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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

☐ **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 1-8519

CINCINNATI BELL INC.

Ohio
(State of Incorporation)

31-1056105
(I.R.S. Employer Identification No.)

221 East Fourth Street, Cincinnati, Ohio 45202
(Address of principal executive offices) (Zip Code)

(513) 397-9900
(Registrant's telephone number, including area code)

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

Title of each class	Name of each exchange on which registered
Common Shares (par value \$0.01 per share)	New York Stock Exchange
6 ³ / ₄ % Convertible Preferred Shares	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting common shares owned by non-affiliates of the registrant was \$1.0 billion, computed by reference to the closing sale price of the common stock on the New York Stock Exchange on June 30, 2016, the last trading day of the registrant's most recently completed second fiscal quarter. The Company has no non-voting common shares.

At January 31, 2017, there were 42,128,999 common shares outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement relating to the Company's 2017 Annual Meeting of Shareholders are incorporated by reference into Part III of this report to the extent described herein.

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This report contains trademarks, service marks and registered marks of Cincinnati Bell Inc., as indicated.

Part I**Item 1. Business****Overview and Strategy**

Cincinnati Bell Inc. and its consolidated subsidiaries ("Cincinnati Bell", "we", "our", "us" or the "Company") provides integrated communications and IT solutions that keep residential and business customers connected with each other and with the world. Through its Entertainment and Communications segment, the company provides high speed data, video, and voice solutions to consumers and businesses over an expanding fiber network and a legacy copper network. In addition, business customers across the United States rely on Cincinnati Bell Technology Solutions Inc. ("CBTS"), a wholly-owned subsidiary reported as the IT Services and Hardware segment, for the sale and service of efficient, end-to-end communications and IT systems and solutions.

Our goal is to continue the transformation of Cincinnati Bell from a legacy copper-based telecommunications company into a technology company with state of the art fiber assets servicing customers with data, video, voice and IT solutions to meet their evolving needs. To this end, leveraging our past and future investments creates a company with a healthy balance sheet, growing revenue, growing profitability and sustainable cash flows.

In an effort to achieve our objectives, we continue to focus on the following key initiatives:

- continue to expand our local fiber network
- grow our IT Services and Hardware segment
- monetize our remaining CyrusOne investment

Continue to expand our local fiber network

We invested \$230.6 million of capital in Entertainment and Communications' strategic products during 2016. Revenue from these high demand products totaled \$449.5 million, up 23% over the prior year, and more than offset the decline in our legacy products. The primary focus of our strategic investments is the expansion of our Fioptics suite of products which is designed to compete directly with the cable Multiple System Operators ("MSO") serving the Company's operating territory. In 2016 we invested \$180.3 million in Fioptics as demand for the products remains strong. Year-over-year growth is outlined in the table below:

	2016	2015	2014
Fioptics revenue (in millions):	\$254.1	\$190.8	\$142.4
Fioptics subscribers (in thousands):			
High-speed internet	197.6	153.7	113.7
Video	137.6	114.4	91.4
Voice	96.2	77.4	61.0

During the year we passed an additional 101,400 addresses with Fioptics and as of December 31, 2016, the product is available to approximately 533,400 customer locations, or 67% of Greater Cincinnati. Our goal is to pass an additional 35,000 addresses during 2017.

Included in capital for strategic products is \$50.3 million of investment in fiber and IP-based core network technology to meet increased business and carrier demand primarily within Greater Cincinnati and in contiguous markets in the Midwest region for high-bandwidth data transport products, such as metro-ethernet and VoIP. We continue to evolve and optimize network assets to support the migration of legacy products to new technology and as of December 31, 2016, the Company has:

- connected approximately 7,200 commercial addresses with fiber-based services (also referred to as a lit address) during 2016 increasing the total number of lit addresses to 15,800 (included in Fioptics addresses);
- expanded the fiber network to span more than 9,600 route miles; and

- provided cell site back-haul services to more than 70% of the 1,100 cell sites in-market, of which approximately 500 are lit with fiber.

As a result of our strategic investments, we generated year-over-year Entertainment and Communications revenue growth each year since 2013. Customer demand for faster data speed and broadband usage is accelerating. We believe our fiber investments are a long-term solution for our customers bandwidth needs.

Grow our IT Services and Hardware Segment

Cincinnati Bell continues to develop high-demand products for business customers through our investments in fiber and other success-based technology, such as unified communications and cloud services. Our ability to migrate customers from legacy copper-based products to higher speed fiber-based offerings while being innovative as the technology demands of our customers change is important to the growth of our IT Services and Hardware segment. During 2016, the IT Services and Hardware segment generated 10% strategic revenue growth on continued strong demand for cloud services. Our goal is to foster our current enterprise relationships while increasing our number of small to mid-size customers both within and outside the Cincinnati market. As a company with a long history of managing customer network and technology needs, we combine the management of the network, whether owned by Cincinnati Bell or leased from other carriers out of territory, with integrated voice and IT offerings. We supply the architecture and integration intelligence, labor and hardware, as well as any combination of these services. These projects can be established based on hourly billing rates, service-level driven agreements or utility-based usage models. Customers are attracted to our ability to combine our historic knowledge, unique assets and talented workforce.

Monetize our remaining CyrusOne investment

We completed the initial public offering ("IPO") of CyrusOne Inc. ("CyrusOne") during the first quarter of 2013. At the time of the IPO, we effectively owned 69% of CyrusOne held in the form of 1.9 million unregistered common shares of CyrusOne and 42.6 million economically equivalent partnership units in its underlying operating entity CyrusOne LP. The fair value of our ownership as of the IPO date was approximately \$943 million. Beginning in the second quarter of 2014, we have opportunistically monetized approximately 94% of our original investment for proceeds totaling \$1,189.5 million, which have primarily been used to repay debt. Our total debt as of December 31, 2012, prior to the IPO, was \$2,666.0 million compared to \$1,206.6 million as of December 31, 2016. Interest payments have decreased from \$179.5 million in 2013 to \$71.1 million in 2016.

As of December 31, 2016, we owned 2.8 million CyrusOne common shares with a fair value of \$128.0 million based on quoted market prices on that date. In determining the appropriate time to further monetize our CyrusOne investment, we will give due consideration to, among other factors, CyrusOne's stock price, market performance of other real estate investment trusts ("REITS") and overall market indicators. Subsequent to December 31, 2016 we sold approximately 2 million CyrusOne common shares for cash proceeds of approximately \$100 million.

Operations

As of December 31, 2016, the Company operated two segments: Entertainment and Communications and IT Services and Hardware. We generally classify our products and services into three distinct categories: Strategic, Legacy and Integration. The table below demonstrates how our products are categorized within the Entertainment and Communications and IT Services and Hardware segments:

Entertainment and Communications			
	Strategic	Legacy	Integration
Data	Fioptics Internet DSL (1) (> 10 meg) Ethernet Private Line MPLS (2) SONET (3) Dedicated Internet Access Wavelength Audio Conferencing	DSL (< 10 meg) DS0 (5), DS1, DS3 TDM (6)	
Voice	Fioptics Voice VoIP (4)	Traditional Voice Long Distance Switched Access Digital Trunking	
Video	Fioptics Video		
Services and Other	Wiring Projects	Advertising Directory Assistance	Maintenance Information Services Wireless Handsets and Accessories

(1) Digital Subscriber Line

(2) Multi-Protocol Label Switching

(3) Synchronous Optical Network

(4) Voice over Internet Protocol

(5) Digital Signal

(6) Time Division Multiplexing

IT Services and Hardware		
	Strategic	Integration
Professional Services	Consulting Staff Augmentation	Installation
Unified Communications	Voice Monitoring Managed IP Telephony Solutions	Maintenance
Cloud Services	Virtual Data Centers Storage Backup	
Management and Monitoring	Network Management/Monitoring Security	
Telecom & IT Hardware		Hardware Software Licenses

Entertainment and Communications

The Entertainment and Communications segment provides products and services such as high-speed internet, data transport, local voice, long distance, VoIP, video and other services. Cincinnati Bell Telephone Company LLC ("CBT"), a subsidiary of the Company, is the Incumbent Local Exchange Carrier ("ILEC") for a geography that covers a radius of approximately 25 miles around Cincinnati, Ohio, and includes parts of northern Kentucky and southeastern Indiana. CBT has operated in this territory for over 140 years. The segment also provides voice and data services beyond its ILEC territory, particularly in Dayton and Mason, Ohio, through the operations of Cincinnati Bell Extended Territories LLC ("CBET"), a competitive local exchange carrier ("CLEC") and subsidiary of CBT. The Entertainment and Communications segment provides long distance and VoIP services primarily through its Cincinnati Bell Any Distance Inc. ("CBAD") and eVolve Business Solutions LLC ("eVolve") subsidiaries. The key products and services provided by the Entertainment and Communications segment include the following:

Data

The Company's data products include high-speed internet access, data transport and interconnection services. Consumer demand for increased internet speeds is accelerating and more customers are opting for higher bandwidth solutions such as Fioptics. To address this demand, we are able to provide internet speeds of 30 megabits or more to approximately 67% of Greater Cincinnati, of which approximately 392,000 addresses are capable of receiving gigabit service.

As business customers migrate from legacy products and copper-based technology, our metro-ethernet product becomes the access method of choice due to its ability to support multiple applications on a single physical connection. The Company continues to build out fiber to multi-tenant units ("MTU's") in Greater Cincinnati to meet growing demand for these services. We are also expanding our metro-ethernet platform to deliver services across a wider geography to target business customers beyond our ILEC footprint. The Company's regional network connects Greater Cincinnati, Columbus, and Dayton, Ohio, as well as Indianapolis, Indiana; Chicago, Illinois; and Louisville, Kentucky.

Voice

Voice represents local service, including Fioptics voice lines. It also includes VoIP, long distance, digital trunking, switched access and other value-added services such as caller identification, voicemail, call waiting and call return.

The Company's voice access lines continue to decrease as our customers have increasingly employed wireless technologies in lieu of wireline voice services ("wireless substitution") or migrated to competitors.

Residential and business customers purchasing traditional long distance service can choose from a variety of long distance plans, which include unlimited long distance for a flat fee, purchase of minutes at a per-minute-of-use rate, or a fixed number of minutes for a flat fee. The Company's long distance lines and related minutes of use have continued to decline as a result of wireless substitution and the migration to VoIP technology. Our VoIP products provide access to widely disbursed communication platforms and access to our cloud based services and hosted unified communications products for customers ranging from small businesses to large enterprise customers.

Video

The Company launched Fioptics in 2009 and initially focused our fiber network investment on densely populated areas, such as apartments and condominiums. Since that time, Fioptics has been deployed over a much broader base and is now available to approximately 67% of Greater Cincinnati. As of December 31, 2016, we have 137,600 video subscribers. Our Fioptics customers enjoy access to over 400 entertainment channels including digital music, local, movie and sports programming with over 140 high-definition channels, parental controls, HD DVR and video On-Demand. In addition, we offer features that deliver high customer satisfaction including Fioptics MyTV which provides a more customized packaging of channels resulting in lower prices for our customers and a Fioptics live TV streaming application.

Services and Other

Services and other revenue consists of revenue generated from wiring projects for business customers, advertising, directory assistance, maintenance and information services.

IT Services and Hardware

The IT Services and Hardware segment provides a full range of managed IT solutions, including managed infrastructure services, telephony and IT equipment sales, and professional IT staffing services. These services and products are provided through the Company's subsidiaries in various geographic areas throughout the United States, Canada and Europe. By offering a full range of equipment and outsourced services in conjunction with the Company's fiber and copper networks, the IT Services and Hardware segment provides end-to-end IT and telecommunications infrastructure management designed to reduce cost and mitigate risk while optimizing performance for its customers.

The key products and services provided by the IT Services and Hardware segment include the following:

Professional Services

The Company's professional services offerings consist of consulting, staffing, installation and project-based engagements, including engineering and installation of voice, connectivity and IT technologies, development of application solutions and staff augmentation by highly skilled and industry-certified technical resources. Engagements can be short-term IT implementation and project-based work as well as longer term staffing and permanent placement assignments. The Company utilizes a team of experienced recruiting and hiring personnel to provide its customers with a wide range of skilled IT professionals.

Unified Communications

CBTS offers a complete portfolio of hosted solutions that include converged IP communications platforms of data, voice, video and mobility applications. We offer our customers expert management for all hardware and software components, including maintenance contracts and service level agreement ("SLA") based services. Fully hosted and managed, these voice platforms and applications can also be delivered as cloud services for a monthly utility fee.

The solutions offered include communications as a service model in a cloud environment. We provide hosted communications and solutions that deliver the efficiencies of next-generation VoIP services. Our conferencing solutions offer cloud-based audio, video, and web conferencing services accessible from any connected device. Our cloud call center application offering features speech-enabled Interactive Voice Response ("IVR"), call-back services, call analytics and surveys. The cloud call recording application features speech analytics, alerts and notification, and improved customer satisfaction and productivity. Additionally, we also manage the maintenance of a large base of local customers with traditional voice systems as well as converged VoIP systems.

Cloud Services

Virtual data center ("VDC") is a robust and scalable virtual infrastructure consisting of equipment, security, people and processes. This offering is provided in three different models: private cloud, dedicated cloud or public cloud; and provides customers with either a long-term or a short-term flexible solution that is fully managed by CBTS and monitored around the clock from our Enterprise Network Operations Center ("ENOC").

CBTS storage is a flexible, on-demand storage solution that enables businesses to eliminate capital expenditures and ongoing asset management with SLA-based services. CBTS offers Tier I, Tier II and Tier III storage to meet its customers availability, accessibility, protection, performance and capacity needs.

CBTS backup is a scalable solution that allows businesses to eliminate capital outlay and ongoing equipment management with SLA-based services and includes virtual data center, hardware, software, monitoring and support.

Management & Monitoring

CBTS provides SLA-based managed services utilizing our ENOC. The ENOC includes highly certified engineers and operation experts that proactively monitor and manage our customers' technology environments and applications. Standalone monitoring services provide customers with scheduled and automatic checks of customers' servers, routers, switches, load balancers and firewalls. We also provide customers with advance trouble shooting, repair and changes of customers' servers, routers, switches, load balancers and other network devices from our ENOC. These services can be provided to customers with CBTS provided equipment or customer-owned equipment and do not have geographical constraints. Services can be purchased individually or bundled by combining multiple products, services, and assets into a utility or service model.

Telecom and IT Hardware

The Company maintains premium resale relationships and certifications with a variety of branded technology vendors which allows it to competitively sell, architect and install a wide array of telecommunications and IT infrastructure equipment to meet the needs of its customers.

Sales and Distribution Channels

The Company's Entertainment and Communications segment utilizes a number of distribution channels to acquire customers. As of December 31, 2016, the Company operated eight retail stores in its operating territory to market and distribute our Fioptics suite of products. The Company works to locate retail stores in high traffic but affordable areas, with a distance between each store that considers optimal returns per store and customer convenience. The Company also offers fully-automated, end-to-end web-based sales of various other Company services and accessories. In addition, the Company utilizes a call center as well as a door-to-door sales force to target the sale of our consumer products to residents.

For both operating segments, we utilize a business-to-business sales force and a call center organization to reach business customers in our operating territory. Larger business customers are supported by sales account representatives that understand the customer's technology needs and recommend Company offered solutions. Smaller business customers are supported through a telemarketing sales force, customer representatives and store locations.

Suppliers and Product Supply Chain

The Company generally subjects purchases to competitive bids and selects its vendors based on price, service level, delivery terms, quality of product and terms and conditions.

Entertainment and Communication's primary purchases are for network equipment, software, and fiber cable to maintain and support the growth of Fioptics. The Company maintains facilities and operations for storing cable and other equipment, product distribution and customer fulfillment.

IT Services and Hardware primarily purchases IT and telephony equipment that is either sold to a customer or used to provide service to the customer. The Company is a certified distributor of Cisco, EMC, Avaya and Oracle equipment. Most of this equipment is shipped directly to the customer from vendor locations, but the Company does maintain warehouse facilities for replacement parts and equipment testing and staging.

In addition, we have long-term commitments to outsource various services, such as certain information technology functions, cash remittance and accounts payable functions, call center operations and maintenance services.

Competition

The telecommunications industry is very competitive, and the Company competes against larger, well-capitalized national providers.

The Entertainment and Communications segment faces competition from other local exchange carriers, wireless service providers, inter-exchange carriers, as well as cable, broadband, and internet service providers. The Company has lost, and will likely continue to lose, access lines as a part of its customer base utilizes the services of competitive wireline or wireless providers in lieu of the Company's services. Wireless providers, particularly those that provide unlimited wireless service plans with no additional fees for long distance, offer customers a substitution service for the Company's local voice and long-distance services. The Company believes wireless substitution is the reason for the largest portion of the Company's access line and long-distance line losses.

Our strategic products also face intense competition from cable operators, other telecom companies and niche fiber companies. Many of our competitors have lower operating costs and access to resources that provide economies of scale allowing them to more aggressively price products which they are able to provide on a much broader scale given their expanded geographic operations. Our competitors continuously upgrade their service quality and offerings which could substantially erode the competitive advantage we currently have with our fiber-based products. These competitive factors could limit the Company's ability to grow revenue and cash flows despite the strategic initiatives implemented.

The Fioptics suite of products also face competition from a number of different sources, including companies that deliver movies, television shows and other video programming over broadband Internet connections. Increasingly, content owners are utilizing Internet-based delivery of content directly to consumers, some without charging a fee for access to the content. Furthermore, due to consumer electronics innovations, consumers are able to watch such Internet-delivered content on television sets and mobile devices. Increased customer migration to these non-traditional entertainment products could result in increased Fioptics churn and decreased penetration.

The IT Services and Hardware segment competes against numerous other information technology consulting, web-hosting, and computer system integration companies, many of which are larger in scope and well-financed. The Company believes that participants in this market must grow rapidly and achieve significant scale to compete effectively. Other competitors may consolidate with larger companies or acquire software application vendors or technology providers, enabling them to more effectively compete. This consolidation could affect prices and other competitive factors in ways that could impede the ability of these businesses to compete successfully in the market.

Customers

The following table demonstrates how the Company's revenue portfolio has changed over the past three years.

<u>Percentage of revenue</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2016 vs 2015 Change</u>	<u>2015 vs 2014 Change</u>
Strategic	54%	46%	38%	8 pts	8 pts
Legacy	26%	31%	35%	(5)	(4)
Integration	20%	23%	27%	(3)	(4)
Total	100%	100%	100%		

<u>Percentage of revenue</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2016 vs 2015 Change</u>	<u>2015 vs 2014 Change</u>
Consumer	32%	29%	27%	3 pts	2 pts
Business	59%	61%	62%	(2)	(1)
Carrier	9%	10%	11%	(1)	(1)
Total	100%	100%	100%		

The Company has sales with one customer, General Electric Company ("GE"), that contributed to 12% of the Company's annual revenue in each of 2016 and 2015.

Employees

At December 31, 2016, the Company had approximately 3,400 employees and approximately 30% of its employees are covered under a collective bargaining agreement with the Communications Workers of America ("CWA"), which is affiliated with the AFL-CIO. The current contract with the CWA was ratified on February 27, 2015 and is in effect through May 12, 2018.

Website Access and Other Information

The Company was incorporated under the laws of Ohio in 1983 with its headquarters at 221 East Fourth Street, Cincinnati, Ohio 45202 (telephone number (513) 397-9900 and website address <http://www.cincinnati-bell.com>). The Company files annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC") under the Exchange Act of 1934 (the "Exchange Act"). These reports and other information filed by the Company may be read and copied at the Public Reference Room of the SEC, 100 F Street N.E., Washington D.C., 20549. Information about the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains an internet site that contains reports, proxy statements, and other information about issuers, like the Company, which file electronically with the SEC. The address of that site is <http://www.sec.gov>. The Company makes available its reports on Form 10-K, 10-Q, and 8-K (as well as all amendments to these reports), proxy statements and other information, free of charge, at the Investor Relations section of its website.

Executive Officers

Refer to Part III, Item 10. "Directors, Executive Officers and Corporate Governance" of this Annual Report on Form 10-K for information regarding executive officers of the registrant.

Business Segment Information

The amounts of revenue, intersegment revenue, operating income, expenditures for long-lived assets, and depreciation and amortization attributable to each of the Company's business segments for the years ended December 31, 2016, 2015, and 2014, and assets as of December 31, 2016 and 2015 are set forth in Note 14 to the consolidated financial statements.

Item 1A. Risk Factors

In addition to the other information contained in this Form 10-K, the following risk factors should be considered carefully in evaluating us. Our business, financial condition, liquidity or results of operations could be materially affected by any of these risks.

Risk Factors Related to our Business and Operations

The Company operates in highly competitive industries, and customers may not continue to purchase products or services, which would result in reduced revenue and loss of market share.

The telecommunications industry is very competitive and the Company competes against larger, well-capitalized national providers. Competitors may reduce pricing, create new bundled offerings, or develop new technologies, products or services. If the Company cannot continue to offer reliable, competitively priced, value-added services, or if the Company does not keep pace with technological advances, competitive forces could adversely affect it through a loss of market share or a decrease in revenue and profit margins. The Company has lost, and will likely continue to lose, access lines as a part of its customer base utilizes the services of competitors.

The Entertainment and Communications segment faces competition from other local exchange carriers, wireless service providers, inter-exchange carriers, and cable, broadband and internet service providers. Wireless providers, particularly those that provide unlimited wireless voice and data plans with no additional fees for long distance, offer customers a substitution for the Company's services. The Company believes wireless substitution accounts for the largest portion of its access line losses. Also, cable competitors that have existing service relationships with CBT's customers also offer substitution services, such as VoIP and long distance voice services in the Company's operating areas. Partially as a result of wireless substitution and increased competition, CBT's legacy voice lines decreased by 15% and long distance subscribers decreased by 7% in 2016 compared to 2015.

Our strategic products also face intense competition from cable operators, other telecom companies and niche fiber companies. Many of our competitors have lower operating costs and access to resources that provide economies of scale allowing them to more aggressively price products, which they are able to provide on a much broader scale given their expanded geographic operations. Our competitors are expected to continuously upgrade their service quality and offerings, which could substantially erode the competitive advantage we currently have with our fiber-based products. These competitive factors could limit the Company's ability to grow revenue and cash flows despite the strategic initiatives implemented.

The Fioptics suite of products also faces competition from a number of different sources, including companies that deliver movies, television shows and other video programming over broadband Internet connections. Increasingly, content owners are utilizing Internet-based delivery of content directly to consumers, some without charging a fee for access to the content. Furthermore, due to consumer electronics innovations, consumers are able to watch such Internet-delivered content on television sets and mobile devices. Increased customer migration to these non-traditional entertainment products could result in increased Fioptics churn and decreased penetration. If the Company is unable to effectively implement strategies to attract and retain Fioptics video and high-speed internet subscribers, retain access lines and long distance subscribers, or replace such customers with other sources of revenue, the Company's Entertainment and Communications business will be adversely affected.

The IT Services and Hardware segment competes against numerous other information technology consulting, web-hosting, and computer system integration companies, many of which are large in scope and well-financed. This market is rapidly evolving and highly competitive. Other competitors may consolidate with larger companies or acquire software application vendors or technology providers, which may provide competitive advantages. The Company believes that many of the participants in this market must grow rapidly and achieve significant scale to compete effectively. This consolidation could affect prices and other competitive factors in ways that could impede our ability to compete successfully in the market.

The competitive forces described above could have a material adverse impact on the Company's business, financial condition, results of operations and cash flows.

The Company may be unable to grow our revenues and cash flows despite the initiatives we have implemented.

We must produce adequate revenues and cash flows that, when combined with cash on hand and funds available under our revolving credit facilities, will be sufficient to service our debt, fund our capital expenditures, pay our taxes, fund our pension and other employee benefit obligations and pay preferred dividends pursuant to our dividend policy. We have identified some potential areas of opportunity and implemented several growth initiatives, including increasing marketing promotions and related expenditures and launching new products and services with a focus on areas that are growing such as Fioptics, other fiber-based service offerings and IT solutions. We cannot be assured that these opportunities will be successful or that these initiatives will improve our financial position or our results of operations.

Failure to anticipate the need for and introduce new products and services or to compete with new technologies may compromise the Company's success in the telecommunications industry.

The Company's success depends, in part, on being able to anticipate the needs of current and future business, carrier and residential customers. The Company seeks to meet these needs through new product introductions, service quality and technological improvements. New products and services are important to the Company's success because its industry is technologically driven, such that new technologies can offer alternatives to the Company's existing services. The development of new technologies and products could accelerate the Company's loss of access lines or limit the growth from its strategic products, which would have a material adverse effect on the Company's revenue, results of operations, financial condition and cash flows.

The Company's access lines, which generate a significant portion of its cash flows and profits, are decreasing in number. If the Company continues to experience access line losses similar to the past several years, its revenues, earnings and cash flows from operations may be adversely impacted.

The Company generates a substantial portion of its revenues by delivering voice and data services over access lines. The Company's local telecommunications subsidiary, CBT, has experienced substantial access line losses over the past several years due to a number of factors, including wireless and broadband substitution and increased competition. The Company expects access line losses to continue into the foreseeable future. Failure to retain access lines without replacing such losses with an alternative source of revenue would adversely impact the Company's revenues, earnings and cash flow from operations.

Some of our strategic products generate lower profit margins than our traditional services, and some can be expected to experience slowing growth as increasing numbers of our existing or potential customers subscribe to these newer products. Moreover, we cannot provide assurance that the revenues generated from our new offerings will offset revenue losses from the reduced sales of our legacy products or that our new strategic offerings will be as successful as anticipated.

The Company's failure to meet performance standards under its agreements could result in customers terminating their relationships with the Company or customers being entitled to receive financial compensation, which would lead to reduced revenues and/or increased costs.

The Company's agreements with its customers contain various requirements regarding performance and levels of service. If the Company fails to provide the levels of service or performance required by its agreements, customers may be able to receive service credits to their accounts and other financial compensation, and also may be able to terminate their relationship with the Company. In order to provide these levels of services, the Company is required to protect against human error, natural disasters, equipment failure, power failure, sabotage and vandalism, and have disaster recovery plans available for disruption of services. The failure to address these or other events may result in a disruption of services. In addition, any inability to meet service level commitments or other performance standards could reduce the confidence of customers and could consequently impair the Company's ability to attract and retain customers, which could adversely affect the Company's ability to generate revenues and operating results.

The Company generates a substantial portion of its revenue by serving a limited geographic area.

The Company generates a substantial portion of its revenue by serving customers in Greater Cincinnati and Dayton, Ohio. An economic downturn or natural disaster occurring in this limited operating territory would have a disproportionate effect on the Company's business, financial condition, results of operations and cash flows compared to similar companies of a national scope and similar companies operating in different geographic areas.

A large customer accounts for a significant portion of the Company's revenues and accounts receivable. The loss or significant reduction in business from this customer would cause operating revenues to decline and could negatively impact profitability and cash flows.

As of December 31, 2016 and 2015, the Company had receivables from GE that account for 21% and 22% of the outstanding accounts receivable balance, respectively. GE contributed 12% to consolidated revenue for each of the years ended 2016 and 2015, respectively, and 14% for the year end 2014. As a result of this concentration, the Company's results of operations and financial condition could be materially affected if the Company lost this customer or if services purchased were significantly reduced. If GE were to default on its accounts receivable obligations, the Company would be exposed to potentially significant losses in excess of the provisions established. This would also negatively impact the available borrowing capacity under the accounts receivable securitization facility ("Receivables Facility").

Maintaining the Company's telecommunications networks requires significant capital expenditures, and its inability or failure to maintain its telecommunications networks could have a material impact on its market share and ability to generate revenue.

Over the past several years, the Company has improved its wireline network through increased capital expenditures for fiber optic cable in areas of its operating network. The Company intends to continue its capital expenditures for fiber optic cable through 2017.

In order to provide appropriate levels of service to the Company's customers, the network infrastructure must be protected against damage from human error, natural disasters, unexpected equipment failure, power loss or telecommunications failures, terrorism, sabotage or other intentional acts of vandalism. The Company's networks may not address all of the problems that may be encountered in the event of a disaster or other unanticipated problems, which may result in disruption of service to customers.

The Company may also incur significant additional capital expenditures as a result of unanticipated developments, regulatory changes and other events that impact the business.

Increases in broadband usage may cause network capacity limitations, resulting in service disruptions or reduced capacity for customers.

Video streaming services and peer-to-peer file sharing applications use significantly more bandwidth than traditional Internet activity such as web browsing and email. As utilization rates and availability of these services continue to grow, our high-speed Internet customers may use much more bandwidth than in the past. If this occurs, we could be required to make significant capital expenditures to increase network capacity in order to avoid service disruptions or reduced capacity for customers.

We may not be able to recover the costs of the necessary network investments. This could result in an adverse impact to our results of operations and financial condition.

We may be liable for the material that content providers distribute over our networks.

The law relating to the liability of private network operators for information carried on, stored or disseminated through their networks is still unsettled. As such, we could be exposed to legal claims relating to content disseminated on our networks. Claims could challenge the accuracy of materials on our network or could involve matters such as defamation, invasion of privacy or copyright infringement. If we need to take costly measures to reduce our exposure to these risks or are required to defend ourselves against such claims, our financial results would be negatively affected.

Cyber attacks or other breaches of network or other information technology security could have an adverse effect on our business.

Cyber attacks or other breaches of network or information technology security may cause equipment failures or disruptions to our operations. Our inability to operate our wireline networks as a result of such events, even for a limited period of time, may result in significant expenses and/or loss of market share to other communications providers. In addition, the potential liabilities associated with these events could exceed the insurance coverage we maintain. Cyber attacks, which include the use of malware, computer viruses and other means for disruption or unauthorized access, have increased in frequency, scope and potential harm in recent years. While, to date, we have not been subject to cyber attacks or other cyber incidents which, individually or in the aggregate, have been material to our operations or financial condition, the preventative actions we take to reduce the risk of cyber incidents and protect our information technology and networks may be insufficient to repel a major cyber attack in the future. The costs associated with a major cyber attack could include expensive incentives offered to existing customers and business partners to retain their business, increased expenditures on cyber security measures, lost revenues from business interruption, litigation and damage to our reputation. If we fail to prevent the theft of valuable information such as financial data, sensitive information about the Company and intellectual property, or if we fail to protect the privacy of customer and employee confidential data against breaches of network or information technology security, it could result in damage to our reputation, which could adversely impact customer and investor confidence. Any of these occurrences could result in a material adverse effect on our results of operations and financial condition.

Natural disasters, terrorist acts or acts of war could cause damage to our infrastructure and result in significant disruptions to our operations.

Our business operations are subject to interruption by natural disasters, power outages, terrorist attacks, other hostile acts and events beyond our control. Such events could cause significant damage to our infrastructure, resulting in degradation or disruption of service to our customers. While we maintain insurance coverage for some of these events, the potential liabilities associated with these events could exceed the insurance coverage we maintain. Our system redundancy may be ineffective or inadequate and our disaster recovery planning may not be sufficient for all eventualities. These events could also damage the infrastructure of suppliers that provide us with the equipment and services we need to operate our business and provide products to our customers. A natural disaster or other event causing significant physical damage would cause us to experience substantial losses resulting in significant recovery time and expenditures to resume operations. In addition, these occurrences could result in lost revenues from business interruption as well as damage to our reputation.

