

Windstream Pension Plan

Kerrville Appendix to Summary Plan Description for
Valor Bargaining Employees – CWA 6171

July 1, 2017

This Summary Plan Description appendix does not contain all of the technical details and legal expressions contained in the Plan document. Any discrepancies between this Summary Plan Description appendix and the formal Plan document will be resolved in favor of the formal Plan document.

- THE REST OF THIS PAGE IS INTENTIONALLY BLANK -

WINDSTREAM PENSION PLAN

Table of Contents

Introduction	4
KTC Transferred Benefit Formula	5
KTC Transferred Benefit Formula	5
Credited Service	5
Final Average Compensation	5
Prior Valor Plan Formula Benefit	5
When You May Retire – KTC Transferred Benefit	5
Normal Retirement – KTC Transferred Benefit	5
Early Retirement – KTC Transferred Benefit	6
Disability Benefit – KTC Transferred Benefit	6
Late Retirement – KTC Transferred Benefit	6
How Your KTC Transferred Benefit Is Computed	6
Normal Retirement – KTC Transferred Benefit	6
Early Retirement – KTC Transferred Benefit	6
Disability Benefits – KTC Transferred Benefit	6
If You Leave Windstream Before Retirement –KTC Transferred benefit	6
Forms of KTC Transferred Benefit Payment	7
When KTC Transferred Benefit Payments Are Made	8
If You Die Before Commencement of your KTC Transferred Benefit	9
Spouse's Pre-Retirement Survivor Annuity – KTC Transferred Benefit	9
Employee Contributions – KTC Transferred Benefit	9

WINDSTREAM PENSION PLAN SUMMARY PLAN DESCRIPTION APPENDIX

This Kerrville Appendix to the Summary Plan Description (SPD) for Valor Bargaining Employees – CWA 6171 provides a summary of the employee benefits included in the Windstream Pension Plan (the “Plan”), effective as of July 1, 2017. This SPD appendix applies to you if:

- You participated in the Kerrville Telephone Company Employee’s Retirement Plan (the “KTC Plan”) on December 31, 2002 and your benefit under KTC Plan was transferred to the Valor Telecommunications Enterprises, LLC Pension Plan (the "prior Valor Plan") on November 14, 2003 (the “KTC Transferred Benefit”),
- You are an employee of Valor Telecommunications of Texas, LLC d/b/a Windstream Communications Southwest and Windstream Communications of Kerrville, LLC who is covered by the terms of a collective bargaining agreement with CWA 6171, and
- You are a participant in the Plan, into which the prior Valor Plan was merged on December 31, 2006.

Your benefit under the Plan generally will be the sum of the KTC Plan Transferred Benefit (with its corresponding rights and features) and the benefit you earned after December 31, 2002 under the prior Valor Plan formula as set forth in the Plan, which is described in the SPD for Valor Bargaining Employees – CWA 6171 (the “Valor CWA SPD”).

This Kerrville Appendix describes the KTC Transferred Benefit and special provisions relating to the prior Valor Plan for employees with a KTC Transferred Benefit. The Valor CWA SPD describes the general administrative provisions of the Plan (e.g., description of the Plan’s claims procedure, how to file claims, circumstances in which you may receive less than you expected, plan data, statement of ERISA rights, statement of PBGC guarantees and limitations, applying for a pension, breaks in service and vesting on and after January 1, 2003, and qualified domestic relations orders), which are also applicable to the Kerrville Transferred Benefit.

Generally, this SPD appendix applies to you if you are actively employed on or after July 1, 2017. If your employment terminated or if you retired before July 1, 2017, some of the provisions in this SPD appendix may not apply to you. Generally, your Plan benefit, if any, will be subject to the provisions of the Plan in effect at your termination of employment. However, the administrative information described in the Valor CWA SPD and this Kerrville Appendix will apply to your benefit. **If you have any questions regarding your specific situation, please contact a Merrill Lynch Service Representative at 1-800-228-4015.**

This SPD appendix 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 Plan documents. This SPD appendix is intended to be only an outline and does not modify the actual Plan document, which is available for your inspection through the Plan Administrator. This SPD appendix fulfills disclosure requirements of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and describes the Plan including the most recent changes.

