

# Severance Pay Plan

## Summary Plan Description



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# WINDSTREAM SEVERANCE PAY PLAN AT A GLANCE

<b>BENEFIT</b>	You will be eligible for a severance benefit if your employment with Windstream terminates for certain specified reasons.
<b>ELIGIBILITY</b>	Generally, all full-time or regular part-time employees scheduled to work at least 20 hours per week. Exclusions apply.
<b>ENROLLMENT</b>	All eligible employees are automatically enrolled.
<b>COSTS</b>	Windstream pays for all costs of the Plan.
<b>LIMITATIONS</b>	Severance pay will only be paid if your termination of employment is a "qualified termination of employment" and you execute and do not revoke a Waiver and General Release Agreement.

**This Summary Plan Description is for informational purposes and is not legally binding. This Summary Plan Description does not contain all of the technical details and legal expressions contained in the formal Plan documents. Any discrepancies between this Summary Plan Description and the formal Plan documents will be resolved in favor of the formal Plan documents. The Plan Administrator shall have the sole discretionary power and authority to interpret the provisions of the Plan and to make factual determinations in deciding whether an applicant is entitled to benefits under the Plan. In the event of any misstatement of any fact(s) affecting coverage under the Plan, the Plan shall be used to determine the proper coverage. Coverage means eligibility as well as the amount of any benefit thereunder.**

# **WINDSTREAM SEVERANCE PAY PLAN SUMMARY PLAN DESCRIPTION**

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This Summary Plan Description ("SPD") provides a summary of the Windstream Severance Pay Plan (the "Plan") as in effect on January 1, 2018.

Generally, this SPD applies to you if you are actively employed on or after January 1, 2018. If your employment terminated before January 1, 2018, some provisions described in this SPD may not apply to you.

This SPD has been prepared specifically for non-bargaining employees of Windstream Services, LLC and its participating subsidiaries ("Windstream"). Separate SPDs may be prepared for other Windstream employees.

The SPD summarizes the most important features of the Plan. Please note that any summary of the Plan is subject to the actual terms of the Plan as set forth in the executed documents. The Plan document is available for your inspection through the Plan Administrator.

## **ELIGIBILITY**

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All regular full-time or part-time employees of Windstream are eligible to participate in the Plan.

Regular employees are those whose employment is considered indefinite as to the future. Part-time employees are those who are usually scheduled to work 20 or more (but fewer than 40) hours per week.

Participants and beneficiaries may receive from the Plan Administrator, upon written request, a complete list of employers participating in the Plan, information as to whether a particular subsidiary is a participating employer of the Plan and, if the subsidiary is a participating employer, the subsidiary's address.

Employees of other organizations (including leased employees) are not eligible to participate in the Plan. Also, employees who are eligible for payment under another severance pay plan or practice (including those of a predecessor employer and the Windstream Concord Severance Pay Plan) are not eligible to participate in the Plan. Anyone who becomes a full-time or regular part-time Windstream employee as a result of a merger, acquisition, or similar transaction shall not be eligible to participate until 90 days after the transaction.

## **YEAR OF SERVICE**

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A Year of Service means a complete 12-month period of employment from your most recent date of hire with Windstream.

If your employment with Windstream terminates and you are reemployed within 12 months, your Years of Service will be based on your original hire date. If your employment with Windstream terminates and you are reemployed after 12 months and before 60 months, your rehire date will be adjusted to take into account your prior employment with Windstream.

If you were an employee of Alltel or related entity immediately prior to the spin-off of Windstream and you became an employee of Windstream on July 17, 2006, your hire date is adjusted to reflect your prior Alltel employment.

If you were an employee of Valor or related entity immediately prior to the merger to form Windstream and you became an employee of Windstream on July 17, 2006, your hire date is adjusted to reflect your prior Valor employment.

## **ENROLLMENT**

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All eligible employees are automatically enrolled.

## **COSTS**

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All costs are borne entirely by Windstream.

## **QUALIFYING TERMINATION OF EMPLOYMENT**

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You will receive a severance benefit only in the event of a Qualified Termination of Employment ("QTE"). A QTE means involuntary, permanent (no reemployment expected), without cause termination of employment of an eligible employee for reasons not related to performance.