The regulation of the Company's businesses by federal and state authorities may, among other things, place the Company at a competitive disadvantage, restrict its ability to price its products and services, and threaten its operating licenses.

Several of the Company's subsidiaries are subject to regulatory oversight of varying degrees at both the state and federal levels, which may differ from the regulatory scrutiny faced by the Company's competitors. A significant portion of CBT's revenue is derived from pricing plans that are subject to regulatory review and approval. These regulated pricing plans limit the rates CBT charges for some services while the competition has typically been able to set rates for services with limited or no restriction. In the future, regulatory initiatives that would put CBT at a competitive disadvantage or mandate lower rates for its services would result in lower profitability and cash flows for the Company. In addition, different regulatory interpretations of existing regulations or guidelines may affect the Company's revenues and expenses in future periods.

At the federal level, CBT is subject to the Telecommunications Act of 1996 (the "1996 Act"), including the rules subsequently adopted by the Federal Communications Commission ("FCC") to implement the 1996 Act, which has impacted CBT's in-territory local exchange operations in the form of greater competition. At the state level, CBT conducts local exchange operations in portions of Ohio, Kentucky, and Indiana, and, consequently, is subject to regulation by the Public Utilities Commissions in those states. Various regulatory decisions or initiatives at the federal or state level may from time to time have a negative impact on CBT's ability to compete in its markets.

There are currently many regulatory actions under way and being contemplated by federal and state authorities regarding issues that could result in significant changes to the business conditions in the telecommunications industry. In addition, in connection with our Internet access offerings, we could become subject to laws and regulations as they are adopted or applied to the Internet. There is currently only limited regulation applicable to these services. As the significance of the Internet continues to grow, federal, state and local governments may pass laws and adopt rules and regulations or apply existing laws and regulations to the Internet (including Internet access services). Related matters are currently under consideration in both federal and state legislative and regulatory bodies. We cannot provide any assurances that changes in current or future regulations adopted by the FCC or state regulators, or other legislative, administrative, or judicial initiatives relating to the telecommunications industry, will not have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

From time to time, different regulatory agencies conduct audits to ensure that the Company is in compliance with the respective regulations. The Company could be subject to fines and penalties if found to be out of compliance with these regulations, and these fines and penalties could be material to the Company's financial condition.

The Company depends on a number of third-party providers, and the loss of, or problems with, one or more of these providers may impede the Company's growth or cause it to lose customers.

The Company depends on third-party providers to supply products and services. For example, many of the Company's information technology and call center functions are performed by third-party providers, and network equipment is purchased from and maintained by vendors. The loss of or problems with one or more of these third-party providers may result in an adverse effect on our ability to provide products and services to our customers and on our results of operations and financial condition.

A failure of back-office information technology systems could adversely affect the Company's results of operations and financial condition.

The efficient operation of the Company's business depends on back-office information technology systems. The Company relies on back-office information technology systems to effectively manage customer billing, business data, communications, supply chain, order entry and fulfillment and other business processes. A failure of the Company's information technology systems to perform as anticipated could disrupt the Company's business and result in a failure to collect accounts receivable, transaction errors, processing inefficiencies, and the loss of sales and customers, causing the Company's reputation and results of operations to suffer. In addition, information technology systems may be vulnerable to damage or interruption from circumstances beyond the Company's control, including fire, natural disasters, systems failures, security breaches and viruses. Any such damage or interruption could have a material adverse effect on the Company's business.

If the Company fails to extend or renegotiate its collective bargaining agreements with its labor union when they expire or if its unionized employees were to engage in a strike or other work stoppage, the Company's business and operating results could be materially harmed.

The Company is a party to collective bargaining agreements with its labor union, which represents approximately 30% of its employees. No assurance can be given that the Company will be able to successfully extend or renegotiate its collective bargaining agreements in the future. If the Company fails to extend or renegotiate its collective bargaining agreements, if disputes with its union arise, or if its unionized workers engage in a strike or a work stoppage, the Company could experience a significant disruption of operations or incur higher ongoing labor costs, either of which could have a material adverse effect on the business.

The loss of any of the senior management team or attrition among key sales associates could adversely affect the Company's business, financial condition, results of operations and cash flows.

The Company's success will continue to depend, to a significant extent, on its senior management team and key sales associates. Senior management has specific knowledge relating to the Company and the industry that would be difficult to replace. The loss of key sales associates could hinder the Company's ability to continue to benefit from long-standing relationships with customers. The Company cannot provide any assurance that it will be able to retain the current senior management team or key sales associates. The loss of any of these individuals could adversely affect the Company's business, financial condition, results of operations and cash flows.

Risks Related to our Indebtedness

The Company's debt could limit its ability to fund operations, raise additional capital, and fulfill its obligations, which, in turn, would have a material adverse effect on its businesses and prospects generally.

As of December 31, 2016, the Company and its subsidiaries had outstanding indebtedness of \$1,206.6 million, on which it incurred \$75.7 million of interest expense in 2016, and had total shareowners' deficit of \$121.7 million. At December 31, 2016, the Company and its subsidiaries had \$24.2 million of borrowing availability under its Receivables Facility and had the ability to borrow up to an additional \$150.0 million under the Corporate Credit Agreement's revolving credit facility, subject to compliance with certain conditions. In addition, the Company's ability to incur additional debt from time to time is subject to the restrictions contained in its credit facilities and other debt instruments.

The Company's debt has important consequences, including the following:

- the Company is required to use a substantial portion of its cash flow from operations to pay principal and interest on its debt, thereby reducing the availability of cash flow to fund working capital, capital expenditures, strategic acquisitions, investments and alliances, and other general corporate requirements;
- there is a variable interest rate on a portion of its debt which could increase if the market interest rates increase;
- the Company's debt increases its vulnerability to adverse changes in the credit markets, which adverse changes could increase the Company's borrowing costs and limit the availability of financing;
- the Company's debt service obligations limit its flexibility to plan for, or react to, changes in its business and the industries in which it operates;
- the Company's level of debt and shareowners' deficit may restrict it from raising additional financing on satisfactory terms to fund working capital, capital expenditures, strategic acquisitions, investments and alliances, and other general corporate requirements; and
- the Company's debt instruments require the Company to comply with specified financial ratios and other restrictive covenants. Failure to comply with these covenants, if not cured or waived, could limit availability to the cash required to fund the Company's operations and general obligations and could result in the Company's dissolution, bankruptcy, liquidation or reorganization.

The Company's creditors and preferred stockholders have claims that are superior to claims of the holders of the Company's common stock. Accordingly, in the event of the Company's dissolution, bankruptcy, liquidation, or reorganization, payment is first made on the claims of creditors of the Company and its subsidiaries, then preferred stockholders, and finally, if amounts are available, to holders of the Company's common stock.

The Corporate Credit Agreement and other indebtedness impose significant restrictions on the Company.

The Company's debt instruments impose, and the terms of any future debt may impose, operating and other restrictions on the Company. These restrictions affect, and in many respects limit or prohibit, among other things, the Company's ability to:

- incur additional indebtedness;
- create liens;
- make investments;
- enter into transactions with affiliates;
- sell assets;
- guarantee indebtedness;
- declare or pay dividends or other distributions to shareholders;
- repurchase equity interests;
- redeem debt that is junior in right of payment to such indebtedness;
- enter into agreements that restrict dividends or other payments from subsidiaries;
- issue or sell capital stock of certain of its subsidiaries; and
- consolidate, merge, or transfer all or substantially all of its assets and the assets of its subsidiaries on a consolidated basis.

In addition, the Company's Corporate Credit Agreement and debt instruments include restrictive covenants that may materially limit the Company's ability to prepay debt and redeem preferred stock. The agreements governing the Corporate Credit Agreement also require the Company to achieve and maintain compliance with specified financial ratios.

The restrictions contained in the terms of the Corporate Credit Agreement and its other debt instruments could:

- limit the Company's ability to plan for or react to market conditions or meet capital needs or otherwise restrict the Company's activities or business plans; and
- adversely affect the Company's ability to finance its operations, strategic acquisitions, investments or alliances, other capital needs, or to engage in other business activities that would be in its interest.

A breach of any of the debt's restrictive covenants or the Company's inability to comply with the required financial ratios would result in a default under some or all of the debt agreements. During the occurrence and continuance of a default, lenders may elect to declare all outstanding borrowings, together with accrued interest and other fees, to be immediately due and payable. Additionally, under the Corporate Credit Agreement, the lenders may elect not to provide loans until such default is cured or waived. The Company's debt instruments also contain cross-acceleration provisions, which generally cause each instrument to be subject to early repayment of outstanding principal and related interest upon a qualifying acceleration of any other debt instrument. Failure to comply with these covenants, if not cured or waived, would limit the cash available to the Company required to fund operations and its general obligations and could result in the Company's dissolution, bankruptcy, liquidation or reorganization.

The Company depends on its Corporate Credit Agreement and Receivables Facility to provide for its short-term financing requirements in excess of amounts generated by operations, and the availability of those funds may be reduced or limited.

The Company depends on the revolving credit facilities under its Corporate Credit Agreement and its Receivables Facility to provide for short-term financing requirements in excess of amounts generated by operations. The Corporate Credit Agreement revolving credit facility has a maturity date of January 2020. The Receivables Facility has a termination date of May 2019, and is subject to renewal every 364 days, with the next renewal occurring in May 2017.

The Company's ability to borrow under its Corporate Credit Agreement is subject to the Company's compliance with covenants, including covenants requiring compliance with specified financial ratios. Failure to satisfy these covenants would constrain or prohibit its ability to borrow under these facilities.

As of December 31, 2016, the Company had no outstanding borrowings under the Corporate Credit Agreement's revolving credit facility, leaving \$150.0 million in additional borrowing availability under this facility. The \$150.0 million available under the Corporate Credit Agreement's revolving credit facility is funded by various financial institutions. If one or more of these banks is not able to fulfill its funding obligations, the Company's financial condition could be adversely affected.

As of December 31, 2016, the Company had \$89.5 million of borrowings and \$6.3 million of letters of credit that were outstanding under its Receivables Facility. At that date, the Company had a borrowing capacity under this Receivables Facility of \$120.0 million and a maximum borrowing limit of \$120.0 million. The available borrowing capacity is calculated monthly based on the amount and quality of outstanding accounts receivable and thus may be lower than the maximum borrowing limit. If the quality of the Company's accounts receivables deteriorates, this will negatively impact the available capacity under this facility. As of December 31, 2016, the Company had \$24.2 million of borrowing capacity remaining under its Receivables Facility.

The servicing of the Company's indebtedness is dependent on its ability to generate cash, which could be impacted by many factors beyond its control.

The Company's ability to generate cash is subject to general economic, financial, competitive, legislative, regulatory, and other factors, many of which are beyond its control. The Company cannot provide assurance that its business will generate sufficient cash flow from operations, that additional sources of debt financing will be available, or that future borrowings will be available under its Corporate Credit Agreement or Receivables Facility, in each case, in amounts sufficient to enable the Company to service its indebtedness or to fund other liquidity needs. If the Company cannot service its indebtedness, it will have to take actions such as reducing or delaying capital expenditures, strategic acquisitions, investments and alliances, or selling assets, including its investment in CyrusOne, restructuring or refinancing indebtedness, or seeking additional equity capital, which may adversely affect its shareholders, debt holders and customers. The Company may not be able to negotiate remedies on commercially reasonable terms, or at all. In addition, the terms of existing or future debt instruments may restrict the Company from adopting any of these alternatives. The Company's inability to generate the necessary cash flows could result in its dissolution, bankruptcy, liquidation or reorganization.

The Company depends on the receipt of dividends or other intercompany transfers from its subsidiaries and investments.

Virtually all of the Company's operations are conducted through its subsidiaries and most of the Company's debt is held at the parent company. Certain of the Company's material subsidiaries are subject to regulatory authority which may potentially limit the ability of such subsidiaries to distribute funds or assets. If any of the Company's subsidiaries were to be prohibited from paying dividends or making distributions, the Company may not be able to make the scheduled interest and principal repayments on its debt. This failure would have a material adverse effect on the Company's liquidity and the trading price of the Company's common stock, preferred stock, and debt instruments, which could result in its dissolution, bankruptcy, liquidation or reorganization.

Other Risk Factors***The Company has a significant investment in CyrusOne.***

As of December 31, 2016, we held 2.8 million shares of CyrusOne common stock valued at \$128.0 million. The value of our investment is subject to CyrusOne executing on their strategic plan and other factors beyond CyrusOne's control, such as volatility in equity markets and fluctuations in the valuation of companies perceived by investors to be comparable to CyrusOne, all of which could cause significant changes in the market price of CyrusOne's common stock. The fair value of our investment in CyrusOne may decline which may adversely affect the realization of our investment. As a result, we may be unable to monetize any or all of our investment in CyrusOne, which would therefore limit our ability to repay debt, repurchase equity interests, pursue strategic acquisitions or alliances, reduce the cash available to fund operations and our general obligations, and could result in the Company's dissolution, bankruptcy, liquidation or reorganization.

The trading price of the Company's common stock may be volatile, and the value of an investment in the Company's common stock may decline.

The market price of the Company's common stock has been volatile and could be subject to wide fluctuations in response to, among other things, the risk factors described in this report and other factors beyond the Company's control, such as volatility in equity markets and fluctuations in the valuation of companies perceived by investors to be comparable to the Company.

Equity markets have experienced price and volume fluctuations that have affected the Company's stock price and the market prices of equity securities of many other companies. These broad market and industry fluctuations, as well as general economic, political, and market conditions, may negatively affect the market price of the Company's stock.

Companies that have experienced volatility in the market price of common shares have periodically been subject to securities class action litigation. The Company may be the target of this type of litigation in the future. Securities litigation could result in substantial costs and/or damages and divert management's attention from other business concerns.

The uncertain economic environment, including uncertainty in the U.S. and world securities markets, could impact the Company's business and financial condition.

The uncertain economic environment could have an adverse effect on the Company's business and financial liquidity. The Company's primary source of cash is customer collections. If economic conditions were to worsen, some customers may cancel services or have difficulty paying their accounts receivable. These conditions would result in lower revenues and increases in the allowance for doubtful accounts, which would negatively affect the results of operations. Furthermore, the sales cycle would be further lengthened if business customers slow spending or delay decision-making on the Company's products and services, which would adversely affect revenues. If competitors lower prices as a result of economic conditions, the Company would also experience pricing pressure. If the economies of the U.S. and the world deteriorate, this could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

The Company's future cash flows could be adversely affected if it is unable to fully realize its deferred tax assets.

As of December 31, 2016, the Company had net deferred income taxes of \$64.5 million, which are primarily composed of deferred tax assets associated with U.S. federal net operating loss carryforwards of \$76.8 million and state, local and foreign net operating loss carryforwards of \$48.2 million. The Company has recorded valuation allowances against deferred tax assets related to certain state, local and foreign net operating losses and other deferred tax assets due to the uncertainty of the Company's ability to utilize the assets within the statutory expiration period. The use of the Company's deferred tax assets enables it to satisfy current and future tax liabilities without the use of the Company's cash resources. If the Company is unable for any reason to generate sufficient taxable income to fully realize its deferred tax assets, or if the use of its net operating loss carryforwards is limited by Internal Revenue Code Section 382 or similar state statute, the Company's net income, shareowners' deficit and future cash flows would be adversely affected.

Adverse changes in the value of assets or obligations associated with the Company's employee benefit plans could negatively impact shareowners' deficit and liquidity.

The Company sponsors three noncontributory defined benefit pension plans: one for eligible management employees, one for non-management employees, and one supplemental, nonqualified, unfunded plan for certain former executives. The Company also provides healthcare and group life insurance benefits for eligible retirees. The Company's Consolidated Balance Sheets indirectly reflect the value of all plan assets and benefit obligations under these plans. The accounting for employee benefit plans is complex, as is the process of calculating the benefit obligations under the plans. Adverse changes in interest rates or market conditions, among other assumptions and factors, could cause a significant increase in the Company's benefit obligations or a significant decrease of the asset values, without necessarily impacting the Company's net income. In addition, the Company's benefit obligations could increase significantly if it needs to unfavorably revise the assumptions used to calculate the obligations. These adverse changes could have a further significant negative impact on the Company's shareowners' deficit. In addition, with respect to the Company's pension plans, the Company expects to make approximately \$27 million of estimated aggregate cash contributions to its qualified pension plans for the years 2017 to 2020. Additionally, the Company's postretirement costs are adversely affected by increases in medical and prescription drug costs. Further, if there are adverse changes to plan assets or if medical and prescription drug costs increase significantly, the Company could be required to contribute additional material amounts of cash to the plans or could accelerate the timing of required payments.

Third parties may claim that the Company is infringing upon their intellectual property, and the Company could suffer significant litigation or licensing expenses or be prevented from selling products.

The Company may be unaware of intellectual property rights of others that may cover some of its technology, products or services. Any litigation growing out of third-party patents or other intellectual property claims could be costly and time-consuming and would divert the Company's management and key personnel from its business operations. The complexity of the technology involved and the uncertainty of intellectual property litigation increase these risks. Resolution of claims of intellectual property infringement might also require the Company to enter into costly license agreements. Likewise, the Company may not be able to obtain license agreements on acceptable terms. The Company also may be subject to significant damages or injunctions against the development and sale of certain of its products or services. Further, the Company often relies on licenses of third-party intellectual property for its businesses. The Company cannot ensure these licenses will be available in the future on favorable terms or at all.

Third parties may infringe upon the Company's intellectual property, and the Company may expend significant resources enforcing its rights or suffer competitive injury.

The Company's success depends in significant part on the competitive advantage it gains from its proprietary technology and other valuable intellectual property assets. The Company relies on a combination of patents, copyrights, trademarks and trade secrets protections, confidentiality provisions and licensing arrangements to establish and protect its intellectual property rights. If the Company fails to successfully enforce its intellectual property rights, its competitive position could suffer, which could harm its operating results.

The Company may also be required to spend significant resources to monitor and police its intellectual property rights. The Company may not be able to detect third-party infringements and its competitive position may be harmed before the Company does so. In addition, competitors may design around the Company's technology or develop competing technologies. Furthermore, some intellectual property rights are licensed to other companies, allowing them to compete with the Company using that intellectual property.

We could be subject to a significant amount of litigation, which could require us to pay significant damages or settlements.

Our business faces a substantial amount of litigation, including, from time to time, patent infringement lawsuits, antitrust class actions, securities class actions, wage and hour class actions, personal injury claims and lawsuits relating to our advertising, sales, billing and collection processes. We may incur significant expenses in defending these lawsuits. In addition, we may be required to pay significant awards and settlements.

The Company could incur significant costs resulting from complying with, or potential violations of, environmental, health and human safety laws.

The Company's operations are subject to laws and regulations relating to the protection of the environment, health, and human safety, including those governing the management and disposal of, and exposure to, hazardous materials and the cleanup of contamination, and the emission of radio frequencies. While the Company believes its operations are in substantial compliance with environmental, health, and human safety laws and regulations, as an owner or operator of property, and in connection with the current and historical use of hazardous materials and other operations at its sites, the Company could incur significant costs resulting from complying with or violations of such laws, the imposition of cleanup obligations and third-party suits. For instance, a number of the Company's sites formerly contained underground storage tanks for the storage of used oil and fuel for back-up generators and vehicles.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

As of December 31, 2016, we owned or maintained properties in Ohio, Kentucky and Indiana. Principal office locations are in Cincinnati, Ohio.

Our properties include copper and fiber plants and associated equipment in our local operating market. Each of the Company's subsidiaries maintains some investment in furniture and office equipment, computer equipment and associated operating system software, application system software, leasehold improvements and other assets.

With regard to its local Entertainment and Communications operations, the Company owns substantially all of the central office switching stations and the land upon which they are situated. Some business and administrative offices are located in leased facilities, all of which are recorded as operating leases. The Company's out-of-territory network assets include a fiber network plant, internet protocol and circuit switches and integrated access terminal equipment. In addition, as of year-end, we lease eight Company-run retail locations.

For additional information about the Company's properties, see Note 4 to the consolidated financial statements.

Item 3. Legal Proceedings

We are subject to various lawsuits, actions, proceedings, claims and other matters asserted under laws and regulations in the normal course of business. We believe that the liabilities accrued for legal contingencies in our consolidated financial statements, as prescribed by generally accepted accounting principles ("GAAP"), are adequate in light of the probable and estimable contingencies. However, there can be no assurances that the actual amounts required to satisfy alleged liabilities from various legal proceedings, claims, tax examinations, and other matters, and to comply with applicable laws and regulations, will not exceed the amounts reflected in our consolidated financial statements. As such, costs, if any, that may be incurred in excess of those amounts provided as of December 31, 2016, cannot be reasonably determined.

Based on information currently available, consultation with counsel, available insurance coverage and established reserves, management believes the eventual outcome of all outstanding claims will not, individually or in the aggregate, have a material effect on the Company's financial position, results of operations or cash flows.

Item 4. Mine Safety Disclosures

Not applicable.

PART II**Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities****(a) Market Information**

The Company's common shares (symbol: CBB) are listed on the New York Stock Exchange. The Company filed an amendment to its Amended and Restated Articles of Incorporation to affect a one-for-five reverse split of its issued common stock ("the Reverse Split") effective 11:59 p.m. October 4, 2016. The following table shows the high and low closing sale prices during each quarter for the last two fiscal years after consideration of the Reverse Split:

		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2016	High	\$ 19.45	\$ 23.05	\$ 25.10	\$ 22.75
	Low	\$ 14.50	\$ 18.00	\$ 19.55	\$ 17.90
2015	High	\$ 18.40	\$ 20.45	\$ 19.85	\$ 19.85
	Low	\$ 14.65	\$ 16.70	\$ 15.40	\$ 15.70

(b) Holders

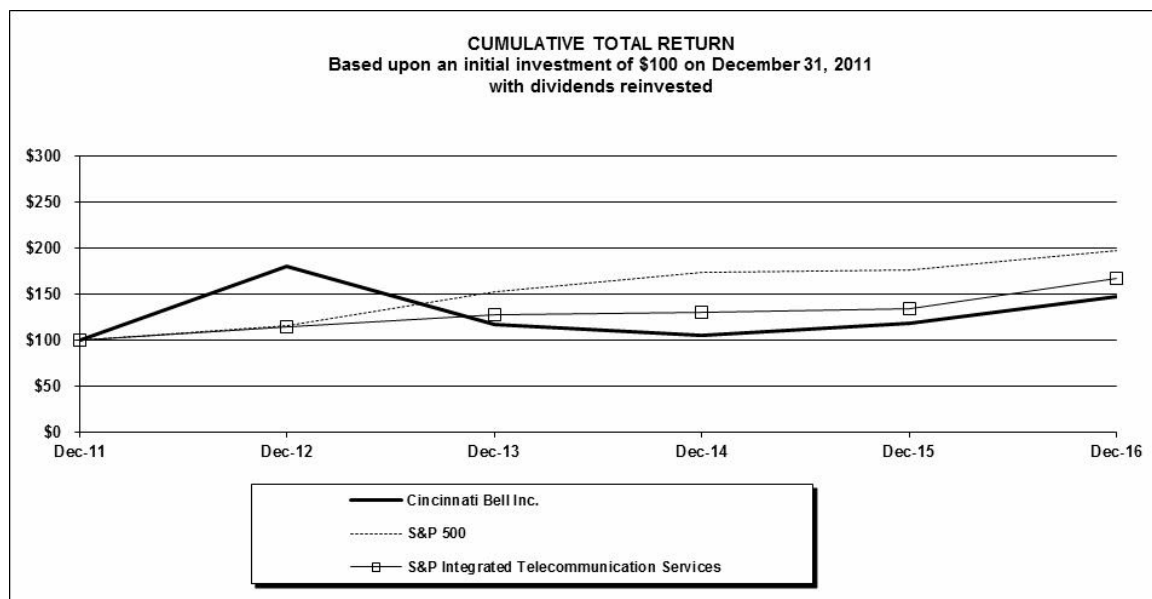
As of January 31, 2017, the Company had 4,644 holders of record of the 42,128,999 common shares outstanding and 155,250 shares outstanding of the 6 ³/₄% Cumulative Convertible Preferred Stock.

(c) Dividends

In 2016 and 2015, the Company paid \$10.4 million of dividends on its 6 ³/₄% Cumulative Convertible Preferred Stock. In 2016 and 2015, the Company did not pay any dividends on its common stock and does not intend to pay any common stock dividends in 2017.

(d) Stock Performance

The following graph matches Cincinnati Bell Inc.'s cumulative five-year total shareholder return on common stock with the cumulative total returns of the S&P 500 index and the S&P Integrated Telecommunication Services index. The graph tracks the performance of a \$100 investment in our common stock and in each index (with the reinvestment of all dividends) from December 31, 2011 to December 31, 2016.



	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16
Cincinnati Bell Inc.	\$100	\$181	\$117	\$105	\$119	\$148
S&P 500	\$100	\$116	\$154	\$175	\$177	\$198
S&P Integrated Telecommunication Services	\$100	\$115	\$128	\$130	\$134	\$167

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(e) Issuer Purchases of Equity Securities

The following table provides information regarding the Company's purchases of its common stock during the quarter ended December 31, 2016:

Period	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs *	Approximate Dollar Value of Shares that May Yet Be Purchased Under Publicly Announced Plans or Programs (in millions)*
10/1/2016 - 12/31/2016	—	\$ —	—	\$ 124.4

* In February 2010, the Board of Directors approved an additional plan for the repurchase of the Company's outstanding common stock in an amount up to \$150.0 million. This repurchase plan does not have a stated maturity.

Item 6. Selected Financial Data

As further discussed in Note 16 to our consolidated financial statements, we ceased operations of our wireless business as of March 2015. As a result, wireless financial results are now presented as discontinued operations. Therefore, we have recast the financial information, except as noted, for all periods presented.

All shares of common stock and per share information presented in the following table have been adjusted to reflect the Reverse Split on a retroactive basis for all periods presented.

Accounting Standard Update ("ASU") 2015-03 Simplifying the Presentation of Debt Issuance Costs was adopted effective January 1, 2016. As a result, certain note issuance costs were reclassified from "Other noncurrent assets" to "Long-term debt, less current portion." All periods presented in the following table have been recast to present the impact of ASU 2015-03, respectively.

The selected financial data should be read in conjunction with the consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this document.

<u>(dollars in millions, except per share amounts)</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013 (a)</u>	<u>2012 (a)</u>
Operating Data					
Revenue	\$ 1,185.8	\$ 1,167.8	\$ 1,161.5	\$ 1,073.4	\$ 1,251.5
Cost of services and products, selling, general and administrative, depreciation and amortization expense	1,079.8	1,031.3	979.5	877.6	1,018.0
Other operating costs and losses (b)	13.0	8.5	5.1	56.0	20.3
Operating income	93.0	128.0	176.9	139.8	213.2
Interest expense	75.7	103.1	145.9	176.0	211.2
Loss on extinguishment of debt, net	19.0	20.9	19.6	29.6	13.6
Loss from CyrusOne investment (c)	—	5.1	7.0	10.7	—
Gain on sale of CyrusOne investment	(157.0)	(449.2)	(192.8)	—	—
Income (loss) from continuing operations	101.8	290.8	117.7	(64.9)	(18.8)
Income (loss) from discontinued operations, net of tax	0.3	62.9	(42.1)	10.2	30.0
Net income (loss)	102.1	353.7	75.6	(54.7)	11.2
Basic earnings (loss) per common share from continuing operations	\$ 2.17	\$ 6.69	\$ 2.57	\$ (1.83)	\$ (0.74)
Basic earnings (loss) per common share from discontinued operations	\$ 0.01	\$ 1.50	\$ (1.01)	\$ 0.25	\$ 0.76
Basic earnings (loss) per common share	\$ 2.18	\$ 8.19	\$ 1.56	\$ (1.58)	\$ 0.02
Diluted earnings (loss) per common share from continuing operations	\$ 2.17	\$ 6.68	\$ 2.56	\$ (1.83)	\$ (0.74)
Diluted earnings (loss) per common share from discontinued operations	\$ 0.01	\$ 1.49	\$ (1.00)	\$ 0.25	\$ 0.76
Diluted earnings (loss) per common share	\$ 2.18	\$ 8.17	\$ 1.56	\$ (1.58)	\$ 0.02
Dividends declared per common share	\$ —	\$ —	\$ —	\$ —	\$ —
Weighted-average common shares outstanding					
Basic	42.0	41.9	41.7	41.2	39.4
Diluted	42.1	42.0	41.9	41.2	39.4
Financial Position					
Property, plant and equipment, net	\$ 1,085.5	\$ 975.5	\$ 815.4	\$ 756.8	\$ 1,415.4
Total assets (d)	1,541.0	1,446.4	1,807.0	2,088.2	2,850.4
Total long-term obligations (e)	1,429.8	1,485.4	2,044.7	2,509.5	3,191.8
Other Data					
Cash flow provided by operating activities	\$ 173.2	\$ 110.9	\$ 175.2	\$ 78.8	\$ 212.7
Cash flow (used in) provided by investing activities	(95.5)	383.2	392.6	(185.4)	(371.8)
Cash flow (used in) provided by financing activities	(75.4)	(544.6)	(514.5)	87.6	109.0
Capital expenditures (f)	(286.4)	(283.6)	(182.3)	(196.9)	(367.2)

- (a) Results for 2012 include the revenues and expenses of CyrusOne, our former data center business. During 2013, CyrusOne results are included for the period January 1, 2013 through January 23, 2013. Effective January 24, 2013, the date of the CyrusOne IPO, we no longer include CyrusOne's operating results in our consolidated financial statements. See Notes 1 and 15 to the consolidated financial statements.
- (b) Other operating costs and losses consist of restructuring and severance related charges (reversals), transaction-related compensation, curtailment loss (gain), loss (gain) on disposal of assets - net, impairment of assets and transaction costs.
- (c) Losses represent our equity method share of CyrusOne's losses from the date of the IPO through December 31, 2015. Effective January 1, 2016, our ownership in CyrusOne is no longer accounted for using the equity method.
- (d) Total assets include current and noncurrent assets from discontinued operations.
- (e) Total long-term obligations comprise long-term debt less current portion, pension and postretirement benefit obligations, other noncurrent liabilities and noncurrent liabilities from discontinued operations.
See Notes 6, 7, 9, 13 and 16 to the consolidated financial statements for discussions related to 2016 and 2015.
- (f) Capital expenditures include capital expenditures from discontinued operations.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Annual Report on Form 10-K and the documents incorporated by reference herein contain forward-looking statements regarding future events and results that are subject to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, are statements that could be deemed forward-looking statements. See "Private Securities Litigation Reform Act of 1995 Safe Harbor Cautionary Statement" for further information on forward-looking statements.

Executive Summary

Segment results described in the Executive Summary and Consolidated Results of Operations section are net of intercompany eliminations.

Consolidated revenue totaling \$1,185.8 million for the year ended December 31, 2016 increased \$18.0 million compared to the prior year as strategic revenue growth more than offset declines from legacy and integration products. Revenue from our strategic products totaled \$637.5 million in 2016, up 19% compared to 2015.