KTC TRANSFERRED BENEFIT FORMULA



Your KTC Transferred Benefit benefit is based on several factors, including your Final Average Compensation and Credited Service.

KTC Transferred Benefit Formula

Your annual KTC Transferred Benefit under the Plan generally is based on the following formula:

1.1% x Final Average Compensation (as of December 31, 2002) x years of Credited Service (as of December 31, 2002)

Credited Service

Credited Service generally is based on the number of months through December 31, 2002 during which you were an eligible employee, divided by 12. For periods beginning prior to January 1, 1980, you did not receive credit for any period in which you did not contribute to the KTC Plan.

Final Average Compensation

Final Average Compensation generally is based on the average of your five consecutive calendar years of compensation within your most recent 10 consecutive calendar years of compensation occurring on or before December 31, 2002 that produces the highest average. If you had less than five consecutive calendar years of compensation occurring on or before December 31, 2002, your total years of compensation through December 31, 2002 are used. *Compensation* generally means your total wages or salary includable on IRS Form W-2 for federal income tax reporting purposes, plus amounts not included in your gross income on account of pre-tax contributions to a cafeteria plan or 401(k) plan.

Prior Valor Plan Formula Benefit

In addition to your KTC Transferred Benefit, you will receive the benefit you earned after December 31, 2002 under the prior Valor Plan formula. For purposes of determining your prior Valor Plan formula benefit, Accredited Service is earned only for periods on or after January 1, 2003.

Note that, for purposes of determining eligibility for early retirement or early commencement under the prior Valor Plan formula, Accredited Service includes your years of Credited Service under the KTC Plan. Also, Vesting Service for the prior Valor Plan formula includes your vesting service under the KTC Plan.

WHEN YOU MAY RETIRE – KTC TRANSFERRED BENEFIT



Normal Retirement – KTC Transferred Benefit

You may retire with a monthly Normal Retirement benefit with respect to your KTC Transferred Benefit as of the first day of the calendar month coinciding with or next following when you attain age 65. This is known as your *Normal Retirement Date*.

Early Retirement – KTC Transferred Benefit

The Plan provides you with the opportunity to retire early at any time after you attain age 60. Your Early Retirement Date is the first day of any calendar month coinciding with or following when you retire after attaining age 60.

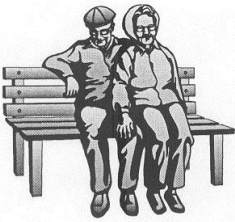
Disability Benefit – KTC Transferred Benefit

You may receive disability benefits if you begin receiving disability benefits in accordance with the federal Social Security Act and are certified as permanently and totally disabled by the employer for a reason other than as a result of military service, felonious criminal enterprise, habitual drunkenness or use of narcotics, intentional self-inflicted injury or declared or undeclared war. Disability benefits are payable until the earliest of when you are no longer eligible for or receiving disability benefits under the Social Security Act or attain your Normal Retirement Date or commence your KTC Transferred Benefit.

Late Retirement – KTC Transferred Benefit

You may choose to continue working past your Normal Retirement Date. Your benefit will be actuarial adjusted for your Late Retirement.

HOW YOUR KTC TRANSFERRED BENEFIT IS COMPUTED



Normal Retirement – KTC Transferred Benefit

Normal Retirement benefits are calculated using the KTC Transferred Benefit formula. The benefit amount under the formula is not necessarily the benefit payment you will receive. It is your benefit amount before adjustment to reflect the form of payment you choose to receive.

Example: Participant is age 65 with 15 years of Credited Service and Final Average Compensation of \$30,000 as of December 31, 2002.

$1.1\% \times 15 \times \$30,000 = \$4,950$ per year. Your monthly ten-year certain and life annuity KTC Transferred Benefit is \$412.50.

Early Retirement – KTC Transferred Benefit

If you retire early, you can start your pension on the first day of any month on or following your attaining age 60 (*i.e.*, your Early Retirement Date). Your benefit will be calculated in the same manner as a Normal Retirement benefit, but will be actuarially adjusted for commencement before your Normal Retirement Date.

Disability Benefits – KTC Transferred Benefit

Your disability benefit will be calculated in the same manner as a Normal Retirement benefit, but will be actuarially adjusted for the commencement before your Normal Retirement Date.

