes in our financial position from December 31, 2022 to June 30, 2023 September 30, 2023 is as follows:

- Contract asset increased during the six nine months ended June 30, 2023 September 30, 2023, reflecting a net contract asset related to the recognition of monthly-pay customer revenue on an other-than-straight-line basis to match the timing of cost recognition.
- Home service plan claims decreased during the nine months ended September 30, 2023, primarily reflecting the impact of a \$9 million favorable adjustment recorded in 2023 related to the development of prior period claims.
- Other accrued liabilities increased during the six nine months ended June 30, 2023 September 30, 2023, reflecting an increase in federal income tax payable.

- Deferred revenue decreased during the **six** **nine** months ended **June 30, 2023** **September 30, 2023**, reflecting a decline in the number of first-year real estate home service plans, which are typically paid for upfront at the time of closing on the home sale.
- Long-term debt decreased during the nine months ended September 30, 2023, reflecting scheduled debt payments.
- Deferred taxes decreased during the nine months ended September 30, 2023, reflecting timing differences associated with depreciation of fixed assets and certain incentive compensation expense.
- Total shareholders' equity was **\$131 million** **\$171 million** as of **June 30, 2022** **September 30, 2023** compared to \$61 million as of December 31, 2022. The increase was primarily driven by net income, offset, in part, by repurchases of our common stock. See the condensed consolidated statements of changes in equity (deficit) included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

31 32

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to the impact of interest rate changes and manage this exposure through the use of variable-rate and fixed-rate debt and by utilizing an interest rate swap. There have been no material changes to the market risk associated with debt obligations and other significant instruments from the risks described in Part II, Item 7A in our 2022 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, has evaluated (pursuant to Rule 13a-15(b) of the Exchange Act) the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) as of **June 30, 2023** **September 30, 2023**. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective as of **June 30, 2023** **September 30, 2023**.

Changes in Internal Control over Financial Reporting

There were no changes to our internal control over financial reporting (as defined in Rule 13a-15(f)) during the three months ended **June 30, 2023** **September 30, 2023** that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The information required with respect to this Part II, Item 1 can be found under Note 8 to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

ITEM 1A. RISK FACTORS

For information regarding factors that could affect our business, financial condition or results of operations, see the risk factors discussed in Part I, Item 1A, "Risk Factors" in our 2022 Form 10-K. There have been no material changes to the risk factors disclosed in our 2022 Form 10-K during the three months ended **June 30, 2023** **September 30, 2023**. The risks described in our 2022 Form 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial could also materially and adversely affect our business, financial condition or results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS AND ISSUER PURCHASES OF EQUITY SECURITIES

Issuer Purchases of Equity Securities

On September 7, 2021, we announced a three-year repurchase authorization of up to \$400 million of outstanding shares of our common stock over the three-year period from September 3, 2021 through September 3, 2024. As of **June 30, 2023** **September 30, 2023**, we have repurchased a total of **5,552,053** **6,793,266** outstanding shares at an aggregate cost of **\$195 million** **\$236 million**, and we had **\$205 million** **\$164 million** remaining available for future repurchases under this program. See Liquidity and Capital Resources – Liquidity in Part I, Item 2 of this Quarterly Report on Form 10-Q for more information.

Period	Total number of shares purchased	Average price paid per share(1)	Total number of shares purchased as part of publicly announced plans or programs	Maximum dollar value of shares that may yet be purchased under the plans or programs (in millions)	
Apr. 1, 2023 through Apr. 30, 2023	—	\$ —	—	\$ —	239
May 1, 2023 through May 31, 2023	439,478	31.29	439,478		225
Jun. 1, 2023 through Jun. 30, 2023	634,381	31.53	634,381		205
Total	1,073,859	\$ 31.43	1,073,859	\$ —	205

Period	Total number of shares purchased	Average price paid per share(1)	Total number of shares purchased as part of publicly announced plans or programs	Maximum dollar value of shares that may yet be purchased under the plans or programs (in millions)
Jul. 1, 2023 through Jul. 31, 2023	485,798	\$ 33.45	485,798	\$ 189
Aug. 1, 2023 through Aug. 31, 2023	524,233	33.38	524,233	171
Sep. 1, 2023 through Sep. 30, 2023	231,182	32.42	231,182	164
Total	1,241,213	\$ 33.23	1,241,213	\$ 164

(1) The average price paid per share is calculated on a trade date basis and excludes commission, associated fees.

32

ITEM 5. OTHER INFORMATION

On July 28, 2023, our board of directors approved and adopted amended and restated bylaws (the "Amended and Restated Bylaws"), which became effective the same day. Among other things, the Amended and Restated Bylaws update certain provisions of Article I, Sections 1.05 and 1.12 regarding the procedure and disclosure required in connection with stockholder director nominations, including to address newly adopted Rule 14a-19 of the Exchange Act. Such updates include, without limitation, requiring (i) a nominating stockholder to use a proxy card color other than white, which color is reserved for the exclusive use by the board, (ii) a nominating stockholder to represent whether it intends to solicit proxies in accordance with Rule 14a-19 and to provide reasonable evidence that it has satisfied Rule 14a-19, and (iii) additional background information and disclosures regarding, among other things, nominating stockholders, proposed director candidates, and other persons related to a stockholder's solicitation of proxies. The Amended and Restated Bylaws also reflect updates to the provisions relating to adjournment procedures and lists of stockholders entitled to vote at stockholder meetings, in each case, to reflect recent amendments to the Delaware General Corporation Law, as well as other administrative and conforming changes, including the deletion of provisions related to our prior classified board structure.

As a result of the amendments affected by the Amended and Restated Bylaws, with respect to the 2024 Annual Meeting of stockholders and future annual meetings, to be considered timely, the information required to be submitted by stockholders in accordance with Rule 14a-19 in connection with the solicitation of proxies in support of director nominees other than the company's nominees must be received by the Corporate Secretary of the company not less than 90 days nor more than 120 days prior to the first anniversary of the immediately preceding annual meeting; provided, however, that in the event that (x) the date of the annual meeting is advanced by more than 30 days or delayed by more than 70 days from such anniversary date of the preceding year's annual meeting or (y) no annual meeting was held during the preceding year, notice by the stockholder to be timely must be so delivered not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting and the close of business on the 10th day following the day on which public announcement of the date of such meeting is first made. Therefore, with respect to the 2024 Annual Meeting, such nomination and related information required under the Amended and Restated Bylaws must be received by the company on or after January 12, 2024 but no later than February 11, 2024.

The foregoing description is a summary and is qualified in its entirety by reference to the full text of the Amended and Restated Bylaws, a copy of which is attached as Exhibit 3.2 hereto and is incorporated by reference herein.

33

ITEM 6. EXHIBITS

Exhibit Number	Description
2.1	Separation and Distribution Agreement, dated as of September 28, 2018, by and between ServiceMaster Global Holdings, Inc. and Frontdoor, Inc. (incorporated by reference to Exhibit 2.1 to Frontdoor's Current Report on Form 8-K filed on October 1, 2018).
3.1	Restated Certificate of Incorporation of Frontdoor, Inc. (incorporated by reference to Exhibit 3.1 to Frontdoor's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021).
3.2.1* 3.2*	Amended and Restated Bylaws of Frontdoor, Inc.
3.2.2*	Amendment to the Amended and Restated Bylaws of Frontdoor, Inc.
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a - 14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a - 14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1*	Certification of Chief Executive Officer pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Chief Financial Officer pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline 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.
101.SCH*	Inline XBRL Taxonomy Extension Schema.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase.
101.PRE*	Inline XBRL Extension Presentation Linkbase.
104*	Cover page formatted as Inline XBRL and included in Exhibit 101.

* Filed herewith.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by Frontdoor in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

34

SIGNATURE

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.

FRONDOOR, INC.

Date: August 2, 2023 November 1, 2023

By: /s/ Jessica P. Ross

Name: Jessica P. Ross
Title: Senior Vice President and Chief Financial Officer
(principal financial officer)

35

FRONDOOR, INC. AMENDED AND RESTATED BYLAWS Effective as of July 28, 2023

FRONDOOR, INC. BYLAWS

Table of Contents

	<u>ARTICLE I</u>	<u>Page</u>
	<u>MEETINGS OF STOCKHOLDERS</u>	
<u>Section 1.01.</u>	<u>Annual Meetings</u>	1
<u>Section 1.02.</u>	<u>Special Meetings</u>	1
<u>Section 1.03.</u>	<u>Participation in Meetings by Remote Communication</u>	1
<u>Section 1.04.</u>	<u>Notice of Meetings; Waiver of Notice</u>	1
<u>Section 1.05.</u>	<u>Proxies</u>	2
<u>Section 1.06.</u>	<u>Voting Lists</u>	3
<u>Section 1.07.</u>	<u>Quorum</u>	3
<u>Section 1.08.</u>	<u>Voting</u>	3
<u>Section 1.09.</u>	<u>Adjournment</u>	4
<u>Section 1.10.</u>	<u>Organization; Procedure; Inspection of Elections</u>	5

<u>Section 1.11.</u>	<u>Consent of Stockholders in Lieu of Meeting</u>	6
<u>Section 1.12.</u>	<u>Notice of Stockholder Proposals and Nominations</u>	6
<u>ARTICLE II</u>		
<u>BOARD OF DIRECTORS</u>		
<u>Section 2.01.</u>	<u>General Powers</u>	12
<u>Section 2.02.</u>	<u>Number and Term of Office</u>	12
<u>Section 2.03.</u>	<u>Election of Directors</u>	12
<u>Section 2.04.</u>	<u>Regular Meetings</u>	12
Page -ii-		
<hr/>		
<u>Section 2.05.</u>	<u>Special Meetings</u>	13
<u>Section 2.06.</u>	<u>Notice of Meetings; Waiver of Notice</u>	13
<u>Section 2.07.</u>	<u>Quorum; Voting</u>	13
<u>Section 2.08.</u>	<u>Action by Telephonic Communications</u>	13
<u>Section 2.09.</u>	<u>Adjournment</u>	13
<u>Section 2.10.</u>	<u>Action Without a Meeting</u>	14
<u>Section 2.11.</u>	<u>Regulations</u>	14
<u>Section 2.12.</u>	<u>Resignations of Directors</u>	14
<u>Section 2.13.</u>	<u>Removal of Directors</u>	14
<u>Section 2.14.</u>	<u>Vacancies and Newly Created Directorships</u>	14
<u>Section 2.15.</u>	<u>Compensation</u>	14
<u>ARTICLE III</u>		
<u>COMMITTEES</u>		
<u>Section 3.01.</u>	<u>How Constituted</u>	14
<u>Section 3.02.</u>	<u>Members and Alternate Members</u>	15
<u>Section 3.03.</u>	<u>Committee Procedures</u>	15
<u>Section 3.04.</u>	<u>Meetings and Actions of Committees</u>	15
<u>Section 3.05.</u>	<u>Resignations and Removals</u>	15
<u>Section 3.06.</u>	<u>Vacancies</u>	16
<u>ARTICLE IV</u>		
<u>OFFICERS</u>		
<u>Section 4.01.</u>	<u>Officers</u>	16
<u>Section 4.02.</u>	<u>Election</u>	16
<u>Section 4.03.</u>	<u>Compensation</u>	16
<hr/>		
<u>MEETINGS OF STOCKHOLDERS-iii-</u>		
<hr/>		
<u>Section 4.04.</u>	<u>Removal and Resignation; Vacancies</u>	16
<u>Section 4.05.</u>	<u>Authority and Duties of Officers</u>	16
<u>Section 4.06.</u>	<u>Chief Executive Officer</u>	17
<u>Section 4.07.</u>	<u>Presidents</u>	17

<u>Section 4.08.</u>	<u>Vice Presidents</u>	17
<u>Section 4.09.</u>	<u>Secretary</u>	17
<u>Section 4.10.</u>	<u>Treasurer</u>	18
<u>ARTICLE V</u>		
<u>CAPITAL STOCK</u>		
<u>Section 5.01.</u>	<u>Uncertificated Shares</u>	19
<u>Section 5.02.</u>	<u>Registered Stockholders</u>	19
<u>Section 5.03.</u>	<u>Transfer Agent and Registrar</u>	19
<u>ARTICLE VI</u>		
<u>INDEMNIFICATION</u>		
<u>Section 6.01.</u>	<u>Indemnification</u>	20
<u>ARTICLE VII</u>		
<u>OFFICES</u>		
<u>Section 7.01.</u>	<u>Registered Office</u>	23
<u>Section 7.02.</u>	<u>Other Offices</u>	23
<u>ARTICLE VIII</u>		
<u>GENERAL PROVISIONS</u>		
<u>Section 8.01.</u>	<u>Dividends</u>	24
<u>Section 8.02.</u>	<u>Reliance on Reports and Experts</u>	24
<u>Annual Meetings</u> ¹		
<u>Special Meetings</u> ¹		
<u>Participation in Meetings by Remote Communication</u> ¹		
<u>Notice of Meetings; Waiver of Notice</u> ¹		
<u>Proxies</u> ²		
<u>Voting Lists</u> ³		
<u>Quorum</u> ³		
<u>Voting</u> ³		
<u>Adjournment</u> ⁴		
<u>Organization; Procedure; Inspection of Elections</u> ⁴		
<u>Consent of Stockholders in Lieu of Meeting</u> ⁵		
<u>Notice of Stockholder Proposals and Nominations</u> ⁵		

BOARD OF DIRECTORS

<u>General Powers</u> ¹¹
<u>Number and Term of Office</u> ¹¹
<u>Classification; Election of Directors</u> ¹¹
<u>Regular Meetings</u> ¹¹
<u>Special Meetings</u> ¹²
<u>Notice of Meetings; Waiver of Notice</u> ¹²
<u>Quorum; Voting</u> ¹²

[Adjournment12](#)

[Action Without a Meeting13](#)

[Regulations13](#)

[Resignations of Directors13](#)

[Removal of Directors13](#)

[Vacancies and Newly Created Directorships13](#)

[Compensation13](#)

COMMITTEES

[How Constituted13](#)

[Members and Alternate Members14](#)

[Committee Procedures14](#)

[Meetings and Actions of Committees14](#)

[Resignations and Removals14](#)

[Vacancies15](#)

OFFICERS

[Officers15](#)

[Election15](#)

[Compensation15](#)

[Removal and Resignation; Vacancies15](#)

[Authority and Duties of Officers15](#)

[Chief Executive Officer16](#)

[Presidents16](#)

[Vice Presidents16](#)

[Secretary16](#)

[Treasurer17](#)

Section 8.03.	Reserves	24
Section 8.04.	Execution of Instruments	24
Section 8.05.	Voting as Stockholder	24
Section 8.06.	Fiscal Year	24
Section 8.07.	Seal	24
Section 8.08.	Books and Records; Inspection	25

Section 8.09.	Electronic Transmission	25
		<u>ARTICLE IX</u>
		<u>AMENDMENT OF BYLAWS</u>
Section 9.01.	Amendment	25
		<u>ARTICLE X</u>
		<u>CONSTRUCTION</u>
Section 10.01.	Construction	25

CAPITAL STOCK
Uncertificated Shares 18
Registered Stockholders 18
Transfer Agent and Registrar 18

INDEMNIFICATION

Indemnification 19

OFFICES

Registered Office 22
Other Offices 22

GENERAL PROVISIONS

Dividends 23
Reliance on Reports and Experts 23
Reserves 23
Execution of Instruments 23
Voting as Stockholder 23
Fiscal Year 23
Seal 23
Books and Records; Inspection 24
Electronic Transmission 24

AMENDMENT OF BYLAWS

Amendment 24

CONSTRUCTION

Construction25

-v-

-5-

FRONDOOR, INC. AMENDED AND RESTATED BYLAWS As amended and restated effective as of [], 2023. July 28, 2023.