Operating income in 2016 was \$93.0 million, down from the prior year due in large part to increased depreciation expense associated with the impact of accelerating the construction of our fiber network and reducing the estimated useful life of certain set-top boxes and the related software as we upgrade customers to new technology. We also reduced the estimated useful life of our copper assets in the fourth quarter of 2015. Income from continuing operations totaled \$101.8 million for the year ended December 31, 2016, primarily due to the \$157.0 million gain on the sale of a portion of our CyrusOne investment.

The Company sold a combined 4.1 million CyrusOne common shares for cash totaling \$189.7 million during 2016. The cash generated from these transactions was primarily used to manage our debt and fund the expansion of our fiber network. In the third quarter of 2016 the Company issued \$425.0 million of 7% senior notes due 2024. The proceeds of the debt were primarily used to repay the remaining \$397.1 million of 8 ³/₈% senior unsecured notes due 2020. In the fourth quarter of 2016, the Company issued an additional \$200.0 million of 7% senior notes due 2024 at 105.000% and the proceeds were used to repay \$208.0 million of the Corporate Credit Agreement - Tranche B Term Loan.

Consolidated Results of Operations

Revenue

(dollars in millions)	2016	2015	\$ Change 2016 vs. 2015	% Change 2016 vs. 2015	2014	\$ Change 2015 vs. 2014	% Change 2015 vs. 2014
Service revenue							
Entertainment and Communications	\$ 763.0	\$ 735.0	\$ 28.0	4%	\$ 728.8	\$ 6.2	1%
IT Services and Hardware	215.7	198.0	17.7	9%	161.4	36.6	23%
Total service revenue	<u>\$ 978.7</u>	<u>\$ 933.0</u>	<u>\$ 45.7</u>	5%	<u>\$ 890.2</u>	<u>\$ 42.8</u>	5%

Entertainment and Communications revenue increased as the growth in Fioptics and other strategic services offset the combined impact of legacy declines and no longer providing backhaul services to our discontinued wireless operations effective March 31, 2015. Fioptics revenue totaled \$254.1 million, \$190.8 million and \$142.4 million for the years ended December 31, 2016, 2015 and 2014, respectively, up 33% in 2016 and up 34% in 2015 from the comparable prior year. IT Services and Hardware increased during 2015 primarily due to growth from our strategic services. During 2016, the growth was primarily associated with cloud services as professional services and management and monitoring revenue were only up 1% and 3%, respectively, compared to 2015.

(dollars in millions)	2016	2015	\$ Change 2016 vs. 2015	% Change 2016 vs. 2015	2014	\$ Change 2015 vs. 2014	% Change 2015 vs. 2014
Product revenue							
Entertainment and Communications	\$ 4.5	\$ 7.4	\$ (2.9)	(39)%	\$ 10.7	\$ (3.3)	(31)%
IT Services and Hardware	202.6	227.4	(24.8)	(11)%	260.6	(33.2)	(13)%
Total product revenue	<u>\$ 207.1</u>	<u>\$ 234.8</u>	<u>\$ (27.7)</u>	(12)%	<u>\$ 271.3</u>	<u>\$ (36.5)</u>	(13)%

Product revenue is primarily driven by the volume of Telecom and IT hardware sales reflecting the cyclical fluctuation in capital spending by our enterprise customers in our IT Services and Hardware segment. In 2014, we entered into agreements to sell Verizon wireless handsets and accessories at our retail locations generating revenue of \$3.1 million and \$5.7 million in 2015 and 2014, respectively. In 2016, the Entertainment and Communications segment is no longer selling Verizon wireless handsets at our retail locations.

Operating costs

(dollars in millions)	2016	2015	\$ Change 2016 vs. 2015	% Change 2016 vs. 2015	2014	\$ Change 2015 vs. 2014	% Change 2015 vs. 2014
Cost of services							
Entertainment and Communications	\$ 344.7	\$ 319.9	\$ 24.8	8%	\$ 290.2	\$ 29.7	10%
IT Services and Hardware	161.7	152.6	9.1	6%	126.0	26.6	21%
Total cost of services	<u>\$ 506.4</u>	<u>\$ 472.5</u>	<u>\$ 33.9</u>	7%	<u>\$ 416.2</u>	<u>\$ 56.3</u>	14%

Cost of services increased in both periods due to growth in our strategic products. Entertainment and Communications costs also increased due to programming costs associated with our growing Fioptics video subscriber base and higher programming rates.

<u>(dollars in millions)</u>	<u>2016</u>	<u>2015</u>	<u>\$ Change 2016 vs. 2015</u>	<u>% Change 2016 vs. 2015</u>	<u>2014</u>	<u>\$ Change 2015 vs. 2014</u>	<u>% Change 2015 vs. 2014</u>
Cost of products							
Entertainment and Communications	\$ 2.5	\$ 6.3	\$ (3.8)	(60)%	\$ 8.3	\$ (2.0)	(24)%
IT Services and Hardware	170.0	191.8	(21.8)	(11)%	223.2	(31.4)	(14)%
Total cost of products	<u>\$ 172.5</u>	<u>\$ 198.1</u>	<u>\$ (25.6)</u>	(13)%	<u>\$ 231.5</u>	<u>\$ (33.4)</u>	(14)%

Cost of products are primarily impacted by changes in Telecom and IT hardware sales. Entertainment and Communications cost of products decreased primarily due to lower sales of Verizon handsets at our retail locations.

<u>(dollars in millions)</u>	<u>2016</u>	<u>2015</u>	<u>\$ Change 2016 vs. 2015</u>	<u>% Change 2016 vs. 2015</u>	<u>2014</u>	<u>\$ Change 2015 vs. 2014</u>	<u>% Change 2015 vs. 2014</u>
Selling, general, and administrative							
Entertainment and Communications	\$ 141.5	\$ 146.2	\$ (4.7)	(3)%	\$ 133.0	\$ 13.2	10 %
IT Services and Hardware	57.5	53.5	4.0	7 %	51.0	2.5	5 %
Corporate	19.7	19.4	0.3	2 %	20.2	(0.8)	(4)%
Total selling, general and administrative	<u>\$ 218.7</u>	<u>\$ 219.1</u>	<u>\$ (0.4)</u>	0%	<u>\$ 204.2</u>	<u>\$ 14.9</u>	7 %

Entertainment and Communications SG&A costs were down primarily in 2016 due to a one-time pension charge of \$3.8 million incurred in the second quarter of 2015 related to our excess benefit plan. In addition to the one-time pension charge, Entertainment and Communications SG&A costs were up in 2015 compared to 2014 primarily due to retail store costs and an increase in our sales force to support our fiber acceleration strategy. IT Services and Hardware SG&A costs were up primarily related to increased payroll and headcount-related costs to support the growth for our strategic products. Corporate SG&A costs decreased during 2015 as increased stock-based compensation expense was more than offset by lower contract services.

<u>(dollars in millions)</u>	<u>2016</u>	<u>2015</u>	<u>\$ Change 2016 vs. 2015</u>	<u>% Change 2016 vs. 2015</u>	<u>2014</u>	<u>\$ Change 2015 vs. 2014</u>	<u>% Change 2015 vs. 2014</u>
Depreciation and amortization expense							
Entertainment and Communications	\$ 168.6	\$ 129.2	\$ 39.4	30%	\$ 115.7	\$ 13.5	12 %
IT Services and Hardware	13.5	12.3	1.2	10%	11.7	0.6	5 %
Corporate	0.1	0.1	—	0%	0.2	(0.1)	(50)%
Total depreciation and amortization expense	<u>\$ 182.2</u>	<u>\$ 141.6</u>	<u>\$ 40.6</u>	29%	<u>\$ 127.6</u>	<u>\$ 14.0</u>	11 %

The increase in depreciation and amortization expense is primarily due to an increase in Entertainment and Communications depreciation as a result of expanding our fiber-based network, reducing the estimated useful life of certain set-top boxes and the related software as we upgrade customers to new technology. We also reduced the estimated useful life of our copper assets in the fourth quarter of 2015.

<u>(dollars in millions)</u>	<u>2016</u>	<u>2015</u>	<u>\$ Change 2016 vs. 2015</u>	<u>% Change 2016 vs. 2015</u>	<u>2014</u>	<u>\$ Change 2015 vs. 2014</u>	<u>% Change 2015 vs. 2014</u>
Restructuring and severance related charges (reversals)							
Entertainment and Communications	\$ 7.7	\$ 1.6	\$ 6.1	n/m	\$ (0.5)	\$ 2.1	n/m
IT Services and Hardware	3.3	2.8	0.5	18 %	—	2.8	n/m
Corporate	0.9	1.6	(0.7)	(44)%	0.1	1.5	n/m
Total restructuring and severance related charges (reversals)	<u>\$ 11.9</u>	<u>\$ 6.0</u>	<u>\$ 5.9</u>	98 %	<u>\$ (0.4)</u>	<u>\$ 6.4</u>	n/m

In 2016, restructuring and severance related charges were associated with increased in-sourcing of IT professionals in our operating territory and initiatives to reduce costs associated with our legacy copper network group, including a voluntary severance program for certain management employees. In 2015, restructuring charges represented severance associated with employee separations, consulting fees related to a workforce optimization initiative and lease abandonments.

Other operating costs

(dollars in millions)	2016	2015	\$ Change 2016 vs. 2015	% Change 2016 vs. 2015	2014	\$ Change 2015 vs. 2014	% Change 2015 vs. 2014
Other operating costs							
Curtailment loss	\$ —	\$ 0.3	\$ (0.3)	n/m	\$ —	\$ 0.3	n/m
Loss (gain) on sale of disposal of assets, net	1.1	0.8	0.3	38 %	(0.3)	1.1	n/m
Impairment of assets	—	—	—	n/m	4.6	(4.6)	n/m
Transaction costs	—	1.4	(1.4)	n/m	1.2	0.2	17 %
Total other operating costs	\$ 1.1	\$ 2.5	\$ (1.4)	(56)%	\$ 5.5	\$ (3.0)	(55)%

Impairment charges totaling \$4.6 million in 2014 were recorded for the abandonment of an internal use software project related to the Entertainment and Communications segment.

Transaction costs incurred in 2015 primarily represent fees for exploring opportunities to increase the scale of our IT Services and Hardware Segment. Transaction costs incurred in 2014 represent legal fees associated with the sale of our wireless assets and fees associated with new equity method investments.

Non-operating expenses (income)

(dollars in millions)	2016	2015	\$ Change 2016 vs. 2015	% Change 2016 vs. 2015	2014	\$ Change 2015 vs. 2014	% Change 2015 vs. 2014
Non-operating costs							
Interest expense	\$ 75.7	\$ 103.1	\$ (27.4)	(27)%	\$ 145.9	\$ (42.8)	(29)%
Loss on extinguishment of debt, net	19.0	20.9	(1.9)	(9)%	19.6	1.3	7 %
Gain on Sale of CyrusOne investment	(157.0)	(449.2)	292.2	(65)%	(192.8)	(256.4)	n/m
Other (income) expense, net	(7.6)	2.6	(10.2)	n/m	5.1	(2.5)	(49)%
Income tax expense	61.1	159.8	(98.7)	(62)%	81.4	78.4	96 %
Income (loss) from discontinued operations, net of tax	0.3	62.9	(62.6)	n/m	(42.1)	105.0	n/m

Interest expense continued to decrease due to the Company primarily using proceeds from the sale of a portion of its CyrusOne investment to repay debt in 2015 and 2014. During 2016, 2015 and 2014, we reduced our total debt by \$31.0 million, \$449.7 million and \$451.0 million, respectively. Certain debt repayments in each period resulted in a loss on extinguishment of debt.

In 2016, the Company recognized a gain of \$157.0 million on the sale of 4.1 million CyrusOne common shares. In 2015, the Company recognized a gain of \$412.9 million on the sale of 20.3 million CyrusOne LP partnership units and a gain of \$36.3 million on the sale of 1.4 million CyrusOne common shares. In 2014, the Company recognized a \$192.8 million gain on the sale of 16.0 million CyrusOne LP partnership units. Effective December 31, 2015, we exchanged our remaining 6.3 million operating partnership units in CyrusOne LP for an equal number of newly issued shares of common stock of CyrusOne Inc. As a result, at December 31, 2015, we owned approximately 9.5% of CyrusOne's common shares and no longer had significant influence over the entity. Effective January 1, 2016, our investment in CyrusOne was no longer accounted for using the equity-method.

Dividends declared by CyrusOne in 2016 totaled \$6.4 million and were included in Other (income) expense, net. For 2015 and 2014, Other (income) expense, net includes the Company's share of CyrusOne's net loss recorded under the equity method of accounting totaling \$5.1 million and \$7.0 million, respectively.

Income tax expense fluctuates accordingly based on changes in Income from continuing operations before income taxes. The Company uses federal and state net operating loss carryforwards to defray payment of federal and state tax liabilities. As a result, the Company had cash income tax payments, net of refunds, totaling \$1.7 million in 2016.

In periods without tax law changes, the Company expects its effective tax rate to exceed statutory rates due to non-deductible expenses. Non-deductible expenses were higher in prior years due to non-deductible interest expense on securities originally issued to acquire its broadband business (the "Broadband Securities"). The Broadband Securities were repaid in full during 2015.

Effective March 31, 2015, we discontinued operating our wireless business as there were no subscribers remaining on the network. As a result, we no longer required the use of the spectrum being leased. Therefore, the \$112.6 million gain on sale of wireless spectrum licenses, which had previously been deferred, was recognized during the three months ended March 31, 2015. On April 1, 2015, we transferred certain other wireless assets to the purchaser, including leases to certain wireless towers and related equipment and other assets, which resulted in a gain of \$15.9 million in the second quarter of 2015. These gains were partially offset by operating losses as we continued to incur costs during the wind down of the wireless business.

Discussion of Operating Segment Results

The Company manages its business based upon product and service offerings. For the years ended December 31, 2016, 2015, and 2014, we operated two business segments: Entertainment and Communications and IT Services and Hardware. The closing of our wireless operations, effective March 31, 2015, represented a strategic shift in our business. Therefore, certain wireless assets, liabilities and results of operations are reported as discontinued operations in our financial statements. For further details of Discontinued Operations, see Note 1 and Note 16 of Notes to Consolidated Financial Statements.

Certain corporate administrative expenses have been allocated to our business segments based upon the nature of the expense and the relative size of the segment. Intercompany transactions between segments have been eliminated.

Entertainment and Communications

The Entertainment and Communications segment provides products and services such as high-speed internet, video, local voice, long distance, VoIP, data transport and other services. CBT, a subsidiary of the Company, is the ILEC for a geography that covers a radius of approximately 25 miles around Cincinnati, Ohio, and includes parts of northern Kentucky and southeastern Indiana. CBT has operated in this territory for over 140 years. Voice and data services beyond its ILEC territory, particularly in Dayton and Mason, Ohio, are provided through the operations of CBET, a CLEC and subsidiary of CBT. The Company provides long distance and VoIP services primarily through its CBAD and eVolve subsidiaries.

Entertainment and Communications, continued

(dollars in millions)	2016	2015	\$ Change 2016 vs. 2015	% Change 2016 vs. 2015	2014	\$ Change 2015 vs. 2014	% Change 2015 vs. 2014
Revenue:							
Data	\$ 344.8	\$ 322.8	\$ 22.0	7 %	\$ 309.6	\$ 13.2	4 %
Voice	275.0	291.9	(16.9)	(6)%	313.5	(21.6)	(7)%
Video	125.7	96.6	29.1	30 %	75.5	21.1	28 %
Services and Other	23.3	32.4	(9.1)	(28)%	42.1	(9.7)	(23)%
Total revenue	<u>768.8</u>	<u>743.7</u>	<u>25.1</u>	3 %	<u>740.7</u>	<u>3.0</u>	0 %
Operating costs and expenses:							
Cost of services and products	359.5	331.5	28.0	8 %	306.2	25.3	8 %
Selling, general and administrative	141.6	150.9	(9.3)	(6)%	136.2	14.7	11 %
Depreciation and amortization	168.6	129.2	39.4	30 %	115.7	13.5	12 %
Restructuring and severance charges (reversals)	7.7	1.6	6.1	n/m	(0.5)	2.1	n/m
Other	0.8	0.6	0.2	33 %	4.2	(3.6)	(86)%
Total operating costs and expenses	<u>678.2</u>	<u>613.8</u>	<u>64.4</u>	10 %	<u>561.8</u>	<u>52.0</u>	9 %
Operating income	<u>\$ 90.6</u>	<u>\$ 129.9</u>	<u>\$ (39.3)</u>	(30)%	<u>\$ 178.9</u>	<u>\$ (49.0)</u>	(27)%
Operating margin	11.8%	17.5%		(5.7)	24.2%		(6.7)
Capital expenditures	\$ 272.5	\$ 269.5	\$ 3.0	1 %	\$ 163.7	\$ 105.8	65 %
Metrics (in thousands):							
Fioptics units passed	533.4	432.0	101.4	23 %	335.0	97.0	29 %
Internet subscribers:							
DSL	105.6	133.7	(28.1)	(21)%	156.2	(22.5)	(14)%
Fioptics	197.6	153.7	43.9	29 %	113.7	40.0	35 %
Total internet subscribers	303.2	287.4	15.8	5 %	269.9	17.5	6 %
Fioptics video subscribers	137.6	114.4	23.2	20 %	91.4	23.0	25 %
Residential voice lines:							
Legacy	117.5	146.4	(28.9)	(20)%	181.6	(35.2)	(19)%
Fioptics	83.8	71.4	12.4	17 %	56.7	14.7	26 %
Total residential voice lines	201.3	217.8	(16.5)	(8)%	238.3	(20.5)	(9)%
Business voice lines:							
Legacy	190.7	215.4	(24.7)	(11)%	238.0	(22.6)	(9)%
VoIP*	131.7	89.5	42.2	47 %	70.0	19.5	28 %
Total business voice lines	322.4	304.9	17.5	6 %	308.0	(3.1)	(1)%
Total voice lines	<u>523.7</u>	<u>522.7</u>	<u>1.0</u>	0%	<u>546.3</u>	<u>(23.6)</u>	(4)%
Long distance lines:							
Residential	187.6	199.4	(11.8)	(6)%	212.5	(13.1)	(6)%
Business	129.7	140.3	(10.6)	(8)%	150.3	(10.0)	(7)%
Total long distance lines:	317.3	339.7	(22.4)	(7)%	362.8	(23.1)	(6)%

* VoIP lines include Fioptics voice lines

Revenue

The following table illustrates our revenue by market: Consumer, Business and Carrier. Our products within each market have been classified as either Strategic, Legacy or Integration.

(dollars in millions)	Year ended December 31,		
	2016	2015	2014
Revenue:			
<i>Consumer</i>			
<u>Strategic</u>			
Data	\$ 103.0	\$ 72.7	\$ 48.4
Voice	21.7	19.7	17.7
Video	123.6	94.8	73.9
Services and other	3.4	3.7	4.0
	251.7	190.9	144.0
<u>Legacy</u>			
Data	44.2	49.5	58.5
Voice	73.8	86.1	101.1
Services and other	4.1	6.7	7.7
	122.1	142.3	167.3
<u>Integration</u>			
Services and other	3.9	7.7	11.2
<i>Total consumer revenue</i>	\$ 377.7	\$ 340.9	\$ 322.5
<i>Business</i>			
<u>Strategic</u>			
Data	\$ 96.5	\$ 89.6	\$ 83.6
Voice	51.7	42.5	35.9
Video	2.1	1.8	1.6
Services and other	2.5	3.2	3.8
	152.8	137.1	124.9
<u>Legacy</u>			
Data	20.3	23.2	27.6
Voice	111.5	123.6	134.2
Services and other	1.3	1.3	1.2
	133.1	148.1	163.0
<u>Integration</u>			
Services and other	1.8	2.6	4.7
<i>Total business revenue</i>	\$ 287.7	\$ 287.8	\$ 292.6
<i>Carrier</i>			
<u>Strategic</u>			
Data	\$ 45.0	\$ 37.7	\$ 41.6
<u>Legacy</u>			
Data	35.8	50.1	49.9
Voice	16.3	20.0	24.6
Services and other	6.3	7.2	9.5
	58.4	77.3	84.0
<i>Total carrier revenue</i>	\$ 103.4	\$ 115.0	\$ 125.6
Total Entertainment and Communications revenue	\$ 768.8	\$ 743.7	\$ 740.7

Consumer

Consumer market revenue has increased each of the previous two years due to Fioptics growth offsetting legacy access line and DSL subscriber losses. Our Fioptics internet subscriber base increased 27% and average revenue per user ("ARPU") was up 9% in 2016. During 2015, the Fioptics internet subscriber base increased 35% with ARPU growing 14%. Fioptics video subscribers increased 21% and 27% in 2016 and 2015, respectively, in addition to a 4% and 1% increase in ARPU. Video ARPU growth rates increased in 2016 as a result of price increases partially being offset by the popularity of MyTV.

The Company continues to lose access and long distance lines as a result of, among other factors, customers electing to solely use wireless service in lieu of traditional local wireline service. The Company also continues to experience DSL subscriber loss as a result of customers migrating to Fioptics or an alternative internet provider, particularly in areas that have not been upgraded to Fioptics.

Higher Integration revenue in 2014 is primarily due to \$5.7 million of revenue generated through an agreement to sell Verizon wireless products and services at our retail locations. Revenue from selling these products totaled \$3.1 million in 2015. We discontinued the sale of Verizon handsets at our retail locations effective January 31, 2016.

Business

Data revenue from our business customers has increased as customers migrate from our legacy product offerings. Voice revenue declined \$2.9 million in 2016 and \$4.0 million in 2015 as the growth in VoIP lines continues to mitigate legacy voice line loss and the migration of certain customers to national providers. In total, business voice lines increased 6% during 2016 in comparison to a decrease of 1% in 2015. However, the increase in lines was more than offset by lower ARPU per VoIP line compared to legacy access lines' ARPU. In addition, service and other revenue has declined each year primarily due to lower maintenance and service center revenue.

Carrier

Carrier data revenue declined in 2016 compared to prior year as national carriers increased their focus on improving network efficiencies. In addition, we no longer provided backhaul services to our discontinued wireless operations effective March 31, 2015. Data revenue declined in 2015 as a result of the same trends impacting 2016, partially offset by \$4.7 million of one-time revenue associated with the construction of small cell site locations completed in 2015. Voice revenue declines are primarily due to FCC mandated reductions of terminating switched access rates. These declines are expected to continue in 2017.

Operating costs and expenses

Cost of services and products has increased primarily due to higher programming costs of \$17.9 million and \$17.4 million in 2016 and 2015, respectively. These increases are the result of the growing number of Fioptics video subscribers combined with higher programming rates. In 2016, payroll related costs increases were primarily driven by increased headcount and overtime to support the growth of our fiber-based network. Network and materials costs increased in both 2016 and 2015 as we continue to accelerate our fiber investment. In 2015, rent expense increased \$2.7 million as a result of signing a new lease in the second half of 2014 for additional floor space at our corporate headquarters. Costs associated with selling Verizon handsets and accessories totaled \$2.8 million in 2015 and totaled \$4.3 million in 2014.

SG&A expenses were down in 2016 compared to the prior year primarily due to lower payroll related charges as well as a one-time charge related to our excess pension benefit plan totaling \$3.8 million incurred during 2015. These decreases were partially offset by \$1.5 million of increased advertising costs for Fioptics during 2016. SG&A expenses were up in 2015 compared to 2014 primarily as a result of increased costs absorbed from shutting down our wireless operations and accelerating the build-out of Fioptics in addition to the one-time pension charge. Retail center costs and additions to our sales force increased costs \$7.1 million in 2015. Marketing and advertising costs increased \$1.6 million compared to 2014 as we increased our Fioptics promotional efforts. The remaining increase was primarily due to increased payroll benefits.

Depreciation and amortization expenses were up in 2016 compared to the prior year primarily due to assets placed in service in connection with the expansion of our fiber network in 2016 and 2015, reducing the estimated useful life of certain set-top boxes and the related software as we upgrade customers to new technology. We also reduced the useful life of our copper assets in the fourth quarter of 2015.

Severance charges in 2016 were primarily related to a voluntary severance program to reduce costs associated with our legacy copper network. Restructuring charges in 2015 were primarily related to employee severance as we identified opportunities to integrate the business markets within each of our segments. The reversal of restructuring charges in 2014 was due to re-occupying certain office space previously vacated.

Other includes impairment charges totaling \$4.6 million during 2014 were for the abandonment of an internal use software project.

Capital Expenditures

(dollars in millions)	2016	2015	2014
Fioptics capital expenditures			
Construction	\$ 89.8	\$ 86.5	\$ 50.0
Installation	68.7	50.2	24.3
Other	21.8	42.8	18.8
Total Fioptics	180.3	179.5	93.1
Other strategic	50.3	44.4	26.9
Legacy maintenance	41.9	45.6	43.7
Total capital expenditures	\$ 272.5	\$ 269.5	\$ 163.7

Capital expenditures are incurred to expand our Fioptics product suite, upgrade and increase capacity for our networks, and to maintain our fiber and copper networks. During 2016, 2015 and 2014, we passed 101,400, 97,000 and 59,000 addresses with Fioptics, respectively. As of December 31, 2016, the Company is able to provide its Fioptics services to 533,400 residential and business addresses, or 67% of our operating territory. Fioptics installation costs increased in both 2016 and 2015 due to increased Fioptics internet and video activations combined with upgrading set-top boxes and wireless modems. Other Fioptics related investments include costs to expand core network capacity and for enhancements to the customer experience.

Other strategic capital expenditures are for success-based fiber builds for business and carrier projects.

IT Services and Hardware

The IT Services and Hardware segment provides a full range of managed IT solutions, including managed infrastructure services, telephony and IT equipment sales and professional IT staffing services. These services and products are provided through the Company's subsidiaries in various geographic areas throughout the United States, Canada and Europe. By offering a full range of equipment and outsourced services in conjunction with the Company's fiber and copper networks, the IT Services and Hardware segment provides end-to-end IT and telecommunications infrastructure management designed to reduce cost and mitigate risk while optimizing performance for its customers.

			\$ Change 2016 vs. 2015	% Change 2016 vs. 2015		\$ Change 2015 vs. 2014	% Change 2015 vs. 2014
(dollars in millions)	2016	2015			2014		
Revenue:							
Professional Services	\$ 106.7	\$ 105.5	\$ 1.2	1 %	\$ 86.6	\$ 18.9	22 %
Management and Monitoring	32.0	31.0	1.0	3 %	25.2	5.8	23 %
Unified Communications	39.8	37.8	2.0	5 %	35.1	2.7	8 %
Cloud Services	46.5	30.9	15.6	50 %	20.8	10.1	49 %
Telecom and IT hardware	205.7	230.2	(24.5)	(11)%	265.3	(35.1)	(13)%
Total revenue	<u>430.7</u>	<u>435.4</u>	<u>(4.7)</u>	<u>(1)%</u>	<u>433.0</u>	<u>2.4</u>	<u>1 %</u>
Operating costs and expenses:							
Cost of services and products	332.4	345.2	(12.8)	(4)%	350.0	(4.8)	(1)%
Selling, general and administrative	58.0	54.0	4.0	7 %	51.5	2.5	5 %
Depreciation and amortization	13.5	12.3	1.2	10 %	11.7	0.6	5 %
Restructuring and severance related charges	3.3	2.8	0.5	18 %	—	2.8	n/m
Other	0.3	0.5	(0.2)	(40)%	—	0.5	n/m
Total operating costs and expenses	<u>407.5</u>	<u>414.8</u>	<u>(7.3)</u>	<u>(2)%</u>	<u>413.2</u>	<u>1.6</u>	<u>0 %</u>
Operating income	<u>\$ 23.2</u>	<u>\$ 20.6</u>	<u>\$ 2.6</u>	<u>13 %</u>	<u>\$ 19.8</u>	<u>\$ 0.8</u>	<u>4 %</u>
Operating margin	5.4%	4.7%		0.7 pts	4.6%		0.1 pts
Capital expenditures	\$ 13.7	\$ 14.0	\$ (0.3)	(2)%	\$ 11.9	\$ 2.1	18 %

Revenue

The following IT services and hardware products have been classified as either strategic or integration:

(dollars in millions)	Year ended December 31,		
	2016	2015	2014
Strategic business revenue			
Professional services	\$ 89.2	\$ 90.4	\$ 70.2
Management and monitoring	32.0	31.0	24.8
Unified communications	29.4	27.1	22.9
Cloud services	46.5	30.9	20.8
Total strategic business revenue	197.1	179.4	138.7
Integration business revenue			
Professional services	17.5	15.1	16.4
Management and monitoring	—	—	0.4
Unified communications	10.4	10.7	12.2
Telecom and IT hardware	205.7	230.2	265.3
Total integration business revenue	233.6	256.0	294.3
Total IT Services and Hardware revenue	\$ 430.7	\$ 435.4	\$ 433.0

The growth in strategic management and monitoring, unified communications and cloud services has primarily been driven by the increase in devices monitored, voice profiles and virtual machines within our current customer base. A new end user support project also contributed \$2.4 million to the growth in cloud services revenue in 2016 compared to 2015. Revenue growth in 2015 was impacted by signing new contracts with enterprise customers and expanding an existing statewide unified communications engagement with a government entity.

Strategic professional services revenue decreased from the prior year as increased billable headcount was more than offset by the \$4.3 million decline in one-time build projects. Professional services revenue growth in 2015 was attributable to increased billable headcount and utilization. Additionally, revenue in 2015 includes one-time charges of \$5.3 million for the design and build of new customers' managed service infrastructure.

Integration revenue is primarily driven by the volume of Telecom and IT hardware sales reflecting the cyclical fluctuation in capital spending by our enterprise customers, which may be influenced by many factors, including the timing of customers' capital spend, the size of their capital budgets and general economic conditions.

Operating Costs and Expenses

Cost of services and products is primarily impacted by changes in Telecom and IT hardware sales and headcount related costs. In 2016, costs of Telecom and IT hardware sales decreased \$21.8 million compared to 2015. These costs decreased \$32.0 million in 2015 as compared to 2014. These decreases are partially offset by increases in the cost to support the growth of our strategic products in both periods, primarily related to payroll costs.

Selling, general and administrative expenses also increased during both periods due to increased payroll and headcount related costs to support strategic revenue growth.

Restructuring and severance related charges in 2016 were primarily related to increased in-sourcing of IT professionals by our customers. In 2015, restructuring charges consisted of employee severance and project related costs for the integration of each segment's business markets and the discontinuation of our advanced cyber-security product offering in the first quarter of 2015. We also abandoned office space in Canada that is no longer in use.

Capital Expenditures

The variance in capital expenditures is driven by the nature of customer related projects and spending on equipment to support the growth of our strategic products.

Corporate

Corporate is comprised primarily of general and administrative costs that have not been allocated to the business segments. Corporate costs totaled \$20.8 million in 2016, \$22.5 million in 2015 and \$21.8 million in 2014.

Corporate costs decreased by \$1.7 million in 2016 compared to 2015 primarily due to lower transaction costs of \$1.4 million. Corporate costs increased by \$0.7 million in 2015 compared to 2014, driven largely by \$1.7 million in additional stock-based compensation expense as a result of changes in our stock price and additional restructuring charges. These increases were partially offset by lower legal expenses.