No QTE occurs in the following circumstances:

- your employment transfers to Windstream or related entity;
- you either transfer to a successor company or related entity in connection with a purchase of all or part of the stock or assets of Windstream or related entity by the successor company or are hired within 30 days of the purchase by the successor company;
- you are offered other similar employment in a location with Windstream or related entity that is no more than 35 miles from the location of your present employment;
- you cannot return to work due to a medically documented disabling event;
- you are released to return to work following a leave of absence and your position has been filled during your leave of absence;
- you do not return to work from a leave of absence, even when your position has been eliminated; or
- you are involuntarily terminated for cause, including violation of rules, misconduct, job abandonment, excessive absenteeism, or falsification of documents.

## **BENEFIT**

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You will receive a severance benefit only in the event of a qualified termination of employment (QTE), as defined above.

In general, the severance benefit is equal to your regular straight time weekly pay (paid for the last full week prior to your QTE), multiplied by two, then multiplied by the lesser of your Years of Service or six.

**Less than Two Years of Service:**

If you have not yet completed two Years of Service, you are entitled to your regular straight time weekly pay (paid for the last full week prior to your QTE), multiplied by four.

**Staff Manager or Above:**

If you are a Staff Manager or above you will receive your regular straight time weekly pay (paid for the last full week prior to your QTE), multiplied by 12.

Example:

<b>Years of Service / Position</b>	<b>Weeks of Pay</b>
Less than 1	4
1	4
2	4
3	6
4	8
5	10
6 +	12
Staff Manager or Above	12

In order to receive a severance benefit, you must sign and not revoke a Waiver and General Release Agreement (“Release”) in the form designated by Windstream.

The severance benefit will be paid to you in a lump sum equal to the number of weeks of pay represented by the severance benefit. The severance benefit shall be paid as soon as administratively practicable following the QTE, conditioned on the Release being signed and becoming effective.

Generally, the severance benefit will be paid to you. If you die after a QTE but before receipt of severance pay, it will be paid to the person(s) designated in writing as beneficiary to your severance benefit. If none exists, the payment will be made to the beneficiary of your group life insurance or, if no beneficiary designation is on file, to your estate.

Under certain circumstances, as described below, you may be required to repay Windstream for part of your severance pay.

If Windstream determines that your QTE may be subject to the Worker Adjustment and Retraining Notification Act or other similar federal, state, or local law regarding mass separations (collectively, “WARN Act”), it will endeavor to provide at least sixty (60) days’ notice of the QTE. Windstream may excuse you from work for all or part of the 60-day WARN Act Notice Period and provide you with a payment or payments to satisfy any WARN obligations (“WARN Act Notice Period Payments”). Your severance benefit may be offset by any WARN Act Notice Period Payments you receive. If the amount of the



WARN Act Notice Period Payments you receive offsets your severance benefit to \$0, you will be offered an additional amount determined by Windstream in exchange for a signed Release.

See Appendix A for examples of how the severance benefit will be calculated in the circumstances above.

## **REPAYMENT OF BENEFIT**

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You will be required to repay Windstream for part of your severance benefit in the following circumstances:

- If you are reemployed by Windstream and received a severance benefit that was more than your Weekly Equivalent Benefit times the number of weeks between the QTE and reemployment. The Weekly Equivalent Benefit is:
  - For employees with more than two Years of Service, your severance benefit divided by the following: your Years of Service (not to exceed 6) multiplied by two.
  - For employees with less than two Years of Service, your severance benefit divided by four.
  - For Staff Managers or above, your severance benefit divided by 12.
- If you obtain employment with any other employer following a QTE. Windstream reserves the right to:
  - Discontinue any further severance benefit payment; and
  - Offset or recoup any amount actually paid to you that exceeds the product of your Weekly Equivalent Benefit and the number of weeks of severance benefit from the date of your termination with Windstream through your commencement of other employment.
- If, due to mistake or any other reason, you receive a benefit in excess of what this Plan provides, you are required to repay the overpayment to Windstream within 30 days of notice of overpayment.

If you are required to repay Windstream, Windstream may require that such repayment be in a lump sum within thirty (30) days written notice by Windstream.

## **CLAIMS PROCEDURE**

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If you believe you are entitled to receive a benefit under the Plan and did not, you must make application in writing on the form and in the manner required by the Plan Administrator.