ARTICLE I

MEETINGS OF STOCKHOLDERS

Section 1.01. Annual Meetings

ings. The annual meeting of the stockholders of Frontdoor, Inc. (the "Corporation") for the election of directors to succeed directors whose terms expire and for the transaction of such other business as properly may come before such meeting shall be held each year either within or without the State of Delaware, on such date and at such place, if any, and time as exclusively may be fixed from time to time by resolution of the Corporation's Board of Directors (the "Board") and set forth in the notice or waiver of notice of the meeting. The Board may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board.

Section 1.02. Special Meetings

. Special meetings of the stockholders of the Corporation may be called only in the manner set forth in the certificate of incorporation of the Corporation as then in effect (as the same may be amended from time to time, the "Certificate of Incorporation"). Notice of every special meeting of the stockholders of the Corporation shall state the purpose or purposes of such meeting. Except as otherwise required by law, the business conducted at a special meeting of stockholders of the Corporation shall be limited exclusively to the business set forth in the Corporation's notice of meeting, and the individual or group calling such meeting shall have exclusive authority to determine the business included in such notice. Any special meeting of the stockholders shall be held either within or without the State of Delaware, at such place, if any, and on such date and time, as shall be specified in the notice of such special meeting. The Board may postpone, reschedule or cancel any special meeting of stockholders previously scheduled by the Board.

Section 1.03. Participation in Meetings

. The Board, acting in its sole discretion, may establish guidelines and procedures in accordance with applicable provisions of the General Corporation Law of the State of Delaware, as amended from time to time (the "DGCL"), and any other applicable law for the participation by stockholders and proxyholders in a meeting of stockholders by means of remote communications, and may determine that any meeting of stockholders will not be held at any place but will be held solely by means of remote communication. Stockholders and proxyholders complying with such procedures and guidelines and otherwise entitled to vote at a meeting of stockholders shall be deemed present in person and entitled to vote at a meeting of stockholders, whether such meeting is to be held at a designated place or solely by means of remote communication.

Section 1.04. Notice of Meetings

. (a) The Secretary or any Assistant Secretary shall cause notice of each meeting of stockholders to be given in writing or by electronic transmission in a manner permitted by the DGCL not less than 10 days nor more than 60 days prior to the meeting to each

1

stockholder of record entitled to vote at such meeting, subject to such exclusions as are then permitted by the DGCL. The notice shall specify (i) the place, if any, date and time of such meeting, (ii) the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, (iii) the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholder entitled to notice of the meeting, (iv) in the case of a special meeting, the purpose or purposes for which such meeting is called and (v) such other information as may be required by law or as may be deemed appropriate by the Chairman of the Board, the Secretary or the Board. If the stockholder list referred to in Section 1.06 of these Bylaws is made accessible on an electronic network, the notice of meeting must indicate how the stockholder list can be accessed. If notice is given by electronic transmission, such notice shall be deemed to be given when directed to such stockholder's electronic mail address unless the stockholder has notified the Corporation in writing or by electronic transmission of an objection to receiving notice by electronic mail or such notice is prohibited pursuant to the terms of the DGCL. A notice by electronic mail must include a prominent legend that the communication is an important notice regarding the Corporation.

(b)A written waiver of notice of meeting signed by a stockholder or a waiver by electronic transmission by a stockholder, whether given before or after the meeting time stated in such notice, is deemed equivalent to notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in a waiver of notice. Attendance of a stockholder at a meeting is a waiver of notice of such meeting, except when the stockholder attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business at the meeting on the ground that the meeting is not lawfully called or convened.

Section 1.05. **Proxies**

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(a)Each stockholder entitled to vote at a meeting of stockholders or to express consent to or dissent from corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy.

(b)A stockholder may authorize a valid proxy by executing a written instrument signed by such stockholder, or by causing his or her signature to be affixed to such writing by any reasonable means, including but not limited to facsimile signature, or transmission or authorization of an electronic transmission (as defined in Section 8.09 of these Bylaws) setting forth an authorization to act as proxy to the person designated as the holder of the proxy, a proxy solicitation firm or a like authorized agent. Proxies by electronic transmission must either set forth, or be submitted with, information from which it can be determined that the electronic transmission was authorized by the stockholder. Any copy, facsimile telecommunication or other reliable reproduction of a writing or transmission created pursuant to this section 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 if such copy, facsimile telecommunication or other reproduction is a complete reproduction of the entire original writing or transmission.

2

(c)No proxy may be voted or acted upon after the expiration of three years from the date of such proxy, unless such proxy provides for a longer period. Every proxy is revocable at the pleasure of the stockholder executing it unless the proxy states that it is irrevocable and applicable law makes it irrevocable. A stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by filing an instrument revoking the proxy or by filing another duly executed proxy bearing a later date with the Secretary.

(d)Any stockholder directly or indirectly soliciting proxies from the other stockholders must use a proxy card color other than white, which shall be reserved for the exclusive use for solicitation by the Board.

Section 1.06. Voting Lists

sts. The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare, at least 10 days before every meeting of the stockholders (and before any adjournment thereof for which a new record date has been set), a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder. This list, which may be in any format including electronic format, shall be open to the examination of any stockholder for a period of 10 days ending on the day before the meeting date for any purpose germane to the meeting as required by the DGCL or other applicable law. The stock ledger shall be the only evidence as to who are the stockholders entitled by this section to examine the list required by this section or to vote in person or by proxy at any meeting of stockholders.

Section 1.07. Quorum

m. Except as otherwise required by law or by the Certificate of Incorporation, the presence in person or by proxy of the holders of record of a majority of the shares of capital stock of the Corporation entitled to vote generally in the election of directors shall constitute a quorum for the transaction of business at such meeting, except that when specified business is to be voted on by a class or series of stock voting as a class, the holders of a majority of the voting power of the shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. The stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 1.08. Voting

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(a) Except as otherwise provided in the Certificate of Incorporation or by applicable law, every holder of record of shares entitled to vote at a meeting of stockholders is entitled to one vote for each share outstanding in his or her name on the books of the Corporation (i) at the close of business on the record date for stockholders entitled to vote at such meeting or (ii) if no record date has been fixed, at the close of business on the day next preceding the day on which notice of the meeting is given, or if notice is waived, at the close of business on the day immediately preceding the day on which the meeting is held. All matters at any meeting at which a quorum is present shall be decided by the affirmative vote of the holders of at least a majority in voting power of the outstanding shares of stock present in person or represented by proxy at the meeting and entitled to vote on the subject matter in question, except as otherwise provided in Section 1.08(b) of these Bylaws with respect to the election of directors or unless a different or minimum vote is required by the Certificate of Incorporation or these Bylaws, the

3

rules or regulations of any stock exchange applicable to the Corporation, or any law or regulation applicable to the Corporation or its securities, in which case such different or minimum vote shall be the applicable vote on the matter.

(b) Each director nominee in an uncontested election of directors (i.e., an election in which the number of director nominees does not exceed the number of directors to be elected at the meeting) shall be elected to the Board by the vote of a majority of the votes cast with respect to such director nominee's election. In any contested election of directors (i.e., an election in which the number of director nominees exceeds the number of directors to be elected at the meeting), directors shall be elected by a plurality of the votes cast. For purposes of this section, "a majority of votes cast" means that the number of shares voted "for" a director nominee must exceed the number of votes cast "against" that director nominee's election. "Abstentions" and "broker non-votes" shall not be counted as votes cast with respect to a director nominee's election. Following certification of the stockholder vote in an uncontested election, any incumbent director who did not receive a majority of votes cast for his or her election shall promptly tender his or her resignation, contingent upon acceptance of such resignation by the Board in accordance with this Section 1.08(b), to the Chairman of the Board. The Chairman of the Board shall inform the Nominating and Corporate Governance Committee of such tender of resignation, and the Nominating and Corporate Governance Committee shall consider such resignation and recommend to the Board whether to accept

the tendered resignation or reject it or whether any other action should be taken. In deciding upon its recommendation, the Nominating and Corporate Governance Committee shall consider all relevant factors, including without limitation the qualifications of the director who has tendered his or her resignation and the director's contribution to the Corporation and the Board. The Board will act on the recommendation of the Nominating and Corporate Governance Committee no later than 90 days after the certification of the stockholder vote and disclose the decision by filing a Current Report on Form 8-K with the Securities and Exchange Commission ("SEC"). The Board shall consider the factors considered by the Nominating and Corporate Governance Committee and such additional information and factors that the Board deems relevant. An incumbent director who tenders his or her resignation to the Board pursuant to this Section 1.08(b) will not participate in the decision of the Nominating and Corporate Governance Committee or the Board. The stockholders do not have the right to cumulate their votes for the election of directors.

Section 1.09. Adjournment

. Any meeting of stockholders may be adjourned from time to time, by the chairperson of the meeting or by the vote of a majority of the shares of stock present in person or represented by proxy at the meeting, to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting (including an adjournment taken to address a technical failure to convene or continue a meeting using remote communication) if the place, if any, and date and time thereof (and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting) are (i) announced at the meeting at which the adjournment is taken, (ii) displayed, during the time scheduled for the meeting, on the same electronic network used to enable stockholder 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 Section 1.04 of these Bylaws. If the adjournment is for more than 30 days or a new record date is fixed for the adjourned meeting after the adjournment, notice of the adjourned meeting in

-4

accordance with Section 1.04 of these Bylaws shall be given to each stockholder of record entitled to vote at the meeting. At the adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting.

Section 1.10. Organization; Procedure; ~~Inspection~~ Inspection of Elections

(a)At every meeting of stockholders, the presiding person shall be the Chairman of the Board or, in the event of his or her absence or disability, the Chief Executive Officer or, in the event of his or her absence or disability, a presiding person chosen by resolution of the Board. The Secretary or, in the event of his or her absence or disability, the Assistant Secretary, if any, or, if there be no Assistant Secretary, in the absence of the Secretary, an appointee of the presiding person, shall act as secretary of the meeting. The Board may make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to any such rules and regulations, the presiding officer of any meeting shall have the right and authority to prescribe rules, regulations and procedures for such meeting and to take all such actions as in the judgment of the presiding officer are appropriate for the proper conduct of such meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the presiding person of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the presiding person of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. The presiding person at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such presiding person should so determine, such presiding person shall so declare to the meeting and any such matter of business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the person presiding over the

meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

(b) Preceding any meeting of the stockholders, the Board may, and when required by law shall, appoint one or more persons to act as inspectors of elections, and may designate one or more alternate inspectors. If no inspector or alternate so appointed by the Board is able to act, or if no inspector or alternate has been appointed and the appointment of an inspector is required by law, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. No director or nominee for the office of director shall be appointed as an inspector of elections. Each inspector, before entering upon the discharge of the duties of an inspector, 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. The inspectors shall discharge their duties in accordance with the requirements of applicable law.

-5

Section 1.11. Consent of Stockholders in Lieu of Meeting. Stockholders may not take any action by written consent in lieu of action at an annual or special meeting of stockholders.

Section 1.12. Notice of Stockholder Proposals

(a) *Annual Meetings of Stockholders.*

(i) Nominations of persons for election to the Board and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders only (A) pursuant to the Corporation's notice of the meeting (or any supplement thereto) delivered pursuant to Section 1.04 of these Bylaws, (B) by or at the direction of the Board or a committee of the Board appointed by the Board for such purpose or (C) by any stockholder of the Corporation who is entitled to vote at the meeting, who complies with the notice procedures set forth in clauses (ii) and (iii) of this Section 1.12(a) and who is a stockholder of record at the time such notice is delivered to the Secretary and at the date of the meeting. Clause (C) of the preceding sentence shall be the exclusive means for a stockholder to make nominations or propose other business to be considered at an annual meeting of stockholders (other than matters properly brought under Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and included in the Corporation's notice of meeting).

(ii) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to subclause (C) of Section 1.12(a)(i) of these Bylaws, the stockholder must have given timely notice thereof in writing to the Secretary and, in the case of business other than nominations for persons for election to the Board, such other business must constitute a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that (x) the date of the annual meeting is advanced by more than 30 days or delayed by more than 70 days from such anniversary date of the preceding year's annual meeting or (y) no annual meeting was held during the preceding year, notice by the stockholder to be timely must be so delivered not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting and the close of business on the 10th day following the day on which public announcement of the date of such meeting is first made. To be in proper form, a stockholder's notice (whether given pursuant to paragraph (a)(ii) or paragraph (b) of this Section 1.12 of these Bylaws) to the Secretary must: (A) set forth, as to each Proposing Person (as defined below), (1) the name and address of such Proposing Person, as they appear on the Corporation's books, if applicable, (2) (I) the class or series and number of shares of the Corporation that are, directly or indirectly, owned beneficially and of record by each Proposing Person; (II) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right shall be

subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise (a “Derivative Instrument”) directly or indirectly owned beneficially by such Proposing Person and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation; (III) any proxy, contract, arrangement, understanding, or relationship pursuant to which such Proposing Person has a right to vote any shares of any security of the Corporation; (IV) any short interest in any security of the Corporation held by any Proposing Person (for purposes of this Section 1.12, a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of such security); (V) any rights to dividends on the shares of the Corporation owned beneficially by such Proposing Person that are separated or separable from the underlying shares of the Corporation; (VI) any interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such Proposing Person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner; and (VII) any performance-related fees (other than an asset-based fee) that such Proposing Person is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, as of the date of such notice, (3) a complete and accurate description of any pending, or to any Proposing Person’s knowledge, threatened, legal proceeding in which any Proposing Person is a party or participant involving the Corporation or, to any Proposing Person’s knowledge, any current or former officer, director, affiliate or associate of the Corporation, (4) all other information relating to any Proposing Person which would be required to be included in a proxy statement or other filing required to be filed with the SEC if, with respect to any nomination or item of business, such Proposing Persons were a participant in a contested solicitation subject to Regulation 14A under the Exchange Act, whether or not any Proposing Person intends to deliver a proxy statement or conduct its own proxy solicitation, (5) any other information about any Derivative Instrument held by any Proposing Person that would be required to be disclosed in a proxy statement or other filing required to be filed with the SEC if, with respect to any such nomination or item of business, such Proposing Persons were a participant in a solicitation subject to Regulation 14A under the Exchange Act, as if such Derivative Instrument was treated the same as securities of the Corporation under such requirements, (6) all information that would be required to be disclosed in a Schedule 13D in respect of the Corporation pursuant to the Exchange Act and the rules and regulations promulgated thereunder (or any successor provision of law) (regardless of whether the requirement to file a Schedule 13D is applicable to the Proposing Person) (B) in the case of a nomination for persons for election to the Board, the stockholder or beneficial owner, if any, on whose behalf the nomination is made shall provide a (1) statement disclosing the name of each participant in any such solicitation (as defined in Item 4 of Schedule 14A under the Exchange Act), (2) representation that the stockholder or the beneficial owner, if any, on whose behalf the nomination is made intends to deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation’s outstanding capital stock required under Rule 14a-19 under the Exchange Act, and (3) a representation whether such stockholder or beneficial owner, if any, is being financed or indemnified by a third party for making the nomination, (C) in the case

of a proposal of other business to be considered, a representation whether the stockholder or the beneficial owner, if any, on whose behalf the proposal is made is, or will be, part of a group which will (1) deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation’s outstanding capital stock required to approve or adopt the proposal and/or (2) otherwise solicit proxies from stockholders in support of such proposal, (D) set forth, if the notice relates to any business other than a nomination of a director or directors that the stockholder proposes to bring before the meeting (1) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest of any Proposing Person in such business and (2) a

description of any agreements, arrangements and understandings between any Proposing Persons in connection with the proposal of such business, (E) set forth, as to any person whom the stockholder proposes to nominate for election or reelection as a director (1) all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected) and (2) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among any Proposing Person, on the one hand, and each proposed nominee, and his or her affiliates and associates, or others acting in concert with any such affiliates and associates, on the other hand, including without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the Proposing Person were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant, and (F) with respect to each nominee for election to the Board of Directors, include a completed and signed questionnaire, representation and agreement as required by Section 1.12(d). The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee. A stockholder providing notice of a proposed nomination for election to the Board or other business proposed to be brought before a meeting (whether given pursuant to this paragraph (a)(ii) or paragraph (b) of this Section 1.12 of these Bylaws) shall update and supplement such notice from time to time to the extent necessary so that the information provided or required to be provided in such notice shall be true and correct (x) as of the record date for determining the stockholders entitled to notice of the meeting and (y) as of the date that is 15 days prior to the meeting or any adjournment or postponement thereof, provided that if the record date for determining the stockholders entitled to vote at the meeting is less than 15 days prior to the meeting or any adjournment or postponement thereof, the information shall be supplemented and updated as of such later date. Any such update and supplement shall be delivered in writing to the Secretary at the principal executive offices of the Corporation not later than 5 days after the record date for determining the stockholders entitled to notice of the meeting (in the case of any update and supplement required to be made as of the record