Financial Condition, Liquidity, and Capital Resources**Capital Investment, Resources and Liquidity***Short-term view*

Our primary source of cash is generated by operations. In 2016, 2015 and 2014, we generated \$173.2 million, \$110.9 million and \$175.2 million, respectively, of cash flows from operations. In 2016, 2015 and 2014, proceeds from the monetization of our CyrusOne investment totaled \$189.7 million, \$643.9 million and \$355.9 million, respectively. The Company also received cash totaling \$194.4 million from the sale of its wireless spectrum licenses in 2014. Dividends of \$7.4 million, \$22.2 million and \$28.4 million were received from our investment in CyrusOne in 2016, 2015 and 2014, respectively.

Our primary uses of cash are capital expenditures and debt service. In 2016, 2015 and 2014, capital expenditures were \$286.4 million, \$283.6 million and \$182.3 million, respectively. Capital expenditures were higher in 2016 and 2015 primarily due to increased expenditures for expanding our fiber network. Based on the continued demand for fiber-based products and IT solutions, we expect 2017 total capital expenditures to range between \$180 - \$210 million. In 2016, 2015 and 2014, debt repayments were \$759.3 million, \$531.7 million and \$376.5 million, respectively. In 2016, the Company repaid \$478.5 million of the outstanding 8 ³/₈% Senior Notes due 2020, \$212.1 million of the outstanding Corporate Credit Agreement Tranche B Term Loan, \$40.8 million of the outstanding Cincinnati Bell Telephone Notes and \$4.0 million of the outstanding 7 ¹/₄% Senior Notes due 2023.

Interest payments were \$71.1 million, \$108.5 million and \$153.1 million in 2016, 2015 and 2014, respectively. Interest payments have declined as we have primarily used cash proceeds from the monetization of our CyrusOne investment and sale of wireless spectrum licenses to repay debt. Our contractual debt maturities in 2017, including capital lease obligations, are \$7.5 million and associated contractual interest payments are expected to be approximately \$70 million.

To a lesser extent, cash is also used to fund our pension obligations, pay preferred stock dividends, and repurchase shares of common stock when the stock price offers an attractive valuation. Cash contributions to our qualified pension plans were \$3.1 million, \$10.3 million and \$19.7 million in 2016, 2015 and 2014, respectively. Cash contributions for our qualified pension plans are expected to be approximately \$2 million in 2017. Dividends paid on preferred stock were \$10.4 million in each of 2016, 2015 and 2014. We do not currently pay dividends on our common shares, nor do we plan to pay dividends on such shares in 2017. In 2016, the Company repurchased 0.2 million common shares for \$4.8 million, with no common shares repurchased in 2015 or 2014. As of December 31, 2016, management has authority to repurchase additional common shares with a value of up to \$124.4 million under the most recent plan approved by the Board of Directors. This plan does not have a stated maturity date. Management may purchase additional shares in the future to the extent that it is not limited by restrictions in the Corporate Credit Agreement, cash is available, and management believes the share price offers an attractive value.

As of December 31, 2016, we had \$183.9 million of short-term liquidity, comprised of \$9.7 million of cash and cash equivalents, \$150.0 million of undrawn capacity on our Corporate Credit Agreement's revolving credit facility and \$24.2 million available under the Receivables Facility. The Receivables Facility permits maximum borrowings of up to \$120.0 million and is subject to annual renewal. As of December 31, 2016, the Company had \$89.5 million of borrowings and \$6.3 million of letters of credit outstanding under the Receivables Facility on a borrowing capacity of \$120.0 million. While we expect to continue to renew this facility, we would be required to use cash, our Corporate Credit Agreement, or other sources to repay any outstanding balance on the Receivables Facility if it was not renewed.

The Company believes that its cash on hand, cash generated from operations and available funding under its credit facilities will be adequate to meet its cash requirements for the next 12 months.

Long-term view, including debt covenants

As of December 31, 2016, the Company had \$1.2 billion of outstanding indebtedness and an accumulated deficit of \$2.7 billion. In addition to the uses of cash described in the *Short-term view* section above, the Company has to satisfy its long-term debt obligations. The Company has no significant debt maturities until 2020. Contractual debt maturities, including capital leases, are \$7.5 million in 2017, \$6.4 million in 2018, \$95.8 million in 2019, \$320.2 million in 2020, \$3.5 million in 2021 and \$776.6 million thereafter. In addition, we have ongoing obligations to fund our qualified pension plans. Based on current legislation and current actuarial assumptions, we are required to make approximately \$2 million in contributions to our qualified pension plans in 2017. Funding requirements for subsequent years are uncertain and will significantly depend on future actuarial assumption changes. It is also possible that we will use a portion of our cash flows generated from operations for common share repurchases or de-leveraging in the future, including discretionary, opportunistic repurchases of debt prior to the scheduled maturities.

As of December 31, 2016, the fair value of our ownership interest in CyrusOne was \$128.0 million. We intend to sell down the Company's ownership interest in CyrusOne and use the proceeds to manage our debt and for other general corporate purposes. Our amended Corporate Credit Agreement obligates us to use 85% of the proceeds towards debt repayments, subject to the terms and conditions within the amended agreement.

In the fourth quarter of 2012, the Company entered into a new Corporate Credit Agreement which provided for a \$200.0 million revolving credit facility, with a sublimit of \$30.0 million for letters of credit and a \$25.0 million sublimit for swingline loans. Effective with the sale of our 16.0 million partnership units of CyrusOne, LP in the second quarter of 2014, the amount available under the Corporate Credit Agreement's revolving credit facility was reduced to \$150.0 million. The Company entered into an Incremental Assumption Agreement to the Company's existing Corporate Credit Agreement in the second quarter of 2015. Effective with the sale of 14.3 million CyrusOne LP operating partnership units in the second quarter of 2015, the aggregate available borrowings on the Corporate Credit Agreement's revolving credit facility increased to \$175.0 million for the remainder of the term. In the second quarter of 2016, the Company amended its Corporate Credit Agreement. This amendment reduces the aggregate revolving commitments available under the revolving credit facility to \$150.0 million, modifies certain financial covenants and related definitions governing leverage ratios and capital expenditures, and extends the maturity date of the revolving credit facility to January 2020. Capital expenditures are permitted subject to predetermined annual thresholds which are not to exceed \$498.6 million in the aggregate over the next three years. Borrowings under the Corporate Credit Agreement will be used to provide ongoing working capital and for other general corporate purposes of the Company. The facility also has certain covenants, which, among other things, limit our ability to incur additional debt or liens, pay dividends, sell, transfer, lease, or dispose of assets, and make certain investments or merge with another company. If the Company was to violate any of its covenants and was unable to obtain a waiver, it would be considered in default. If the Company was in default under its Corporate Credit Agreement, no additional borrowings under the credit facility would be available until the default was waived or cured. As of December 31, 2016, the Company was in compliance with the Corporate Credit Agreement covenants.

The Company's most restrictive covenants are generally included in its Corporate Credit Agreement. In order to continue to have access to the amounts available to it under the Corporate Credit Agreement, the Company must remain in compliance with all covenants. The following table presents the calculation of the most restrictive debt covenant, the Consolidated Total Leverage Ratio, as of and for the year ended December 31, 2016:

(dollars in millions)

Consolidated Total Leverage Ratio	4.05
Maximum ratio permitted for compliance	5.50
Consolidated Total Funded Indebtedness additional availability	\$ 432.3
Consolidated EBITDA clearance over compliance threshold	\$ 78.6

Definitions and components of this calculation are detailed in our credit agreement and can be found in the Company's Form 8-K filed on May 17, 2016.

The Company's ability to make restricted payments, which include share repurchases and common stock dividends, is limited to a total of \$15.0 million given that our Consolidated Total Leverage Ratio, as defined in the Corporate Credit Agreement, exceeds 3.50 to 1.00 as of December 31, 2016. The Company may make restricted payments of \$45.0 million annually when the Consolidated Total Leverage Ratio is less than or equal to 3.50 to 1.00. There are no dollar limits on restricted payments when the Consolidated Total Leverage Ratio is less than or equal to 3.00 to 1.00. These restricted payment limitations do not impact the Company's ability to make regularly scheduled dividend payments on its 6 ³/₄% Cumulative Convertible Preferred Stock. Furthermore, the Company may make restricted payments in the form of share repurchases or dividends up to 15% of CyrusOne sale proceeds, subject to a \$35.0 million annual cap with carryovers and subject to terms and conditions set forth in the Corporate Credit Agreement.

The Corporate Credit Agreement provides that the Tranche B Term Loan participates in mandatory prepayments subject to the terms and conditions (including with respect to payment priority) set forth in the restated Corporate Credit Agreement. As of December 31, 2016, the Company was above the 4:00 to 1:00 Consolidated Leverage Ratio (as defined by the Corporate Credit Agreement). Therefore, until the Company is below the 4:00 to 1:00 Consolidated Leverage Ratio, the requirements to use 85% of proceeds from a CyrusOne monetization towards debt repayments are currently applicable.

Indentures

The Company's debt is governed by indentures which contain covenants that, among other things, limit the Company's ability to incur additional debt or liens, pay dividends or make other restricted payments, sell, transfer, lease, or dispose of assets and make investments or merge with another company. The Company is in compliance with all of its debt indentures as of December 31, 2016.

One of the financial covenants permits the issuance of additional indebtedness up to a 5:00 to 1:00 Consolidated Adjusted Senior Debt to EBITDA Ratio (as defined by the individual indentures). Once the Company exceeds this ratio, the Company is not in default under the terms of the indentures; however, additional indebtedness may only be incurred in specified permitted baskets, including a basket which allows \$750 million of total Corporate Credit Agreement debt (Revolver and Term Loans). We also have baskets for capital lease incurrences, borrowings against the Receivables Facility, refinancings of existing debt, and other debt incurrences. In addition, the Company's ability to make restricted payments, which include share repurchases, repayment of subordinated notes, preferred stock redemptions and common stock dividends, would be limited to specific allowances. As of December 31, 2016, the Company was below the 5:00 to 1:00 Consolidated Adjusted Senior Debt to EBITDA ratio, and the Company had access to the restricted payments basket which exceeds \$1 billion.

Management believes that cash on hand, operating cash flows, its Corporate Credit Agreement and its Receivables Facility, and the expectation that the Company will continue to have access to capital markets to refinance debt and other obligations as they mature and come due, should allow the Company to meet its cash requirements for the foreseeable future.

Cash Flows

Cash flows from operating activities

Cash provided by operating activities during 2016 was \$173.2 million, an increase of \$62.3 million compared to 2015. The increase is primarily due to \$37.4 million of lower interest payments and a decline in pension and postretirement payments of \$7.3 million. In addition, the Company's discontinued wireless operations used \$28.0 million of cash in 2015, compared to \$5.1 million used in 2016. These increases were partially offset by higher usage of working capital in 2016, primarily associated with the growth of our strategic products.

Cash provided by operating activities during 2015 was \$110.9 million, a decrease of \$64.3 million compared to 2014. The decrease is primarily due to the Company using \$28.0 million of cash in 2015 for shutting down wireless operations compared to the wireless business generating \$28.2 million of cash from operations in 2014. The remaining decrease is due to higher usage of working capital, primarily associated with the growth of our strategic products. These decreases were offset by a \$44.6 million decline in interest payments and pension and postretirement payments being \$10.8 million lower than 2014.

Cash flows from investing activities

Cash flows used by investing activities totaled \$95.5 million in 2016, compared to \$383.2 million provided by investing activities in 2015. The decrease is primarily driven by the year-over-year decrease in proceeds received on the sale of the Company's CyrusOne investment. In addition, CyrusOne dividends classified as investing activities decreased by \$20.1 million and capital expenditures increased by \$2.8 million during 2016.

Cash flows provided by investing activities in 2015 were down \$9.4 million compared to the prior year. The decrease in 2015 was driven by a \$101.3 million increase in capital expenditures, primarily related to the acceleration of our fiber investment, and the \$194.4 million of cash proceeds received on the sale of wireless spectrum licenses in the third quarter of 2014. Dividends received from CyrusOne were down \$6.2 million compared to the prior year. These decreases were offset by a \$288.0 million increase in the cash proceeds from the sale of the Company's CyrusOne investment in 2015 compared to the proceeds received in 2014.

Other cash used by investing activities includes proceeds from the sale of assets totaling \$1.0 million in 2015 and \$2.0 million in 2014. These were offset by contributions to equity method investments totaling \$0.9 million, \$0.3 million and \$5.8 million in 2016, 2015 and 2014, respectively.

Cash flows from financing activities

Cash flows used by financing activities were \$75.4 million in 2016. The Company issued \$625.0 million of 7% Senior Notes at a \$10.0 million premium. Debt repayments totaling \$759.3 million were primarily due to the repayment of \$478.5 million of the outstanding 8 ³/₈% Senior Notes due 2020 at an average rate of 103.328%, \$212.1 million of the outstanding Tranche B Term Loan, \$40.8 million of the outstanding Cincinnati Bell Telephone Notes at an average rate of 92.232% and \$4.0 million of the outstanding 7 ¹/₄% Senior Notes due 2023 at an average rate of 100.750%. In 2016, the Company repurchased 0.2 million common shares for \$4.8 million. Debt issuance costs totaled \$11.1 million for the year. In addition, the Company borrowed \$71.9 million on the Receivables Facility in 2016 and proceeds from the exercise of options totaled \$3.8 million.

Cash flows used by financing activities were \$544.6 million in 2015. Debt repayments totaling \$531.7 million were primarily due to the redemption of \$300.0 million of the outstanding 8 ³/₄% Senior Subordinated Notes due 2018 at 102.188%, \$182.7 million of the outstanding 8 ³/₈% Senior Notes due 2020 at an average rate of 105.543%, \$13.7 million of the outstanding 7 ¹/₄% Notes due 2023 at 99.853% and \$5.8 million of the outstanding CBT Notes at an average rate of 90.840%. In 2015, we repaid \$1.6 million of the outstanding balances on the revolving credit facility.

Cash flows used by financing activities were \$514.5 million in 2014. Debt repayments totaling \$376.5 million were primarily due to the redemption of \$325.0 million of the outstanding 8 ³/₄% Senior Subordinated Notes due 2018 at 104.375% and \$22.7 million of the outstanding 8 ³/₈% Senior Note due 2020 at par. In addition, cash proceeds from the sale of the wireless spectrum licenses were used to repay \$127.0 million on the revolving credit facility.

Dividends paid on preferred stock totaled \$10.4 million in 2016, 2015 and 2014.

Future Operating Trends*Entertainment and Communications*

We continue to generate year-over-year Entertainment and Communications revenue growth as demand for Fioptics and fiber-based products more than offset revenue declines from our legacy products. During 2016, we invested \$230.6 million in our strategic Entertainment and Communications products. Revenue from these products increased 23%, totaling \$449.5 million for the year.

The Company's primary strategic product for residential customers is Fioptics, which is available to 533,400 addresses or approximately 67% of Greater Cincinnati. In 2016, we invested \$89.8 million to pass 101,400 addresses with Fioptics and capital expenditures related to customer installations totaled \$68.7 million. In addition, we invested \$21.8 million to enhance the user experience as well as upgrade the network core and related equipment to support increased subscriber growth. Fioptics revenue totaled \$254.1 million in 2016, up 33% compared to the prior year as demand for the product remains strong. Our Fioptics high-speed subscribers increased by 29% from a year ago, totaling 197,600 as of December 31, 2016. Fioptics video subscribers totaled 137,600 at year-end, up 20% from 2015.

During 2017, we expect continued competition for consumer data, voice and video services as the cable competitor in our market completes its re-branding initiative. In 2017, we plan to invest between \$90 million and \$110 million for Fioptics, including construction, installation and value-added services. Our goal is to pass an additional 35,000 addresses during the year. We expect that Fioptics revenue growth will continue to offset legacy revenue declines.

For our business and carrier customers, strategic products include: high-speed internet and data transport, audio conferencing, as well as VoIP and other broadband services, including private line and MPLS. In 2016, we invested \$50.3 million in capital expenditures for fiber builds, which bring measurable deal driven returns from our business customers. The Company connected approximately 7,200 commercial addresses with fiber based services in 2016 (also referred to as a lit address), increasing the total number of lit addresses to 15,800 (included in Fioptics addresses) expanding the fiber network to more than 9,600 route miles. We also provide cell site back-haul services to more than 70% of the 1,100 cell sites in-market, of which approximately 500 are lit with fiber. We expect to continue to light additional commercial addresses and towers with fiber during 2017 to address customer demand.

Strategic revenue from business customers totaled \$152.8 million (including \$14.5 million from Fioptics), up 11% from a year ago. Total business revenue was consistent with the prior year, and we expect this trend to continue as we transition customers off the legacy copper network and onto fiber-based solutions. Strategic revenue from carrier customers totaled \$45.0 million, up 19% compared to the prior year. Total carrier revenue declined in 2016, due primarily to on-going FCC mandated switched access rate reductions in combination with national carriers increased focus on improving network efficiencies in our market. We expect similar trends to continue in 2017 as we position ourselves to be the preferred wholesale fiber infrastructure provider for 5G, small cell and all other technologies.

In 2017, including our Fioptics capital expenditures, we expect to invest approximately \$130 million to \$155 million in our strategic products. We believe the growth in our strategic product revenue will continue to more than offset the decline from our legacy products, which include local voice, DSL, long distance and low-bandwidth data transport services. Revenue from legacy products totaled \$313.6 million in 2016, down 15% compared to the prior year due to a 15% loss of legacy voice lines and a 7% loss of long distance lines as wireless substitution continues. DSL subscribers also decreased in 2016, and the trend is expected to continue as customers switch to higher speed services, such as our Fioptics product.

IT Services and Hardware

Revenue for strategic IT services was \$197.1 million in 2016, up 10% due to growth in management and monitoring services, unified communications and cloud services. Professional services revenue growth slowed in 2016 as a result of increased in-sourcing of IT professionals in our market, a trend that we expect to continue to put pressure on revenue in 2017. We will continue to foster ongoing relationships with our customers, as we are also focused on enhancing our presence with small and mid-size businesses located in and around Greater Cincinnati. As we successfully migrate customers from legacy solutions onto our fiber network, our results indicate we are able to increase average revenue per customer once this transition occurs.

Demand for Telecom and IT hardware is cyclical in nature. That is, in periods of fiscal restraint, a customer may defer these capital purchases and, instead, use its existing equipment for a longer period of time. Consequently, Telecom and IT Hardware sales in 2017 are somewhat dependent on the business economy and outlook in 2017.

Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2016:

(dollars in millions)	Payments due by Period				
	Total	< 1 Year	1-3 Years	3-5 Years	Thereafter
Long-term debt, excluding capital leases (1)	\$ 1,140.7	\$ 0.2	\$ 89.5	\$ 315.8	\$ 735.2
Capital leases (2)	69.3	7.3	12.7	7.9	41.4
Interest payments on long-term debt and capital leases (3)	490.3	69.7	137.2	117.4	166.0
Non-cancellable operating lease obligations	33.9	4.1	5.5	4.5	19.8
Purchase obligations (4)	190.6	175.3	14.7	0.6	—
Pension and postretirement benefits obligations (5)	81.4	13.8	21.3	20.1	26.2
Unrecognized tax benefits (6)	31.4	—	—	—	31.4
Other liabilities (7)	28.1	12.4	5.1	0.9	9.7
Total	\$ 2,065.7	\$ 282.8	\$ 286.0	\$ 467.2	\$ 1,029.7

- (1) Excludes net unamortized discounts and premiums.
- (2) Includes capital lease obligations primarily related to vehicles used in the deployment of our fiber network and wireless towers assumed from our discontinued operations.
- (3) Assumes no early payment of debt in future periods. The interest rate applied on variable rate borrowings is the rate in effect as of December 31, 2016.
- (4) Includes amounts under open purchase orders and open blanket purchase orders for purchases of network, IT and telephony equipment, and other goods; contractual obligations for services such as software maintenance and outsourced services; and other purchase commitments.
- (5) Includes payments for postretirement benefits, qualified pension plans, non-qualified pension plan and other employee retirement agreements. Amounts for 2017 include approximately \$9 million expected to be contributed for postretirement benefits. Although the Company expects to continue operating the plans past 2017, its contractual obligation related to postretirement obligations only extends through 2017. Amounts for 2017 through 2024 include approximately \$53 million of estimated cash contributions to its qualified pension plans. Expected qualified pension plan contributions are based on current plan design, legislation and current actuarial assumptions. Any changes in plan design, legislation or actuarial assumptions may also affect the expected contribution amount.
- (6) Includes the portion of liabilities related to unrecognized tax benefits. If the timing of payments cannot be reasonably estimated for unrecognized tax benefits, these liabilities are included in the "Thereafter" column of the table above.
- (7) Includes contractual obligations primarily related to restructuring and employee severance reserves, asset removal obligations, long-term disability obligations, workers compensation liabilities and long-term incentive plan obligations.

The contractual obligations table is presented as of December 31, 2016. The amount of these obligations can be expected to change over time as new contracts are initiated and existing contracts are completed, terminated, or modified.

Contingencies

We are subject to various lawsuits, actions, proceedings, claims and other matters asserted under laws and regulations in the normal course of business. We believe that the amounts provided in our consolidated financial statements, as prescribed by generally accepted accounting principles are adequate in light of the probable and estimable contingencies. However, there can be no assurances that the actual amounts required to satisfy alleged liabilities from various legal proceedings, claims, tax examinations, and other matters, including the matters discussed below, and to comply with applicable laws and regulations, will not exceed the amounts reflected in our consolidated financial statements. As such, costs, if any, that may be incurred in excess of those amounts provided as of December 31, 2016, cannot be reasonably determined.

Based on information currently available, consultation with counsel, available insurance coverage and established reserves, management believes that the eventual outcome of all outstanding claims will not, individually or in the aggregate, have a material effect on the Company's financial position, results of operations or cash flows.

Off-Balance Sheet Arrangements*Indemnifications*

During the normal course of business, the Company makes certain indemnities, commitments, and guarantees under which it may be required to make payments in relation to certain transactions. These include: (a) intellectual property indemnities to customers in connection with the use, sale, and/or license of products and services, (b) indemnities to customers in connection with losses incurred while performing services on their premises, (c) indemnities to vendors and service providers pertaining to claims based on negligence or willful misconduct, (d) indemnities involving the representations and warranties in certain contracts, and (e) outstanding letters of credit which totaled \$6.3 million as of December 31, 2016. In addition, the Company has made contractual commitments to several employees providing for payments upon the occurrence of certain prescribed events. The majority of these indemnities, commitments, and guarantees do not provide for any limitation on the maximum potential for future payments.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States. Application of these principles requires management to make estimates or judgments that affect the amounts reported in the financial statements and accompanying notes. These estimates are based on information available as of the date of the financial statements; accordingly, as this information changes, the financial statements could reflect different estimates or judgments. Certain accounting policies inherently have a greater reliance on the use of estimates, and, as such, have a greater possibility of producing results that could be materially different than originally reported.

Our most significant accounting policies are presented in Note 1 to the consolidated financial statements. Management views critical accounting policies to be those policies that are highly dependent on subjective or complex judgments, estimates or assumptions, and where changes in those estimates and assumptions could have a significant impact on the consolidated financial statements. We have discussed our most critical accounting policies, judgments and estimates with our Audit and Finance Committee.

The discussion below addresses major judgments used in:

- revenue recognition;
- reviewing the carrying values of long-lived assets;
- accounting for income taxes; and
- accounting for pension and postretirement expenses.

Revenue Recognition — The Company adheres to revenue recognition principles described in Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic ("ASC") 605, "Revenue Recognition." Under ASC 605, revenue is recognized when there is persuasive evidence of a sale arrangement, delivery has occurred or services have been rendered, the sales price is fixed or determinable, and collectability is reasonably assured.

With respect to arrangements with multiple deliverables, we determine whether more than one unit of accounting exists in an arrangement. To the extent that the deliverables are separable into multiple units of accounting, total consideration is allocated to the individual units of accounting based on their relative fair value determined by the price of each deliverable when it is regularly sold on a stand-alone basis. Revenue is recognized for each unit of accounting as delivered, or as service is performed, depending on the nature of the deliverable comprising the unit of accounting.

Entertainment and Communications — Revenues from local telephone, data transport, internet products and video services, which are billed monthly prior to performance of service, are not recognized upon billing or cash receipt but rather are deferred until the service is provided. Long distance, switched access and video usage pay-per-view are billed monthly in arrears. Entertainment and Communications bills service revenue in regular monthly cycles, which are spread throughout the days of the month. As the last day of each billing cycle rarely coincides with the end of the reporting period for usage-based services such as long distance and switched access, we must estimate service revenues earned but not yet billed. Our estimates are based upon historical usage, and we adjust these estimates during the period in which actual usage is determinable, typically in the following reporting period.

Pricing of local voice services is generally subject to oversight by both state and federal regulatory commissions. Such regulation also covers services, competition and other public policy issues. Various regulatory rulings and interpretations could result in increases or decreases to revenue in future periods.

IT Services and Hardware — Services are generally recognized as the service is provided. Maintenance on telephony equipment is deferred and recognized ratably over the term of the underlying customer contract, generally one to three years.

Equipment revenue is recognized upon the completion of our contractual obligations, such as delivery or customer acceptance. Installation service revenue is generally recognized when installation is complete. We sell equipment and installation services on both a combined and standalone basis.

The Company is a reseller of IT and telephony equipment. For these transactions, we consider the gross versus net revenue recording criteria of ASC 605. Based on this criteria, these equipment revenues and associated costs have generally been recorded on a gross basis, rather than recording the revenues net of the associated costs. Vendor rebates are earned on certain equipment sales. When the rebate is earned and the amount is determinable, we recognize the rebate as an offset to cost of products sold.

Reviewing the Carrying Values of Long-Lived Assets — Depreciation of our Entertainment and Communications telephone plant is determined on a straight-line basis using the group depreciation method. Depreciation of other property, except for leasehold improvements, is based on the straight-line method over the estimated economic useful life. Depreciation of leasehold improvements is based on a straight-line method over the lesser of the economic useful life or term of the lease, including option renewal periods if renewal of the lease is reasonably assured. Repair and maintenance expense items are charged to expense as incurred.

The useful lives of plant and equipment are estimated in order to determine the amount of depreciation expense to be recorded during any reporting period. The majority of Entertainment and Communications' plant and equipment is depreciated using the group method, which develops a depreciation rate annually based on the average useful life of a specific group of assets rather than for each individual asset as would be utilized under the unit method. Such estimated life of the group is based on historical experience with similar assets, as well as taking into account anticipated technological or other changes.

If technological changes were to occur more rapidly than anticipated, the useful lives assigned to these assets may need to be shortened, resulting in the recognition of increased depreciation expense in future periods. Likewise, if the anticipated technological or other changes occur more slowly than expected, the life of the group could be extended based on the life assigned to new assets added to the group. This could result in a reduction of depreciation expense in future periods. Competition from new or more cost effective technologies could affect our ability to generate cash flow from our network-based services. This competition could ultimately result in an impairment of certain of our tangible or intangible assets and have a substantial impact on our future operating results. A one-year change in the useful life of these assets would increase or decrease annual depreciation expense by approximately \$33 million.

In 2016, we reduced the estimated useful life of certain set-top boxes and the related software as we upgraded to new technology. In the fourth quarter of 2015, we reduced the estimated remaining useful life of our copper plant from 15 years to 7 years as customers are increasingly migrating to fiber-based service offerings from those previously provided by our copper network.

Management reviews the carrying value of long-lived assets when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment loss is recognized when the estimated future undiscounted cash flows expected to result from the use of an asset (or group of assets) and its eventual disposition is less than its carrying amount. An impairment loss is measured as the amount by which the asset's carrying value exceeds its estimated fair value. Long-lived intangible assets are amortized based on the estimated economic value generated by the asset in future years.

In the fourth quarter of 2014, an impairment loss of \$4.6 million was incurred by the Entertainment and Communications segment to account for an abandoned internal use software project.

Accounting for Income Taxes — The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction as well as various foreign, state and local jurisdictions. The Company's previous tax filings are subject to normal reviews by regulatory agencies until the related statute of limitations expires. With a few exceptions, the Company is no longer subject to U.S. federal, state or local examinations for years prior to 2013.

The Company has net operating loss carryforwards at the federal, state, local and foreign levels. Federal tax loss carryforwards are available to offset taxable income in current and future periods. The majority of these tax loss carryforwards will expire in 2023 and are not currently limited under U.S. tax laws. The ultimate realization of the deferred income tax assets depends upon our ability to generate future taxable income during the periods in which basis differences and other deductions become deductible and prior to the expiration of the net operating loss carryforwards. Based on current income levels and anticipated future reversal of existing temporary differences, management expects to fully utilize its federal net operating loss carryforwards within their expiration periods. However, realization of certain state, local and foreign net operating losses, as well as other deferred tax assets, is not certain.

A valuation allowance of \$54.4 million and \$58.4 million has been recognized as of December 31, 2016 and 2015, respectively. While the valuation allowance is primarily against state, local, and foreign net operating losses, it also includes \$10.2 million of allowances against Texas margin credits, which effective with CyrusOne's IPO on January 24, 2013, are unlikely to be realized before their expiration date.

As of December 31, 2016 and 2015, the liability for unrecognized tax benefits was \$31.4 million and \$27.6 million, respectively. As of December 31, 2016, the amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate is \$31.0 million. Accrued interest related to unrecognized tax benefits is recognized in interest expense.

Accounting for Pension and Postretirement Expenses — In accounting for pension and postretirement expenses, we apply ASC 715, "Compensation — Retirement Benefits." A liability has been recognized on the Consolidated Balance Sheets for the unfunded status of the pension and postretirement plans. Actuarial gains (losses) and prior service costs (benefits) that arise during the period are recognized as a component of "Accumulated other comprehensive loss" on the Consolidated Balance Sheets.

The Company sponsors three noncontributory defined benefit pension plans: one for eligible management employees, one for non-management employees, and one supplemental, nonqualified, unfunded plan for certain former senior executives. We also provide healthcare and group life insurance benefits for eligible retirees. The measurement date for our pension and postretirement obligations is as of December 31. When changes to the plans occur during interim periods, management reviews the changes and determines if a remeasurement is necessary.

No amendments to the plan were entered in 2014 and 2016. During the second quarter of 2015, the bargained pension plan was amended to eliminate all future pension credits and transition benefits. As a result, the Company recognized a curtailment loss of \$0.3 million in the three months ended June 30, 2015 and remeasured the associated pension obligation. This remeasurement resulted in a decrease of the pension liability by \$1.7 million.

The measurement of our pension and postretirement projected benefit obligations involves significant assumptions and estimates. Each time we remeasure our projected benefit obligations, we reassess the significant assumptions and estimates. The actuarial assumptions attempt to anticipate future events and are used in calculating the expenses and liabilities related to these plans. The most significant of these numerous assumptions, which are reviewed annually, include the discount rate, expected long-term rate of return on plan assets and healthcare cost trend rates.