If a claim for benefits is denied, in whole or in part, the Plan Administrator will issue a notice of the adverse benefit determination to you. The notice will be issued to you within a reasonable period of time but in no event later than 90 days from the date the claim for benefits was filed. The notice will be written in a manner to be understood by you and will include the following:

1. The specific reason or reasons for the adverse benefit determination.

2. The specific Plan provisions on which the adverse benefit determination is based.
3. A description of any further material or information which is necessary for you to perfect (complete) your claim and an explanation of why the material or information is needed.
4. An explanation of the Plan's claim review procedure and time limits applicable to the Plan's claim review procedures, including a statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act of 1974 following an adverse benefit determination on review.

You or your duly authorized representative may submit to the Plan Administrator a written request for review of an adverse benefit determination within 60 days of the receipt of the notice of adverse benefit determination. Your request must contain the following information:

1. The date on which your request was filed with the Plan Administrator (although the actual date of filing will govern the timeliness of the request).
2. The specific portions of the adverse benefit determination that you request the Plan Administrator to review.
3. A statement by you setting forth the basis upon which you believe the Plan Administrator should reverse the previous adverse benefit determination and accept your claim as made.
4. Any written material (offered as exhibits) which you desire the Plan Administrator to examine in its consideration of your position.

You or your authorized representative may (i) submit written comments, documents, records and other information relating to your claim for benefits, (ii) review pertinent documents, and (iii) upon request in the manner and form required by the Plan Administrator and free of charge, be provided reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits.

The review by the Plan Administrator will take into account all comments, documents, records and other information submitted by you relating to the claim, without regard to whether the information was part of the initial benefit determination. The Plan Administrator will provide a written decision on review not later than 60 days after receipt of your written request for review, unless special circumstances require an extension of the time for processing the appeal. If an extension is needed, you will be provided with written notice of the extension prior to the beginning of the extension. With the extension, the written notice on review will be provided no later than 120 days after receipt of the request for review of the adverse benefit determination. The decision on review will be written in a manner to be understood by you, and, in the case of an adverse benefit determination on review, will include the following information:

1. The specific reasons for the adverse benefit determination on review.
2. References to specific Plan provisions on which the decision is based.
3. A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim for benefits.
4. A statement that there is no voluntary appeal procedure offered by the Plan.
5. A statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act of 1974 following the adverse benefit determination on review.

The Plan Administrator will comply with the additional requirements in Department of Labor regulation 2560.503-1 for claims that include a determination of disability.

Any suit or legal action initiated by you must be brought no later than one (1) year following a final decision on the claim under these claim procedures. The one (1) year statute of limitations on suits for benefits shall apply in any forum where a claimant initiates such suit or legal action. If a civil action is not filed within this period, your claim will be deemed permanently waived and abandoned, and you will be precluded from reasserting it.

## **MISCELLANEOUS INFORMATION**

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### **No Employment Contract**

The purpose of this Summary Plan Description is to provide you with information about the benefits available under the Plan. The benefits described are not conditions of employment, nor is the Summary Plan Description intended to create an employment contract between you and Windstream. Nothing in this Summary Plan Description should be interpreted as a limitation on your right or Windstream's right to terminate your employment at any time, with or without cause.

### **Administration**

The Plan Administrator is responsible for the administration of the Plan and has sole discretionary authority to interpret and construe the terms of the Plan, determine your eligibility for benefits under the Plan, and resolve any disputes that arise under the Plan. Benefits under the Plan are paid only if the Plan Administrator decides in its discretion that the applicant is entitled to benefits under the Plan.

### **Reduction, Loss, Forfeiture, and Recovery**

The following circumstances may lead to your receiving less than you expected:

- A delay in filing a proper application on a timely basis.
- Amendment or termination of the Plan.

- Termination of employment other than by reason of a qualified termination of employment ("QTE").
- Termination of employment prior to the effective date of a QTE.
- Calculation errors discovered by subsequent audit.
- Transfer of employment to an ineligible position.
- Becoming a member of a collective bargaining unit where the collective bargaining agreement does not provide for participation in the Plan.
- In general, you may not assign or alienate your benefit. Your benefit may be assigned or attached in certain circumstances (*e.g.*, offsets for overpayments including imposition of an equitable lien and constructive trust).
- You are required to repay part of your benefit upon reemployment.
- Failure to keep the Plan Administrator advised of your current address so that you may receive Plan information in a timely manner.
- Offset of the severance benefit by payments you receive if you are excused from work during a WARN Act Notice Period, if applicable.
- You do not make and/or appeal claims in accordance with the Plan's strict time limits.
- The Plan is intended to satisfy the short-term deferral exception under the deferred compensation rules of Code section 409A. If the Plan is subject to Code section 409A, the Plan Administrator may impose such limitations on benefits as necessary for the Plan to comply with Code section 409A.