-8

date for determining the stockholders entitled to notice of the meeting), not later than 10 days prior to the date for the meeting or any adjournment or postponement thereof (in the case of any update or supplement required to be made as of 15 days prior to the meeting or adjournment or postponement thereof) and not later than 5 days after the record date for determining the stockholders entitled to vote at the meeting, but no later than the date prior to the meeting or any adjournment or postponement thereof (in the case of any update and supplement required to be made as of a date less than 15 days prior the date of the meeting or any adjournment or postponement thereof). In addition, a stockholder seeking to bring an item of business before the annual meeting shall promptly provide any other information reasonably requested by the Corporation. Furthermore, if any stockholder provides notice of a proposed nomination for election to the Board pursuant to Rule 14a-19 under the Exchange Act, such stockholder shall deliver to the Corporation reasonable evidence that it has met the requirements of Rule 14a-19 under the Exchange Act. Such reasonable evidence must be delivered by registered mail to the Secretary at the principal executive offices of the Corporation not later than five business days prior to the meeting.

(iii) Notwithstanding anything in Section 1.12(a)(ii) of these Bylaws to the contrary, in the event that the number of directors to be elected to the Board at an annual meeting is increased and (A) there is no public announcement naming all of the nominees for director or specifying the size of the increased Board made by the Corporation at least 100 calendar days prior to the first anniversary of the preceding year's annual meeting or (B) no annual meeting was held during the preceding year, then a stockholder's notice under this Section 1.12(a) shall also be considered timely, but only with respect to nominees for any new positions

created by such increase, if it is received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(iv)For purposes of these Bylaws, the term "Proposing Person" shall mean, with respect to any stockholder submitting any nominations or other business before an annual or special meeting of stockholders pursuant to this Section 1.12: (1) such stockholder; (2) the beneficial owner or beneficial owners, if different from such stockholder, on whose behalf the notice is provided; (3) any member of the immediate family of any individual described in the foregoing clause (1) or (2) sharing the same household; (4) any affiliate or associate of any person described in the foregoing clauses (1) and (2); (5) any person who is a member of a "group" (as such term is used in Rule 13d-5 promulgated under the Exchange Act) with any other Proposing Person with respect to the stock of the Corporation, including any proposed nominee; (6) any person with whom any person described in the foregoing clauses (1) through (4) is knowingly acting in concert with respect to the capital stock of the Corporation; and (7) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A) with any person described in the foregoing clauses (1) through (4) with respect to any proposed nomination or business. For purposes of these Bylaws, the terms "affiliate" and "associate" shall have the meanings set forth in Rule 12b-2 promulgated under the Exchange Act.

-9

(b)*Special Meetings of Stockholders.* Only such business as shall have been brought before the special meeting of the stockholders pursuant to the Corporation's notice of meeting shall be conducted at such meeting. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (A) by or at the direction of the Board or a Committee appointed by the Board for such purpose or (B) provided that the Board has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is entitled to vote at the meeting, who complies with the notice procedures set forth in this Section 1.12(b) and who is a stockholder of record at the time such notice is delivered to the Secretary and at the date of the meeting (such a stockholder, a "Qualifying Stockholder"). In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors of the Corporation, a Qualifying Stockholder may nominate a person or persons, as the case may be, for election to such position(s) as specified by the Corporation, if the stockholder's notice as required by Section 1.12(a)(ii) of these Bylaws shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting and the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a Qualifying Stockholder's notice as described above.

(c)*General.*

(i)Only such persons who are nominated in accordance with the procedures set forth in this Section 1.12 shall be eligible to serve as directors and only such business shall be conducted at an annual or special meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section. Except as otherwise provided by applicable law, the Certificate of Incorporation or these Bylaws, the presiding officer of a meeting of stockholders shall have the power and duty (A) to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this Section 1.12 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made, solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's nominee or proposal in compliance with such stockholder's representations as required by clause (a)(ii)(B) or (a)(ii)(C) of this Section 1.12, as applicable), and (B) if any proposed nomination or business is not in compliance with this Section 1.12, to declare that such defective nomination shall be disregarded or that such proposed business

shall not be transacted. Notwithstanding the foregoing provisions of this Section 1.12 of this Article I, unless otherwise required by law, if any stockholder provides notice of a proposed nomination for election to the Board pursuant to Rule 14a-19 under the Exchange Act and subsequently fails to comply with any requirements of Rule 14a-19 under the Exchange Act or any other rules and regulations thereunder, as determined by the presiding officer of a meeting of stockholders, then the Corporation shall disregard any proxies or votes solicited for such nominee. In addition, any stockholder that provides notice of a proposed nomination for election to the Board pursuant to Rule 14a-19 under

the Exchange Act shall notify the Secretary within two business days of any change in such stockholder's intent to deliver a proxy statement and form of proxy to the amount of the holders of at least the percentage of the Corporation's outstanding capital stock required under Rule 14a-19 under the Exchange Act.

(ii)If the stockholder (or a qualified representative of the stockholder) making a nomination or proposal under this Section 1.12 does not appear at a meeting of stockholders to present such nomination or proposal, the nomination shall be disregarded and/or the proposed business shall not be transacted, as the case may be, notwithstanding that proxies in favor thereof may have been received by the Corporation. For purposes of this Section 1.12, to be considered a qualified representative of the stockholder, a person must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(A)Whenever used in these Bylaws, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the SEC pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(B)Notwithstanding the foregoing provisions of this Section 1.12, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 1.12. Nothing in this Section 1.12 shall be deemed to affect any rights of (x) stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (y) the holders of any series of preferred stock pursuant to any applicable provisions of the Certificate of Incorporation or of the relevant preferred stock certificate of designation.

(C)The announcement of an adjournment or postponement of an annual or special meeting does not commence a new time period (and does not extend any time period) for the giving of notice of a stockholder nomination or a stockholder proposal as described above.

(d)*Submission of Questionnaire, Representation and Agreement.* To be eligible to be a nominee for election or reelection as a director of the Corporation, a person must deliver (in accordance with the time periods prescribed for delivery of notice under this Section 1.12) to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background, qualifications, stock ownership and independence of such person (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such person: (1) is not and will not become a party to (a) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as

to how such person, 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 therein or (b) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law; (2) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein; (3) if the Board so requires, agrees to purchase within 90 days if elected as a director of the Corporation, a specified number of common shares of the Corporation ("Qualifying Shares") (subject to adjustment for any stock splits or stock dividends occurring after the date of such representation or agreement), will not dispose of such minimum number of shares so long as such person is a director, and has disclosed therein whether all or any portion of the Qualifying Shares were or will be purchased with any financial assistance provided by any other person, whether any other person has or will have any interest in the Qualifying Shares and, in each case, the name and address of such person; (4) in such person's individual capacity and on behalf of any person or entity making the nomination or on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation; and (5) is not and has not been, within the past three years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, as amended from time to time. In addition, the Board may require any proposed nominee to submit to interviews with the Board or any committee thereof to determine the eligibility, suitability or qualifications of such proposed nominee to serve as director, and such proposed nominee shall make themselves available for any such interviews within no less than 10 days following the date of such request.

ARTICLE IARTICLE II

BOARD OF DIRECTORS

Section 2.01. General Powers

ers. Except as may otherwise be provided by law, the Certificate of Incorporation or these Bylaws, the business and affairs of the Corporation shall be managed by or under the direction of the Board. The directors shall act only as a Board, and the individual directors shall have no power as such.

Section 2.02. Number and Term of Office

fice. The number of directors constituting the entire Board and the term of office for each director shall be as provided for in the Certificate of Incorporation.

Section 2.03. Election of Directors

rs. The directors of the Corporation shall be elected to hold office for one-year terms expiring at the next annual meeting of stockholders and until their respective successors shall have been duly elected and qualified or until their earlier resignation or removal.

Section 2.04. Regular Meetings

ngs. Regular meetings of the Board shall be held on such dates, and at such times and places, as are determined from time to time by resolution of the Board.

12

Section 2.05. Special Meetings. Special meetings of the Board shall be held whenever called by the Chairman of the Board or, in the event of his or her absence or disability, by the Secretary, or by a majority of the directors then in office, at such place, date and time as may be specified in the respective notices or waivers of notice of such meetings. Any business may be conducted at a special meeting.

Section 2.06. Notice of Meetings; Waiver of Notice

e.

(a) Notices of special meetings shall be given to each director, and notice of each resolution or other action affecting the date, time or place of one or more regular meetings shall be given to each director not present at the meeting adopting such resolution or other action, subject to Section 2.09 of these Bylaws. Notices shall be given personally, or by telephone confirmed by facsimile or email dispatched promptly thereafter, or by facsimile or email confirmed by a writing delivered by a recognized overnight courier service, directed to each director at the address from time to time designated by such director to the Secretary. Each such notice and confirmation must be given (received in the case of personal service or delivery of written confirmation) at least 24 hours prior to the time of a special meeting, and at least five days prior to the initial regular meeting affected by such resolution or other action, as the case may be.

(b) A written waiver of notice of meeting signed by a director or a waiver by electronic transmission by a director, whether given before or after the meeting time stated in such notice, is deemed equivalent to notice. Attendance of a director at a meeting is a waiver of notice of such meeting, except when the director attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business at the meeting on the ground that the meeting is not lawfully called or convened.

Section 2.07. Quorum; Voting

g. At all meetings of the Board, the presence of a majority of the total authorized number of directors shall constitute a quorum for the transaction of business. Except as otherwise required by law, the Certificate of Incorporation or these Bylaws, the vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board. The directors present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

Section 2.08. Action by Telephonic Communications

tions. Members of the Board may participate in a meeting of the Board by means of conference telephone, video or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

Section 2.09. Adjournment

nt. A majority of the directors present may adjourn any meeting of the Board to another date, time or place, whether or not a quorum is present. No notice need be given of any adjourned meeting unless (a) the date, time and place of the adjourned meeting are not announced at the time of adjournment, in which case notice conforming to the requirements of Section 2.06 of these Bylaws applicable to special meetings shall be given to each director, or (b) the meeting is adjourned for more than 24 hours, in which

13

case the notice referred to in clause (a) shall be given to those directors not present at the announcement of the date, time and place of the adjourned meeting.

Section 2.10. Action Without a Meeting

ting. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if all members of the Board consent thereto in writing or by electronic transmission. After any such action is taken, the consent or consents shall be filed with the minutes of proceedings of the Board. 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 2.11. Regulations

ons. To the extent consistent with applicable law, the Certificate of Incorporation and these Bylaws, the Board may adopt such rules and regulations for the conduct of meetings of the Board and for the management of the affairs and business of the Corporation as the Board may deem appropriate. The Board may elect from among its members a chairperson (the "Chairman") and one or more vice-chairpersons to preside over meetings and to perform such other duties as may be designated by the Board. The Chairman shall not be an officer of the Corporation unless the Board of Directors shall elect him an officer pursuant to Section 4.01 of these Bylaws.

Section 2.12. Resignations of Directors

tors. Any director may resign at any time by submitting an electronic transmission or by delivering a written notice of resignation, signed by such director, to the Chairman of the Board or the Secretary. Subject to Section 1.08(b) of these Bylaws, such resignation shall take effect upon delivery unless the resignation specifies a later effective date or an effective date determined upon the happening of a specified event.

Section 2.13. Removal of Directors

rs. Directors may be removed in the manner set forth in the Certificate of Incorporation and applicable law.

Section 2.14. Vacancies and Newly Created Directorships

ships. Any vacancies or newly created directorships shall be filled as set forth in the Certificate of Incorporation.

Section 2.15. Compensation

ion. The directors shall be entitled to compensation for their services and reimbursement for expenses incurred in connection with the performance of their services.

ARTICLE IIARTICLE III

COMMITTEES

Section 3.01. How Constituted

ed. The Board shall have an Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee and such other committees as the Board may determine from time to time (collectively, the "Committees"). Each Committee shall consist of such number of directors as from time to time may be fixed by a majority of the total number of directors then in office and shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation to the extent delegated to such Committee by the Board but no Committee shall have any power or authority as to (a) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly

-14

required by the DGCL to be submitted to stockholders for approval, (b) adopting, amending or repealing any of these Bylaws or (c) as may otherwise be excluded by law or by the Certificate of Incorporation. Any Committee may be abolished or re-designated from time to time by the Board.

Section 3.02. Members and Alternate Members

bers. The members of each Committee and any alternate members shall be selected by the Board. The Board may provide that the members and alternate members serve at the pleasure of the Board. An alternate member may replace any absent or disqualified member at any meeting of the Committee. An alternate member shall be given all notices of Committee meetings, may attend any meeting of the Committee, but may count towards a quorum and vote only if a member for whom such person is an alternate is absent or disqualified. Each member or alternate member of any Committee (whether designated at an annual meeting of the Board or to fill a vacancy or otherwise) shall hold office until his or her successor shall have been designated or until he or she shall cease to be a director, or until his or her earlier death, resignation or removal.

Section 3.03. Committee Procedures

es. A quorum for each Committee shall be a majority of its members, unless the Committee has only one or two members, in which case a quorum shall be one member, or unless a greater quorum is established by the Board. The vote of a majority of the Committee members present at a meeting at which a quorum is present shall be the act of the Committee. Each Committee shall keep regular minutes of its meetings and report to the Board when requested. The Board may adopt other rules and regulations for the government of any Committee not inconsistent with the provisions of these Bylaws, and each Committee may adopt its own rules and regulations of government, to the extent not inconsistent with these Bylaws or rules and regulations adopted by the Board.