Discount rate

A discount rate is used to measure the present value of projected benefit obligations. The discount rate for each plan is individually calculated based upon the timing of expected future benefit payments. Our discount rates are derived based upon a yield curve developed to reflect yields available on high-quality corporate bonds as of the measurement date. As of December 31, 2016 and 2015, the discount rate used to value the pension plans was 4.00% and 3.80%, respectively, while the discount rate used to value the postretirement plans was 4.00% and 3.70%, respectively. Higher rates of interest available on high-quality corporate bonds drove the increase in the discount rates in 2016.

Expected rate of return

The expected long-term rate of return on plan assets, developed using the building block approach, is based on the mix of investments held directly by the plans and the current view of expected future returns, which is influenced by historical averages. The required use of an expected versus actual long-term rate of return on plan assets may result in recognized pension expense or income that is greater or less than the actual returns of those plan assets in any given year. Over time, however, the expected long-term returns are designed to approximate the actual long-term returns. As of December 31, 2016 and 2015, the estimated long-term rate of return on pension plan assets was 7.50% and 7.75%, respectively. The long-term rate of return on post-retirement plan assets was estimated to be zero in both periods as these plans have minimal assets with a low rate of return. Actual asset returns for the pension trusts were gains of 9% in 2016 and a loss of 2% in 2015. In our pension calculations, we utilized the market-related value of plan assets, which is a calculated asset value that recognizes changes in asset fair values in a systematic and consistent manner. Differences between actual and expected returns are recognized in the market-related value of plan assets over five years.

Healthcare cost trend

Our healthcare cost trend rate is developed based on historical cost data, the near-term outlook and an assessment of likely long-term trends. As of both December 31, 2016 and 2015, the healthcare cost trend rate used to measure the postretirement health benefit obligation was 6.5%. As of December 31, 2016, the healthcare cost trend rate is assumed to decrease gradually to 4.5% by the year 2021.

The actuarial assumptions used may differ materially from actual results due to the changing market and economic conditions and other changes. Revisions to and variations from these estimates would impact liabilities, equity, cash flow, costs of services and products and selling, general and administrative expenses.

The following table represents the sensitivity of changes in certain assumptions related to the pension and postretirement plans as of December 31, 2016:

		Pension Benefits		Postretirement and Other Benefits	
		(Decrease)/ Increase in Obligation	(Decrease)/ Increase in Expense	(Decrease)/ Increase in Obligation	(Decrease)/ Increase in Expense
(dollars in millions)	% Point Change				
Discount rate	+/- 0.5%	(\$28.9)/\$28.9	(\$1.6)/\$1.6	(\$3.4)/\$3.7	(\$0.1)/\$0.1
Expected return on assets	+/- 0.5%	n/a	\$1.8/(\$1.8)	n/a	\$0.1/(\$0.1)
Healthcare cost trend rate	+/- 1.0%	n/a	n/a	\$3.2/(\$2.9)	\$0.2/(\$0.2)

At December 31, 2016 and 2015, unrecognized actuarial net losses were \$277.9 million and \$312.1 million, respectively. The unrecognized net losses have been primarily generated by differences between assumed and actual rates of return on invested assets, changes in discount rates and healthcare costs. Because gains and losses reflect refinements in estimates as well as real changes in economic values and because some gains in one period may be offset by losses in another or vice versa, we are not required to recognize these gains and losses in the periods that they occur. Instead, if the gains and losses exceed a 10% corridor defined in the accounting literature, we amortize the excess over the average expected future working lifetime of active plan participants for the pension and bargained postretirement plans (approximately 9-13 years) and average life expectancy of retirees for the management postretirement plan (approximately 17 years).

Regulatory Matters and Competitive Trends

Federal - The Telecommunications Act of 1996 (the "1996 Act") was enacted with the goal of establishing a pro-competitive, deregulatory framework to promote competition and investment in advanced telecommunications facilities and services to all Americans. From 1996 to 2008, federal regulators considered a multitude of proceedings aimed at promoting competition and deregulation. Although the 1996 Act called for a deregulatory framework, the FCC continued to maintain significant regulatory restraints on the traditional ILECs while increasing opportunities for new competitive entrants and new services by applying minimal regulation. Since 2009 federal regulators devoted considerable attention to initiatives aimed at promoting investment in and adoption of advanced telecommunications services, particularly broadband Internet access services while simultaneously adopting measures it believed would promote competition, protect consumers, reform universal service, and enhance public safety and national security. We will continue to monitor the regulatory environment including any potential impact on the following proceedings.

Universal Service

The federal Universal Service Fund ("USF") is funded via an assessment on the interstate end-user revenue of all telecommunications carriers and interconnected VoIP providers. The assessment is used to support high cost, low income, rural healthcare, and schools and libraries programs.

In October 2011, the FCC adopted new rules aimed at controlling the size of the high-cost portion of the fund and transitioning it from supporting legacy circuit-switched networks to broadband. These rules capped the high-cost fund and established a framework for transitioning support to the new Connect America Fund ("CAF") to bring broadband to unserved areas. Phase I reforms froze existing high-cost support and provided a mechanism for distributing additional support for qualifying price cap companies. Under Phase II, \$1.8 billion of annual support is available to expand broadband in unserved areas served by price cap ILECs. A separate funding mechanism for rate-of-return companies was finalized in 2016. In August 2015, price cap ILECs, which had the right of first refusal, accepted over \$1.5 billion of the annual Phase II support which was available to them. The remaining support will eventually be distributed via a competitive bidding process. Carriers accepting the Phase II support commitment will have the funds available for a six-year period. CBT accepted approximately \$2 million in annual Phase II support beginning in 2015 in exchange for a commitment to expand broadband to 6,339 Kentucky locations and 745 Ohio locations by the end of 2020.

During 2014, the FCC adopted two orders reforming the Schools and Libraries component of the Universal Service Fund. The first order adopted a plan for phasing out support for voice services and allotted \$1 billion per year through 2016 for funding Wi-Fi and other services to provide connectivity within schools and libraries. The second order, adopted in late 2014, increased the cap on the Schools and Libraries fund to \$3.9 billion per year. These decisions may have changed the mix of services schools and libraries purchase from the Company and the USF assessment on carriers to pay for the increased funding levels, however, because the assessments are generally fully passed on to consumers, any increased assessment is neutral for the Company.

During 2016, the FCC adopted a comprehensive reform of the Lifeline program, which included among other things classifying broadband as a Lifeline eligible service and phasing out support for voice service. Although CBT remains a Lifeline provider, its Lifeline subscriber base has dropped to fewer than 3,000 due to stricter recertification requirements adopted in 2013 and customer migration to wireless Lifeline providers. CBT does not expect the inclusion of broadband in the program to change its downward enrollment trend.

Intercarrier Compensation

In October 2011, in conjunction with its reform of the USF high cost support program, the FCC adopted comprehensive reforms to the switched access and reciprocal compensation rules which govern the means by which carriers compensate one another for use of their networks. The end point of the reforms is a bill-and-keep system under which all per-minute intercarrier charges are eliminated.

Terminating switched access and reciprocal compensation rates are being phased out over a six-year period concluding in 2018 for CBT and other price cap carriers. The plan contains a mechanism that enables ILECs to recover some of the lost revenue from increased end-user charges. The transition and recovery mechanism for originating access and transport rates has not yet been established by the FCC. The impact of these reforms for the Company primarily falls on CBT and increases each year during the six-year transition to bill-and-keep. The Company's terminating switched access and reciprocal compensation revenue subject to these rules was estimated to be less than \$7 million in total at the beginning of the transition and will be phased out to zero at the end of the transition. The potential to offset these losses via increased end-user charges primarily depends on competitive conditions in the ILEC operating area.

Special Access/Business Data Services

In 2005, the FCC opened a proceeding to review the current Special Access (aka Business Data Services or "BDS") pricing rules. Under the existing rules, special access services are subject to price cap regulation with no earnings cap, and ILECs have pricing flexibility in certain metropolitan statistical areas served by a sufficient number of competitors. During 2012, the FCC suspended the grant of any new pricing flexibility requests and issued a mandatory data request. Responses to the data request were provided in the first quarter of 2015. During second quarter of 2016, the FCC proposed a new framework for identifying competitive markets and regulating rates in non-competitive markets, including potentially resetting rates in non-competitive markets to reflect productivity growth over the past decade. The draft order has been withdrawn from consideration and we remain uncertain how these proceedings will be addressed in the future.

IP Transition

In late 2013, the FCC opened a proceeding to explore how to transition from the legacy circuit-switched Time-division Multiplexing ("TDM") networks to Internet Protocol ("IP") networks. Examination of the myriad of technical, legal and policy issues surrounding the IP transition moved to the forefront during 2014, and during 2015 and 2016 the FCC adopted several orders imposing additional requirements on service providers seeking to transition their networks from copper to fiber. We remain uncertain how these proceedings will be addressed in the future.

Broadband Internet Access/Net Neutrality

In an order adopted in 2005, the FCC provided wireline carriers the option of offering broadband Internet access as a non-regulated information service (comparable treatment to cable modem Internet access at that time) or as a regulated telecommunications service. In 2007, CBT elected the non-regulated information service designation for its broadband Internet access service. The FCC also ruled that wireless broadband service was a non-regulated information service, placing it on the same regulatory footing as other broadband services such as cable modem service and wireline DSL service.

In conjunction with the adoption of the 2005 wireline broadband Internet access order, the FCC adopted a policy statement intended to ensure that broadband networks are widely deployed, open, affordable, and accessible to all consumers. In April 2010, the D.C. Circuit Court of Appeals issued an opinion finding that an FCC enforcement action regarding Comcast's network management practices exceeded the FCC's authority, causing the FCC to reassess its approach to crafting net neutrality rules. In December 2010, the FCC adopted net neutrality rules that required broadband providers to publicly disclose network management practices, restricted them from blocking Internet content and applications, and prohibited fixed broadband providers from engaging in unreasonable discrimination in transmitting traffic. In January 2014, the D.C. Circuit Court of Appeals vacated the net neutrality order's anti-blocking and anti-discrimination requirements finding that they were akin to common carrier regulation. However, the Court upheld the transparency and disclosure requirements and found that the FCC has general authority under Section 706 of the Communications Act to promulgate rules to encourage broadband deployment. In response to the Court's decision, the FCC adopted new rules in February 2015 under which it reclassified broadband Internet access as a telecommunications service under Title II of the Communications Act. These new rules were appealed by numerous parties, but in June 2016 the D.C. Circuit Court of Appeals upheld the FCC's new rules in their entirety. In November 2016 the FCC adopted an order establishing broadband privacy and security requirements for Internet service providers using its authority under Title II. The restrictive new privacy rules diverged from the Federal Trade Commission framework that had for years set the standard for protecting Internet users' privacy. All of the requirements of the new rules are currently in effect, but the majority of the recently adopted privacy rules are not yet effective. CBT foresees little near-term impact from the current rules.

State - CBT has operated under alternative regulation plans for its local services since 1994. These plans restrict the ability to increase the price of basic local service and related services but, in return, prevent CBT from being subject to an earnings cap. Under alternative regulation, price increases and enhanced flexibility for some services partially offset the effect of fixed pricing for basic local service and reduced pricing for other, primarily wholesale services.

In September 2010, the Ohio General Assembly enacted Substitute Senate Bill 162, which revised state policy concerning the provision of telecommunications service, repealed Ohio's existing alternative regulation legislation, and authorized pricing flexibility for ILEC basic local exchange service upon a competitive showing by the ILEC. In December 2010, CBT filed an application with the Public Utilities Commission of Ohio ("PUCO") under the new rules to receive pricing flexibility in its four Ohio exchanges that did not have pricing flexibility under alternative regulation. The application was approved in January 2011. Furthermore, the legislation provided cost savings and revenue opportunities resulting from revision of the PUCO's retail rules and service standards that were effective in January 2011. On June 30, 2015, state budget bill HB 64 was signed. HB 64 included provisions that could relieve ILECs from their carrier of last resort obligations, pending the outcome of the FCC's IP Transition proceeding. As part of the provisions of HB 64, the PUCO is currently conducting a process that would assist in the identification of Basic Local Exchange Service ("BLES") customers that might not have a competitive alternative should the ILEC withdraw BLES as part of its transitioning from a circuit-switched TDM network to an IP Network. The new rules have the potential to provide CBT with substantial regulatory relief in Ohio in the future; however, there is no impact in the near-term.

CBT entered into its existing alternative regulation plan in Kentucky in July 2006 under terms established by the Kentucky General Assembly in House Bill No. 337. Under this plan, basic local exchange service prices were capped in exchange for earnings freedom and pricing flexibility on other retail services. The caps on basic local exchange service prices expired in July 2011 providing CBT with flexibility to increase rates for basic local exchange service.

Ohio, Kentucky and Indiana Cable Franchises

The states of Ohio and Indiana permit statewide video service authorization. The Company is now authorized by Ohio and Indiana to provide service in our self-described territory with only 10-day notification to the local government entity and other providers. The authorization can be amended to include additional territory upon notification to the state. A franchise agreement with each local franchising authority is required in Kentucky. The Company has agreements with twenty-five franchising authorities in Kentucky.

Recently Issued Accounting Standards

Refer to Note 2 of the consolidated financial statements for further information on recently issued accounting standards. With the exception of adopting ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs, ASC 205 Presentation of Financial Statements - Discontinued Operations and ASU 2015-17 Balance Sheet Classification of Deferred Taxes, the adoption of new accounting standards did not have a material impact on the Company's financial results for the years ended December 31, 2016, 2015 or 2014.

Private Securities Litigation Reform Act of 1995 Safe Harbor Cautionary Statement

This Form 10-K contains "forward-looking" statements, as defined in federal securities laws including the Private Securities Litigation Reform Act of 1995, which are based on our current expectations, estimates, forecasts and projections. Statements that are not historical facts, including statements about the beliefs, expectations and future plans and strategies of the Company, are forward-looking statements. Actual results may differ materially from those expressed in any forward-looking statements. The following important factors, among other things, could cause or contribute to actual results being materially and adversely different from those described or implied by such forward-looking statements including, but not limited to:

- the Company operates in highly competitive industries, and customers may not continue to purchase products or services, which would result in reduced revenue and loss of market share;
- the Company may be unable to grow our revenues and cash flows despite the initiatives we have implemented;
- failure to anticipate the need for and introduce new products and services or to compete with new technologies may compromise the Company's success in the telecommunications industry;
- the Company's access lines, which generate a significant portion of its cash flows and profits, are decreasing in number. If the Company continues to experience access line losses similar to the past several years, its revenues, earnings and cash flows from operations may be adversely impacted;
- the Company's failure to meet performance standards under its agreements could result in customers terminating their relationships with the Company or customers being entitled to receive financial compensation, which would lead to reduced revenues and/or increased costs;
- the Company generates a substantial portion of its revenue by serving a limited geographic area;
- a large customer accounts for a significant portion of the Company's revenues and accounts receivable. The loss or significant reduction in business from this customer would cause operating revenues to decline and could negatively impact profitability and cash flows;
- maintaining the Company's telecommunications networks requires significant capital expenditures, and its inability or failure to maintain its telecommunications networks could have a material impact on its market share and ability to generate revenue;
- increases in broadband usage may cause network capacity limitations, resulting in service disruptions or reduced capacity for customers;
- we may be liable for material that content providers distribute on our networks;
- cyber attacks or other breaches of network or other information technology security could have an adverse effect on our business;
- natural disasters, terrorists acts or acts of war could cause damage to our infrastructure and result in significant disruptions to our operations;
- the regulation of the Company's businesses by federal and state authorities may, among other things, place the Company at a competitive disadvantage, restrict its ability to price its products and services and threaten its operating licenses;
- the Company depends on a number of third party providers, and the loss of, or problems with, one or more of these providers may impede the Company's growth or cause it to lose customers;
- a failure of back-office information technology systems could adversely affect the Company's results of operations and financial condition;
- if the Company fails to extend or renegotiate its collective bargaining agreements with its labor union when they expire or if its unionized employees were to engage in a strike or other work stoppage, the Company's business and operating results could be materially harmed;
- the loss of any of the senior management team or attrition among key sales associates could adversely affect the Company's business, financial condition, results of operations and cash flows;
- the Company's debt could limit its ability to fund operations, raise additional capital, and fulfill its obligations, which, in turn, would have a material adverse effect on its businesses and prospects generally;
- the Corporate Credit Agreement and other indebtedness impose significant restrictions on the Company;

- the Company depends on its Corporate Credit Agreement and Receivables Facility to provide for its short-term financing requirements in excess of amounts generated by operations, and the availability of those funds may be reduced or limited;
- the servicing of the Company's indebtedness is dependent on its ability to generate cash, which could be impacted by many factors beyond its control;
- the Company depends on the receipt of dividends or other intercompany transfers from its subsidiaries and investments;
- the Company has a significant investment in CyrusOne;
- the trading price of the Company's common stock may be volatile, and the value of an investment in the Company's common stock may decline;
- the uncertain economic environment, including uncertainty in the U.S. and world securities markets, could impact the Company's business and financial condition;
- the Company's future cash flows could be adversely affected if it is unable to fully realize its deferred tax assets;
- adverse changes in the value of assets or obligations associated with the Company's employee benefit plans could negatively impact shareowners' deficit and liquidity;
- third parties may claim that the Company is infringing upon their intellectual property, and the Company could suffer significant litigation or licensing expenses or be prevented from selling products;
- third parties may infringe upon the Company's intellectual property, and the Company may expend significant resources enforcing its rights or suffer competitive injury;
- we could be subject to a significant amount of litigation, which could require us to pay significant damages or settlements; and
- the Company could incur significant costs resulting from complying with, or potential violations of, environmental, health and human safety laws.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. The Company does not undertake any obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

The Company has exposure to interest rate risk, primarily in the form of variable-rate borrowings from its Corporate Credit Agreement and Receivables Facility and changes in current rates compared to that of its fixed rate debt. The Company's management periodically employs derivative financial instruments to manage exposure to interest rate risk. At December 31, 2016 and 2015, the Company held no derivative financial instruments. As of December 31, 2016, the Company had variable-rate borrowings of \$315.8 million under the Tranche B Term Loan Facility, \$89.5 million under the Receivables Facility, and no borrowings under the Corporate Credit Agreement's revolving credit facility. The interest on these debt arrangements varies with changes in the LIBOR rate. A hypothetical increase or decrease of one percentage point in the LIBOR rate would increase or decrease our annual interest expense on these variable-rate borrowings by \$4.1 million, assuming no additional borrowings or repayments are made under these agreements.

The following table sets forth the face amounts, maturity dates, and average interest rates at December 31, 2016 for our fixed and variable-rate debt, excluding capital leases and other debt, and unamortized discounts:

<u>(dollars in millions)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Thereafter</u>	<u>Total</u>	<u>Fair Value</u>
Fixed-rate debt:	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 735.2	\$ 735.2	\$ 772.0
Weighted average interest rate on fixed-rate debt	—	—	—	—	—	6.9%	6.9%	
Variable-rate debt:	\$ —	\$ —	\$ 89.5	\$ 315.8	\$ —	\$ —	\$ 405.3	\$ 405.7
Average interest rate on variable-rate debt	—	—	1.3%	4.0%	—	—	3.4%	

At December 31, 2015, the carrying value and fair value of fixed-rate debt was \$633.5 million and \$628.5 million, respectively.

Equity Risk - Investment in CyrusOne

Our investment in CyrusOne is subject to a variety of risk factors encompassed under the umbrella of market risk. General economic swings influence the performance of the stock. Industry- and company-specific risks also have the potential to substantially affect the value of our investment.

The table below summarizes the effect of hypothetical changes in market prices on fair value of our equity portfolio.

<u>(dollars in millions)</u>	<u>Effect from market price change in percent</u>						
	<u>-30%</u>	<u>-20%</u>	<u>-10%</u>	<u>—</u>	<u>10%</u>	<u>20%</u>	<u>30%</u>
At December 31, 2016	\$ 89.6	\$ 102.4	\$ 115.2	\$ 128.0	\$ 140.8	\$ 153.6	\$ 166.4

Our investment in CyrusOne represented \$128.0 million in fair value and accounted for the net unrealized gains at year-end 2016 in accumulated other comprehensive loss.

Foreign Currency Risk

Substantially all of our revenue and expenses are denominated in U.S. dollars. We do not currently employ forward contracts or other financial instruments to mitigate foreign currency risk.

Commodity Price Risk

Certain of our operating costs are subject to price fluctuations caused by the volatility of the underlying commodity prices, such as gas utilized primarily by our field operations group, and network and building materials, such as steel, fiber and copper, used in the construction of our networks.

Item 8. Financial Statements and Supplementary Data**Index to Consolidated Financial Statements****Page**

Consolidated Financial Statements:

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Financial Statement Schedule:

For each of the three years in the period ended December 31, 2016:

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Financial statement schedules other than those listed above have been omitted because the required information is contained in the financial statements and notes thereto, or because such schedules are not required or applicable.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Cincinnati Bell Inc. and its subsidiaries (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. The Company's internal control system is designed to produce reliable financial statements in conformity with accounting principles generally accepted in the United States.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2016. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control — Integrated Framework (2013)*. Based on this assessment, management has concluded that, as of December 31, 2016, the Company's internal control over financial reporting is effective based on those criteria.

The effectiveness of the Company's internal control over financial reporting has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report included herein.

February 24, 2017

/s/ Theodore H. Torbeck

Theodore H. Torbeck
Chief Executive Officer

/s/ Andrew R. Kaiser

Andrew R. Kaiser
Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareowners of Cincinnati Bell Inc.

Cincinnati, Ohio

We have audited the internal control over financial reporting of Cincinnati Bell Inc. and subsidiaries (the "Company") as of December 31, 2016 based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2016 of the Company and our report dated February 24, 2017 expressed an unqualified opinion on those financial statements and financial statement schedule.

/s/ Deloitte & Touche LLP

Cincinnati, Ohio

February 24, 2017

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareowners of Cincinnati Bell Inc.

Cincinnati, Ohio

We have audited the accompanying consolidated balance sheets of Cincinnati Bell Inc. and subsidiaries (the "Company") as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive income, shareowners' deficit, and cash flows for each of the three years in the period ended December 31, 2016. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Cincinnati Bell Inc. and subsidiaries at December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2016, based on the criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 24, 2017 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Cincinnati, Ohio

February 24, 2017

Cincinnati Bell Inc.
CONSOLIDATED BALANCE SHEETS
(Dollars in millions, except share amounts)

	December 31, 2016	December 31, 2015
Assets		
Current assets		
Cash and cash equivalents	\$ 9.7	\$ 7.4
Receivables, less allowances of \$9.9 and \$12.4	178.6	157.1
Inventory, materials and supplies	22.7	20.6
Prepaid expenses	15.0	13.1
Other current assets	3.9	2.2
Total current assets	229.9	200.4
Property, plant and equipment, net	1,085.5	975.5
Investment in CyrusOne	128.0	55.5
Goodwill	14.3	14.3
Deferred income taxes, net	64.5	182.9
Other noncurrent assets	18.8	17.8
Total assets	\$ 1,541.0	\$ 1,446.4
Liabilities and Shareowners' Deficit		
Current liabilities		
Current portion of long-term debt	\$ 7.5	\$ 13.8
Accounts payable	105.9	128.9
Unearned revenue and customer deposits	36.3	29.2
Accrued taxes	12.9	14.5
Accrued interest	12.7	11.2
Accrued payroll and benefits	25.7	31.2
Other current liabilities	31.9	25.0
Other current liabilities from discontinued operations	—	5.4
Total current liabilities	232.9	259.2
Long-term debt, less current portion	1,199.1	1,223.8
Pension and postretirement benefit obligations	197.7	225.0
Other noncurrent liabilities	33.0	36.6
Total liabilities	1,662.7	1,744.6
Shareowners' deficit		
Preferred stock, 2,357,299 shares authorized; 155,250 shares (3,105,000 depositary shares) of 6 3/4% Cumulative Convertible Preferred Stock issued and outstanding at December 31, 2016 and 2015; liquidation preference \$1,000 per share (\$50 per depositary share)	129.4	129.4
Common shares, \$.01 par value; 96,000,000 shares authorized; 42,056,237 and 42,003,600 shares issued; 42,056,237 and 41,975,390 shares outstanding at December 31, 2016 and 2015	0.4	0.4
Additional paid-in capital	2,570.9	2,577.7
Accumulated deficit	(2,732.1)	(2,834.2)
Accumulated other comprehensive loss	(90.3)	(171.0)
Common shares in treasury, at cost	—	(0.5)
Total shareowners' deficit	(121.7)	(298.2)
Total liabilities and shareowners' deficit	\$ 1,541.0	\$ 1,446.4

The accompanying notes are an integral part of the consolidated financial statements.

Cincinnati Bell Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in millions, except per share amounts)

	Year Ended December 31,		
	2016	2015	2014
Revenue			
Services	\$ 978.7	\$ 933.0	\$ 890.2
Products	207.1	234.8	271.3
Total revenue	1,185.8	1,167.8	1,161.5
Costs and expenses			
Cost of services, excluding items below	506.4	472.5	416.2
Cost of products sold, excluding items below	172.5	198.1	231.5
Selling, general and administrative	218.7	219.1	204.2
Depreciation and amortization	182.2	141.6	127.6
Restructuring and severance related charges (reversals)	11.9	6.0	(0.4)
Other	1.1	2.5	5.5
Total operating costs and expenses	1,092.8	1,039.8	984.6
Operating income	93.0	128.0	176.9
Interest expense	75.7	103.1	145.9
Loss on extinguishment of debt, net	19.0	20.9	19.6
Gain on sale of CyrusOne investment	(157.0)	(449.2)	(192.8)
Other (income) expense, net	(7.6)	2.6	5.1
Income from continuing operations before income taxes	162.9	450.6	199.1
Income tax expense	61.1	159.8	81.4
Income from continuing operations	101.8	290.8	117.7
Income (loss) from discontinued operations, net of tax	0.3	62.9	(42.1)
Net income	102.1	353.7	75.6
Preferred stock dividends	10.4	10.4	10.4
Net income applicable to common shareowners	<u>\$ 91.7</u>	<u>\$ 343.3</u>	<u>\$ 65.2</u>
Basic net earnings per common share			
Basic earnings per common share from continuing operations	\$ 2.17	\$ 6.69	\$ 2.57
Basic earnings (loss) per common share from discontinued operations	\$ 0.01	\$ 1.50	\$ (1.01)
Basic net earnings per common share	<u>\$ 2.18</u>	<u>\$ 8.19</u>	<u>\$ 1.56</u>
Diluted net earnings per common share			
Diluted earnings per common share from continuing operations	\$ 2.17	\$ 6.68	\$ 2.56
Diluted earnings (loss) per common share from discontinued operations	\$ 0.01	\$ 1.49	\$ (1.00)
Diluted net earnings per common share	<u>\$ 2.18</u>	<u>\$ 8.17</u>	<u>\$ 1.56</u>
Weighted-average common shares outstanding (millions)			
Basic	42.0	41.9	41.7
Diluted	42.1	42.0	41.9

The accompanying notes are an integral part of the consolidated financial statements.

Cincinnati Bell Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Dollars in millions)

	Year Ended December 31,		
	2016	2015	2014
Net income	\$ 102.1	\$ 353.7	\$ 75.6
Other comprehensive income (loss), net of tax:			
Unrealized gains on Investment in CyrusOne, net of tax of \$36.9	68.1	—	—
Foreign currency translation loss	(0.1)	(0.4)	(0.1)
Defined benefit plans:			
Net gain (loss) arising from remeasurement during the period, net of tax of \$3.6, (\$3.4), (\$25.0)	6.6	(6.6)	(45.4)
Amortization of prior service benefits included in net income, net of tax of (\$5.2), (\$5.5), (\$5.4)	(9.4)	(9.8)	(9.8)
Amortization of net actuarial loss included in net income, net of tax of \$8.5, \$10.8, \$8.0	15.5	19.5	14.7
Reclassification adjustment for curtailment loss included in net income, net of tax of \$0.1	—	0.2	—
Total other comprehensive income (loss), net of tax	80.7	2.9	(40.6)
Total comprehensive income	\$ 182.8	\$ 356.6	\$ 35.0

The accompanying notes are an integral part of the consolidated financial statements.

Cincinnati Bell Inc.
CONSOLIDATED STATEMENTS OF SHAREOWNERS' DEFICIT
(in millions)

	6 3/4% Cumulative Convertible Preferred Shares		Common Shares		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Shares		Total
	Shares	Amount	Shares	Amount				Shares	Amount	
Balance at December 31, 2013	3.1	\$ 129.4	41.7	\$ 0.4	\$ 2,592.3	\$ (3,263.5)	\$ (133.3)	(0.1)	\$ (2.0)	\$ (676.7)
Net income	—	—	—	—	—	75.6	—	—	—	75.6
Other comprehensive loss	—	—	—	—	—	—	(40.6)	—	—	(40.6)
Shares issued under employee plans	—	—	0.2	—	1.4	—	—	—	—	1.4
Shares purchased under employee plans and other	—	—	—	—	(2.0)	—	—	—	0.9	(1.1)
Stock-based compensation	—	—	—	—	3.3	—	—	—	—	3.3
Dividends on preferred stock	—	—	—	—	(10.4)	—	—	—	—	(10.4)
Balance at December 31, 2014	3.1	129.4	41.9	0.4	2,584.6	(3,187.9)	(173.9)	(0.1)	(1.1)	(648.5)
Net income	—	—	—	—	—	353.7	—	—	—	353.7
Other comprehensive income	—	—	—	—	—	—	2.9	—	—	2.9
Shares issued under employee plans	—	—	0.1	—	0.1	—	—	—	—	0.1
Shares purchased under employee plans and other	—	—	—	—	(0.7)	—	—	—	0.6	(0.1)
Stock-based compensation	—	—	—	—	4.1	—	—	—	—	4.1
Dividends on preferred stock	—	—	—	—	(10.4)	—	—	—	—	(10.4)
Balance at December 31, 2015	3.1	129.4	42.0	0.4	2,577.7	(2,834.2)	(171.0)	(0.1)	(0.5)	(298.2)
Net income	—	—	—	—	—	102.1	—	—	—	102.1
Other comprehensive income	—	—	—	—	—	—	80.7	—	—	80.7
Shares issued under employee plans	—	—	0.3	—	3.6	—	—	—	—	3.6
Shares purchased under employee plans and other	—	—	—	—	(0.3)	—	—	0.1	0.5	0.2
Stock-based compensation	—	—	—	—	5.1	—	—	—	—	5.1
Repurchase and retirement of shares	—	—	(0.2)	—	(4.8)	—	—	—	—	(4.8)
Dividends on preferred stock	—	—	—	—	(10.4)	—	—	—	—	(10.4)
Balance at December 31, 2016	3.1	\$ 129.4	42.1	\$ 0.4	\$ 2,570.9	\$ (2,732.1)	\$ (90.3)	—	\$ —	\$ (121.7)

The accompanying notes are an integral part of the consolidated financial statements.