## **AMENDMENT AND TERMINATION OF THE PLAN**

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Windstream Services, LLC reserves the right to amend or discontinue the Plan at any time. You do not have a vested right to any severance benefits, except to the extent such benefits are in pay status. For example, if the Plan is terminated and you had not previously incurred a QTE, then upon your subsequent termination of employment, even for a qualified reason, you would not be entitled to a severance benefit. On the other hand, if you were eligible for a severance benefit at the time the Plan was terminated, you would continue to receive payment of your severance benefit according to the Plan terms.

## **STATEMENT OF ERISA RIGHTS**

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As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (ERISA). ERISA provides that all plan participants shall be entitled to the following.

### ***Receive Information About Your Plan and Benefits***

Examine, without charge, at the Plan Administrator's office, all documents governing the Plan and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, copies of the latest annual report (Form 5500 Series), and

updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

***Prudent Actions by Plan Fiduciaries***

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other participants and beneficiaries.

No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

***Enforce Your Rights***

If your claim for a benefit is denied, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file a suit in federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If it should happen that you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay court costs and legal fees. If you lose, the court may order you to pay these costs and fees (for example, if it finds your claim is frivolous).

***Assistance With Your Questions***

If you have any questions about your plan, you should contact the Plan Administrator. If you have questions about this statement or your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest area office of the Employee Benefits Security Administration, U.S. Department of Labor (listed in your telephone directory) or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, DC 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

## PLAN DATA

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**Name of Plan:** Windstream Severance Pay Plan

The Plan is part of the Windstream Comprehensive Plan of Group Insurance.

**Plan Sponsor and Agent for Service of Legal Process:**

Windstream Services, LLC  
4001 Rodney Parham Road  
Little Rock, AR 72212

Participants and beneficiaries may receive from the Plan Administrator, upon written request, a complete list of employers participating in the Plan, information as to whether a particular employer is a participating employer of the Plan, and, if the employer is a participating employer, the employer's address.

Service of legal process may also be made upon the Plan Administrator.

**Plan Information may be Obtained by Writing to:**

Windstream Benefits Department  
4001 Rodney Parham Rd.  
Mailstop 1170-B1FO2-93  
Little Rock, AR 72212

Telephone: (501) 748-7000

**Plan Administrator:**

Windstream Benefits Committee  
Windstream Services, LLC  
4001 Rodney Parham Rd.  
Mailstop 1170-B1FO2-93  
Little Rock, AR 72212

Telephone: (501) 748-7000

**Employer Identification Number:** 20-0792300

**Type of Plan:** Welfare Plan - Severance

**Plan Identification Number:** 501

**Sources of Contributions of the Plan:** The Plan is unfunded. Benefits are paid 100% from general assets of Windstream.

**Plan Year:** January 1 - December 31

## APPENDIX A - EXAMPLES

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The following are examples of how the severance benefit is calculated:

### **Example 1:**

- Employee experiences a QTE.
- Employee's regular straight time weekly pay for the last full week prior to the QTE was \$500.00.
- Employee had completed 27 Years of Service at the time of the QTE.
- The Employee's severance benefit is \$6,000.00 in this example. This is found by:
  - 1) Using the chart on page 7 to determine the weeks of pay applicable, in this case 12 weeks; and
  - 2) Multiplying the Employee's regular straight time weekly pay for the last full week prior to the QTE (\$500.00) by 12 weeks.

$$\$500.00 \times 12 \text{ weeks} = \$6,000.00$$

### **Example 2:**

- Employee experiences a QTE.
- Employee's regular straight time weekly pay for the last full week prior to the QTE was \$500.00.
- Employee had completed 5 Years of Service at the time of the QTE.
- The Employee's severance benefit is \$5,000.00 in this example. This is found by:
  - 1) Using the chart on page 7 to determine the weeks of pay applicable, in this case 10 weeks; and
  - 2) Multiplying the Employee's regular straight time weekly pay for the last full week prior to the QTE (\$500.00) by 10 weeks.