Section 3.04. Meetings and Actions of Committees Comm

tees. Meetings and actions of each Committee shall be governed by, and held and taken in accordance with, the provisions of the following sections of these Bylaws, with such Bylaws being deemed to refer to the Committee and its members in lieu of the Board and its members:

- (a)Section 2.04 (to the extent relating to place and time of regular meetings);
- (b)Section 2.05 (relating to special meetings);
- (c)Section 2.06 (relating to notice and waiver of notice);
- (d)Sections 2.08 and 2.10 (relating to telephonic communication and action without a meeting); and
- (e)Section 2.09 (relating to adjournment and notice of adjournment).

Special meetings of Committees may also be called by resolution of the Board.

Section 3.05. Resignations and Removals Remo

vals. Any member (and any alternate member) of any Committee may resign from such position at any time by delivering a written notice of resignation, signed by such member, or by submitting an electronic transmission, to the Chairman of the Board or the Secretary. Unless otherwise specified therein, such resignation

15

shall take effect upon delivery. Any member (and any alternate member) of any Committee may be removed from such position by the Board at any time, either for or without cause.

Section 3.06. Vacancies Vacancie

s. If a vacancy occurs in any Committee for any reason, the remaining members (and any alternate members) may continue to act if a quorum is present. A Committee vacancy may be filled only by the Board.

ARTICLE ARTICLE IV

OFFICERS

Section 4.01. Officers

. The Board ~~shall~~ shall elect a Chief Executive Officer and a Secretary as officers of the Corporation. The Board may also elect a Treasurer, one or more Vice Presidents, Assistant Secretaries and Assistant Treasurers, and such other officers and agents as the Board may determine (including a Chief Financial Officer). In addition, the Board from time to time may delegate to any officer the power to appoint subordinate officers or agents and to prescribe their respective rights, terms of office, authorities and duties. Any action by an appointing officer may be superseded by action by the Board. Any number of offices may be held by the same person, except that one person may not hold both the office of Chief Executive Officer and the office of Secretary. No officer need be a director of the Corporation.

Section 4.02. Election Electio

n. The officers of the Corporation elected by the Board shall serve at the pleasure of the Board. Officers and agents appointed pursuant to delegated authority as provided in Section 4.01 (or, in the case of agents, as provided in Section 4.06) shall hold their offices for such terms as may be determined from time to time by the appointing officer. Each officer shall hold office until his or her successor has been elected or appointed and qualified, or until his or her earlier death, resignation or removal.

Section 4.03. Compensation Compensati

on. The salaries and other compensation of all officers and agents of the Corporation shall be fixed by the Board or in the manner established by the Board.

Section 4.04. Removal and Resignation; Vacancies Vacan

cies. Any officer may be removed for or without cause at any time by the Board. Any officer granted the power to appoint subordinate officers and agents as provided in Section 4.01 may remove any subordinate officer or agent appointed by such officer, for or without cause. Any officer or agent may resign at any time by delivering notice of resignation, either in writing signed by such officer or by electronic transmission, to the Board or the Chief Executive Officer. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise, may be filled by the Board or by the officer, if any, who appointed the person formerly holding such office.

Section 4.05. Authority and Duties of Officers

cers. An officer of the Corporation shall have such authority and shall exercise such powers and perform such duties (a) as may be required by law, (b) to the extent not inconsistent with law, as are specified in these Bylaws, (c) to the extent not inconsistent with law or these Bylaws, as may be specified by resolution of the Board and (d) to the extent not inconsistent with any of the foregoing, as may be specified by

16

the appointing officer with respect to a subordinate officer appointed pursuant to delegated authority under Section 4.01.

Section 4.06. Chief Executive Officer

icer. The Chief Executive Officer shall, unless otherwise provided by the Board, be the chief executive officer of the Corporation, shall have general control and supervision of the policies and operations of the Corporation and shall see that all orders and resolutions of the Board are carried into effect. Unless otherwise provided by the Board, he or she shall manage and administer the Corporation's business and affairs and shall also perform all duties and exercise all powers usually pertaining to the office of a chief executive officer, president or a chief operating officer of a corporation. He or she shall have the authority to sign, in the name and on behalf of the Corporation, checks, orders, contracts, leases, notes, drafts and all other documents and instruments in connection with the business of the Corporation. He or she shall have the authority to cause the employment or appointment of such employees or agents of the Corporation as the conduct of the business of the Corporation may require, to fix their compensation, and to remove or suspend any employee or any agent employed or appointed by any officer or to suspend any agent appointed by the Board. The Chief Executive Officer shall have the duties and powers of the Treasurer if no Treasurer is elected and shall have such other duties and powers as the Board may from time to time prescribe.

Section 4.07. Presidents

. If one or more Presidents have been elected, each President shall act in a general executive capacity, shall assist the Chief Executive Officer in the administration and operation of the Corporation's business and the general supervision of its policies and affairs and shall perform such duties and exercise such powers as may be assigned to him or her from time to time by the Board or the Chief Executive Officer. In the event of absence or disability of the Chief Executive Officer, the duties of the Chief Executive Officer shall be performed, and his or her powers may be exercised, by such President as shall be designated by the Board or, failing such designation, by the President in order of seniority of election to that office.

Section 4.08. Vice Presidents

s. If one or more Vice Presidents have been elected, each Vice President shall perform such duties and exercise such powers as may be assigned to him or her from time to time by the Board or the Chief Executive Officer. In the event of absence or disability of the Chief Executive Officer and in the absence of one or more individuals being elected as Presidents, the duties of the Chief Executive Officer shall be performed, and his or her powers may be exercised, by such Vice President as shall be designated by the Board or, failing such designation, by the Vice President in order of seniority of election to that office.

Section 4.09. Secretary

ry. Unless otherwise determined by the Board, the Secretary shall have the following powers and duties:

(a) The Secretary shall keep or cause to be kept a record of all the proceedings of the meetings of the stockholders, the Board and any Committees thereof in books provided for that purpose.

(b)The Secretary shall cause all notices to be duly given in accordance with the provisions of these Bylaws and as required by law.

(c)Whenever any Committee shall be appointed pursuant to a resolution of the Board, the Secretary shall furnish a copy of such resolution to the members of such Committee.

(d)The Secretary shall be the custodian of the records and of the seal of the Corporation and cause such seal (or a facsimile thereof) to be affixed to all certificates representing shares of the Corporation prior to the issuance thereof and to all documents and instruments that the Board or any officer of the Corporation has determined should be executed under seal, may sign (together with any other authorized officer) any such document or instrument, and when the seal is so affixed he or she may attest the same.

(e)The Secretary shall properly maintain and file all books, reports, statements, certificates and all other documents and records required by law, the Certificate of Incorporation or these Bylaws.

(f)The Secretary shall have charge of the stock books and ledgers of the Corporation and shall cause the stock and transfer books to be kept in such manner as to show at any time the number of shares of stock of the Corporation of each class issued and outstanding, the names (alphabetically arranged) and the addresses of the holders of record of such shares, the number of shares held by each holder and the date as of which each such holder became a holder of record.

(g)The Secretary shall sign (unless the Treasurer, an Assistant Treasurer or an Assistant Secretary shall have signed) certificates representing shares of the Corporation the issuance of which shall have been authorized by the Board.

(h)The Secretary shall perform, in general, all duties incident to the office of secretary and such other duties as may be specified in these Bylaws or as may be assigned to the Secretary from time to time by the Board or the Chief Executive Officer.

Section 4.10. Treasurer

er. Unless otherwise determined by the Board, the Treasurer, if there be one, shall be the chief financial officer of the Corporation and shall have the following powers and duties:

(a)The Treasurer shall have charge and supervision over and be responsible for the moneys, securities, receipts and disbursements of the Corporation, and shall keep or cause to be kept full and accurate records thereof.

(b)The Treasurer shall cause the moneys and other valuable effects of the Corporation to be deposited in the name and to the credit of the Corporation in such banks or trust companies or with such bankers or other depositaries as shall be determined by the Board or the Chief Executive Officer, or by such other officers of the Corporation as may be authorized by the Board or the Chief Executive Officer to make such determinations.

(c)The Treasurer shall cause the moneys of the Corporation to be disbursed by checks or drafts (signed by such officer or officers or such agent or agents of the Corporation, and in such manner, as the Board or the Chief Executive Officer may determine from time to time) upon the authorized depositaries of the Corporation and cause to be taken and preserved proper vouchers for all moneys disbursed.

(d)The Treasurer shall render to the Board or the Chief Executive Officer, whenever requested, a statement of the financial condition of the Corporation and of the transactions of the Corporation, and render a full financial report at the annual meeting of the stockholders, if called upon to do so.

(e)The Treasurer shall be empowered from time to time to require from all officers or agents of the Corporation reports or statements giving such information as he or she may desire with respect to any and all financial transactions of the Corporation.

(f)The Treasurer may sign (unless an Assistant Treasurer or the Secretary or an Assistant Secretary shall have signed) certificates representing shares of stock of the Corporation the issuance of which shall have been authorized by the Board.

(g)The Treasurer shall perform, in general, all duties incident to the office of treasurer and such other duties as may be specified in these Bylaws or as may be assigned to the Treasurer from time to time by the Board or the Chief Executive Officer.

ARTICLE ARTICLE V

CAPITAL STOCK

Section 5.01. Uncertificated Shares

. Unless otherwise provided by resolution of the Board, each class or series of the shares of capital stock in the Corporation shall be issued in uncertificated form pursuant to the customary arrangements for issuing shares in such form. Shares shall be transferable only on the books of the Corporation by the holder thereof in person or by attorney upon presentment of proper evidence of succession, assignation or authority to transfer in accordance with the customary procedures for transferring shares in uncertificated form.

Section 5.02. Registered Stockholders Stockh

olders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the DGCL.

Section 5.03. Transfer Agent and Registrar Regist

rar. The Board may appoint one or more transfer agents and one or more registrars.

19

ARTICLE VI

INDEMNIFICATION!

INDEMNIFICATION

Section 6.01. IndemnificationIndemnificatio

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(a)In General. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved (including involvement, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that such person is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as an employee or agent of the Corporation or as a director, officer, partner, member, trustee, administrator, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust or other enterprise, including service with respect to an employee benefit plan (an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director or officer or in any other capacity while serving as a director or officer, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than permitted prior thereto), against all expense, liability and loss (including attorneys' fees and related disbursements, judgments, fines, excise taxes or penalties under the Employee

Retirement Income Security Act of 1974, as amended from time to time ("ERISA"), penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith and such indemnification shall continue as to an indemnitee who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the indemnitee's heirs, executors and administrators; provided, however, that, except as provided in Section 6.01(c) with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this Section 6.01 shall be a contract right and shall include the obligation of the Corporation to pay the expenses incurred in defending any such proceeding in advance of its final disposition (an advance of expenses); provided, however, that an advance of expenses incurred by an indemnitee shall be made only upon delivery to the Corporation of an undertaking (an undertaking), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (a final adjudication) that such indemnitee is not entitled to be indemnified for such expenses under this Section 6.01 or otherwise.

(b) Indemnification in Respect of Successful Defense. Any indemnification of a director or officer of the Corporation or advance of expenses (including attorneys' fees, costs and charges) under Section 6.01(a) shall be made promptly, and in any event within forty-five days (or, in the case of an advance of expenses, twenty days, provided that the director or officer has delivered the undertaking contemplated by Section 6.01(a)), upon the written request of the director or officer. If a determination by the Corporation that the director or officer is entitled to indemnification pursuant to this Section 6.01 is required, and the Corporation fails to

-20

respond within sixty days to a written request for indemnity, the Corporation shall be deemed to have approved the request.

(c) To obtain indemnification under this Section 6.01, a claimant shall submit to the Corporation a written request, including therein or therewith such documentation and information as is reasonably available to the claimant and is reasonably necessary to determine whether and to what extent the claimant is entitled to indemnification. Upon written request by a claimant for indemnification pursuant to the first sentence of this Section 6.01(c), a determination, if required by applicable law, with respect to the claimant's entitlement thereto shall be made as follows: (1) if requested by the claimant, by Independent Counsel (as hereinafter defined), or (2) if no request is made by the claimant for a determination by Independent Counsel, (i) by the Board by a majority vote of a quorum consisting of Disinterested Directors (as hereinafter defined), or (ii) if a quorum of the Board consisting of Disinterested Directors is not obtainable or, even if obtainable, such quorum of Disinterested Directors so directs, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to the claimant, or (iii) if a quorum of Disinterested Directors so directs, by the stockholders of the Corporation. In the event the determination of entitlement to indemnification is to be made by Independent Counsel at the request of the claimant, the Independent Counsel shall be selected by the Board unless there shall have occurred within two years prior to the date of the commencement of the action, suit or proceeding for which indemnification is claimed a "Change in Control" (as defined below) in which case the Independent Counsel shall be selected by the claimant unless the claimant shall request that such selection be made by the Board. If it is so determined that the claimant is entitled to indemnification, payment to the claimant shall be made within 10 days after such determination. If the Corporation denies a written request for indemnification or advance of expenses, in whole or in part, or if payment in full pursuant to such request is not made within forty-five days (or, in the case of an advance of expenses, twenty days, provided that the director or officer has delivered the undertaking contemplated by Section 6.01(a)), the right to indemnification or advances as granted by this Section 6.01 shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the Corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for the advance of expenses where the undertaking required pursuant to Section 7 of this Section 6.01, if any, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the DGCL for the Corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board, independent legal

counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because such person has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its Board, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct. The procedure for indemnification of other employees and agents for whom indemnification is provided pursuant to this Section 6.01 shall be the same procedure set forth in this Section 6.01 for directors or officers, unless otherwise set forth in the action of the Board providing indemnification for such employee or agent.

21

(d) If a determination shall have been made pursuant to Section 6.01(c) that the claimant is entitled to indemnification, the Corporation shall be bound by such determination in any judicial proceeding commenced pursuant to Section 6.01(c).

(e) The Corporation shall be precluded from asserting in any judicial proceeding commenced pursuant to Section 6.01(c) that the procedures and presumptions of this Section 6.01 are not valid, binding and enforceable and shall stipulate in such proceeding that the Corporation is bound by all the provisions of this Section 6.01.

(f) The rights to indemnification and to the advance of expenses conferred in this Section 6.01 shall not be exclusive of any other right which any person may have or hereafter acquire under these Bylaws or under any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise. All rights to indemnification under this Section 6.01 shall be deemed to be a contract between the Corporation and each director or officer of the Corporation who serves or served in such capacity at any time while this Section 6.01 is in effect. Any repeal or modification of this Section 6.01 or any repeal or modification of relevant provisions of the Delaware General Corporation Law or any other applicable laws shall not in any way diminish any rights to indemnification of such director or officer or the obligations of the Corporation arising hereunder with respect to any proceeding arising out of, or relating to, any actions, transactions or facts occurring prior to the final adoption of such modification or repeal.

(g) The Corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was or has agreed to become a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against such expenses, liability or loss under the DGCL.

(h) Any person serving as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture or other enterprise, at least 50% of whose equity interests are owned by the Corporation (a "subsidiary" for this Section 6.01) shall be conclusively presumed to be serving in such capacity at the request of the Corporation.

(i) For purposes of this Section 6.01, references to the "Corporation" shall include, in addition to the resulting Corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Section 6.01 with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

22

(j) If this Section 6.01 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each person entitled to indemnification under Section 6.01(c) as to all expense, liability and loss (including attorneys' fees and related disbursements, judgments, penalties, fines, ERISA excise taxes and penalties, and amounts paid or to be paid in settlement) actually and reasonably incurred or suffered by such person and for which indemnification is available to such person pursuant to this Section 6.01 to the fullest extent permitted by any applicable portion of this Section 6.01 that shall not have been invalidated and to the fullest extent permitted by applicable law.