Cincinnati Bell Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in millions)

	Year Ended December 31,		
	2016	2015	2014
Cash flows from operating activities			
Net income	\$ 102.1	\$ 353.7	\$ 75.6
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	182.2	170.2	231.0
Loss on extinguishment of debt	19.0	20.9	19.6
Gain on sale of CyrusOne investment	(157.0)	(449.2)	(192.8)
Impairment of assets	—	—	12.1
Provision for loss on receivables	9.4	8.5	10.4
Noncash portion of interest expense	3.3	4.6	6.2
Deferred income tax expense, including valuation allowance change	59.4	184.5	47.4
Pension and other postretirement payments in excess of expense	(8.3)	(11.5)	(25.7)
Deferred gain on sale of wireless spectrum licenses - discontinued operations	—	(112.6)	—
Amortization of deferred gain - discontinued operations	—	(6.5)	(22.9)
Stock-based compensation	5.1	4.1	3.3
Gain on transfer of lease obligations - discontinued operations	—	(15.9)	—
Other, net	(3.7)	3.1	10.5
Changes in operating assets and liabilities:			
Increase in receivables	(18.3)	(1.9)	(23.7)
(Increase) decrease in inventory, materials, supplies, prepaid expenses and other current assets	(6.2)	3.6	(7.2)
(Decrease) increase in accounts payable	(13.1)	(17.0)	38.7
Decrease in accrued and other current liabilities	(3.0)	(30.6)	(0.8)
(Increase) decrease in other noncurrent assets	(1.3)	1.5	0.7
Increase (decrease) in other noncurrent liabilities	3.6	1.4	(7.2)
Net cash provided by operating activities	173.2	110.9	175.2
Cash flows from investing activities			
Capital expenditures	(286.4)	(283.6)	(182.3)
Proceeds from sale of Investment in CyrusOne	189.7	643.9	355.9
Dividends received from Investment in CyrusOne (equity method investment)	2.1	22.2	28.4
Proceeds from sale of wireless spectrum licenses - discontinued operations	—	—	194.4
Other, net	(0.9)	0.7	(3.8)
Net cash (used in) provided by investing activities	(95.5)	383.2	392.6
Cash flows from financing activities			
Proceeds from issuance of long-term debt	635.0	—	—
Net increase (decrease) in corporate credit and receivables facilities with initial maturities less than 90 days	71.9	(1.6)	(127.0)
Repayment of debt	(759.3)	(531.7)	(376.5)
Debt issuance costs	(11.1)	(0.4)	(0.9)
Dividends paid on preferred stock	(10.4)	(10.4)	(10.4)
Common stock repurchase	(4.8)	—	—
Other, net	3.3	(0.5)	0.3
Net cash used in financing activities	(75.4)	(544.6)	(514.5)
Net increase (decrease) in cash and cash equivalents	2.3	(50.5)	53.3
Cash and cash equivalents at beginning of year	7.4	57.9	4.6
Cash and cash equivalents at end of year	\$ 9.7	\$ 7.4	\$ 57.9

The accompanying notes are an integral part of the consolidated financial statements.

Cincinnati Bell Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business and Accounting Policies

Description of Business — Cincinnati Bell Inc. and its consolidated subsidiaries ("Cincinnati Bell", "we", "our", "us" or the "Company") provides diversified telecommunications and technology services. The Company generates a large portion of its revenue by serving customers in the Greater Cincinnati and Dayton, Ohio areas. An economic downturn or natural disaster occurring in this, or a portion of this, limited operating territory could have a disproportionate effect on our business, financial condition, results of operations and cash flows compared to similar companies of a national scope and similar companies operating in different geographic areas.

As of December 31, 2016, we operate our business through the following segments: Entertainment and Communications and IT Services and Hardware.

The company has 3,400 employees as of December 31, 2016, and approximately 30% of its employees are covered by a collective bargaining agreement with Communications Workers of America ("CWA") that will be in effect through May 12, 2018.

Basis of Presentation — The consolidated financial statements of the Company have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") and, in the opinion of management, include all adjustments necessary for a fair presentation of the results of operations, comprehensive income, financial position and cash flows for each period presented.

On October 4, 2016, the Company filed an amendment to its Amended and Restated Articles of Incorporation to affect a one-for-five reverse split of its issued common stock (the "Reverse Split") which had the effect of reducing the number of issued shares of common stock from 210,275,005 to 42,055,001, effective as of 11:59 pm on October 4, 2016. Any fractional shares of common stock resulting from the Reverse Split were settled in cash equal to the fraction of a share to which the holder was entitled. As a result of the Reverse Split, the Company reduced total par value from common stock by \$1.7 million and increased the additional paid-in capital by the same amount for the reporting periods.

All shares of common stock, stock options, the conversion rate of preferred stock and per share information presented in the consolidated financial statements have been adjusted to reflect the Reverse Split on a retroactive basis for all periods presented and all share information is rounded down to the nearest whole share after reflecting the Reverse Split.

Basis of Consolidation — The consolidated financial statements include the consolidated accounts of Cincinnati Bell Inc. and its majority-owned subsidiaries over which it exercises control. Intercompany accounts and transactions have been eliminated in the consolidated financial statements. Investments over which the Company exercises significant influence are recorded under the equity method.

Recast of Financial Information for Discontinued Operations — In the second quarter of 2014, we entered into agreements to sell our wireless spectrum licenses and certain other assets related to our wireless business. The agreement to sell our wireless spectrum licenses closed on September 30, 2014, for cash proceeds of \$194.4 million. Simultaneously, we entered into a separate agreement to use certain spectrum licenses for \$8.00 until we no longer provided wireless service. Effective March 31, 2015, all wireless subscribers were migrated off our network and we ceased providing wireless services and operations. Certain wireless tower lease obligations and other assets were transferred to the acquiring company on April 1, 2015.

The closing of our wireless operations represents a strategic shift in our business. Therefore, certain wireless assets, liabilities and results of operations are reported as discontinued operations in our financial statements. Accordingly, the Company recast 2015 and 2014 results with the exception of the Consolidated Statements of Comprehensive Income, Consolidated Statements of Shareowners' Deficit and Consolidated Statements of Cash Flows. See Note 16 for all required disclosures.

Use of Estimates — The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ from those estimates. Significant items subject to such estimates and judgments include: the carrying value of property, plant and equipment; the valuation of insurance and claims liabilities; the valuation of allowances for receivables and deferred income taxes; reserves recorded for income tax exposures; the valuation of asset retirement obligations; assets and liabilities related to employee benefits; and the valuation of goodwill. In the normal course of business, the Company is also subject to various regulatory and tax proceedings, lawsuits, claims and other matters. The Company believes adequate provision has been made for all such asserted and unasserted claims in accordance with GAAP. Such matters are subject to many uncertainties and outcomes that are not predictable with assurance.

Cash and Cash Equivalents — Cash consists of funds held in bank accounts. Cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less.

Receivables — Receivables consist principally of trade receivables from customers and are generally unsecured and due within 21 - 90 days. The Company has receivables with one customer, General Electric Company ("GE"), that makes up 21% and 22% of the outstanding accounts receivable balance at December 31, 2016 and 2015, respectively. Unbilled receivables arise from services rendered but not yet billed. As of December 31, 2016 and 2015, unbilled receivables totaled \$14.5 million and \$14.0 million, respectively. Expected credit losses related to trade receivables are recorded as an allowance for uncollectible accounts in the Consolidated Balance Sheets. The Company establishes the allowances for uncollectible accounts using percentages of aged accounts receivable balances to reflect the historical average of credit losses as well as specific provisions for certain identifiable, potentially uncollectible balances. When internal collection efforts on accounts have been exhausted, the accounts are written off and the associated allowance for uncollectible accounts is reduced.

Inventory, Materials and Supplies — Inventory, materials and supplies consists of network components, various telephony and IT equipment to be sold to customers, maintenance inventories, and other materials and supplies, which are carried at the lower of average cost or market.

Property, Plant and Equipment — Property, plant and equipment is stated at original cost and presented net of accumulated depreciation and impairment losses. Maintenance and repairs are charged to expense as incurred while improvements, which extend an asset's useful life or increase its functionality, are capitalized and depreciated over the asset's remaining life. The majority of the Entertainment and Communications network property, plant and equipment used to generate its voice and data revenue is depreciated using the group method, which develops a depreciation rate annually based on the average useful life of a specific group of assets rather than for each individual asset as would be utilized under the unit method. Provision for depreciation of other property, plant and equipment, except for leasehold improvements, is based on the straight-line method over the estimated economic useful life. Depreciation of leasehold improvements is based on a straight-line method over the lesser of the economic useful life of the asset or the term of the lease, including optional renewal periods if renewal of the lease is reasonably assured.

Additions and improvements, including interest and certain labor costs incurred during the construction period, are capitalized. The Company records the fair value of a legal liability for an asset retirement obligation in the period it is incurred. The estimated removal cost is initially capitalized and depreciated over the remaining life of the underlying asset. The associated liability is accreted to its present value each period. Once the obligation is ultimately settled, any difference between the final cost and the recorded liability is recognized as gain or loss on disposition.

Goodwill — Goodwill represents the excess of the purchase price consideration over the fair value of net assets acquired and recorded in connection with business acquisitions. Goodwill is generally allocated to reporting units one level below business segments. Goodwill is tested for impairment on an annual basis or when events or changes in circumstances indicate that such assets may be impaired. If the net book value of the reporting unit exceeds its fair value, an impairment loss may be recognized. An impairment loss is measured as the excess of the carrying value of goodwill of a reporting unit over its implied fair value. The implied fair value of goodwill represents the difference between the fair value of the reporting unit and the fair value of all the assets and liabilities of that unit, including any unrecognized intangible assets.

Long-Lived Assets — Management reviews the carrying value of property, plant and equipment and other long-lived assets, including intangible assets with definite lives, when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment loss is recognized when the estimated future undiscounted cash flows expected to result from the use of an asset (or group of assets) and its eventual disposition is less than its carrying amount. An impairment loss is measured as the amount by which the asset's carrying value exceeds its estimated fair value. Long-lived intangible assets are amortized based on the estimated economic value generated by the asset in future years.

Investment in CyrusOne — On January 24, 2013, we completed the initial public offering ("IPO") of CyrusOne Inc. ("CyrusOne"), which owns and operates our former Data Center Colocation business. CyrusOne conducts its data center business through CyrusOne LP, an operating partnership. Effective with the IPO, we retained ownership of approximately 1.9 million shares, or 8.6%, of CyrusOne's common stock and were a limited partner in CyrusOne LP, owning approximately 42.6 million, or 66%, of its partnership units. We effectively owned 69% of CyrusOne and continued to have significant influence over the entity, but we did not control its operations. Therefore, effective January 24, 2013, we no longer included the accounts of CyrusOne in our consolidated financial statements, but accounted for our ownership in CyrusOne as an equity method investment. From the date of IPO, we recognized our proportionate share of CyrusOne's net income or loss as non-operating income or expense in our Consolidated Statement of Operations through December 31, 2015. For the period January 1, 2013 through January 23, 2013, we consolidated CyrusOne's operating results.

On December 31, 2015, we exchanged our remaining 6.3 million operating partnership units in CyrusOne LP for an equal number of newly issued shares of common stock of CyrusOne Inc. As a result, our 9.5% ownership in CyrusOne, which consisted of 6.9 million common shares, no longer constituted significant influence over the entity. Effective January 1, 2016, our investment in CyrusOne was no longer accounted for using the equity method. Dividends declared by CyrusOne in 2016 totaled \$6.4 million and were included in "Other (income) expense, net" in the Consolidated Statement of Operations. As of December 31, 2016, we held 2.8 million shares of CyrusOne Inc. common stock valued at \$128.0 million which are accounted for as available-for-sale securities.

As of December 31, 2016, "Investment in CyrusOne" on the Consolidated Balance Sheets has been recorded at fair value, which was determined based on closing market price of CyrusOne at December 31, 2016. This investment is classified as Level 1 in the fair value hierarchy. Unrealized gains and losses on our investment in CyrusOne are included in "Accumulated other comprehensive loss", net of taxes on the Consolidated Balance Sheets. At December 31, 2016, gross unrealized gains totaled \$105.0 million. When evaluating the investments for other-than-temporary impairment, the Company reviews such factors as the financial condition of the issuer, severity and duration of the fair value decline and evaluation of factors that could cause the investment to have an other-than-temporary decline in fair value. During the year ended December 31, 2016 the Company did not recognize any impairment charges related to Investment in CyrusOne.

Equity Method Investments — During 2014, we invested a total of \$5.5 million in other entities, which are accounted for as equity method investments and the carrying value has been recorded within "Other noncurrent assets" in the Consolidated Balance Sheets. The Company's proportionate share of the investments' net loss had a minimal impact on our Consolidated Statement of Operations in 2014, 2015 and 2016. Equity method investments are tested for impairment on an annual basis or when events or changes in circumstances indicate that such assets may be impaired.

Cost Method Investments — Certain of our cost method investments do not have readily determinable fair values. The carrying value of these investments was \$3.4 million and \$3.0 million as of December 31, 2016 and 2015, respectively, and was included in "Other noncurrent assets" in the Consolidated Balance Sheets. Investments are reviewed annually for impairment, or sooner if changes in circumstances indicate the carrying value may not be recoverable. If the carrying value of the investment exceeds its estimated fair value and the decline in value is determined to be other-than-temporary, an impairment loss is recognized for the difference. The Company estimates fair value using external information and discounted cash flow analysis.

Leases — Certain property and equipment are leased. At lease inception, the lease terms are assessed to determine if the transaction should be classified as a capital or operating lease.

Treasury Shares — The repurchase of common shares is recorded at purchase cost as treasury shares. Our policy is to retire, either formally or constructively, treasury shares that management anticipates will not be reissued. Upon retirement, the purchase cost of the treasury shares that exceeds par value is recorded as a reduction to "Additional paid-in capital" in the Consolidated Balance Sheets.

Revenue Recognition — We apply the revenue recognition principles described in Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic ("ASC") 605, "Revenue Recognition." Under ASC 605, revenue is recognized when there is persuasive evidence of a sale arrangement, delivery has occurred or services have been rendered, the sales price is fixed or determinable, and collectability is reasonably assured.

With respect to arrangements with multiple deliverables, management determines whether more than one unit of accounting exists in an arrangement. To the extent that the deliverables are separable into multiple units of accounting, total consideration is allocated to the individual units of accounting based on their relative fair value, determined by the price of each deliverable when it is regularly sold on a stand-alone basis. Revenue is recognized for each unit of accounting as delivered, or as service is performed, depending on the nature of the deliverable comprising the unit of accounting.

The Company has sales with one customer, GE, that contributed 12% to total revenue in each of 2016 and 2015, and 14% in 2014. Revenue derived from foreign operations is less than 1% of consolidated revenue.

Entertainment and Communications — Revenues from local telephone, special access, internet product and video services, which are billed monthly prior to performance of service, are not recognized upon billing or cash receipt but rather are deferred until the service is provided. Long distance, switched access and other usage based charges are billed monthly in arrears. Entertainment and Communications bills service revenue in regular monthly cycles, which are spread throughout the days of the month. As the last day of each billing cycle rarely coincides with the end of the reporting period for usage-based services such as long distance and switched access, we must estimate service revenues earned but not yet billed. These estimates are based upon historical usage, and we adjust these estimates during the period in which actual usage is determinable, typically in the following reporting period.

Pricing of local voice services is generally subject to oversight by both state and federal regulatory commissions. Such regulation also covers services, competition, and other public policy issues. Various regulatory rulings and interpretations could result in increases or decreases to revenue in future periods.

IT Services and Hardware — Services are generally recognized as the service is provided. Maintenance on telephony equipment is deferred and recognized ratably over the term of the underlying customer contract, generally one to three years.

Equipment revenue is recognized upon the completion of our contractual obligations, such as shipment, delivery, or customer acceptance. Installation service revenue is generally recognized when installation is complete. We sell equipment and installation services on both a combined and standalone basis.

The Company is a reseller of IT and telephony equipment. For these transactions, we consider the gross versus net revenue recording criteria of ASC 605. Based on this criteria, these equipment revenues and associated costs have generally been recorded on a gross basis rather than recording the revenues net of the associated costs. Vendor rebates are earned on certain equipment sales. When the rebate is earned and the amount is determinable, we recognize the rebate as an offset to cost of products sold.

Discontinued Operations — Postpaid wireless and reciprocal compensation were billed monthly in arrears. Service revenue was billed in regular monthly cycles, which were spread throughout the days of the month. As the last day of each billing cycle rarely coincided with the end of the reporting period for usage-based services such as postpaid wireless, we estimated service revenues earned but not yet billed. Our estimates were based upon historical usage, and we adjusted these estimates during the period in which actual usage was determinable, typically in the following reporting period.

Revenue from prepaid wireless service, which was collected in advance, was not recognized upon billing or cash receipt but rather deferred until the service was provided.

Wireless handset revenue and the related activation revenue were recognized when the products were delivered to and accepted by the customer, as this was considered to be a separate earnings process from the sale of wireless services. Wireless equipment costs were also recognized upon handset sale and were generally in excess of the related handset and activation revenue. Revenue from termination fees was recognized when collection was deemed reasonably assured.

Advertising Expenses — Costs related to advertising are expensed as incurred. Advertising costs were \$9.5 million, \$8.3 million, and \$7.2 million in 2016, 2015, and 2014, respectively.

Legal Expenses — In the normal course of business, the Company is involved in various claims and legal proceedings. Legal costs incurred in connection with loss contingencies are expensed as incurred. Legal claim accruals are recorded once determined to be both probable and estimable.

Income, Operating, and Regulatory Taxes

Income taxes — The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction as well as various foreign, state and local jurisdictions. The provision for income taxes is based upon income in the consolidated financial statements, rather than amounts reported on the income tax return. The income tax provision consists of an amount for taxes currently payable and an amount for tax consequences deferred to future periods. Deferred investment tax credits are amortized as a reduction of the provision for income taxes over the estimated useful lives of the related property, plant and equipment. Deferred income taxes are provided for temporary differences between financial statement and income tax assets and liabilities. Deferred income taxes are recalculated annually at rates then in effect. Valuation allowances are recorded to reduce deferred tax assets to amounts that are more likely than not to be realized. The ultimate realization of the deferred income tax assets depends upon the ability to generate future taxable income during the periods in which basis differences and other deductions become deductible and prior to the expiration of the net operating loss carryforwards.

Previous tax filings are subject to normal reviews by regulatory agencies until the related statute of limitations expires.

Operating taxes — Certain operating taxes such as property, sales, use, and gross receipts taxes are reported as expenses in operating income primarily within cost of services. These taxes are not included in income tax expense because the amounts to be paid are not dependent on our level of income. Liabilities for audit exposures are established based on management's assessment of the probability of payment. The provision for such liabilities is recognized as either property, plant and equipment, operating tax expense, or depreciation expense depending on the nature of the audit exposure. Upon resolution of an audit, any remaining liability not paid is released against the account in which it was originally recorded.

Regulatory taxes — The Company incurs federal and state regulatory taxes on certain revenue producing transactions. We are permitted to recover certain of these taxes by billing the customer; however, collections cannot exceed the amount due to the federal regulatory agency. These federal regulatory taxes are presented in sales and cost of services on a gross basis because, while the Company is required to pay the tax, it is not required to collect the tax from customers and, in fact, does not collect the tax from customers in certain instances. The amounts recorded as revenue for 2016, 2015, and 2014 were \$16.3 million, \$15.5 million, and \$15.2 million, respectively. The amounts expensed for 2016, 2015, and 2014 were \$17.5 million, \$17.9 million, and \$16.4 million, respectively. We record all other federal taxes collected from customers on a net basis.

Stock-Based Compensation — Compensation cost is recognized for all share-based awards to employees and non-employee directors. We value all share-based awards to employees at fair value on the date of grant and expense this amount over the required service period, generally defined as the applicable vesting period. For awards which contain a performance condition, compensation expense is recognized over the service period, when achievement of the performance condition is deemed probable. The fair value of stock options and stock appreciation rights is determined using the Black-Scholes option-pricing model using assumptions such as volatility, risk-free interest rate, holding period and dividends. The fair value of stock awards is based on the Company's closing share price on the date of grant. For all share-based payments, an assumption is also made for the estimated forfeiture rate based on the historical behavior of employees. The forfeiture rate reduces the total fair value of the awards to be recognized as compensation expense. Our accounting policy for graded vesting awards is to recognize compensation expense on a straight-line basis over the vesting period. We have also granted employee awards to be ultimately paid in cash which are indexed to the change in the Company's common stock price. These awards are adjusted to the fair value of the Company's common stock, and the adjusted fair value is expensed on a pro-rata basis over the vesting period. When an award is granted to an employee who is retirement eligible, the compensation cost is recognized over the service period up to the date that the employee first becomes eligible to retire.

Pension and Postretirement Benefit Plans — The Company maintains qualified and non-qualified defined benefit pension plans, and also provides postretirement healthcare and life insurance benefits for eligible employees. We recognize the overfunded or underfunded status of the defined benefit pension and other postretirement benefit plans as either an asset or liability. Changes in the funded status of these plans are recognized as a component of comprehensive income (loss) in the year they occur. Pension and postretirement healthcare and life insurance benefits earned during the year and interest on the projected benefit obligations are accrued and recognized currently in net periodic benefit cost. Prior service costs and credits are amortized over the average life expectancy of participants or remaining service period, based upon whether plan participants are mostly retirees or active employees. Net gains or losses resulting from differences between actuarial experience and assumptions or from changes in actuarial assumptions are recognized as a component of annual net periodic benefit cost. Unrecognized actuarial gains or losses that exceed 10% of the projected benefit obligation are amortized on a straight-line basis over the average remaining service life of active employees for the pension and bargained postretirement plans (approximately 9-13 years) and average life expectancy of retirees for the management postretirement plan (approximately 17 years).

Business Combinations — In accounting for business combinations, we apply the accounting requirements of ASC 805, “Business Combinations,” which requires the recording of net assets of acquired businesses at fair value. In developing estimates of fair value of acquired assets and assumed liabilities, management analyzes a variety of factors including market data, estimated future cash flows of the acquired operations, industry growth rates, current replacement cost for fixed assets, and market rate assumptions for contractual obligations. Such a valuation requires management to make significant estimates and assumptions, particularly with respect to the intangible assets. In addition, contingent consideration is presented at fair value at the date of acquisition. Transaction costs are expensed as incurred.

Fair Value Measurements — Fair value of financial and non-financial assets and liabilities is defined as the price representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value is utilized to measure certain investments on a recurring basis. Fair value measurements are also utilized to determine the initial value of assets and liabilities acquired in a business combination, to perform impairment tests, and for disclosure purposes.

Management uses quoted market prices and observable inputs to the maximum extent possible when measuring fair value. In the absence of quoted market prices or observable inputs, fair value is determined using valuation models that incorporate assumptions that a market participant would use in pricing the asset or liability.

Fair value measurements are classified within one of three levels, which prioritize the inputs used in the methodologies of measuring fair value for assets and liabilities, as follows:

Level 1 — Quoted market prices for identical instruments in an active market;

Level 2 — Quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (i.e., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs); and

Level 3 — Unobservable inputs that reflect management's determination of assumptions that market participants would use in pricing the asset or liability. These inputs are developed based on the best information available, including our own data.

Foreign Currency Translation and Transactions — The financial position of foreign subsidiaries is translated at the exchange rates in effect at the end of the period, while revenues and expenses are translated at average rates of exchange during the period. Gains or losses from translation of foreign operations where the local currency is the functional currency are included as components of accumulated other comprehensive income. Gains and losses arising from foreign currency transactions are recorded in other income (expense) in the period incurred.

2. Recently Issued Accounting Standards

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers. In August 2015, ASU 2015-14 was issued deferring the effective date of ASU 2014-09 to annual reporting periods beginning after December 15, 2017 with an optional early application date for annual reporting periods beginning after December 15, 2016. The Company will adopt the standard and all subsequent amendments in the first quarter of the fiscal year ending December 31, 2018.

The guidance permits two methods of adoption: retrospectively to each prior reporting period presented (full retrospective method), or retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial application (the cumulative catch-up transition method). We currently anticipate adopting the standard using the full retrospective method to restate each prior reporting period presented. Our ability to adopt using the full retrospective method is dependent on the successful and timely implementation of a revenue software application that has been procured from a third-party provider and the completion of our analysis of information necessary to restate prior period financial statements.

While we are continuing to assess all potential impacts of the standard, we currently believe the standard will not have a material impact on our consolidated financial statements with the possible exception of our gross treatment of hardware revenue. ASU 2016-08 clarifies the implementation guidance on principal versus agent considerations and was not intended to change the historical presentation of value added resellers as gross, however there appears to be diversity in opinion based on facts and circumstances. We will continue to monitor discussions by the Transition Resource Group and the FASB throughout 2017.

The FASB issued ASU 2014-15, Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern in August 2014. This standard update provides guidance about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. The standard is effective for us for the fiscal year ending December 31, 2016. The adoption of this pronouncement did not have a material impact on our financial statements.

In April 2015, the FASB issued ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs, which changes the presentation of debt issuance costs in the financial statements. Specifically, this amendment requires that costs associated with the issuance of debt be presented on the balance sheet as a direct deduction from the related debt liability. The Company retrospectively adopted the amended standard effective January 1, 2016. The adoption resulted in a prior period adjustment due to a change in accounting principle. The Consolidated Balance Sheet for the period ending December 31, 2015 has been restated to reflect this change in accounting principle. Note issuance costs of \$8.0 million were reclassified from "Other noncurrent assets" to "Long-term debt, less current portion." On the effective date of ASU 2015-03, the Company made a one-time policy election to record costs incurred in connection with obtaining revolving credit agreements as an asset and to amortize these costs ratably over the term of the agreement. This accounting treatment is consistent with how deferred financing costs were accounted for prior to adoption of ASU 2015-03. Note 6 has been updated to reflect the adjustment.

The FASB issued ASU 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities, which amends the guidance in GAAP on the classification and measurement of financial instruments in January 2016. The amended guidance requires entities to carry all investments in equity securities at fair value through net income unless the entity has elected the practicability exception to fair value measurement. This standard will be effective for the fiscal year ending December 31, 2018 and will require a cumulative-effect adjustment to beginning retained earnings on this date. The Company is currently in the process of evaluating the impact of adoption of this ASU on the consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases, which represents a wholesale change to lease accounting. The standard introduces a lessee model that brings most leases on the balance sheet as well as aligns certain underlying principles of the new lessor model with those in ASC 606. The new standard is effective for public entities for fiscal years beginning after December 15, 2018, and lessees and lessors are required to use a modified retrospective transition method for existing leases. The Company is in the process of evaluating the impact of adoption of this ASU on the Company's consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, Compensation - Stock Compensation, which simplifies various aspects related to how share-based payments are accounted for and presented in the financial statements. The new guidance requires excess tax benefits and tax deficiencies to be recorded in the income statement when the awards vest or are settled. In addition, cash flows related to excess tax benefits will no longer be separately classified as a financing activity apart from other income tax cash flows. The standard also allows us to repurchase more of an employee's shares for tax withholding purposes without triggering liability accounting, clarifies that all cash payments made on an employee's behalf for withheld shares should be presented as a financing activity on our cash flows statement, and provides an accounting policy election to account for forfeitures as they occur. The new standard is effective for us beginning January 1, 2017.

The primary impact of adoption will be the recognition of excess tax benefits in our provision for income taxes rather than paid-in capital starting in the first quarter of fiscal year 2017. Additional amendments to the accounting for income taxes and minimum statutory withholding tax requirements will have no impact to retained earnings at January 1, 2017, where the cumulative effect of these changes are required to be recorded. We have elected to adopt a company-wide policy change due to the change in accounting principle and will record forfeitures as they are incurred on a go forward basis. As a result of the change in accounting principle the cumulative-effect adjustment to retained earnings to account for the accounting policy election is immaterial to the financial statements.

We plan to apply the presentation requirements for cash flows related to excess tax benefits retrospectively to all periods presented which is not expected to have a material impact to 2016 net cash provided by operations and 2016 net cash used in financing when presented in 2017. The presentation requirements for cash flows related to employee taxes paid for withheld shares had no impact to any of the periods presented in our consolidated cash flows statements since such cash flows have historically been presented as a financing activity.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flow - Classification of Certain Cash Receipts and Cash Payments, which amends ASC 230 to add or clarify guidance on the classification of certain cash receipts and payments in the statement of cash flows. The FASB issued the ASU with the intent of reducing diversity in practice. The new standard is effective for public entities for annual reporting periods beginning after December 15, 2017, including interim periods within those fiscal years. The Company is currently in the process of evaluating the impact of adoption of this ASU on the Company's consolidated statement of cash flows and plans to adopt the standard effective January 1, 2018.

In January 2017, the FASB issued ASU 2017-04, Simplifying the Test for Goodwill Impairment, which eliminates Step 2 from the goodwill impairment test. Under the amended guidance, the Company shall now recognize an impairment charge for the amount by which the carrying value exceeds the reporting unit's fair value. The new standard is effective for public entities for annual reporting periods beginning after December 15, 2020, including interim periods within those fiscal years. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company plans to early adopt the amended guidance effective January 1, 2017 and does not anticipate a significant impact to the financial statements.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on the Company's consolidated financial statements upon adoption.

3. Earnings Per Common Share

Basic earnings per common share ("EPS") is based upon the weighted-average number of common shares outstanding during the period. Diluted EPS reflects the potential dilution that would occur upon issuance of common shares for awards under stock-based compensation plans, or conversion of preferred stock, but only to the extent that they are considered dilutive.

The following table shows the computation of basic and diluted EPS after consideration of the 1-for-5 reverse stock split that became effective 11:59 p.m. October 4, 2016:

<u>(in millions, except per share amounts)</u>	Year Ended December 31, 2016		
	Continuing Operations	Discontinued Operations	Total
Numerator:			
Net income	\$ 101.8	\$ 0.3	\$ 102.1
Preferred stock dividends	10.4	—	10.4
Net income applicable to common shareowners - basic and diluted	\$ 91.4	\$ 0.3	\$ 91.7
Denominator:			
Weighted-average common shares outstanding - basic	42.0	42.0	42.0
Stock-based compensation arrangements	0.1	0.1	0.1
Weighted-average common shares outstanding - diluted	42.1	42.1	42.1
Basic and diluted earnings per common share	\$ 2.17	\$ 0.01	\$ 2.18

<u>(in millions, except per share amounts)</u>	Year Ended December 31, 2015		
	Continuing Operations	Discontinued Operations	Total
Numerator:			
Net income	\$ 290.8	\$ 62.9	\$ 353.7
Preferred stock dividends	10.4	—	10.4
Net income applicable to common shareowners - basic and diluted	\$ 280.4	\$ 62.9	\$ 343.3
Denominator:			
Weighted-average common shares outstanding - basic	41.9	41.9	41.9
Stock-based compensation arrangements	0.1	0.1	0.1
Weighted-average common shares outstanding - diluted	42.0	42.0	42.0
Basic earnings per common share	\$ 6.69	\$ 1.50	\$ 8.19
Diluted earnings per common share	\$ 6.68	\$ 1.49	\$ 8.17

(in millions, except per share amounts)	Year Ended December 31, 2014		
	Continuing Operations	Discontinued Operations	Total
Numerator:			
Net income	\$ 117.7	\$ (42.1)	\$ 75.6
Preferred stock dividends	10.4	—	10.4
Net income applicable to common shareowners - basic and diluted	\$ 107.3	\$ (42.1)	\$ 65.2
Denominator:			
Weighted-average common shares outstanding - basic	41.7	41.7	41.7
Stock-based compensation arrangements	0.2	0.2	0.2
Weighted-average common shares outstanding - diluted	41.9	41.9	41.9
Basic earnings per common share	\$ 2.57	\$ (1.01)	\$ 1.56
Diluted earnings per common share	\$ 2.56	\$ (1.00)	\$ 1.56

For the years ended December 31, 2016, 2015 and 2014, awards under the Company's stock-based compensation plans for common shares of 0.4 million, 0.7 million and 0.7 million, respectively, were excluded from the computation of diluted EPS as their inclusion would have been anti-dilutive. For all periods presented, preferred stock convertible into 0.9 million common shares was excluded as it was anti-dilutive.

