

Hearing Date: May 14, 2019 at 10:00 a.m. (Eastern)

**MORRISON & FOERSTER LLP**

250 West 55th Street  
New York, New York 10019  
Telephone: (212) 468-8000  
Facsimile: (212) 468-7900  
Lorenzo Marinuzzi  
Todd M. Goren  
Jennifer L. Marines  
Erica J. Richards

*Proposed Counsel to the Official Committee of  
Unsecured Creditors*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

WINDSTREAM HOLDINGS, INC., *et al.*,

Debtors.<sup>1</sup>

)  
) Chapter 11  
)

) Case No. 19-22312 (RDD)  
)

) (Jointly Administered)  
)  
)

**STATEMENT OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS  
REGARDING DEBTORS' MOTION FOR ENTRY OF AN ORDER  
APPROVING THE DEBTORS' KEY EMPLOYEE INCENTIVE PROGRAM**

The Official Committee of Unsecured Creditors (the "Committee") of Windstream Holdings, Inc. and its debtor affiliates, as debtors and debtors-in-possession (collectively, the "Debtors"), by and through its undersigned proposed counsel, hereby files this statement ("Statement") regarding the *Debtors' Motion Seeking Entry of an Order Approving the Debtors'*

<sup>1</sup> The last four digits of Debtor Windstream Holdings, Inc.'s tax identification number are 7717. Due to the large number of debtor entities in these chapter 11 cases, for which joint administration has been granted, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' proposed claims and noticing agent at <http://www.kccllc.net/windstream>. The location of the Debtors' service address for purposes of these chapter 11 cases is: 4001 North Rodney Parham Road, Little Rock, Arkansas 72212.



*Key Employee Incentive Program* [Docket No. 405] (the “KEIP Motion”).<sup>2</sup> In support of this Statement, the Committee respectfully represents as follows:

1. Over the past several weeks, the Committee conducted diligence and negotiated extensively with the Debtors to attempt to resolve various issues regarding the Debtors’ proposed key employee incentive program (the “KEIP”). As a result of those discussions, the Committee and the Debtors reached an agreement on a revised KEIP. These revisions serve parties in interest by helping to ensure that the program is both incentivizing and cost-effective.

2. Well-designed KEIPs can benefit all case constituencies by motivating a debtor’s management team to maximize the value of the debtor’s operations as a going concern. To that end, the Committee sought to ensure that the KEIP was consistent with these goals. At the request of the Committee, the Debtors agreed to reduce the maximum payouts under the OBIDAR performance metric from 200% to 175% of target. The Debtors also agreed to defer 50% of KEIP payouts until the earlier of (a) emergence, or (b) March 1, 2020.

3. The Committee believes that these modifications are reasonable, particularly in light of the facts and circumstances of these cases. Indeed, the Committee does not anticipate that the Debtors’ will be seeking significant sacrifices or compromises from their employees and retirees during these cases, barring some unforeseen event. Accordingly, the Committee is supportive of efforts to ensure that the Debtors meet their goal of operating on a “business as usual” basis for both upper management and its rank-and-file employees. Therefore, the Committee does not oppose approval of the KEIP as modified.

---

<sup>2</sup> Capitalized terms not otherwise defined herein have the meanings ascribed to them in the KEIP Motion.

Dated: May 13, 2019  
New York, New York

Respectfully submitted,

/s/ Lorenzo Marinuzzi

MORRISON & FOERSTER LLP

Lorenzo Marinuzzi

Todd M. Goren

Jennifer L. Marines

Erica J. Richards

250 W 55th St.

New York, NY 10019

Telephone: (212) 468-8000

Facsimile: (212) 468-7900

*Proposed Counsel for the Official Committee of  
Unsecured Creditors*