(k) For purposes of this Section 6.01:

(i) "Disinterested Director" means a director of the Corporation who is not and was not a party to the matter in respect of which indemnification is sought by the claimant.

(ii) "Independent Counsel" means a law firm, a member of a law firm, or an independent practitioner, that is experienced in matters of corporation law and shall include any person who, under the applicable standards of professional conduct then prevailing, would not have a conflict of interest in representing either the Corporation or the claimant in an action to determine the claimant's rights under this Section 6.01.

(iii) "Change in Control" has the meaning given such term in the Corporation's 2018 Omnibus Incentive Plan, as the same may be amended or superseded from time to time.

(l) Any notice, request or other communication required or permitted to be given to the Corporation under this Section 6.01 shall be in writing and either delivered in person or sent by facsimile transmission, email, overnight mail or courier service, or certified or registered mail, postage prepaid, return receipt requested, to the Secretary of the Corporation and shall be effective only upon receipt by the Secretary.

ARTICLE VII

OFFICES

OFFICES

Section 7.01. Registered Office

. The registered office of the Corporation in the State of Delaware shall be located at the location provided in the Certificate of Incorporation.

Section 7.02. Other Offices

S. The Corporation may maintain offices or places of business at such other locations within or without the State of Delaware as the Board may from time to time determine or as the business of the Corporation may require.

23

ARTICLE VIII

GENERAL PROVISIONS

Section 8.01. Dividends

. Subject to any applicable provisions of law and the Certificate of Incorporation, dividends upon the shares of the Corporation may be declared by the Board at any regular or special meeting of the Board and any such dividend may be paid in cash, property or shares of the Corporation's stock.

Section 8.02. Reliance on Reports and Experts

erts. To the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended, a member of the Board, or a member of any Committee designated by the Board, shall, in the performance of such

member's 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 its officers or employees, or Committees of the Board, or by any other person as to matters the 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.

Section 8.03. ReservesReserve

s. There may be set apart out of any funds of the Corporation available for dividends such sum or sums as the Board from time to time may determine proper as a reserve or reserves for meeting contingencies, equalizing dividends, repairing or maintaining any property of the Corporation or for such other purpose or purposes as the Board may determine conducive to the interest of the Corporation, and the Board may similarly modify or abolish any such reserve.

Section 8.04. Execution of InstrumentsInstrumen

ts. Except as otherwise required by law or the Certificate of Incorporation, the Board or any officer of the Corporation authorized by the Board may authorize any other officer or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation. Any such authorization must be in writing or by electronic transmission and may be general or limited to specific contracts or instruments.

Section 8.05. Voting as StockholderStockhol

der. Unless otherwise determined by resolution of the Board, the Chief Executive Officer or any Vice President shall have full power and authority on behalf of the Corporation to attend any meeting of stockholders of any Corporation in which the Corporation may hold stock, and to act, vote (or execute proxies to vote) and exercise in person or by proxy all other rights, powers and privileges incident to the ownership of such stock at any such meeting, or through action without a meeting. The Board may by resolution from time to time confer such power and authority (in general or confined to specific instances) upon any other person or persons.

Section 8.06. Fiscal YearY

ear. The fiscal year of the Corporation shall commence on the first day of January of each year and shall terminate in each case on December 31.

Section 8.07. SealSea

I. The seal of the Corporation shall be circular in form and shall contain the name of the Corporation, the year of its incorporation and the words "Corporate

-24-

Seal" and "Delaware". The form of such seal shall be subject to alteration by the Board. The

24

seal may be used by causing it or a facsimile thereof to be impressed, affixed or reproduced or may be used in any other lawful manner.

Section 8.08. Books and Records; InspectionInspect

ion. Except to the extent otherwise required by law, the books and records of the Corporation shall be kept at such place or places within or without the State of Delaware as may be determined from time to time by the Board.

Section 8.09. Electronic TransmissionTransmissi

on. "Electronic transmission", as used in these Bylaws, means any form of communication, not directly involving the physical transmission of paper, including the use of, or participation in, one or more electronic networks or databases (including one or more distributed electronic networks or databases), that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

ARTICLEARTICLE IX

AMENDMENT OF BYLAWS

Section 9.01. Amendment

. Subject to the provisions of the Certificate of Incorporation, these Bylaws may be amended, altered or repealed:

(a) by the affirmative vote of at least a majority of the directors then in office at any special or regular meeting of the Board if notice of such amendment, alteration or repeal is contained in the notice or waiver of notice of such meeting, or

(b) by the affirmative vote of the holders of at least a majority of the voting power of the outstanding shares of capital stock of the Company entitled to vote generally in the election of directors, voting together as a single class at any regular or special meeting if, notice of such amendment, alteration or repeal is contained in the notice or waiver of notice of such meeting.

Notwithstanding the foregoing, no amendment, alteration or repeal of Article VI of these Bylaws shall adversely affect any right or protection existing under these Bylaws immediately prior to such amendment, alteration or repeal, including any right or protection of a present or former director or officer thereunder in respect of any act or omission occurring prior to the time of such amendment.

ARTICLE X

CONSTRUCTION

Section 10.01. Construction

ion. In the event of any conflict between the provisions of these Bylaws as in effect from time to time and the provisions of the Certificate of Incorporation of the Corporation as in effect from time to time, the provisions of such Certificate of Incorporation shall be controlling.

25

FRONDOOR, INC.

AMENDED AND RESTATED BYLAWS

Effect

28, 2023

FRONDOOR, INC. BYLAWS

Page

ARTICLE I MEETINGS OF STOCKHOLDERS

Section 1.01. Annual Meetings1

Section 1.02. Special Meetings1

Section 1.03. Participation in Meetings by Remote Communication1

Section 1.04. Notice of Meetings; Waiver of Notice1

Section 1.05. Proxies2

Section 1.06. Voting Lists3

Section 1.07. Quorum3

Section 1.08. Voting3

Section 1.09. Adjournment4

Section 1.10. Organization; Procedure; Inspection of Elections4

Section 1.11. Consent of Stockholders in Lieu of Meeting5

Section 1.12. Notice of Stockholder Proposals and Nominations5

ARTICLE II BOARD OF DIRECTORS

Section 2.01. General Powers11

Section 2.02. Number and Term of Office11

Section 2.03. Election of Directors11

[Section 2.04. Regular Meetings](#)11
[Section 2.05. Special Meetings](#)12
[Section 2.06. Notice of Meetings; Waiver of Notice](#)12
[Section 2.07. Quorum; Voting](#)12

-iii- -ii-

[Section 2.08. Action by Telephonic Communications](#)12
[Section 2.09. Adjournment](#)12
[Section 2.10. Action Without a Meeting](#)13
[Section 2.11. Regulations](#)13
[Section 2.12. Resignations of Directors](#)13
[Section 2.13. Removal of Directors](#)13
[Section 2.14. Vacancies and Newly Created Directorships](#)13
[Section 2.15. Compensation](#)13

ARTICLE II COMMITTEES

[Section 3.01. How Constituted](#)13
[Section 3.02. Members and Alternate Members](#)14
[Section 3.03. Committee Procedures](#)14
[Section 3.04. Meetings and Actions of Committees](#)14
[Section 3.05. Resignations and Removals](#)14
[Section 3.06. Vacancies](#)15

ARTICLE IV OFFICERS

[Section 4.01. Officers](#)15
[Section 4.02. Election](#)15
[Section 4.03. Compensation](#)15
[Section 4.04. Removal and Resignation; Vacancies](#)15
[Section 4.05. Authority and Duties of Officers](#)15
[Section 4.06. Chief Executive Officer](#)16
[Section 4.07. Presidents](#)16
[Section 4.08. Vice Presidents](#)16
[Section 4.09. Secretary](#)16
[Section 4.10. Treasurer](#)17

ARTICLE V CAPITAL STOCK

[Section 5.01. Uncertificated Shares](#)18
[Section 5.02. Registered Stockholders](#)18
[Section 5.03. Transfer Agent and Registrar](#)18

ARTICLE VI INDEMNIFICATION

[Section 6.01. Indemnification](#)19

ARTICLE VII OFFICES

[Section 7.01. Registered Office](#)22

[Section 7.02. Other Offices](#)22

[ARTICLE VIII GENERAL PROVISIONS](#)

[Section 8.01. Dividends](#)23

[Section 8.02. Reliance on Reports and Experts](#)23

[Section 8.03. Reserves](#)23

[Section 8.04. Execution of Instruments](#)23

[Section 8.05. Voting as Stockholder](#)23

[Section 8.06. Fiscal Year](#)23

[Section 8.07. Seal](#)23

[Section 8.08. Books and Records; Inspection](#)24

[Section 8.09. Electronic Transmission](#)24

[ARTICLE IX AMENDMENT OF BYLAWS](#)

[Section 9.01. Amendment](#)24

[ARTICLE X CONSTRUCTION](#)

[Section 10.01. Construction](#)25

-3-

-3-

FRONDOOR, INC. AMENDED AND RESTATED BYLAWS

As amended and restated effective as of July 28, 2023.

ARTICLE I MEETINGS OF STOCKHOLDERS

Section 1.01. Annual Meetings. The annual meeting of the stockholders of Frontdoor, Inc. (the "Corporation") for the election of directors to succeed directors whose terms expire and for the transaction of such other business as properly may come before such meeting shall be held each year either within or without the State of Delaware, on such date and at such place, if any, and time as exclusively may be fixed from time to time by resolution of the Corporation's Board of Directors (the "Board") and set forth in the notice or waiver of notice of the meeting. The Board may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board.

Section 1.02. Special Meetings. Special meetings of the stockholders of the Corporation may be called only in the manner set forth in the certificate of incorporation of the Corporation as then in effect (as the same may be amended from time to time, the "Certificate of Incorporation"). Notice of every special meeting of the stockholders of the Corporation shall state the purpose or purposes of such meeting. Except as otherwise required by law, the business conducted at a special meeting of stockholders of the Corporation shall be limited exclusively to the business set forth in the Corporation's notice of meeting and the individual or group calling such meeting shall have exclusive authority to determine the business included in such notice.

Any special meeting of the stockholders shall be held either within or without the State of Delaware, at such place, if any, and on such date and time, as shall be specified in the notice of such special meeting. The Board may postpone, reschedule or cancel any special meeting of stockholders previously scheduled by the Board.

Section 1.03. Participation in Meetings by Remote Communication. The Board, acting in its sole discretion, may establish guidelines and procedures in accordance with applicable provisions of the General Corporation Law of the State of Delaware, as amended from time to time (the "DGCL"), and any other applicable law for the participation by stockholders and proxyholders in a meeting of stockholders by means of remote communications, and may determine that any meeting of stockholders will not be held at any place but will be held solely by means of remote communication. Stockholders and proxyholders complying with such procedures and guidelines and otherwise entitled to vote at a meeting of stockholders shall be deemed present in person and entitled to vote at a meeting of stockholders, whether such meeting is to be held at a designated place or solely by means of remote communication.

Section 1.04. Notice of Meetings; Waiver of Notice.

(a) The Secretary or any Assistant Secretary shall cause notice of each meeting of stockholders to be given in writing or by electronic transmission in a manner permitted by the DGCL not less than 10 days nor more than 60 days prior to the meeting to each

stockholder of record entitled to vote at such meeting, subject to such exclusions as are then permitted by the DGCL. The notice shall specify (i) the place, if any, date and time of such meeting, (ii) the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, (iii) the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholder entitled to notice of the meeting, (iv) in the case of a special meeting, the purpose or purposes for which such meeting is called and (v) such other information as may be required by law or as may be deemed appropriate by the Chairman of the Board, the Secretary or the Board. If the stockholder list referred to in Section 1.06 of these Bylaws is made accessible on an electronic network, the notice of meeting must indicate how the stockholder list can be accessed. If notice is given by electronic transmission, such notice shall be deemed to be given when directed to such stockholder's electronic mail address unless the stockholder has notified the Corporation in writing or by electronic transmission of an objection to receiving notice by electronic mail or such notice is prohibited pursuant to the terms of the DGCL. A notice by electronic mail must include a prominent legend that the communication is an important notice regarding the Corporation.

(b) A written waiver of notice of meeting signed by a stockholder or a waiver by electronic transmission by a stockholder, whether given before or after the meeting time stated in such notice, is deemed equivalent to notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in a waiver of notice. Attendance of a stockholder at a meeting is a waiver of notice of such meeting, except when the stockholder attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business at the meeting on the ground that the meeting is not lawfully called or convened.

Section 1.05. Proxies.

(a) Each stockholder entitled to vote at a meeting of stockholders or to express consent to or dissent from corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy.

(b) A stockholder may authorize a valid proxy by executing a written instrument signed by such stockholder, or by causing his or her signature to be affixed to such writing by any reasonable means, including but not limited to facsimile signature, or transmission or authorization of an electronic transmission (as defined in Section 8.09 of these Bylaws) setting forth an authorization to act as proxy to the person designated as the holder of the proxy, a proxy solicitation firm or a like authorized agent. Proxies by electronic transmission must either set forth, or be submitted with, information from which it can be determined that the electronic transmission was authorized by the stockholder. Any copy, facsimile telecommunication or other reliable reproduction of a writing or transmission created pursuant to this section 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 if such copy, facsimile telecommunication or other reproduction is a complete reproduction of the entire original writing or transmission.

(c) No proxy may be voted or acted upon after the expiration of three years from the date of such proxy, unless such proxy provides for a longer period. Every proxy is revocable at the pleasure of the stockholder executing it unless the proxy states that it is

-2-
-2-

irrevocable and applicable law makes it irrevocable. A stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by filing an instrument revoking the proxy or by filing another duly executed proxy bearing a later date with the Secretary.

-3-

Section 1.06. Voting Lists. The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare, at least 10 days before every meeting of the stockholders (and before any adjournment thereof for which a new record date has been set), a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder. This list, which may be in any format including electronic format, shall be open to the examination of any stockholder for a period of 10 days ending on the day before the meeting date for any purpose germane to the meeting as required by the DGCL or other applicable law. The stock ledger shall be the only evidence as to who are the stockholders entitled by this section to examine the list required by this section or to vote in person or by proxy at any meeting of stockholders.

Section 1.07. Quorum. Except as otherwise required by law or by the Certificate of Incorporation, the presence in person or by proxy of the holders of record of a majority of the shares of capital stock of the Corporation entitled to vote generally in the election of directors shall constitute a quorum for the transaction of business at such meeting, except that when specified business is to be voted on by a class or series of stock voting as a class, the holders of a majority of the voting power of the shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. The stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 1.08. Voting.

(a) Except as otherwise provided in the Certificate of Incorporation or by applicable law, every holder of record of shares entitled to vote at a meeting of stockholders is entitled to one vote for each share outstanding in his or her name on the books of the Corporation

(i) at the close of business on the record date for stockholders entitled to vote at such meeting or

(ii) if no record date has been fixed, at the close of business on the day next preceding the day on which notice of the meeting is given, or if notice is waived, at the close of business on the day immediately preceding the day on which the meeting is held. All matters at any meeting at which a quorum is present shall be decided by the affirmative vote of the holders of at least a majority in voting power of the outstanding shares of stock present in person or represented by proxy at the meeting and entitled to vote on the subject matter in question, except as otherwise provided in Section 1.08(b) of these Bylaws with respect to the election of directors or unless a different or minimum vote is required by the Certificate of Incorporation or these Bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or any law or regulation applicable to the Corporation or its securities, in which case such different or minimum vote shall be the applicable vote on the matter.