4. Property, Plant and Equipment

Property, plant and equipment is comprised of the following:

(dollars in millions)	December 31,		Depreciable Lives (Years)		
	2016	2015	20	-	Indefinite
Land and rights-of-way	\$ 4.3	\$ 4.3	20	-	Indefinite
Buildings and leasehold improvements	173.7	165.0	3	-	40
Network equipment	3,165.7	2,959.3	2	-	50
Office software, furniture, fixtures and vehicles	150.6	131.4	2	-	14
Construction in process	17.0	29.2	n/a		
Gross value	3,511.3	3,289.2			
Accumulated depreciation	(2,425.8)	(2,313.7)			
Property, plant and equipment, net	\$ 1,085.5	\$ 975.5			

Depreciation expense on property, plant and equipment totaled \$182.0 million, \$141.3 million, and \$127.2 million in 2016, 2015, and 2014, respectively. In 2016, approximately 85%, compared to approximately 79% in 2015 and 81% in 2014, of "Depreciation," as presented in the Consolidated Statements of Operations, was associated with the cost of providing services. There are numerous assets included within network equipment resulting in a range of depreciable lives between 2 and 50 years, the majority of which fall within the range of 7 to 22 years. In 2016, we reduced the estimated useful life of certain set-top boxes and the related software as we upgraded to new technology. In the fourth quarter of 2015, we reduced the useful life of our copper assets from 15 years to 7 years as customers have continued to migrate to services provided by our fiber network.

No asset impairment losses were recognized in 2016 or 2015. During the year ended December 31, 2014, the Entertainment and Communications segment recognized an asset impairment loss of \$4.6 million for the abandonment of an internal use software project.

As of December 31, 2016 and 2015, buildings and leasehold improvements, network equipment, and office software, furniture, fixtures and vehicles include \$96.8 million and \$91.2 million, respectively, of assets accounted for as capital leases. Concurrent with the shut-down of our wireless network as of March 31, 2015, \$57.7 million of fully depreciated capital lease assets were transferred to continuing operations as these assets were retained by the Company. These leases were previously reported in discontinued operations as they were still being utilized in our wireless operations. Depreciation of capital lease assets is included in "Depreciation and amortization" in the Consolidated Statements of Operations.

5. Goodwill and Intangible Assets**Goodwill**

At December 31, 2016 and 2015, the gross value of goodwill was \$14.3 million. A \$0.1 million reduction in carrying value was recorded for the year ended December 31, 2015. No impairment losses were recognized in goodwill for the years ended December 31, 2016 or 2015.

Intangible Assets Subject to Amortization

As of December 31, 2016 and 2015, intangible assets subject to amortization consisted of customer relationships. For the years ended December 31, 2016, 2015, and 2014, no impairment losses were recognized on intangible assets subject to amortization.

Summarized below are the carrying values for the intangible assets subject to amortization:

<u>(dollars in millions)</u>	Weighted-Average Life in Years	December 31, 2016		December 31, 2015	
		Gross Carrying	Accumulated	Gross Carrying	Accumulated
		Amount	Amortization	Amount	Amortization
Customer relationships - Entertainment and Communications	10	\$ 7.0	\$ 7.0	\$ 7.0	\$ 6.8

Amortization expense for intangible assets subject to amortization was \$0.2 million in 2016, \$0.3 million in 2015, and \$0.4 million in 2014.

6. Debt and Other Financing Arrangements

The Company's debt consists of the following:

(dollars in millions)	December 31,	
	2016	2015
Current portion of long-term debt:		
Corporate Credit Agreement - Tranche B Term Loan	\$ —	\$ 5.4
Capital lease obligations and other debt	7.5	8.4
Current portion of long-term debt	7.5	13.8
Long-term debt, less current portion:		
Receivables Facility	89.5	17.6
Corporate Credit Agreement - Tranche B Term Loan	315.8	522.5
8 3/8% Senior Notes due 2020	—	478.5
7 1/4% Senior Notes due 2023	22.3	26.3
7% Senior Notes due 2024	625.0	—
Various Cincinnati Bell Telephone notes	87.9	128.7
Capital lease obligations and other debt	62.0	59.9
	1,202.5	1,233.5
Net unamortized premium (discount)	8.5	(1.7)
Unamortized note issuance costs	(11.9)	(8.0)
Long-term debt, less current portion	1,199.1	1,223.8
Total debt	\$ 1,206.6	\$ 1,237.6

Corporate Credit Agreement

Revolving Credit Facility

In the fourth quarter of 2012, the Company entered into a new credit agreement ("Corporate Credit Agreement") which provided for a \$200.0 million revolving credit facility, with a sublimit of \$30.0 million for letters of credit and a \$25.0 million sublimit for swingline loans. Effective with the sale of 16.0 million partnership units of CyrusOne, LP in the second quarter of 2014, the amount available under the Corporate Credit Agreement's revolving credit facility was reduced to \$150.0 million. However, the Company entered into an Incremental Assumption Agreement to the Company's existing Corporate Credit Agreement in the second quarter of 2015, and effective with the sale of 14.3 million CyrusOne LP operating partnership units in the second quarter of 2015, the aggregate available borrowings on the Corporate Credit Agreement's revolving credit facility was adjusted to \$175.0 million. In the second quarter of 2016, the Company amended the Corporate Credit Agreement to reduce the aggregate revolving commitments available under the revolving credit facility to \$150.0 million, modify certain financial covenants and related definitions governing leverage ratios and capital expenditures, and extend the maturity date of the revolving credit facility to January 2020. As a result of the amendment, the Company recorded a \$1.7 million loss on extinguishment of debt in the second quarter of 2016. Borrowings under the Corporate Credit Agreement's revolving credit facility will be used to provide ongoing working capital and for other general corporate purposes of the Company. Availability under the Corporate Credit Agreement's revolving credit facility is subject to customary borrowing conditions.

Borrowings under the Corporate Credit Agreement's revolving credit facility bear interest, at the Company's election, at a rate per annum equal to (i) LIBOR plus the applicable margin or (ii) the base rate plus the applicable margin. The applicable margin for advances under the revolving facility is based on certain financial ratios and ranges between 3.00% and 3.50% for LIBOR rate advances and 2.00% and 2.50% for base rate advances. As of December 31, 2016, the applicable margin was 3.50% for LIBOR rate advances and 2.50% for base rate advances. Base rate is the higher of (i) the bank prime rate, (ii) the one-month LIBOR rate plus 1.00% and (iii) the federal funds rate plus 0.5%. At December 31, 2016, there were no outstanding borrowings under the Corporate Credit Agreement's revolving credit facility.

Amendment for Tranche B Term Loan Facility

In the third quarter of 2013, the Company amended and restated its Corporate Credit Agreement to include a \$540.0 million Tranche B Term Loan facility ("Tranche B Term Loan") that matures in the third quarter of 2020.

The Company received \$529.8 million in net proceeds from the Tranche B Term Loan after deducting the original issue discount, fees and expenses. These proceeds were used to redeem all of the Company's \$500.0 million 8 1/4% Senior Notes due 2017 ("8 1/4% Senior Notes") in the fourth quarter of 2013 at a redemption price of 104.125%, including payment of accrued interest thereon totaling \$20.6 million.

The Tranche B Term Loan was issued with 0.75% of original issue discount. Loans under the Tranche B Term Loan bear interest, at the Company's election, at a rate per annum equal to (i) LIBOR (subject to a 1.00% floor) plus 3.00% or (ii) the base rate plus 2.00%. Base rate is the greatest of (a) the bank prime rate, (b) the one-month LIBOR rate plus 1.00% and (c) the federal funds rate plus 0.5%. At December 31, 2016, the interest rate on the outstanding Tranche B Term Loan was 4.00%.

In the fourth quarter of 2016, the Company repaid \$208.0 million of its outstanding Tranche B Term Loan which resulted in a loss on debt extinguishment of \$2.2 million.

In accordance with the terms of the amended Corporate Credit Agreement, the Company's ability to make restricted payments, which include share repurchases and common stock dividends, is limited to a total of \$15.0 million, with certain permitted exceptions, given that its Consolidated Total Leverage Ratio, as defined by the Corporate Credit Agreement, exceeds 3.50 to 1.00 as of December 31, 2016. The Company may make restricted payments of \$45.0 million annually when the Consolidated Total Leverage Ratio is less than or equal to 3.50 to 1.00. There are no dollar limits on restricted payments when the Consolidated Total Leverage Ratio is less than or equal to 3.00 to 1.00. These restricted payment limitations do not impact the Company's ability to make regularly scheduled dividend payments on its 6 3/4% Cumulative Convertible Preferred Stock. Furthermore, the Company may make restricted payments in the form of share repurchases or dividends up to 15% of CyrusOne sale proceeds, subject to a \$35.0 million annual cap with carryovers subject to the terms and conditions set forth therein.

The Corporate Credit Agreement was also modified to provide that the Tranche B Term Loan participates in mandatory prepayments, subject to the terms and conditions (including with respect to payment priority) set forth in the restated Corporate Credit Agreement. In addition, the Corporate Credit Agreement was modified to provide that 85%, rather than 100%, of proceeds from monetizing any portion of our CyrusOne common stock or CyrusOne LP partnership units, are applied to mandatory prepayments under the restated Corporate Credit Agreement, subject to the terms and conditions set forth therein. Other revisions were also effected pursuant to the amended agreement, including with respect to financial covenant compliance levels.

Guarantors and Security Interests, Corporate Credit Agreement (Including Tranche B Term Loan)

All existing and future subsidiaries of the Company (other than Cincinnati Bell Telephone Company LLC, Cincinnati Bell Funding LLC (and any other similar special purpose receivables financing subsidiary), Cincinnati Bell Shared Services LLC, Cincinnati Bell Extended Territories LLC, and the Company's joint ventures, subsidiaries prohibited by applicable law from becoming guarantors and foreign subsidiaries) are required to guarantee borrowings under the Corporate Credit Agreement. Debt outstanding under the Corporate Credit Agreement is secured by perfected first priority pledges of and security interests in (i) substantially all of the equity interests of the Company's U.S. subsidiaries (other than subsidiaries of non-guarantors of the Corporate Credit Agreement) and 66% of the equity interests in the first-tier foreign subsidiaries held by the Company and the guarantors under the Corporate Credit Agreement, (ii) certain personal property and intellectual property of the Company and its subsidiaries (other than that of non-guarantors of the Corporate Credit Agreement and certain other excluded property) and (iii) the Company's equity interests in CyrusOne and CyrusOne LP, both of which, together with their respective subsidiaries, are treated as non-subsidiaries of the Company and are not guarantors for purposes of the Corporate Credit Agreement.

Borrowings and Commitment Fees, Corporate Credit Agreement

As of December 31, 2016, the Company had no outstanding borrowings under the Corporate Credit Agreement's revolving credit facility, leaving \$150.0 million available. As of December 31, 2015, the Company had no outstanding borrowings under the Corporate Credit Agreement's revolving credit facility, leaving \$175.0 million available.

The Company pays commitment fees for the unused amount of borrowings on the Corporate Credit Agreement and letter of credit fees on outstanding letters of credit. The commitment fees are calculated based on the total leverage ratio and range between 0.250% and 0.500% of the actual daily amount by which the aggregate revolving commitments exceed the sum of outstanding revolving loans and letter of credit obligations. These fees were \$0.8 million in 2016 and \$0.9 million in 2015 and 2014.

Accounts Receivable Securitization Facility

Cincinnati Bell Inc. and certain of its subsidiaries have an accounts receivable securitization facility ("Receivables Facility"), which permits maximum borrowings of up to \$120.0 million as of December 31, 2016. CBT, CBET, CBAD, Cincinnati Bell Any Distance of Virginia LLC, CBTS, and eVolve all participate in this facility. Cincinnati Bell Wireless ("CBW") also participated in the facility until it was withdrawn from the agreement during the second quarter of 2015. The available borrowing capacity is calculated monthly based on the quantity and quality of outstanding accounts receivable and thus may be lower than the maximum borrowing limit. At December 31, 2016, the available borrowing capacity was \$120.0 million.

The transferors sell their respective trade receivables on a continuous basis to Cincinnati Bell Funding LLC ("CBF"), a wholly-owned limited liability company. In turn, CBF grants, without recourse, a senior undivided interest in the pooled receivables to various purchasers, including commercial paper conduits, in exchange for cash while maintaining a subordinated undivided interest in the form of over-collateralization in the pooled receivables. The transferors have agreed to continue servicing the receivables for CBF at market rates; accordingly, no servicing asset or liability has been recorded. In the second quarter of 2016, the Company executed an amendment of its Receivables Facility, which replaced, amended and added certain provisions and definitions to increase the credit availability, renew the facility, which is subject to renewal every 364 days, until May 2017, and extend the facility's termination date to May 2019. During the second quarter of 2015, the Company amended the Receivables Facility to allow CBW to withdraw as a party from the agreement and to be relieved of all of its rights and obligations thereunder. CBW was required to purchase certain receivables that it previously sold to Cincinnati Bell Funding LLC, amounting to \$1.7 million.

Although CBF is a wholly-owned consolidated subsidiary of the Company, CBF is legally separate from the Company and each of the Company's other subsidiaries. Upon and after the sale or contribution of the accounts receivable to CBF, such accounts receivable are legally assets of CBF, and, as such, are not available to creditors of other subsidiaries or the parent company.

For the purposes of consolidated financial reporting, the Receivables Facility is accounted for as secured financing. Because CBF has the ability to prepay the Receivables Facility at any time by making a cash payment and effectively repurchasing the receivables transferred pursuant to the facility, the transfers do not qualify for "sale" treatment on a consolidated basis under ASC 860, "Transfers and Servicing."

Of the total borrowing capacity of \$120.0 million at December 31, 2016, \$89.5 million consisted of outstanding borrowings and \$6.3 million consisted of outstanding letters of credit. Interest on the Receivables Facility is based on the LIBOR rate plus 1.1%. The average interest rate on the Receivables Facility was 1.3% in 2016. The Company pays letter of credit fees on the securitization facility and also pays commitment fees on the unused portion of the total facility. These fees were \$0.8 million in 2016, 2015 and 2014.

7 1/4% Notes due 2023

In 1993, the Company issued \$50.0 million of 7 1/4% Notes due 2023 ("7 1/4% Notes"). The 7 1/4% Notes rank ratably to the 7% senior notes due 2024 and senior to the CBT Notes. The indenture related to the 7 1/4% Notes does not subject the Company to restrictive financial covenants, but it does contain a covenant providing that if the Company incurs certain liens on its property or assets, the Company must secure the outstanding 7 1/4% Notes equally and ratably with the indebtedness or obligations secured by such liens. The liens under the Corporate Credit Agreement have resulted in the debt outstanding under the 7 1/4% Notes being secured equally and ratably with the obligations secured under the Corporate Credit Agreement. Interest on the 7 1/4% Notes is payable semi-annually on June 15 and December 15. The Company may not call the 7 1/4% Notes prior to maturity. The indenture governing the 7 1/4% Notes provides for customary events of default, including for failure to make any payment when due and for one or more defaults of any other existing debt instruments that exceeds \$20.0 million, in the aggregate.

During 2015, the Company redeemed \$13.7 million of its outstanding 7 1/4% Notes at an average redemption price of 99.853% which resulted in a loss on extinguishment of debt of \$0.1 million. The Company also repaid \$4.0 million of its 7 1/4% Notes at a redemption price of 100.750% which resulted in a \$0.1 million loss on extinguishment of debt during 2016.

7% Senior Notes due 2024

In the third quarter of 2016, the Company issued in a private offering \$425.0 million aggregate principal amount of 7% senior notes due 2024 ("7% Senior Notes") at par. The Company issued an additional \$200.0 million aggregate principal amount of 7% Senior Notes at a price of 105.000% in the fourth quarter of 2016. The 7% Senior Notes are senior unsecured obligations of the Company, which rank equally in right of payment with all existing and future unsecured senior debt of the Company. The 7% Senior Notes will be effectively subordinated to all existing and future secured indebtedness of the Company to the extent of the value of the assets securing such indebtedness. The 7% Senior Notes are guaranteed on a joint and several basis by certain of the Company's existing and future domestic subsidiaries. Each such guarantee is a senior unsecured obligation of the applicable guarantor, ranking equally with all existing and future unsecured senior debt of such guarantor and effectively subordinated to all existing and future secured indebtedness of such guarantor to the extent of the value of the assets securing that indebtedness. The 7% Senior Notes are structurally subordinated to all liabilities (including trade payables) of each subsidiary of the Company that does not guarantee the 7% Senior Notes.

The 7% Senior Notes bear interest at a rate of 7% per annum, payable semi-annually on January 15 and July 15 of each year, beginning on January 15, 2017, to persons who are registered holders of the 7% Senior Notes on the immediately preceding January 1 and July 1, respectively.

The 7% Senior Notes will mature on July 15, 2024. However, prior to September 15, 2019, the Company may, at its option, redeem some or all of the 7% Senior Notes at a redemption price equal to 100% of the principal amount of the 7% Senior Notes, together with accrued and unpaid interest, if any, plus a "make-whole" premium. On or after September 15, 2019, the Company may, at its option, redeem some or all of the 7% Senior Notes at any time at declining redemption prices equal to (i) 105.250% beginning on September 15, 2019, (ii) 103.500% beginning on September 15, 2020, (iii) 101.750% beginning on September 15, 2021 and (iv) 100.000% beginning on September 15, 2022 and thereafter, plus, in each case, accrued and unpaid interest, if any, to the applicable redemption date. In addition, before September 15, 2019, and subject to certain conditions, the Company may, at its option, redeem up to 40% of the aggregate principal amount of 7% Senior Notes with the net proceeds of certain equity offerings at 107.000% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of redemption; provided that (i) at least 60% of the aggregate principal amount of 7% Senior Notes remains outstanding and (ii) the redemption occurs within 180 days of the closing of any such equity offering.

The indenture governing the 7% Senior Notes contains covenants including but not limited to the following: limitations on dividends to shareowners and other restricted payments; dividend and other payment restrictions affecting the Company's subsidiaries such that the subsidiaries are generally not permitted to enter into an agreement that would limit their ability to make dividend payments to the parent; issuance of indebtedness; asset dispositions; transactions with affiliates; liens; investments; issuances and sales of capital stock of subsidiaries; and redemption of debt that is junior in right of payment. The indenture governing the 7% Senior Notes provides for customary events of default, including a cross-default provision for both nonpayment at final maturity or acceleration due to a default of any other existing debt instrument that equals or exceeds \$35 million.

Cincinnati Bell Telephone Notes

In 1998, CBT's predecessor issued \$150.0 million in aggregate principal of 6.30% unsecured senior notes due 2028 (the "CBT Notes"), which are guaranteed on a subordinated basis by the Company but not its subsidiaries. The indenture related to the CBT Notes does not subject the Company or CBT to restrictive financial covenants, but it does contain a covenant providing that if CBT incurs certain liens on its property or assets, CBT must secure the outstanding CBT Notes equally and ratably with the indebtedness or obligations secured by such liens. The maturity date of the CBT notes is in 2028, and the CBT Notes may be redeemed at any time at a redemption price equal to the greater of 100% of the principal amount of the CBT Notes to be redeemed or the sum of the present values of the remaining scheduled payments of principal and interest to maturity, plus accrued interest to the redemption date. The indenture governing the CBT Notes provides for customary events of default, including for failure to make any payment when due and for one or more defaults of any other existing debt instruments of the Company or CBT that exceeds \$20.0 million, in the aggregate.

During 2015, the Company redeemed \$5.8 million of its outstanding CBT Notes at an average redemption price of 90.840% which resulted in a gain on extinguishment of debt of \$0.5 million. During 2016, the Company redeemed \$40.8 million of its CBT Notes at an average redemption price of 92.232% which resulted in a gain on extinguishment of debt of \$2.8 million.

Capital Lease Obligations

Capital lease obligations represent our obligation for certain leased assets, including vehicles and various equipment. These leases generally contain renewal or buyout options.

Debt Maturity Schedule

The following table summarizes our annual principal maturities of debt and capital leases for the five years subsequent to December 31, 2016, and thereafter:

<u>(dollars in millions)</u>	<u>Debt</u>	<u>Capital Leases</u>	<u>Total Debt</u>
Year ended December 31,			
2017	\$ 0.2	\$ 7.3	\$ 7.5
2018	—	6.4	6.4
2019	89.5	6.3	95.8
2020	315.8	4.4	320.2
2021	—	3.5	3.5
Thereafter	735.2	41.4	776.6
	1,140.7	69.3	1,210.0
Net unamortized premium	8.5	—	8.5
Unamortized note issuance costs	(11.9)	—	(11.9)
Total debt	\$ 1,137.3	\$ 69.3	\$ 1,206.6

Total capital lease payments including interest are expected to be \$11.8 million for 2017, \$10.5 million for 2018, \$10.0 million for 2019, \$7.9 million for 2020, \$6.7 million for 2021 and \$55.7 million thereafter.

As of March 31, 2015, \$54.5 million of capital lease obligations were retained by the Company in conjunction with discontinuing wireless operations.

Deferred Financing Costs

Deferred financing costs are costs incurred in connection with obtaining long-term financing and renewing revolving credit agreements. Deferred financing costs are amortized on the effective interest method. The Company incurred deferred financing costs of \$9.7 million in 2016 related to the issuance of the 7% Senior Notes. In 2016 and 2015, deferred financing costs incurred for amending and renewing revolving credit agreements were \$2.0 million and \$0.4 million, respectively. The Company wrote-off deferred financing costs associated with the extinguishment of debt of \$5.9 million, \$3.7 million and \$3.4 million in 2016, 2015 and 2014, respectively.

The Company retrospectively adopted ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs, effective January 1, 2016. At the time of adoption the Company made a one-time policy election to record costs incurred in connection with obtaining revolving credit agreements as an asset. As of December 31, 2016 and 2015, deferred financing costs recorded to "Other non-current assets" totaled \$2.1 million and \$3.2 million, respectively. Amortization of deferred financing costs, included in "Interest expense" in the Consolidated Statements of Operations, totaled \$3.0 million in 2016, \$4.1 million in 2015, and \$5.1 million in 2014.

Debt Covenants*Corporate Credit Agreement*

The Corporate Credit Agreement has financial covenants that require the Company to maintain certain leverage and interest coverage ratios and comply with annual limitations on capital expenditures. As of December 31, 2016, these ratios and limitations include a maximum consolidated total leverage ratio of 5.50, a maximum consolidated senior secured leverage ratio of 3.50, a minimum consolidated interest coverage ratio of 1.50 and a 2016 maximum capital expenditure limitation of \$301.4 million. Capital expenditures are permitted subject to predetermined annual thresholds which are not to exceed \$498.6 million in the aggregate over the next three years. In 2016, capital expenditures for the Company totaled \$286.4 million. In addition, the Corporate Credit Agreement contains customary affirmative and negative covenants including, but not limited to, restrictions on the Company's ability to incur additional indebtedness, create liens, pay dividends, make certain investments, prepay other indebtedness, sell, transfer, lease, or dispose of assets and enter into, or undertake, certain liquidations, mergers, consolidations or acquisitions.

The Corporate Credit Agreement contains customary events of default (which are in some cases subject to certain exceptions, thresholds and grace periods), including, but not limited to, nonpayment of principal or interest, failure to perform or observe covenants, breaches of representations and warranties, cross-defaults with certain other indebtedness, certain bankruptcy-related events or proceedings, final monetary judgments or orders, ERISA defaults, invalidity of loan documents or guarantees, and certain change of control events. If the Company were to violate any of its covenants and were unable to obtain a waiver, it would be considered a default. If the Company were in default under the Corporate Credit Agreement, no additional borrowings under this facility would be available until the default was waived or cured.

The Tranche B Term Loan is subject to the same affirmative and negative covenants and events of default as the Corporate Credit Agreement, except that a breach of the financial covenants will not result in an event of default under the Tranche B Term Loan unless and until the agent or a majority in interest of the lenders under the Corporate Credit Agreement have terminated the commitments under the Corporate Credit Agreement or accelerated the loans then outstanding under the Corporate Credit Agreement in response to such breach.

Indentures

The Company's debt is governed by indentures which contain covenants that, among other things, limit the Company's ability to incur additional debt or liens, pay dividends or make other restricted payments, sell, transfer, lease, or dispose of assets and make investments or merge with another company.

One of the financial covenants permits the issuance of additional Indebtedness up to a 5:00 to 1:00 Consolidated Adjusted Senior Debt to EBITDA ratio (as defined by the individual indenture). Once this ratio exceeds 5:00 to 1:00, the Company is not in default; however, additional indebtedness may only be incurred in specified permitted baskets, including a basket which allows \$750.0 million of total Corporate Credit Agreement debt. Also, the Company's ability to make Restricted Payments (as defined by the individual indenture) would be limited, including common stock dividend payments or repurchasing outstanding Company shares. If the Company is under the 5:00 to 1:00 ratio on a pro forma basis, the Company may access its restricted payments basket, which provides the ability to repurchase shares or pay dividends. In addition, the Company may designate one or more of its subsidiaries as Unrestricted (as defined in the various indentures) such that any Unrestricted Subsidiary (as defined in the various indentures) would generally not be subject to the restrictions of these various indentures. However, certain provisions which govern the Company's relationship with Unrestricted Subsidiaries would begin to apply.

Extinguished Notes

During 2014, the Company redeemed \$22.7 million of its outstanding 8 ³/₈% Senior Notes due 2020 ("8 ³/₈% Senior Notes") at par which resulted in a \$0.2 million loss on extinguishment of debt associated with discontinued operations. During 2015, the Company purchased \$182.7 million of its outstanding 8 ³/₈% Senior Notes at an average redemption price of 105.543% which resulted in recording a loss on extinguishment of debt of \$10.9 million. During 2016, the Company repaid the remaining \$478.5 million outstanding on the 8 ³/₈% Senior Notes at an average price of 103.328%, resulting in a \$17.8 million loss on extinguishment of debt.

In 2014, the Company redeemed \$325.0 million of its 8 ³/₄% Senior Subordinated Notes due 2018 at a redemption price of 104.375%. As a result of the redemption, the Company recorded a debt extinguishment loss of \$19.4 million. Additionally, in 2015, the Company redeemed the remaining \$300.0 million of outstanding 8 ³/₄% Senior Subordinated Notes due 2018 at a redemption rate of 102.188%. As a result, the Company recorded a loss on extinguishment of debt of \$10.4 million.

7. Commitments and Contingencies

Operating Lease Commitments

The Company leases certain circuits, facilities, and equipment used in its operations. Operating lease expense was \$9.6 million, \$10.1 million and \$7.4 million in 2016, 2015 and 2014, respectively. In 2015, our retail stores, which were previously used to support our wireless operations, were re-branded to support the growth of our Fioptics suite of products. Rent expense associated with our retail locations totaled \$0.6 million and \$0.8 million in 2016 and 2015, respectively. Certain facility leases provide for renewal options with fixed rent escalations beyond the initial lease term.

At December 31, 2016, future minimum lease payments required under operating leases having initial or remaining non-cancellable lease terms for the next five years are as follows:

<u>(dollars in millions)</u>	
2017	\$ 4.1
2018	2.9
2019	2.6
2020	2.3
2021	2.2
Thereafter	19.8
Total	\$ 33.9

Asset Retirement Obligations

Asset retirement obligations exist for certain other assets. As of March 31, 2015, certain asset retirement obligations related to our wireless towers were reclassified to continuing operations as the obligations relate to tower leases retained by the Company. The following table presents the activity for the Company's asset retirement obligations, which are included in "Other noncurrent liabilities" in the Consolidated Balance Sheets:

<u>(dollars in millions)</u>	December 31,	
	2016	2015
Balance, beginning of period	\$ 4.8	\$ 1.6
Asset retirement obligations reclassified from discontinued operations	—	10.9
Liabilities settled	(2.0)	(5.0)
Revision to estimated cash flow	(1.1)	(2.9)
Accretion expense	0.1	0.2
Balance, end of period	<u>\$ 1.8</u>	<u>\$ 4.8</u>

Indemnifications

During the normal course of business, the Company makes certain indemnities, commitments, and guarantees under which it may be required to make payments in relation to certain transactions. These include (a) intellectual property indemnities to customers in connection with the use, sale, and/or license of products and services, (b) indemnities to customers in connection with losses incurred while performing services on their premises, (c) indemnities to vendors and service providers pertaining to claims based on negligence or willful misconduct of the Company, (d) indemnities involving the representations and warranties in certain contracts, and (e) outstanding letters of credit which totaled \$6.3 million as of December 31, 2016. In addition, the Company has made contractual commitments to several employees providing for payments upon the occurrence of certain prescribed events. The majority of these indemnities, commitments, and guarantees do not provide for any limitation on the maximum potential for future payments that the Company could be obligated to make.

As permitted under Ohio law, the Company has agreements whereby the Company indemnifies its officers and directors for certain events or occurrences while the officer or director is, or was, serving at the Company's request in such capacity. The term of the indemnification period is for the lifetime of the officer or director. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, the Company has a director and officer insurance policy that limits the Company's exposure and enables the Company to recover a portion of any future amounts paid. As a result of the Company's insurance policy coverage, the Company believes the estimated fair value of these indemnification agreements is minimal. The Company has no liabilities recorded for these agreements as of December 31, 2016 or 2015.

Purchase Commitments

The Company has noncancellable purchase commitments related to certain goods and services. These agreements typically range from one to three years. As of December 31, 2016 and 2015, the minimum commitments for these arrangements were approximately \$191 million and \$166 million, respectively. The Company generally has the right to cancel open purchase orders prior to delivery and to terminate the contracts without cause.

Litigation

Cincinnati Bell and its subsidiaries are subject to various lawsuits, actions, proceedings, claims and other matters asserted under laws and regulations in the normal course of business. We believe the liabilities accrued for legal contingencies in our consolidated financial statements, as prescribed by GAAP, are adequate in light of the probable and estimable contingencies. However, there can be no assurances that the actual amounts required to satisfy alleged liabilities from various legal proceedings, claims, tax examinations, and other matters, and to comply with applicable laws and regulations, will not exceed the amounts reflected in our consolidated financial statements. As such, costs, if any, that may be incurred in excess of those amounts provided as of December 31, 2016, cannot be reasonably determined.

8. Financial Instruments and Fair Value Measurements

Fair Value of Financial Instruments

The carrying values of our financial instruments do not materially differ from the estimated fair values as of December 31, 2016 and 2015, except for the Company's long-term debt.

The carrying value and fair value of the Company's long-term debt is as follows:

(dollars in millions)	December 31, 2016		December 31, 2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt, including current portion*	1,149.2	1,177.9	1,178.0	1,155.6

*Excludes capital leases and note issuance costs.

