

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

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In re:

WINDSTREAM HOLDINGS, INC., *et al.*,<sup>1</sup>

Debtors.

)  
) Chapter 11  
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) Case No. 19-22312 (RDD)  
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) (Jointly Administered)  
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) **Re: Docket No. 405**  
)  

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**ORDER APPROVING THE DEBTORS' KEY EMPLOYEE INCENTIVE PROGRAM**

Upon the motion (the "Motion")<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order"), approving the key employee incentive program set forth therein (as modified by the Debtors as described in their reply to the objection of the United States Trustee to the Motion, the "KEIP"); and upon the accompanying Georgeson declaration and Smith declaration; and there being due and sufficient notice of the Motion, and no additional notice being required; and upon the objection to the Motion filed by the United States Trustee for Region 2, the Debtors' reply thereto, including the supplemental Smith declaration, and the statement filed in connection with the Motion by the Official Unsecured Creditors' Committee; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157(a)-(b) and 1334(b) and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated February 1, 2012; and this Court having

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<sup>1</sup> The last four digits of Debtor Windstream Holdings, Inc.'s tax identification number are 7717. Due to the large number of Debtors 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' 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.

<sup>2</sup> Capitalized terms used in this Order not defined have the meanings given to them in the Motion.



found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) that this Court may decide by a final order consistent with Article III of the United States Constitution; and this Court having found that venue of the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and upon the record of the evidentiary hearing held by the Court on the Motion on May 14, 2019; and, after due deliberation and for the reasons stated by the Court in its bench ruling at the hearing, the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish sufficient cause for the relief granted herein, in that such relief is appropriate under 11 U.S.C. § 503(c) and is in the best interests of the Debtors' estates, their creditors, and other parties in interest; now, therefore, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The Debtors' KEIP is hereby approved, including with the following modifications:  
(a) the maximum KEIP payments based on the adjusted OIBDAR performance metric (*i.e.*, payments for achieving adjusted OIBDAR of ten percent above target or higher) will be set at 175 percent of the target payment (reduced from 200 percent of the target payment); and (b) 50 percent of all payments earned by each participant for each quarterly performance period will be deferred until the earlier of (i) the Debtors' emergence from chapter 11 and (ii) March 1, 2020.
3. The deferred payment described in paragraph 2(a) shall be paid to the applicable recipient only if such recipient is employed by the Debtors on the payment date unless such recipient is terminated prior to the payment date (i) due to death or disability, (ii) by the Debtors without cause (as defined in the underlying KEIP documents), or (iii) by such recipient for good reason (as defined in the underlying KEIP documents) (in which case the deferred payment shall be paid as set forth in paragraph 2(a)).

4. The Debtors are authorized to take all actions necessary to implement the KEIP on the terms and conditions set forth in the Motion, including making any payments that become due pursuant to the terms of the KEIP.

5. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

6. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

7. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: White Plains, New York  
May 15, 2019

/s/ Robert D. Drain

THE HONORABLE ROBERT D. DRAIN  
UNITED STATES BANKRUPTCY JUDGE