IF YOU LEAVE WINDSTREAM BEFORE RETIREMENT – KTC TRANSFERRED BENEFIT

You will become vested in the KTC Transferred Benefit when you have completed five years of Vesting Service. Your Vesting Service includes vesting service earned after December 31, 2002 under the prior Valor Plan formula. See the Valor CWA SPD for more information on Vesting Service.

Once you are vested, even though your employment may then end for reasons other than retirement, disability, or death, you will have a permanent right to your KTC Transferred Benefit. This benefit is known as your *KTC Deferred Vested Benefit*.

Your KTC Deferred Vested Benefit will be calculated in the same manner as a Normal Retirement benefit, but will be actuarially adjusted for commencement before your Normal Retirement Date. You may commence your KTC Deferred Vested Benefit as of the first day of any month on or following your attaining age 60.

FORMS OF KTC TRANSFERRED BENEFIT PAYMENT

Normal Form of Payment

Unless you elect in writing to receive your KTC Transferred Benefit in another form, your benefit will be paid according to your marital status at the time your benefit payments begin, as follows:

- *Participants Who Are Not Married*
If you are not married, the normal form of payment for your KTC Transferred Benefit is a Ten-Year Certain and Life Annuity. The Ten-Year Certain and Life Annuity provides monthly payments to you for your life. If you die before receiving 120 monthly payments, the remainder of the 120 monthly payments will be made to your beneficiary.
- *Married Participants*
If you are married, the normal form of payment is a Qualified Joint and 50% Survivor Annuity, with your spouse as the designated beneficiary.

The Qualified Joint and 50% Survivor Annuity provides actuarially reduced monthly payments to you for your life, and, following your death, 50% of your monthly benefit will be paid to your spouse for his or her lifetime. The amount your monthly payments are reduced is based on your age and your spouse's age when benefits commence. If your payments have begun and your spouse dies, your payments continue in the same amount and no additional benefits are paid after your death.

Optional Forms of Payment

Depending upon your personal needs, you may elect to receive your KTC Transferred Benefit in another form of payment. If you are married and choose a form of payment that provides your spouse with a benefit that is less than under the Qualified Joint and 50% Survivor Annuity, your spouse must consent in writing to the election and the consent must be witnessed by a notary. The optional forms of payment for the KTC Transferred Benefit are the following:

- Single Life Annuity
- Joint and Survivor Annuity
- Social Security Adjustment Option
- Ten-Year Certain and Life Annuity
- Lump Sum Payment (if you participated in the KTC Plan on November 14, 2003 and were an active employee of Kerrville Telephone Company on November 14, 2003)

Single Life Annuity

The Single Life Annuity provides monthly payments to you for your life. No additional benefits are paid after your death.

Joint and Survivor Annuity

The Joint and Survivor Annuity provides actuarially reduced monthly payments to you for your life, and, following your death, a designated percentage of your monthly benefit will be

paid to your designated beneficiary for his or her lifetime. IRS rules may restrict the percentage that may be designated. The amount your monthly payments are reduced is based on the percentage designated, your age and your designated beneficiary's age when benefits commence. If your payments have begun and your designated beneficiary dies, your payments continue in the same amount and no additional benefits are paid after your death.

Social Security Adjustment Option

The Social Security Adjustment Option coordinates with your eligibility for Social Security benefits so that your combined KTC Transferred Benefit and Social Security benefit will remain about the same throughout your retirement. Your monthly payment will be increased prior to your Social Security Date (*i.e.*, the date you specify that your Social Security benefits are anticipated to commence) and decreased after your Social Security Date so that the difference between the two pension amounts will be equal to the Plan's estimate of your Social Security benefits at your Social Security Date.

Ten-Year Certain and Life Annuity Option

The Ten-Year Certain and Life Annuity provides monthly payments to you for your life. If you die before receiving 120 monthly payments, the remainder of the 120 monthly payments will be made to your beneficiary.