(b) Each director nominee in an uncontested election of directors (i.e., an election in which the number of director nominees does not exceed the number of directors to be elected at the meeting) shall be elected to the Board by the vote of a majority of the votes cast with respect to such director nominee's election. In any contested election of directors (i.e., an election in which the number of director nominees exceeds the number of directors to be elected at the meeting), directors shall be elected by a plurality of the votes cast. For purposes of this section, "a majority of votes cast" means that the number of shares voted "for" a director nominee must exceed the number of votes cast "against" that director nominee's election. "Abstentions"

and "broker non-votes" shall not be counted as votes cast with respect to a director nominee's election. Following certification of the stockholder vote in an uncontested election, any incumbent director who did not receive a majority of votes cast for his or her election shall promptly tender his or her resignation, contingent upon acceptance of such resignation by the Board in accordance with this Section 1.08(b), to the Chairman of the Board. The Chairman of the Board shall inform the Nominating and Corporate Governance Committee of such tender of resignation, and the Nominating and Corporate Governance Committee shall consider such resignation and recommend to the Board whether to accept the tendered resignation or reject it or whether any other action should be taken. In deciding upon its recommendation, the Nominating and Corporate Governance Committee shall consider all relevant factors, including without limitation the qualifications of the director who has tendered

his or her resignation and the director's contribution to the Corporation and the Board. The Board will act on the recommendation of the Nominating and Corporate Governance Committee no later than 90 days after the certification of the stockholder vote and disclose the decision by filing a Current Report on Form 8-K with the Securities and Exchange Commission ("SEC"). The Board shall consider the factors considered by the Nominating and Corporate Governance Committee and such additional information and factors that the Board deems relevant. An incumbent director who tenders his or her resignation to the Board pursuant to this Section 1.08(b) will not participate in the decision of the Nominating and Corporate Governance Committee or the Board. The stockholders do not have the right to cumulate their votes for the election of directors.

Section 1.09. Adjournment. Any meeting of stockholders may be adjourned from time to time, by the chairperson of the meeting or by the vote of a majority of the shares of stock present in person or represented by proxy at the meeting, to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting (including an adjournment taken to address a technical failure to convene or continue a meeting using remote communication) if the place, if any, and date and time thereof (and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting) are (i) announced at the meeting at which the adjournment is taken, (ii) displayed, during the time scheduled for the meeting, on the same electronic network used to enable stockholder 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 Section 1.04 of these Bylaws. If the adjournment is for more than 30 days or a new record date is fixed for the adjourned meeting after the adjournment, notice of the adjourned meeting in accordance with Section 1.04 of these Bylaws shall be given to each stockholder of record entitled to vote at the meeting. At the adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting.

Section 1.10. Organization; Procedure; Inspection of Elections.

(a) At every meeting of stockholders, the presiding person shall be the Chairman of the Board or, in the event of his or her absence or disability, the Chief Executive Officer or, in the event of his or her absence or disability, a presiding person chosen by resolution of the Board. The Secretary or, in the event of his or her absence or disability, the Assistant Secretary, if any, or, if there be no Assistant Secretary, in the absence of the Secretary, an appointee of the presiding person, shall act as secretary of the meeting. The Board may make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to any such rules and regulations, the presiding officer of any meeting shall have the right and authority to prescribe rules, regulations and procedures for such

-5-
-5-

meeting and to take all such actions as in the judgment of the presiding officer are appropriate for the proper conduct of such meeting. Such rules, regulations or procedures, whether adopted by

-6-
-6-

the Board or prescribed by the presiding person of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the presiding person of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. The presiding person at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such presiding person should so determine, such presiding person shall so declare to the meeting and any such matter of business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

(b) Preceding any meeting of the stockholders, the Board may, and when required by law shall, appoint one or more persons to act as inspectors of elections, and may designate one or more alternate inspectors. If no inspector or alternate so appointed by the Board is able to act, or if no inspector or alternate has been appointed and the appointment of an inspector is required by law, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. No director or nominee for the office of director shall be appointed as an inspector of elections. Each inspector, before entering upon the discharge of the duties of an inspector, 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. The inspectors shall discharge their duties in accordance with the requirements of applicable law.

Section 1.11. Consent of Stockholders in Lieu of Meeting. Stockholders may not take any action by written consent in lieu of action at an annual or special meeting of stockholders.

Section 1.12. Notice of Stockholder Proposals and Nominations.

(a) *Annual Meetings of Stockholders*.

(i) Nominations of persons for election to the Board and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders only (A) pursuant to the Corporation's notice of the meeting (or any supplement thereto) delivered pursuant to Section 1.04 of these Bylaws, (B) by or at the direction of the Board or a committee of the Board appointed by the Board for such purpose or (C) by any stockholder of the Corporation who is entitled to vote at the meeting, who complies with the notice procedures set forth in clauses (ii) and (iii) of this Section 1.12(a) and who is a stockholder of record at the time such notice is delivered to the Secretary and at the date of the meeting. Clause (C) of the preceding sentence shall be the exclusive means for a stockholder to make nominations or propose other business to be considered at an annual meeting of stockholders (other than matters properly

-7-
-7-

brought under Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and included in the Corporation's notice of meeting).

(ii) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to subclause (C) of Section 1.12(a)(i) of these Bylaws, the stockholder must have given timely notice thereof in writing to the Secretary and, in the case of business other than nominations for persons for election to the Board, such other business must constitute a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that (x) the date of the annual meeting is advanced by more than 30 days or delayed by more than 70 days from such anniversary date of the preceding year's annual meeting or

(y) no annual meeting was held during the preceding year, notice by the stockholder to be timely must be so delivered not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting and the close of business on the 10th day following the day on which public announcement of the date of such meeting is first made. To be in proper form, a stockholder's notice (whether given pursuant to paragraph (a)(ii) or paragraph (b) of this Section 1.12 of these Bylaws) to the Secretary must: (A) set forth, as to each Proposing Person (as defined below), (1) the name and address of such Proposing Person, as they appear on the Corporation's books, , if applicable, (2) (I) the class or series and number of shares of the Corporation that are, directly or indirectly, owned beneficially and of record by each Proposing Person; (II) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise (a "Derivative Instrument") directly or indirectly owned beneficially by such Proposing Person and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation; (III) any proxy, contract, arrangement,

understanding, or relationship pursuant to which such Proposing Person has a right to vote any shares of any security of the Corporation; (IV) any short interest in any security of the Corporation held by any Proposing Person (for purposes of this Section 1.12, a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of such security); (V) any rights to dividends on the shares of the Corporation owned beneficially by such Proposing Person that are separated or separable from the underlying shares of the Corporation; (VI) any interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such Proposing Person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner; and (VII) any performance-related fees (other than an asset-based fee) that such Proposing Person is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, as of the

-8-

-8-

date of such notice, (3) a complete and accurate description of any pending, or to any Proposing Person's knowledge, threatened, legal proceeding in which any Proposing Person is a party or participant involving the Corporation or, to any Proposing Person's knowledge, any current or former officer, director, affiliate or associate of the Corporation, (4) all other information relating to any Proposing Person which would be required to be included in a proxy statement or other filing required to be filed with the SEC if, with respect to any nomination or item of business, such Proposing Persons were a participant in a contested solicitation subject to Regulation 14A under the Exchange Act, whether or not any Proposing Person intends to deliver a proxy statement or conduct its own proxy solicitation, (5) any other information about any Derivative Instrument held by any Proposing Person that would be required to be disclosed in a proxy statement or other filing required to be filed with the SEC if, with respect to any such nomination or item of business, such Proposing Persons were a participant in a solicitation subject to Regulation 14A under the Exchange Act, as if such Derivative Instrument was treated the same as securities of the Corporation under such requirements, (6) all information that would be required to be disclosed in a Schedule 13D in respect of the Corporation pursuant to the Exchange Act and the rules and regulations promulgated thereunder (or any successor provision of law) (regardless of whether the requirement to file a Schedule 13D is applicable to the Proposing Person) (B) in the case of a nomination for persons for election to the Board, the stockholder or beneficial owner, if any, on whose behalf the nomination is made shall provide a (1) statement disclosing the name of each participant in any such solicitation (as defined in Item 4 of Schedule 14A under the Exchange Act), (2) representation that the stockholder or the beneficial owner, if any, on whose behalf the nomination is made intends to deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required under Rule 14a-19 under the Exchange Act, and (3) a representation whether such stockholder or beneficial owner, if any, is being financed or indemnified by a third party for making the nomination, (C) in the case of a proposal of other business to be considered, a representation whether the stockholder or the beneficial owner, if any, on whose behalf the proposal is made is, or will be, part of a group which will (1) deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal and/or (2) otherwise solicit proxies from stockholders in support of such proposal, (D) set forth, if the notice relates to any business other than a nomination of a director or directors that the stockholder proposes to bring before the meeting (1) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest of any Proposing Person in such business and (2) a description of any agreements, arrangements and understandings between any Proposing Person in connection with the proposal of such business (E) set forth, as to any person whom the stockholder proposes to nominate for election or reelection as a director (1) all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected) and (2) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among any Proposing Person, on

-9-

-9-

the one hand, and each proposed nominee, and his or her affiliates and associates, or others acting in concert with any such affiliates and associates, on the other hand, including without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the Proposing Person were the "Registrant" for purposes of such rule and the nominee were a director or executive officer of such Registrant, and (F) with respect to each nominee for election to the Board of Directors, include a completed and signed questionnaire, representation and agreement as required by Section 1.12(d). The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee. A stockholder providing notice of a proposed nomination for election to the Board or other business proposed to be brought before a meeting (whether given pursuant to this paragraph (a)(ii) or paragraph (b) of this Section 1.12 of these Bylaws) shall

-10-

-10-

update and supplement such notice from time to time to the extent necessary so that the information provided or required to be provided in such notice shall be true and correct (x) as of the record date for determining the stockholders entitled to notice of the meeting and (y) as of the date that is 15 days prior to the meeting or any adjournment or postponement thereof, provided that if the record date for determining the stockholders entitled to vote at the meeting is less than 15 days prior to the meeting or any adjournment or postponement thereof, the information shall be supplemented and updated as of such later date. Any such update and supplement shall be delivered in writing to the Secretary at the principal executive offices of the Corporation not later than 5 days after the record date for determining the stockholders entitled to notice of the meeting (in the case of any update and supplement required to be made as of the record date for determining the stockholders entitled to notice of the meeting), not later than 10 days prior to the date for the meeting or any adjournment or postponement thereof (in the case of any update or supplement required to be made as of 15 days prior to the meeting or adjournment or postponement thereof) and not later than 5 days after the record date for determining the stockholders entitled to vote at the meeting, but no later than the date prior to the meeting or any adjournment or postponement thereof (in the case of any update and supplement required to be made as of a date less than 15 days prior the date of the meeting or any adjournment or postponement thereof). In addition, a stockholder seeking to bring an item of business before the annual meeting shall promptly provide any other information reasonably requested by the Corporation. Furthermore, if any stockholder provides notice of a proposed nomination for election to the Board pursuant to Rule 14a-19 under the Exchange Act, such stockholder shall deliver to the Corporation reasonable evidence that it has met the requirements of Rule 14a-19 under the Exchange Act. Such reasonable evidence must be delivered by registered mail to the Secretary at the principal executive offices of the Corporation not later than five business days prior to the meeting.

(iii) Notwithstanding anything in Section 1.12(a)(ii) of these Bylaws to the contrary, in the event that the number of directors to be elected to the Board at an annual meeting is increased and (A) there is no public announcement naming all of the nominees for director or specifying the size of the increased Board made by the Corporation at least 100 calendar days prior to the first anniversary of the preceding year's annual meeting or

(B) no annual meeting was held during the preceding year, then a stockholder's notice under this Section 1.12(a) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it is received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(iv) For purposes of these Bylaws, the term "Proposing Person" shall mean, with respect to any stockholder submitting any nominations or other business before an annual or special meeting of stockholders pursuant to this Section 1.12: (1) such stockholder; (2) the beneficial owner or beneficial owners, if different from such stockholder, on whose behalf the notice is provided; (3) any member of the immediate family of any individual described in the foregoing clause (1) or (2) sharing the same household; (4) any affiliate or associate of any person described in the foregoing clauses (1) and (2); (5) any person who is a member of a "group" (as such term is used in Rule

13d-5 promulgated under the Exchange Act) with any other Proposing Person with respect to the stock of the Corporation, including any proposed nominee; (6) any person with whom any person described in the foregoing clauses (1) through (4) is knowingly acting in concert with respect to the capital stock of the Corporation; and (7) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A) with any person described in the foregoing clauses (1) through (4) with respect to any proposed nomination or business. For purposes of these Bylaws, the terms "affiliate" and "associate" shall have the meanings set forth in Rule 12b-2 promulgated under the Exchange Act.

(b) *Special Meetings of Stockholders.* Only such business as shall have been brought before the special meeting of the stockholders pursuant to the Corporation's notice of meeting shall be conducted at such meeting. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (A) by or at the direction of the Board or a Committee appointed by the Board for such purpose or (B) provided that the Board has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is entitled to vote at the meeting, who complies with the notice procedures set forth in this Section 1.12(b) and who is a stockholder of record at the time such notice is delivered to the Secretary and at the date of the meeting (such a stockholder, a "Qualifying Stockholder"). In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors of the Corporation, a Qualifying Stockholder may nominate a person or persons, as the case may be, for election to such position(s) as specified by the Corporation, if the stockholder's notice as required

by Section 1.12(a)(ii) of these Bylaws shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting and the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a Qualifying Stockholder's notice as described above.

(c) *General.*

(i) Only such persons who are nominated in accordance with the procedures set forth in this Section 1.12 shall be eligible to serve as directors and only such business shall be conducted at an annual or special meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section. Except as otherwise provided by applicable law, the Certificate of Incorporation or these Bylaws, the presiding officer of a meeting of stockholders shall have the power and duty

(A) to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this Section 1.12 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made, solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's nominee or proposal in compliance with such stockholder's representations as required by clause (a)(ii)(B) or (a)(ii)(C) of this Section 1.12, as applicable), and (B) if any proposed nomination or business is not in compliance with this Section 1.12, to declare that such defective nomination shall be disregarded or that such proposed business shall not be transacted. Notwithstanding the foregoing provisions of this Section 1.12 of this Article I, unless otherwise required by law, if any stockholder provides notice of a proposed nomination for election to the Board pursuant to Rule 14a-19 under the Exchange Act and subsequently fails to comply with any requirements of Rule 14a-19 under the Exchange Act or any other rules and regulations thereunder, as determined by the presiding officer of a meeting of stockholders, then the Corporation shall disregard any proxies or votes solicited for such nominee. In addition, any stockholder that provides notice of a proposed nomination for election to the Board pursuant to Rule 14a-19 under the Exchange Act shall notify the Secretary within two business days of any change in such stockholder's intent to deliver a proxy statement and form of proxy to the amount of the

holders of at least the percentage of the Corporation's outstanding capital stock required under Rule 14a-19 under the Exchange Act.

(ii) If the stockholder (or a qualified representative of the stockholder) making a nomination or proposal under this Section 1.12 does not appear at a meeting of stockholders to present such nomination or proposal, the nomination shall be disregarded and/or the proposed business shall not be transacted, as the case may be, notwithstanding that proxies in favor thereof may have been received by the Corporation. For purposes of this Section 1.12, to be considered a qualified representative of the stockholder, a person must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the

-13-
-13-

meeting of stockholders.