$$\$500.00 \times 10 \text{ weeks} = \$5,000.00.$$

### **Example 3:**

- Employee experiences a QTE.
- Employee's regular straight time weekly pay for the last full week prior to the QTE was \$500.00.
- Employee had completed 1 Year of Service at the time of the QTE.
- Employee's severance benefit is \$2,000.00 in this example. This is found by:
  - 1) Using the chart on page 7 to determine the weeks of applicable pay, in this case 4 weeks; and
  - 2) Multiplying the Employee's regular straight time weekly pay for the last full week prior to the QTE (\$500.00) by 4 weeks.

$$\$500.00 \times 4 \text{ weeks} = \$2,000.00$$

**Example 4:**

- Staff Manager or above employee experiences a QTE.
- Employee's regular straight time weekly pay for the last full week prior to the QTE was \$1,000.00.
- Employee had completed 5 Years of Service at the time of the QTE.
- Employee's severance benefit is \$12,000.00 in this example. This is found by:
  - 1) Using the chart on page 7 to determine the weeks of applicable pay, in this case it is 12 weeks; and
  - 2) Multiplying the Employee's regular straight time weekly pay for the last full week prior to the QTE (\$1,000.00) by 12 weeks.  
 $\$1,000 \times 12 \text{ weeks} = \$12,000.00.$

**Example 5:**

- Employee experiences a QTE.
- Employee's regular straight time weekly pay for the last full week prior to the QTE was \$1,000.00.
- Employee had completed 6 Years of Service at the time of the QTE.
- Employee's severance benefit is \$12,000.00 in this example. This is found by:
  - 1) Using the chart on page 7 to determine the weeks of applicable pay, in this case it is 12 weeks.
  - 2) Multiply the Employee's regular straight time weekly pay for the last full week prior to the QTE (\$1,000.00) by 12 weeks.  
 $\$1,000 \times 12 \text{ weeks} = \$12,000.$
- Employee's QTE triggers the WARN Act.
- Employee is excused from work during the WARN Act Notice Period and receives payments totaling \$8,800 during the WARN Act Notice Period.
- Employee's severance benefit is offset by \$8,800 for a new severance benefit of \$3,200.
- Combined WARN Act Notice Period payments and severance benefit equals \$12,000.

**Example 6:**

- Employee experiences a QTE.
- Employee's regular straight time weekly pay for the last full week prior to the QTE was \$1,000.00.
- Employee had completed 3 Years of Service at the time of the QTE.
- Employee's severance benefit is \$6,000.00 in this example. This is found by:
  - 1) Using the chart on page 7 to determine the weeks of applicable pay, in this case it is 6 weeks.



- 2) Multiply the Employee's regular straight time weekly pay for the last full week prior to the QTE (\$1,000.00) by 6 weeks.

$$\$1,000 \times 6 \text{ weeks} = \$6,000.00.$$

- Employee's QTE triggers the WARN Act.
- Employee is excused from work during the WARN Act Notice Period and receives payments totaling \$8,800 during the WARN Act Notice Period.
- Employee's severance benefit is offset by \$8,800 for a new severance benefit of \$0. Employee will be offered an additional payment determined by Windstream in exchange for signing and not revoking a Release.

**Example 7:**

- Employee experiences a QTE.
- Employee's regular straight time weekly pay for the last full week prior to the QTE was \$500.00.
- Employee had completed 5 Years of Service at the time of the QTE.
- Employee's severance benefit is \$5,000.00.
- Employee is reemployed 5 weeks later.
- Employee must repay \$2,500.00 upon re-employment. This is found by:
  - 1) Determining Employee's weekly equivalent benefit. The weekly equivalent benefit is calculated by dividing the Employee's severance benefit (\$5,000.00) by the applicable Weeks of Pay in the chart above ( $\$5,000.00 \div 10 \text{ weeks} = \$500.00$ ).
  - 2) Multiply the Employee's weekly equivalent benefit (\$500.00) by the number of weeks between the QTE and re-employment (5 weeks).  $\$500.00 \times 5 \text{ weeks} = \$2,500.00$ .
  - 3) From the total severance benefit (\$5,000.00) subtract the equivalent benefit until re-employment amount (\$2,500.00), which is \$2,500.00 in this case.