Lump Sum Payment (if you participated in the KTC Plan on November 14, 2003 and were an active employee of Kerrville Telephone Company on November 14, 2003)

The Lump Sum Payment allows you to receive your entire KTC Transferred Benefit under the Plan in one lump sum payment. No additional benefits are paid other than the lump sum payment. The amount of the lump sum is calculated at the time of distribution using interest rate and life expectancy assumptions. A change in the interest rate that is used for converting your annual pension to a lump sum to a higher rate will result in a smaller lump sum amount, and a change in the interest rate that is used for conversion of the annual pension to a lump sum to a lower interest rate will result in a larger lump sum amount.

The IRS has proposed changing the IRS life expectancy assumptions in 2018 to a table with longer life expectancies, which change, if made, generally would produce a larger lump sum amount.

Once your pension has commenced in a form of payment, your choice of the form of payment cannot be changed.

WHEN KTC TRANSFERRED BENEFIT PAYMENTS ARE MADE



You generally have the right to defer commencement of your KTC Transferred benefit until the April 1st following the year in which you attain age 70½ (or, if later, the year in which your employment terminates).

If your total benefit (*e.g.*, your KTC Transferred Benefit plus your prior Valor Plan benefit) under the Plan has an actuarial present value of \$5,000 or less, the benefit will be "cashed out" by paying its value in a single sum. You may make an election between a cash payment or a direct rollover of your lump sum payment. Other payment options are not available.

If the value of your benefit is more than \$1,000 (but \$5,000 or less) and you do not make an election between a cash payment or direct rollover of your lump sum payment, an automatic direct rollover of your lump sum payment will be made to an IRA. The IRA will be invested

in an investment product designed to preserve principal and provide a reasonable rate of return and liquidity. You will be responsible for fees and expenses of the IRA. For further information regarding the Plan's automatic rollover provisions, IRA provider, and fees and expenses of the IRA, call a Merrill Lynch Service Representative at 1-800-228-4015.

If the present value of the Spouse's Pension is \$5,000 or less, the benefit will be paid in a single sum.

If your benefit is cashed-out in a single sum and you are subsequently reemployed by Windstream, you will be considered a new employee for purposes of benefit accrual under the Plan.

IF YOU DIE BEFORE COMMENCEMENT OF YOUR KTC TRANSFERRED BENEFIT

If you have commenced receiving your KTC Transferred Benefit, this section does not apply to you. The provisions governing your form of payment dictate if any benefit is payable upon your death.

If you die before you commence your KTC Transferred Benefit, no benefit is payable upon your death in the following situations:

- If you are not vested in your benefit, no benefit is payable upon your death other than the death benefit attributable to your Employee Contributions, if any. You are vested in your benefit if you have completed at least five years of vesting service or if you attain age 60 while employed.
- If you are not married when you die or die before you have been married for 12 months, no benefit generally is payable upon your death other than the death benefit attributable to your Employee Contributions, if any.

Spouse's Pre-Retirement Survivor Annuity – KTC Transferred Benefit

A Spouse's Pre-Retirement Survivor Annuity is payable only if you (i) are vested under the Plan, (ii) have been married for at least 12 months at your death, and (iii) have not commenced your pension.

The Spouse's Pre-Retirement Survivor Annuity is equal to the annual amount payable to your spouse under the Qualified Joint and 50% Survivor Annuity if you had (i) terminated employment on the date of your death (or, if earlier, your actual date of employment termination), (ii) elected to commence your KTC Transferred Benefit at the earliest date permitted by the Plan, and (iii) then died.

Your spouse may delay commencement the Spouse's Pre-Retirement Survivor Annuity and may elect to receive a "Social Security adjustment option" in lieu of the life annuity.

EMPLOYEE CONTRIBUTIONS – KTC TRANSFERRED BENEFIT

Prior to January 1, 1980, participants were required to contribute to the Plan. Before October 1, 1976, the Employee Contributions were used to purchase annuity contracts to provide benefits from the Plan. Your KTC Transferred Benefit will be no less than the amount payable under such annuity contracts.

If you die before the aggregate payments made to you and/or your spouse or beneficiary exceeds your accumulated Employee Contributions with interest, a single sum death benefit is generally payable equal to the excess. In certain circumstances, if the aggregate payments made to you and/or your spouse or beneficiary exceeds the greater of the accumulated Employee Contributions with interest or the “guaranteed return”, an installment death benefit is generally payable equal to the excess. Please contact the Plan administrator for more information.

NOTES