(A) Whenever used in these Bylaws, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the SEC pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

-14-
-14-

(B) Notwithstanding the foregoing provisions of this Section 1.12, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 1.12. Nothing in this Section 1.12 shall be deemed to affect any rights of (x) stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (y) the holders of any series of preferred stock pursuant to any applicable provisions of the Certificate of Incorporation or of the relevant preferred stock certificate of designation.

(C) The announcement of an adjournment or postponement of an annual or special meeting does not commence a new time period (and does not extend any time period) for the giving of notice of a stockholder nomination or a stockholder proposal as described above.

(d) *Submission of Questionnaire, Representation and Agreement.* To be eligible to be a nominee for election or reelection as a director of the Corporation, a person must deliver (in accordance with the time periods prescribed for delivery of notice under this Section 1.12) to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background, qualifications, stock ownership and independence of such person (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such person: (1) is not and will not become a party to (a) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, 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 therein or (b) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law; (2) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein; (3) if the Board so requires, agrees to purchase within 90 days if elected as a director of the Corporation, a specified number of common shares of the Corporation ("Qualifying Shares") (subject to adjustment for any stock splits or stock dividends occurring after the date of such representation or agreement), will not dispose of such minimum number of shares so long as such person is a director, and has disclosed therein whether all or any portion of the Qualifying Shares were or will be purchased with any financial assistance provided by any other person, whether any other person has or will have any interest in the Qualifying Shares and, in each case, the name and address of such person; (4) in such person's individual capacity and on behalf of any person or entity making the nomination or on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation; and (5) is not and has not been, within the past three years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, as amended from time to time. In addition, the Board may require any proposed nominee to submit to interviews with the Board or any committee thereof to determine the eligibility, suitability or qualifications of such proposed nominee to serve as director, and such proposed nominee shall make themselves available for any such interviews

-16-

-16-

within no less than 10 days following the date of such request.

-17-

-17-

ARTICLE II BOARD OF DIRECTORS

Section 2.01. General Powers. Except as may otherwise be provided by law, the Certificate of Incorporation or these Bylaws, the business and affairs of the Corporation shall be managed by or under the direction of the Board. The directors shall act only as a Board, and the individual directors shall have no power as such.

Section 2.02. Number and Term of Office. The number of directors constituting the entire Board and the term of office for each director shall be as provided for in the Certificate of Incorporation.

Section 2.03. Election of Directors. The directors of the Corporation shall be elected to hold office for one-year terms expiring at the next annual meeting of stockholders and until their respective successors shall have been duly elected and qualified or until their earlier resignation or removal.

Section 2.04. Regular Meetings. Regular meetings of the Board shall be held on such dates, and at such times and places, as are determined from time to time by resolution of the Board.

-18-

-18-

Section 2.05. Special Meetings. Special meetings of the Board shall be held whenever called by the Chairman of the Board or, in the event of his or her absence or disability, by the Secretary, or by a majority of the directors then in office, at such place, date and time as may be specified in the respective notices or waivers of notice of such meetings. Any business may be conducted at a special meeting.

Section 2.06. Notice of Meetings; Waiver of Notice.

(a) Notices of special meetings shall be given to each director, and notice of each resolution or other action affecting the date, time or place of one or more regular meetings shall be given to each director not present at the meeting adopting such resolution or other action, subject to Section 2.09 of these Bylaws. Notices shall be given personally, or by telephone confirmed by facsimile or email dispatched promptly thereafter, or by facsimile or email confirmed by a writing delivered by a recognized overnight courier service, directed to each director at the address from time to time designated by such director to the Secretary. Each such notice and confirmation must be given (received in the case of personal service or delivery of written confirmation) at least 24 hours prior to the time of a special meeting, and at least five days prior to the initial regular meeting affected by such resolution or other action, as the case may be.

(b) A written waiver of notice of meeting signed by a director or a waiver by electronic transmission by a director, whether given before or after the meeting time stated in such notice, is deemed equivalent to notice. Attendance of a director at a meeting is a waiver of notice of such meeting, except when the director attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business at the meeting on the ground that the meeting is not lawfully called or convened.

Section 2.07. Quorum; Voting. At all meetings of the Board, the presence of a majority of the total authorized number of directors shall constitute a quorum for the transaction of business. Except as otherwise required by law, the Certificate of Incorporation or these Bylaws, the vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board. The directors present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

Section 2.08. Action by Telephonic Communications. Members of the Board may participate in a meeting of the Board by means of conference telephone, video or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

Section 2.09. Adjournment. A majority of the directors present may adjourn any meeting of the Board to another date, time or place, whether or not a quorum is present. No notice need be given of any adjourned meeting unless (a) the date, time and place of the adjourned meeting are not announced at the time of adjournment, in which case notice conforming to the requirements of Section 2.06 of these Bylaws applicable to special meetings shall be given to each director, or (b) the meeting is adjourned for more than 24 hours, in which

-19-

-19-

case the notice referred to in clause (a) shall be given to those directors not present at the announcement of the date, time and place of the adjourned meeting.

Section 2.10. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if all members of the Board consent thereto in writing or by electronic transmission. After any such action is taken, the consent or consents shall be filed with the minutes of proceedings of the Board. 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 2.11. Regulations. To the extent consistent with applicable law, the Certificate of Incorporation and these Bylaws, the Board may adopt such rules and regulations for the conduct of meetings of the Board and for the management of the affairs and business of the Corporation as the Board may deem appropriate. The Board may elect from among its members a chairperson (the "Chairman") and one or more vice-chairpersons to preside over meetings and to perform such other duties as may be designated by the Board. The Chairman shall not be an officer of the Corporation unless the Board of Directors shall elect him an officer pursuant to Section 4.01 of these Bylaws.

Section 2.12. Resignations of Directors. Any director may resign at any time by submitting an electronic transmission or by delivering a written notice of resignation, signed by such director, to the Chairman of the

Board or the Secretary. Subject to Section 1.08(b) of these Bylaws, such resignation shall take effect upon delivery unless the resignation specifies a later effective date or an effective date determined upon the happening of a specified event.

Section 2.13. Removal of Directors. Directors may be removed in the manner set forth in the Certificate of Incorporation and applicable law.

Section 2.14. Vacancies and Newly Created Directorships. Any vacancies or newly created directorships shall be filled as set forth in the Certificate of Incorporation.

Section 2.15. Compensation. The directors shall be entitled to compensation for their services and reimbursement for expenses incurred in connection with the performance of their services.

ARTICLE III COMMITTEES

Section 3.01. How Constituted. The Board shall have an Audit Committee,

Compensation Committee, Nominating and Corporate Governance Committee and such other committees as the Board may determine from time to time (collectively, the "Committees"). Each Committee shall consist of such number of directors as from time to time may be fixed by a majority of the total number of directors then in office and shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation to the extent delegated to such Committee by the Board but no Committee shall have any power or authority as to (a) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly

-20-

-20-

required by the DGCL to be submitted to stockholders for approval, (b) adopting, amending or repealing any of these Bylaws or (c) as may otherwise be excluded by law or by the Certificate of Incorporation. Any Committee may be abolished or re-designated from time to time by the Board.

Section 3.02. Members and Alternate Members. The members of each Committee and any alternate members shall be selected by the Board. The Board may provide that the members and alternate members serve at the pleasure of the Board. An alternate member may replace any absent or disqualified member at any meeting of the Committee. An alternate member shall be given all notices of Committee meetings, may attend any meeting of the Committee, but may count towards a quorum and vote only if a member for whom such person is an alternate is absent or disqualified. Each member or alternate member of any Committee (whether designated at an annual meeting of the Board or to fill a vacancy or otherwise) shall hold office until his or her successor shall have been designated or until he or she shall cease to be a director, or until his or her earlier death, resignation or removal.

Section 3.03. Committee Procedures. A quorum for each Committee shall be a majority of its members, unless the Committee has only one or two members, in which case a quorum shall be one member, or unless a greater quorum is established by the Board. The vote of a majority of the Committee members present at a meeting at which a quorum is present shall be the act of the Committee. Each Committee shall keep regular minutes of its meetings and report to the Board when requested. The Board may adopt other rules and regulations for the government of any Committee not inconsistent with the provisions of these Bylaws, and each Committee may adopt its own rules and regulations of government, to the extent not inconsistent with these Bylaws or rules and regulations adopted by the Board.

Section 3.04. Meetings and Actions of Committees. Meetings and actions of each Committee shall be governed by, and held and taken in accordance with, the provisions of the following sections of these Bylaws, with such Bylaws being deemed to refer to the Committee and its members in lieu of the Board and its members:

- (a) Section 2.04 (to the extent relating to place and time of regular meetings);
- (b) Section 2.05 (relating to special meetings);
- (c) Section 2.06 (relating to notice and waiver of notice);
- (d) Sections 2.08 and 2.10 (relating to telephonic communication and action without a meeting); and
- (e) Section 2.09 (relating to adjournment and notice of adjournment). Special meetings of Committees may also be called by resolution of the Board.

Section 3.05. Resignations and Removals. Any member (and any alternate member) of any Committee may resign from such position at any time by delivering a written notice of resignation, signed by such member, or by submitting an electronic transmission, to the Chairman of the Board or the Secretary. Unless otherwise specified therein, such resignation

-21-

-21-

shall take effect upon delivery. Any member (and any alternate member) of any Committee may be removed from such position by the Board at any time, either for or without cause.

Section 3.06. Vacancies. If a vacancy occurs in any Committee for any reason, the remaining members (and any alternate members) may continue to act if a quorum is present. A Committee vacancy may be filled only by the Board.

ARTICLE IV OFFICERS

Section 4.01. Officers. The Board shall elect a Chief Executive Officer and a Secretary as officers of the Corporation. The Board may also elect a Treasurer, one or more Vice Presidents, Assistant Secretaries and Assistant Treasurers, and such other officers and agents as the Board may determine (including a Chief Financial Officer). In addition, the Board from time to time may delegate to any officer the power to appoint subordinate officers or agents and to prescribe their respective rights, terms of office, authorities and duties. Any action by an appointing officer may be superseded by action by the Board. Any number of offices may be held by the same person, except that one person may not hold both the office of Chief Executive Officer and the office of Secretary. No officer need be a director of the Corporation.

Section 4.02. Election. The officers of the Corporation elected by the Board shall serve at the pleasure of the Board. Officers and agents appointed pursuant to delegated authority as provided in Section 4.01 (or, in the case of agents, as provided in Section 4.06) shall hold their offices for such terms as may be determined from time to time by the appointing officer. Each officer shall hold office until his or her successor has been elected or appointed and qualified, or until his or her earlier death, resignation or removal.

Section 4.03. Compensation. The salaries and other compensation of all officers and agents of the Corporation shall be fixed by the Board or in the manner established by the Board.

Section 4.04. Removal and Resignation; Vacancies. Any officer may be removed for or without cause at any time by the Board. Any officer granted the power to appoint subordinate officers and agents as provided in Section 4.01 may remove any subordinate officer or agent appointed by such officer, for or without cause. Any officer or agent may resign at any time by delivering notice of resignation, either in writing signed by such officer or by electronic transmission, to the Board or the Chief Executive Officer. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise, may be filled by the Board or by the officer, if any, who appointed the person formerly holding such office.

Section 4.05. Authority and Duties of Officers. An officer of the Corporation shall have such authority and shall exercise such powers and perform such duties (a) as may be required by law, (b) to the extent not inconsistent with law, as are specified in these Bylaws,

(c) to the extent not inconsistent with law or these Bylaws, as may be specified by resolution of the Board and (d) to the extent not inconsistent with any of the foregoing, as may be specified by

-22-

-22-

the appointing officer with respect to a subordinate officer appointed pursuant to delegated authority under Section 4.01.

Section 4.06. Chief Executive Officer. The Chief Executive Officer shall, unless otherwise provided by the Board, be the chief executive officer of the Corporation, shall have general control and supervision of the policies and operations of the Corporation and shall see that all orders and resolutions of the Board are carried into effect. Unless otherwise provided by the Board, he or she shall manage and administer the Corporation's business and affairs and shall also perform all duties and exercise all powers usually pertaining to the office of a chief

executive officer, president or a chief operating officer of a corporation. He or she shall have the authority to sign, in the name and on behalf of the Corporation, checks, orders, contracts, leases, notes, drafts and all other documents and instruments in connection with the business of the Corporation. He or she shall have the authority to cause the employment or appointment of such employees or agents of the Corporation as the conduct of the business of the Corporation may require, to fix their compensation, and to remove or suspend any employee or any agent employed or appointed by any officer or to suspend any agent appointed by the Board. The Chief Executive Officer shall have the duties and powers of the Treasurer if no Treasurer is elected and shall have such other duties and powers as the Board may from time to time prescribe.

Section 4.07. Presidents. If one or more Presidents have been elected, each President shall act in a general executive capacity, shall assist the Chief Executive Officer in the administration and operation of the Corporation's business and the general supervision of its policies and affairs and shall perform such duties and exercise such powers as may be assigned to him or her from time to time by the Board or the Chief Executive Officer. In the event of absence or disability of the Chief Executive Officer, the duties of the Chief Executive Officer shall be performed, and his or her powers may be exercised, by such President as shall be designated by the Board or, failing such designation, by the President in order of seniority of election to that office.

Section 4.08. Vice Presidents. If one or more Vice Presidents have been elected, each Vice President shall perform such duties and exercise such powers as may be assigned to him or her from time to time by the Board or the Chief Executive Officer. In the event of absence or disability of the Chief Executive Officer and in the absence of one or more individuals being elected as Presidents, the duties of the Chief Executive Officer shall be performed, and his or her powers may be exercised, by such Vice President as shall be designated by the Board or, failing such designation, by the Vice President in order of seniority of election to that office.

Section 4.09. Secretary. Unless otherwise determined by the Board, the Secretary shall have the following powers and duties:

(a) The Secretary shall keep or cause to be kept a record of all the proceedings of the meetings of the stockholders, the Board and any Committees thereof in books provided for that purpose.

-23-

-23-

(b) The Secretary shall cause all notices to be duly given in accordance with the provisions of these Bylaws and as required by law.

(c) Whenever any Committee shall be appointed pursuant to a resolution of the Board, the Secretary shall furnish a copy of such resolution to the members of such Committee.

(d) The Secretary shall be the custodian of the records and of the seal of the Corporation and cause such seal (or a facsimile thereof) to be affixed to all certificates representing shares of the Corporation prior to the issuance thereof and to all documents and instruments that the Board or any officer of the Corporation has determined should be executed under seal, may sign (together with any other authorized officer) any such document or instrument, and when the seal is so affixed he or she may attest the same.

(e) The Secretary shall properly maintain and file all books, reports, statements, certificates and all other documents and records required by law, the Certificate of Incorporation or these Bylaws.

(f) The Secretary shall have charge of the stock books and ledgers of the Corporation and shall cause the stock and transfer books to be kept in such manner as to show at any time the number of shares of stock of the Corporation of each class issued and outstanding, the names (alphabetically arranged) and the addresses of the holders of record of such shares, the number of shares held by each holder and the date as of which each such holder became a holder of record.

(g) The Secretary shall sign (unless the Treasurer, an Assistant Treasurer or an Assistant Secretary shall have signed) certificates representing shares of the Corporation the issuance of which shall have been authorized by the Board.

(h) The Secretary shall perform, in general, all duties incident to the office of secretary and such other duties as may be specified in these Bylaws or as may be assigned to the Secretary from time to time by the Board or the Chief Executive Officer.

Section 4.10. Treasurer. Unless otherwise determined by the Board, the Treasurer, if there be one, shall be the chief financial officer of the Corporation and shall have the following powers and duties:

(a) The Treasurer shall have charge and supervision over and be responsible for the moneys, securities, receipts and disbursements of the Corporation, and shall keep or cause to be kept full and accurate records thereof.

(b) The Treasurer shall cause the moneys and other valuable effects of the Corporation to be deposited in the name and to the credit of the Corporation in such banks or trust companies or with such bankers or other depositaries as shall be determined by the Board or the Chief Executive Officer, or by such other officers of the Corporation as may be authorized by the Board or the Chief Executive Officer to make such determinations.

-25-

-25-

(c) The Treasurer shall cause the moneys of the Corporation to be disbursed by checks or drafts (signed by such officer or officers or such agent or agents of the Corporation, and in such manner, as the Board or the Chief Executive Officer may determine from time to time) upon the authorized depositaries of the Corporation and cause to be taken and preserved proper vouchers for all moneys disbursed.

(d) The Treasurer shall render to the Board or the Chief Executive Officer, whenever requested, a statement of the financial condition of the Corporation and of the transactions of the Corporation, and render a full financial report at the annual meeting of the stockholders, if called upon to do so.

(e) The Treasurer shall be empowered from time to time to require from all officers or agents of the Corporation reports or statements giving such information as he or she may desire with respect to any and all financial transactions of the Corporation.

(f) The Treasurer may sign (unless an Assistant Treasurer or the Secretary or an Assistant Secretary shall have signed) certificates representing shares of stock of the Corporation the issuance of which shall have been authorized by the Board.

(g) The Treasurer shall perform, in general, all duties incident to the office of treasurer and such other duties as may be specified in these Bylaws or as may be assigned to the Treasurer from time to time by the Board or the Chief Executive Officer.

ARTICLE V CAPITAL STOCK

Section 5.01. Uncertificated Shares. Unless otherwise provided by resolution of the Board, each class or series of the shares of capital stock in the Corporation shall be issued in uncertificated form pursuant to the customary arrangements for issuing shares in such form. Shares shall be transferable only on the books of the Corporation by the holder thereof in person or by attorney upon presentment of proper evidence of succession, assignation or authority to transfer in accordance with the customary procedures for transferring shares in uncertificated form.

Section 5.02. Registered Stockholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the DGCL.

Section 5.03. Transfer Agent and Registrar. The Board may appoint one or more transfer agents and one or more registrars.

-27-

-27-

ARTICLE VI INDEMNIFICATION

Section 6.01. Indemnification.

(a) **In General.** Each person who was or is made a party or is threatened to be made a party to or is otherwise involved (including involvement, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that such person is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as an employee or agent of the Corporation or as a director, officer, partner, member, trustee, administrator, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust or other enterprise, including service with respect to an employee benefit plan (an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director or officer or in any other capacity while serving as a director or officer, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than permitted prior thereto), against all expense, liability and loss (including attorneys' fees and related disbursements, judgments, fines, excise taxes or penalties under the Employee Retirement Income Security Act of 1974, as amended from time to time ("ERISA"), penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith and such indemnification shall continue as to an indemnitee who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the indemnitee's heirs, executors and administrators; provided, however, that, except as provided in Section 6.01(c) with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this Section 6.01 shall be a contract right and shall include the obligation of the Corporation to pay the expenses incurred in defending any such proceeding in advance of its final disposition (an "advance of expenses"); provided, however, that an advance of expenses incurred by an indemnitee shall be made only upon delivery to the Corporation of an undertaking (an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Section 6.01 or otherwise.

(b) **Indemnification in Respect of Successful Defense.** Any indemnification of a director or officer of the Corporation or advance of expenses (including attorneys' fees, costs and charges) under Section 6.01(a) shall be made promptly, and in any event within forty-five days (or, in the case of an advance of expenses, twenty days, provided that the director or officer has delivered the undertaking contemplated by Section 6.01(a)), upon the written request of the director or officer. If a determination by the Corporation that the director or officer is entitled to indemnification pursuant to this Section 6.01 is required, and the Corporation fails to respond

-28-

-28-

within sixty days to a written request for indemnity, the Corporation shall be deemed to have approved the request.

(c) To obtain indemnification under this Section 6.01, a claimant shall submit to the Corporation a written request, including therein or therewith such documentation and information as is reasonably available to the claimant and is reasonably necessary to determine whether and to what extent the claimant is entitled to indemnification. Upon written request by a claimant for indemnification pursuant to the first sentence of this Section 6.01(c), a determination, if required by applicable law, with respect to the claimant's entitlement thereto shall be made as follows: (1) if requested by the claimant, by Independent Counsel (as hereinafter defined), or (2) if no request is made by the claimant for a determination by Independent Counsel, (i) by the Board by a majority vote of a quorum consisting of Disinterested Directors (as hereinafter defined), or (ii) if a quorum of the Board consisting of Disinterested Directors is not obtainable or, even if obtainable, such quorum of Disinterested Directors so directs, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to the claimant, or (iii) if a quorum of Disinterested Directors so directs, by the stockholders of the Corporation. In the event the determination of entitlement to indemnification is to be made by Independent Counsel at the request of the claimant, the Independent Counsel shall be selected by the Board unless there shall have occurred within two years prior to the date of the commencement of the action, suit or proceeding for which indemnification is claimed a "Change in Control" (as defined below) in which case the Independent Counsel shall be selected by the claimant unless the claimant shall request that such selection be made by the Board. If it is so determined that the claimant is entitled to indemnification, payment to the claimant shall be made within 10 days after such determination. If the Corporation denies a written request for indemnification or advance of expenses, in whole or in part, or if payment in full pursuant to such request is not made within forty-five days (or, in the case of an advance of expenses, twenty days, provided that the director or officer has delivered the undertaking contemplated by Section 6.01(a)), the right to indemnification or advances as granted by this Section 6.01 shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the Corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for the advance of expenses where the undertaking required pursuant to Section 7 of this Section 6.01, if any, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the DGCL for the Corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because such person has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its Board, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct. The procedure for indemnification of other employees and agents for whom indemnification is provided pursuant to this Section 6.01 shall be the same procedure set forth in this Section 6.01 for directors or officers, unless otherwise set forth in the action of the Board providing indemnification for such employee or agent.

-29-

-29-

(d) If a determination shall have been made pursuant to Section 6.01(c) that the claimant is entitled to indemnification, the Corporation shall be bound by such determination in any judicial proceeding commenced pursuant to Section 6.01(c).

(e) The Corporation shall be precluded from asserting in any judicial proceeding commenced pursuant to Section 6.01(c) that the procedures and presumptions of this Section 6.01 are not valid, binding and enforceable and shall stipulate in such proceeding that the Corporation is bound by all the provisions of this Section 6.01.

(f) The rights to indemnification and to the advance of expenses conferred in this Section 6.01 shall not be exclusive of any other right which any person may have or hereafter acquire under these Bylaws or under any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise. All rights to indemnification under this Section 6.01 shall be deemed to be a contract between the Corporation and each director or officer of the Corporation who serves or served in such capacity at any time while this Section 6.01 is in effect. Any repeal or modification of this Section 6.01 or any repeal or modification of relevant provisions of the Delaware General Corporation Law or any other applicable laws shall not in any way diminish any rights to indemnification of such director or officer or the obligations of the Corporation arising hereunder with respect to any proceeding arising out of, or relating to, any actions, transactions or facts occurring prior to the final adoption of such modification or repeal.

(g) The Corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was or has agreed to become a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against such expenses, liability or loss under the DGCL.

(h) Any person serving as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture or other enterprise, at least 50% of whose equity interests are owned by the Corporation (a "subsidiary" for this Section 6.01) shall be conclusively presumed to be serving in such capacity at the request of the Corporation.

(i) For purposes of this Section 6.01, references to the "Corporation" shall include, in addition to the resulting Corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Section 6.01 with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

31
-31

(j) If this Section 6.01 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each person entitled to indemnification under Section 6.01(c) as to all expense, liability and loss (including attorneys' fees and related disbursements, judgments, penalties, fines, ERISA excise taxes and penalties, and amounts paid or to be paid in settlement) actually and reasonably incurred or suffered by such person and for which indemnification is available to such person pursuant to this Section 6.01 to the fullest extent permitted by any applicable portion of this Section 6.01 that shall not have been invalidated and to the fullest extent permitted by applicable law.

(k) For purposes of this Section 6.01:

(i) "Disinterested Director" means a director of the Corporation who is not and was not a party to the matter in respect of which indemnification is sought by the claimant.

(ii) "Independent Counsel" means a law firm, a member of a law firm, or an independent practitioner, that is experienced in matters of corporation law and shall include any person who, under the applicable standards of professional conduct then prevailing, would not have a conflict of interest in representing either the Corporation or the claimant in an action to determine the claimant's rights under this Section 6.01.

(iii) "Change in Control" has the meaning given such term in the Corporation's 2018 Omnibus Incentive Plan, as the same may be amended or superseded from time to time.

(l) Any notice, request or other communication required or permitted to be given to the Corporation under this Section 6.01 shall be in writing and either delivered in person or sent by facsimile transmission, email, overnight mail or courier service, or certified or registered mail, postage prepaid, return receipt requested, to the Secretary of the Corporation and shall be effective only upon receipt by the Secretary.

ARTICLE VII OFFICES

Section 7.01. Registered Office. The registered office of the Corporation in the State of Delaware shall be located at the location provided in the Certificate of Incorporation.

Section 7.02. Other Offices. The Corporation may maintain offices or places of business at such other locations within or without the State of Delaware as the Board may from time to time determine or as the business of the Corporation may require.

-33-

-33-

ARTICLE VIII GENERAL PROVISIONS

Section 8.01. Dividends. Subject to any applicable provisions of law and the Certificate of Incorporation, dividends upon the shares of the Corporation may be declared by the Board at any regular or special meeting of the Board and any such dividend may be paid in cash, property or shares of the Corporation's stock.

Section 8.02. Reliance on Reports and Experts. To the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended, a member of the Board, or a member of any Committee designated by the Board, shall, in the performance of such member's 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 its officers or employees, or Committees of the Board, or by any other person as to matters the 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.

Section 8.03. Reserves. There may be set apart out of any funds of the Corporation available for dividends such sum or sums as the Board from time to time may determine proper as a reserve or reserves for meeting contingencies, equalizing dividends, repairing or maintaining any property of the Corporation or for such other purpose or purposes as the Board may determine conducive to the interest of the Corporation, and the Board may similarly modify or abolish any such reserve.

Section 8.04. Execution of Instruments. Except as otherwise required by law or the Certificate of Incorporation, the Board or any officer of the Corporation authorized by the Board may authorize any other officer or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation. Any such authorization must be in writing or by electronic transmission and may be general or limited to specific contracts or instruments.

Section 8.05. Voting as Stockholder. Unless otherwise determined by resolution of the Board, the Chief Executive Officer or any Vice President shall have full power and authority on behalf of the Corporation to attend any meeting of stockholders of any Corporation in which the Corporation may hold stock, and to act, vote (or execute proxies to vote) and exercise in person or by proxy all other rights, powers and privileges incident to the ownership of such stock at any such meeting, or through action without a meeting. The Board may by resolution from time to time confer such power and authority (in general or confined to specific instances) upon any other person or persons.

Section 8.06. Fiscal Year. The fiscal year of the Corporation shall commence on the first day of January of each year and shall terminate in each case on December 31.

Section 8.07. Seal. The seal of the Corporation shall be circular in form and shall contain the name of the Corporation, the year of its incorporation and the words "Corporate Seal" and "Delaware". The form of such seal shall be subject to alteration by the Board. The

-34-

-34-

seal may be used by causing it or a facsimile thereof to be impressed, affixed or reproduced or may be used in any other lawful manner.

Section 8.08. Books and Records; Inspection. Except to the extent otherwise required by law, the books and records of the Corporation shall be kept at such place or places within or without the State of Delaware as may be determined from time to time by the Board.

Section 8.09. Electronic Transmission. "Electronic transmission", as used in these Bylaws, means any form of communication, not directly involving the physical transmission of paper, including the use of, or participation in, one or more electronic networks or databases (including one or more distributed electronic networks or databases), that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

ARTICLE IX AMENDMENT OF BYLAWS

Section 9.01. Amendment. Subject to the provisions of the Certificate of Incorporation, these Bylaws may be amended, altered or repealed:

(a) by the affirmative vote of at least a majority of the directors then in office at any special or regular meeting of the Board if notice of such amendment, alteration or repeal is contained in the notice or waiver of notice of such meeting, or

(b) by the affirmative vote of the holders of at least a majority of the voting power of the outstanding shares of capital stock of the Company entitled to vote generally in the election of directors, voting together as a single class at any regular or special meeting if, notice of such amendment, alteration or repeal is contained in the notice or waiver of notice of such meeting.

Notwithstanding the foregoing, no amendment, alteration or repeal of Article VI of these Bylaws shall adversely affect any right or protection existing under these Bylaws immediately prior to such amendment, alteration or repeal, including any right or protection of a present or former director or officer thereunder in respect of any act or omission occurring prior to the time of such amendment.

-35-
-35-

ARTICLE X CONSTRUCTION

Section 10.01. Construction. In the event of any conflict between the provisions of these Bylaws as in effect from time to time and the provisions of the Certificate of Incorporation of the Corporation as in effect from time to time, the provisions of such Certificate of Incorporation shall be controlling.

-36-
-36-

Exhibit 31.1 CHIEF EXECUTIVE OFFICER CERTIFICATION

I, William C. Cobb, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Frontdoor, Inc. for the period ended June 30, 2023 September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof;
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 not misleading;
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 of the registrant as of the date thereof;
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 Rule 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 they:

- b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to pr
- c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of t
- 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 quart

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 a

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adv
- 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 finan

Date: August 2, 2023 November 1, 2023

/s/ William C. Cobb

Name: William C. Cobb
Title: Chief Executive Officer

Exhibit 31.2 CHIEF FINANCIAL OFFICER CERTIFICATION I, Jessica P. Ross, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Frontdoor, Inc. for the period ended June 30, 2023 September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof;
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, not misleading;
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 of the registrant as of, and the results of operations and cash flows for, the period covered by 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 information required to be disclosed by us in our reports filed under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Exchange Act rules and regulations;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to pr
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of t
 - 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 quart

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 a

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adv
- 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 finan

Date: August 2, 2023 November 1, 2023

/s/ Jessica P. Ross

Name: Jessica P. Ross

Title: Senior Vice President and Chief Financial Officer

Exhibit 32.1 Certification of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-

Oxley Act of 2002 I, William C. Cobb, Chief Executive Officer of Frontdoor, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Quarterly Report on Form 10-Q for the quarter ended **June 30, 2023** September

30, 2023, (the "Periodic Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of Frontdoor, Inc.

Date: **August 2, 2023** November 1, 2023

/s/ William C. Cobb

Name: William C. Cobb

Title: Chief Executive Officer

Exhibit 32.2 Certification of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-

Oxley Act of 2002 I, Jessica P. Ross, Senior Vice President and Chief Financial Officer of Frontdoor, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Quarterly Report on Form 10-Q for the quarter ended **June 30, 2023** September

30, 2023, (the "Periodic Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of Frontdoor, Inc.

Date: **August 2, 2023** November 1, 2023

/s/ Jessica P. Ross

Name: Jessica P. Ross

Title: Senior Vice President and Chief Financial Officer

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