The fair value of debt instruments was based on closing or estimated market prices of the Company's debt at December 31, 2016 and 2015, which is considered Level 2 of the fair value hierarchy.

Non-Recurring Fair Value Measurements

Certain long-lived assets, intangibles, and goodwill are required to be measured at fair value on a non-recurring basis subsequent to their initial measurement. These non-recurring fair value measurements generally occur when evidence of impairment has occurred. In 2016 and 2015, no assets were remeasured at fair value. During 2014, the following assets were remeasured at fair value in connection with impairment tests:

(dollars in millions)	Year Ended December 31, 2014	Fair Value Measurements Using			Impairment Losses
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Property:					
Office software, furniture, fixtures, & vehicles (Entertainment and Communications)	—	—	—	—	\$ (4.6)
Impairment of assets					\$ (4.6)

In 2014, certain software projects for our Entertainment and Communications segment were abandoned. These assets had no fair value, as they were no longer being used, resulting in an impairment loss of \$4.6 million in 2014. Historically, management used the income approach to determine fair value of the assets, but since the assets will not be used in the future, there are no expected future earnings attributable and the entire value of the assets was impaired. This fair value measurement is considered a Level 3 measurement due to the significance of its unobservable inputs.

9. Pension and Postretirement Plans

Savings Plans

The Company sponsors several defined contribution plans covering substantially all employees. The Company's contributions to the plans are based on matching a portion of the employee contributions. Both employer and employee contributions are invested in various investment funds at the direction of the employee. Employer contributions to the defined contribution plans were \$8.4 million, \$7.0 million, and \$6.4 million in 2016, 2015, and 2014, respectively.

Pension and Postretirement Plans

The Company sponsors three noncontributory defined benefit pension plans: one for eligible management employees, one for non-management employees, and one supplemental, nonqualified, unfunded plan for certain former senior executives. The management pension plan is a cash balance plan in which the pension benefit is determined by a combination of compensation-based credits and annual guaranteed interest credits. The non-management pension plan is also a cash balance plan in which the combination of service and job-classification-based credits and annual interest credits determine the pension benefit. During the second quarter of 2015, the non-management pension plan was amended to eliminate all future pension credits and transition benefits. As a result, we recognized a curtailment loss of \$0.3 million and a \$1.7 million reduction to the associated pension obligations. Benefits for the supplemental plan are based on eligible pay, adjusted for age and service upon retirement. We fund both the management and non-management plans in an irrevocable trust through contributions, which are determined using the traditional unit credit cost method. We also use the traditional unit credit cost method for determining pension cost for financial reporting purposes.

The Company also provides healthcare and group life insurance benefits for eligible retirees. We fund healthcare benefits and other group life insurance benefits using Voluntary Employee Benefit Association ("VEBA") trusts. It is our practice to fund amounts as deemed appropriate from time to time. Contributions are subject to Internal Revenue Service ("IRS") limitations developed using the traditional unit credit cost method. The actuarial expense calculation for our postretirement health plan is based on numerous assumptions, estimates, and judgments including healthcare cost trend rates and cost sharing with retirees. Retiree healthcare benefits are being phased out for both management and certain retirees.

Components of Net Periodic Cost

The following information relates to noncontributory defined benefit pension plans, postretirement healthcare plans, and life insurance benefit plans. Approximately 13% in 2016, 12% in 2015, and 8% in 2014 of these costs were capitalized to property, plant and equipment related to network construction in the Entertainment and Communications segment. Pension and postretirement benefit costs for these plans were comprised of:

(dollars in millions)	Pension Benefits			Postretirement and Other Benefits		
	2016	2015	2014	2016	2015	2014
Service cost	\$ —	\$ 0.3	\$ 1.0	\$ 0.3	\$ 0.3	\$ 0.3
Interest cost on projected benefit obligation	19.3	19.0	21.0	3.3	3.3	4.0
Expected return on plan assets	(27.3)	(29.2)	(28.1)	—	—	—
Amortization of:						
Prior service cost (benefit)	0.1	0.1	0.2	(14.7)	(15.4)	(15.4)
Actuarial loss	19.1	24.9	17.3	4.9	5.4	5.4
Curtailment loss	—	0.3	—	—	—	—
Pension/postretirement cost (benefit)	<u>\$ 11.2</u>	<u>\$ 15.4</u>	<u>\$ 11.4</u>	<u>\$ (6.2)</u>	<u>\$ (6.4)</u>	<u>\$ (5.7)</u>

The following are the weighted-average assumptions used in measuring the net periodic cost of the pension and postretirement benefits:

	Pension Benefits			Postretirement and Other Benefits		
	2016	2015	2014	2016	2015	2014
Discount rate	3.80%	3.40% *	4.20%	3.70%	3.40%	4.10%
Expected long-term rate of return	7.50%	7.75%	7.75%	—	—	—
Future compensation growth rate	—	—	—	—	—	—

* Discount rate used for the remeasurement of the non-management pension plan in April 2015 was consistent with the discount rate previously established.

The expected long-term rate of return on plan assets, developed using the building block approach, is based on the mix of investments held directly by the plans and the current view of expected future returns, which is influenced by historical averages. Changes in actual asset return experience and discount rate assumptions can impact the Company's operating results, financial position and cash flows.

Benefit Obligation and Funded Status

Changes in the plans' benefit obligations and funded status are as follows:

	Pension Benefits		Postretirement and Other Benefits	
	2016	2015	2016	2015
(dollars in millions)				
Change in benefit obligation:				
Benefit obligation at January 1,	\$ 530.5	\$ 577.3	\$ 93.1	\$ 109.0
Service cost	—	0.3	0.3	0.3
Interest cost	19.3	19.0	3.3	3.3
Actuarial gain	(2.7)	(18.8)	(4.7)	(10.9)
Benefits paid	(41.5)	(47.3)	(13.1)	(12.7)
Retiree drug subsidy received	—	—	0.6	0.2
Other	—	—	3.1	3.9
Benefit obligation at December 31,	<u>\$ 505.6</u>	<u>\$ 530.5</u>	<u>\$ 82.6</u>	<u>\$ 93.1</u>
Change in plan assets:				
Fair value of plan assets at January 1,	\$ 378.1	\$ 424.3	\$ 10.3	\$ 11.0
Actual return (loss) on plan assets	30.3	(10.5)	0.3	0.1
Employer contributions	5.4	11.6	10.6	11.7
Retiree drug subsidy received	—	—	0.6	0.2
Benefits paid	(41.5)	(47.3)	(13.1)	(12.7)
Fair value of plan assets at December 31,	<u>372.3</u>	<u>378.1</u>	<u>8.7</u>	<u>10.3</u>
Unfunded status	<u>\$ (133.3)</u>	<u>\$ (152.4)</u>	<u>\$ (73.9)</u>	<u>\$ (82.8)</u>

The following are the weighted-average assumptions used in accounting for and measuring the projected benefit obligations:

	Pension Benefits		Postretirement and Other Benefits	
	December 31,		December 31,	
	2016	2015	2016	2015
Discount rate	4.00%	3.80%	4.00%	3.70%
Expected long-term rate of return	7.50%	7.75%	—	—
Future compensation growth rate	—	—	—	—

The assumed healthcare cost trend rate used to measure the postretirement health benefit obligation is shown below:

	December 31,	
	2016	2015
Healthcare cost trend	6.5%	6.5%
Rate to which the cost trend is assumed to decline (ultimate trend rate)	4.5%	4.5%
Year the rates reach the ultimate trend rate	2021	2020

A one-percentage point change in assumed healthcare cost trend rates would have the following effect on the postretirement benefit costs and obligation:

(dollars in millions)	1% Increase	1% Decrease
Service and interest costs for 2016	\$ 0.2	\$ (0.1)
Postretirement benefit obligation at December 31, 2016	3.2	(2.9)

The projected benefit obligation is recognized in the Consolidated Balance Sheets as follows:

(dollars in millions)	Pension Benefits		Postretirement and Other Benefits	
	December 31,		December 31,	
	2016	2015	2016	2015
Accrued payroll and benefits (current liability)	\$ 2.1	\$ 2.1	\$ 9.4	\$ 10.1
Pension and postretirement benefit obligations (noncurrent liability)	131.2	150.3	64.5	72.7
Total	\$ 133.3	\$ 152.4	\$ 73.9	\$ 82.8

Amounts recognized in "Accumulated other comprehensive loss" in the Consolidated Balance Sheets which have not yet been recognized in net pension costs consisted of the following:

(dollars in millions)	Pension Benefits		Postretirement and Other Benefits	
	December 31,		December 31,	
	2016	2015	2016	2015
Prior service (cost) benefit, net of tax of (\$0.1), (\$0.1), \$10.6, \$15.8	\$ (0.1)	\$ (0.2)	\$ 19.1	\$ 28.6
Actuarial loss, net of tax of (\$81.6), (\$90.4), (\$19.7), (\$23.0)	(141.8)	(157.8)	(34.8)	(40.9)
Total	\$ (141.9)	\$ (158.0)	\$ (15.7)	\$ (12.3)

Amounts recognized in "Accumulated other comprehensive loss" on the Consolidated Statements of Shareowners' Deficit and the Consolidated Statements of Comprehensive Income are shown below:

(dollars in millions)	Pension Benefits		Postretirement and Other Benefits	
	2016	2015	2016	2015
Prior service cost recognized:				
Reclassification adjustments	\$ 0.1	\$ 0.4	\$ (14.7)	\$ (15.4)
Actuarial (loss) gain recognized:				
Reclassification adjustments	19.1	24.9	4.9	5.4
Actuarial gain (loss) arising during the period	5.7	(20.9)	4.5	10.9

The following amounts currently included in "Accumulated other comprehensive loss" are expected to be recognized in 2017 as a component of net periodic pension and postretirement cost:

(dollars in millions)	Pension Benefits	Postretirement and Other Benefits
Prior service benefit	\$ —	\$ (4.5)
Actuarial loss	16.5	4.3
Total	\$ 16.5	\$ (0.2)

Plan Assets, Investment Policies and Strategies

The primary investment objective for the trusts holding the assets of the pension and postretirement plans is preservation of capital with a reasonable amount of long-term growth and income without undue exposure to risk. This is provided by a balanced strategy using fixed income and equity securities. The target allocations for the pension plan assets are 65% equity securities and 35% investment grade fixed income securities. Equity securities are primarily held in the form of passively managed funds that seek to track the performance of a benchmark index. Equity securities include investments in growth and value common stocks of companies located in the United States, which represents approximately 60% of the equity securities held by the pension plans at December 31, 2016 as well as stock of international companies located in both developed and emerging markets around the world. Fixed income securities primarily include holdings of funds, which generally invest in a variety of intermediate and long-term investment grade corporate bonds from diversified industries. The postretirement plan assets are currently invested in a group insurance contract.

The fair values of the pension plan assets at December 31, 2016 and 2015 by asset category are as follows:

(dollars in millions)	December 31, 2016	Quoted Prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
Mutual funds				
U.S. equity index funds	\$ 142.7	\$ 142.7	\$ —	\$ —
International equity index funds	95.6	95.6	—	—
Fixed income bond funds	123.9	123.9	—	—
Fixed income short-term money market funds	10.1	10.1	—	—
Group insurance contract	8.7	—	—	—
Total	\$ 381.0	\$ 372.3	\$ —	\$ —

<u>(dollars in millions)</u>	<u>December 31, 2015</u>	<u>Quoted Prices in active markets Level 1</u>	<u>Significant observable inputs Level 2</u>	<u>Significant unobservable inputs Level 3</u>
Mutual funds				
U.S. equity index funds	\$ 147.8	\$ 147.8	\$ —	\$ —
International equity index funds	97.0	97.0	—	—
Fixed income bond funds	133.3	133.3	—	—
Group insurance contract	10.3	—	—	—
Total	<u>\$ 388.4</u>	<u>\$ 378.1</u>	<u>\$ —</u>	<u>\$ —</u>

The fair values of Level 1 investments are based on quoted prices in active markets.

The group insurance contract is valued at contract value plus accrued interest and has not been included in the fair value hierarchy, but is included in the totals above.

Contributions to our qualified pension plans were \$3.1 million in 2016, \$10.3 million in 2015, and \$19.7 million in 2014. Contributions to our non-qualified pension plan were \$2.3 million in 2016, \$2.2 million in 2015 and \$2.3 million in 2014.

Based on current assumptions, contributions to qualified and non-qualified pension plans in 2017 are expected to be approximately \$2 million each. Management expects to make cash payments of approximately \$9 million related to its postretirement health plans in 2017.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid over the next ten years:

<u>(dollars in millions)</u>	<u>Pension Benefits</u>	<u>Postretirement and Other Benefits</u>	<u>Medicare Subsidy Receipts</u>
2017	\$ 42.1	\$ 9.9	\$ (0.5)
2018	41.8	9.2	(0.5)
2019	40.2	7.8	(0.4)
2020	39.8	7.0	(0.4)
2021	38.1	6.7	(0.4)
Years 2022 - 2026	169.5	28.1	(1.4)

10. Shareowners' Deficit**Common Shares**

The par value of the Company's common shares is \$0.01 per share. At December 31, 2016 and 2015, common shares outstanding were 42,056,237 and 41,975,390, respectively.

In 2010, the Board of Directors approved a plan for repurchase of up to \$150.0 million of the Company's common shares. In 2016, the Company repurchased and retired approximately 0.2 million shares of its common stock for \$4.8 million at an average price of \$19.67 per share. In 2015 and 2014, no shares were repurchased or retired under this plan. As of December 31, 2016, the Company had the authority to repurchase \$124.4 million of its common stock.

The Company previously had a deferred compensation plan for certain executives of the Company. The executive deferred compensation plan was terminated in the fourth quarter of 2015. At December 31, 2015, treasury shares of common stock held under the plan were nominal, with a total cost of \$0.5 million. In the fourth quarter of 2016, all amounts due under the plan were distributed to plan participants.

Preferred Shares

The Company is authorized to issue 1,357,299 shares of voting preferred stock without par value and 1,000,000 shares of nonvoting preferred stock without par value. The Company issued 155,250 voting shares of 6 ³/₄% cumulative convertible preferred stock at stated value. These shares were subsequently deposited into a trust in which the underlying 155,250 shares are equivalent to 3,105,000 depositary shares. Shares of this preferred stock can be converted at any time at the option of the holder into common stock of the Company at a conversion rate of 5.7676 shares of the Company common stock per one share of 6 ³/₄% cumulative convertible preferred stock. Annual dividends of \$67.50 per share (or \$3.3752 per depositary share) on the outstanding 6 ³/₄% convertible preferred stock are payable quarterly in arrears in cash, or in common stock in certain circumstances if cash payment is not legally permitted. The liquidation preference on the 6 ³/₄% cumulative convertible preferred stock is \$1,000 per share (or \$50 per depositary share). The Company paid \$10.4 million in preferred stock dividends in 2016, 2015, and 2014.

Accumulated Other Comprehensive Loss

Shareowners' deficit includes an accumulated other comprehensive loss that is comprised of pension and postretirement unrecognized prior service cost and unrecognized actuarial losses, unrealized gains on Investment in CyrusOne and foreign currency translation losses.

For the years ended December 31, 2016 and 2015, the changes in accumulated other comprehensive loss by component were as follows:

(dollars in millions)	Unrecognized Net Periodic Pension and Postretirement Benefit Cost	Unrealized gain on Investment in CyrusOne	Foreign Currency Translation Loss	Total
Balance as of December 31, 2014	\$ (173.6)	\$ —	\$ (0.3)	\$ (173.9)
Remeasurement of benefit obligations	(6.6)	—	—	(6.6)
Reclassifications, net	9.9 (a)	—	(0.4)	9.5
Balance as of December 31, 2015	(170.3)	—	(0.7)	(171.0)
Remeasurement of benefit obligations	6.6	—	—	6.6
Reclassifications, net	6.1 (a)	—	(0.1)	6.0
Unrealized gain on Investment in CyrusOne	—	68.1 (b)	—	68.1
Balance as of December 31, 2016	<u>\$ (157.6)</u>	<u>\$ 68.1</u>	<u>\$ (0.8)</u>	<u>\$ (90.3)</u>

(a) These reclassifications are included in the components of net period pension and postretirement benefit costs (see Note 9 for additional details). The components of net period pension and postretirement benefit cost are reported within "Cost of services", "Cost of products sold", and "Selling, general and administrative" expenses on the Consolidated Statements of Operations.

(b) The unrealized gain on the investment in CyrusOne was recorded in 2016 as the investment is no longer accounted for using the equity-method and is recorded as an available-for-sale security on the Consolidated Balance Sheets at fair value.

11. Income Taxes

Income tax expense for continuing operations consisted of the following:

(dollars in millions)	Year Ended December 31,		
	2016	2015	2014
Current:			
Federal	\$ (14.0)	\$ 9.2	\$ 9.3
State and local	0.5	1.7	1.9
Total current	(13.5)	10.9	11.2
Investment tax credits	(0.1)	(0.2)	(0.2)
Deferred:			
Federal	72.6	149.4	69.6
State and local	5.7	5.2	1.9
Total deferred	78.3	154.6	71.5
Valuation allowance	(3.6)	(5.5)	(1.1)
Total	\$ 61.1	\$ 159.8	\$ 81.4

The following is a reconciliation of the statutory federal income tax rate with the effective tax rate for each year:

	Year Ended December 31,		
	2016	2015	2014
U.S. federal statutory rate	35.0 %	35.0 %	35.0 %
State and local income taxes, net of federal income tax	0.2	0.7	0.8
Change in valuation allowance, net of federal income tax	(1.4)	(0.8)	(2.0)
State net operating loss adjustments	0.9	0.3	1.9
Nondeductible interest expense	—	—	2.7
Unrecognized tax benefit changes	2.3	0.2	1.4
Nondeductible compensation	0.2	0.1	0.7
Other differences, net	0.3	—	0.4
Effective tax rate	37.5 %	35.5 %	40.9 %

The income tax provision (benefit) was charged to continuing operations, discontinued operations, accumulated other comprehensive income or additional paid-in capital as follows:

(dollars in millions)	Year Ended December 31,		
	2016	2015	2014
Income tax provision (benefit) related to:			
Continuing operations	\$ 61.1	\$ 159.8	\$ 81.4
Discontinued operations	—	34.8	(24.0)
Accumulated other comprehensive income (loss)	43.8	2.0	(22.4)
Excess tax benefits on stock option exercises	0.1	(0.1)	(0.1)

The components of our deferred tax assets and liabilities were as follows:

<u>(dollars in millions)</u>	December 31,	
	2016	2015
Deferred tax assets:		
Net operating loss carryforwards	\$ 125.2	\$ 142.0
Pension and postretirement benefits	78.7	89.1
Investment in CyrusOne	—	68.9
Employee benefits	12.2	15.2
AMT Credit Carryforward	17.4	32.7
Texas Margin Credit	10.7	10.7
Other	19.1	17.9
Total deferred tax assets	263.3	376.5
Valuation allowance	(54.4)	(58.4)
Total deferred tax assets, net of valuation allowance	\$ 208.9	\$ 318.1
Deferred tax liabilities:		
Property, plant and equipment	\$ 135.0	\$ 134.9
Investment in CyrusOne	9.1	—
Other	0.3	0.3
Total deferred tax liabilities	144.4	135.2
Net deferred tax assets	\$ 64.5	\$ 182.9

As of December 31, 2016, the Company had \$219.4 million of federal tax operating loss carryforwards with a deferred tax asset value of \$76.8 million, alternative minimum tax credit carryforwards of \$17.4 million, state tax credits of \$10.7 million, and \$48.2 million in deferred tax assets related to state, local, and foreign tax operating loss carryforwards. The majority of the remaining federal tax loss carryforwards will generally expire in 2023. U.S. tax laws limit the annual utilization of tax loss carryforwards of acquired entities. These limitations should not materially impact the utilization of the tax carryforwards.

The ultimate realization of the deferred income tax assets depends upon the Company's ability to generate future taxable income during the periods in which basis differences and other deductions become deductible, and prior to the expiration of the net operating loss carryforwards. Due to its historical and future projected earnings, management believes it will utilize future federal deductions and available net operating loss carryforwards prior to their expiration. Management also concluded that it was more likely than not that certain state and foreign tax loss carryforwards would not be realized based upon the analysis described above and therefore provided a valuation allowance.

The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate was \$31.0 million and \$27.3 million at December 31, 2016 and December 31, 2015, respectively. Accrued interest and penalties on income tax uncertainties were immaterial as of December 31, 2016 and 2015.

A reconciliation of the unrecognized tax benefits is as follows:

<u>(dollars in millions)</u>	Year Ended December 31,		
	2016	2015	2014
Balance, beginning of year	\$ 27.6	\$ 27.1	\$ 24.1
Change in tax positions for the current year	1.2	0.5	3.0
Change in tax positions for prior years	2.6	—	—
Balance, end of year	\$ 31.4	\$ 27.6	\$ 27.1

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various foreign, state and local jurisdictions. With a few exceptions, the Company is no longer subject to U.S. federal, state or local examinations for years before 2013.

12. Stock-Based and Deferred Compensation Plans

The Company may grant stock options, stock appreciation rights, performance-based awards, and time-based restricted shares to officers and key employees under the 2007 Long Term Incentive Plan and stock options, restricted shares, and restricted stock units to directors under the 2007 Stock Option Plan for Non-Employee Directors. The maximum number of shares authorized under these plans is 5.1 million. Shares available for award under the plans at December 31, 2016 were 0.9 million.

Stock Options and Stock Appreciation Rights

Generally, the awards of stock options and stock appreciation rights fully vest three years from grant date and expire ten years from grant date. Beginning in 2012, some of the stock options vested over a three year period based on the achievement of certain performance objectives. The Company generally issues new shares when options to purchase common shares or stock appreciation rights are exercised. The following table summarizes stock options and stock appreciation rights activity:

	2016		2015		2014	
	Shares	Weighted-Average Exercise Price Per Share	Shares	Weighted-Average Exercise Price Per Share	Shares	Weighted-Average Exercise Price Per Share
<u>(in thousands, except per share amounts)</u>						
Outstanding at January 1,	776	\$ 19.27	1,045	\$ 19.27	1,225	\$ 18.31
Granted *	—	—	—	—	200	17.02
Exercised	(236)	16.12	(7)	9.15	(145)	8.65
Forfeited	(11)	16.16	(100)	18.71	(43)	19.95
Expired	(139)	22.79	(162)	20.05	(192)	18.69
Outstanding at December 31,	390	\$ 20.00	776	\$ 19.27	1,045	\$ 19.27
Expected to vest at December 31,	390	\$ 20.00	776	\$ 19.27	1,045	\$ 19.27
Exercisable at December 31,	330	\$ 20.56	635	\$ 19.65	695	\$ 19.91

(dollars in millions)

Compensation expense for the year	\$ 0.4	\$ —	\$ 0.3
Tax benefit related to compensation expense	\$ (0.1)	\$ —	\$ (0.1)
Intrinsic value of awards exercised	\$ 1.8	\$ 0.1	\$ 1.5
Cash received from awards exercised	\$ 3.8	\$ 0.1	\$ 1.3
Grant date fair value of awards vested	\$ 0.5	\$ 0.7	\$ 0.4

* Assumes the maximum number of awards that can be earned if the performance conditions are achieved.

The following table summarizes our outstanding and exercisable awards at December 31, 2016:

	Outstanding		Exercisable	
	Shares	Weighted-Average Exercise Price Per Share	Shares	Weighted-Average Exercise Price Per Share
<u>(in thousands, except per share amounts)</u>				
\$8.35	26	\$ 8.35	26	\$ 8.35
\$12.40 to \$17.05	174	17.01	114	17.03
\$23.10 to \$26.55	190	24.35	190	24.35
Total	390	\$ 20.00	330	\$ 20.56

As of December 31, 2016, the aggregate intrinsic value for awards outstanding and exercisable was \$1.3 million and \$1.0 million, respectively. The weighted-average remaining contractual life for awards outstanding and exercisable is approximately five years and four years, respectively. As of December 31, 2016, there was \$0.2 million of unrecognized stock compensation expense, which is expected to be recognized over a weighted-average period of approximately one year.

The fair values at the date of grant were estimated using the Black-Scholes pricing model with the following assumptions:

	2016	2015	2014
Expected volatility	—	—	35.5%
Risk-free interest rate	—	—	1.5%
Expected holding period (in years)	—	—	5
Expected dividends	—	—	0.0%
Weighted-average grant date fair value	\$ —	\$ —	\$ 5.71

The expected volatility assumption used in the Black-Scholes pricing model was based on historical volatility. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant. The expected holding period was estimated using the historical exercise behavior of employees and adjusted for abnormal activity. Expected dividends are based on the Company's history of not paying dividends.

Performance-Based Restricted Awards

Awards granted generally vest over three years and upon the achievement of certain performance-based objectives. Performance-based awards are expensed based on their grant date fair value if it is probable that the performance conditions will be achieved.

The following table summarizes our outstanding performance-based restricted award activity:

	2016		2015		2014	
	Shares	Weighted-Average Exercise Price Per Share	Shares	Weighted-Average Exercise Price Per Share	Shares	Weighted-Average Exercise Price Per Share
(in thousands, except per share amounts)						
Non-vested at January 1,	721	\$ 16.77	349	\$ 19.28	307	\$ 19.88
Granted*	307	15.45	538	15.46	217	17.80
Vested	(51)	22.75	(89)	19.00	(127)	18.55
Forfeited	(23)	22.35	(77)	16.44	(48)	18.33
Non-vested at December 31,	954	\$ 15.89	721	\$ 16.77	349	\$ 19.28

(dollars in millions)

Compensation expense for the year	\$ 3.6	\$ 3.1	\$ 1.4
Tax benefit related to compensation expense	\$ (1.3)	\$ (1.1)	\$ (0.5)
Grant date fair value of awards vested	\$ 1.2	\$ 1.7	\$ 2.3

* Assumes the maximum number of awards that can be earned if the performance conditions are achieved.

As of December 31, 2016, unrecognized compensation expense related to performance-based awards was \$8.1 million, which is expected to be recognized over a weighted-average period of approximately one year.

Time-Based Restricted Awards

Awards granted to employees in 2016 vest at the end of a three year period. Awards granted to employees prior to 2016 generally vest in one-third increments over a period of three years. Awards granted to directors in 2016, 2015 and 2014 vest on the first anniversary of the grant date.

The following table summarizes our time-based restricted award activity:

	2016		2015		2014	
	Shares	Weighted-Average Exercise Price Per Share	Shares	Weighted-Average Exercise Price Per Share	Shares	Weighted-Average Exercise Price Per Share
(in thousands, except per share amounts)						
Non-vested at January 1,	47	\$ 19.59	137	\$ 18.44	209	\$ 17.73
Granted	106	16.75	36	17.35	35	16.04
Vested	(47)	19.59	(126)	17.70	(103)	16.22
Forfeited	—	—	—	—	(4)	17.55
Non-vested at December 31,	106	\$ 16.75	47	\$ 19.59	137	\$ 18.44

(dollars in millions)

Compensation expense for the year	\$ 1.1	\$ 1.0	\$ 1.6
Tax benefit related to compensation expense	\$ (0.4)	\$ (0.3)	\$ (0.6)
Grant date fair value of awards vested	\$ 0.9	\$ 2.2	\$ 1.7

As of December 31, 2016, there was \$0.9 million of unrecognized compensation expense related to these restricted stock awards, which is expected to be recognized over a weighted-average period of approximately two years.

Cash-Settled and Other Awards

The Company grants cash-settled stock appreciation rights and performance awards. Beginning in 2012, some of the stock appreciation rights vested over a three year period based on the achievement of certain performance objectives. The final payments of these awards will be indexed to the percentage change in the Company's stock price from the date of grant.

No cash-payment awards were issued in 2016 or 2015. The Company granted cash-payment performance awards of \$3.6 million in 2014. For the year ended December 31, 2016, expense incurred for cash-payment awards was \$2.2 million. For the years ended December 31, 2015 and 2014, expense of \$0.6 million related to cash-payment awards was incurred.

At December 31, 2016 there was \$1.2 million remaining unrecognized compensation expense for cash-settled and other awards, which will primarily be recognized during 2017, assuming the maximum cash payout that can be earned if the performance conditions are achieved. The aggregate intrinsic value of outstanding and exercisable cash-settled stock appreciation rights at December 31, 2016 was \$0.1 million.

Deferred Compensation Plans

The Company currently has a deferred compensation plan for the Board of Directors. Under the directors deferred compensation plan, each director can defer receipt of all or a part of their director fees and annual retainers, which can be invested in various investment funds including the Company's common stock. In years prior to 2012, the Company granted 1,200 phantom shares to each non-employee director on the first business day of each year, which are fully vested once a director has five years of service. No phantom shares were granted to non-employee directors in 2016. Distributions to the directors are generally in the form of cash.

The Company previously had a deferred compensation plan for certain executives of the Company. The executive deferred compensation plan was terminated in the fourth quarter of 2015. In the fourth quarter of 2016, all amounts due under the plan were distributed to plan participants.

At December 31, 2016, the number of director deferred common shares was nominal. At December 31, 2015, there were 0.1 million common shares deferred in total for both the director and executive plans. As these awards can be settled in cash, compensation costs each period are based on the change in the Company's stock price. We recognized compensation expense of \$0.1 million and \$0.2 million in 2016 and 2015, respectively. A benefit of \$0.3 million was recognized in 2014.

13. Restructuring and Severance

Liabilities have been established for employee separations, lease abandonment and contract terminations. A summary of activity in the restructuring and severance liability is shown below:

(dollars in millions)	Employee Separation	Lease Abandonment	Other	Total
Balance as of December 31, 2013	\$ 8.4	\$ 5.8	\$ 0.1	\$ 14.3
Charges/(Reversals)	1.0	(1.4)	—	(0.4)
Utilizations	(6.4)	(2.6)	—	(9.0)
Balance as of December 31, 2014	3.0	1.8	0.1	4.9
Charges	3.3	0.3	2.4	6.0
Utilizations	(6.1)	(1.3)	(2.4)	(9.8)
Balance as of December 31, 2015	0.2	0.8	0.1	1.1
Charges/(Reversals)	12.5	(0.5)	(0.1)	11.9
Utilizations	(1.7)	(0.1)	—	(1.8)
Balance as of December 31, 2016	\$ 11.0	\$ 0.2	\$ —	\$ 11.2

In 2016, employee severance costs were associated with initiatives to reduce costs associated with our legacy copper network, including a voluntary severance program for certain management employees. Employee severance costs were also due to increased in-sourcing of IT professionals by our customers which resulted in headcount reductions in our IT Services and Hardware segment. In 2015, employee severance charges were associated with discontinuing our cyber-security product offering and integrating each of our segments' business markets. In 2014, employee separation charges included charges attributable to outsourcing a portion of our IT function and incurring consulting fees related to a workforce optimization initiative.

Lease abandonment costs represent future minimum lease obligations, net of expected sublease income, for abandoned facilities. Reversals in 2014 were related to previously abandoned leased space that was reoccupied. Lease payments on abandoned facilities will continue through 2019.

Other charges in 2015 represent project related expenses as we identified opportunities to integrate the business markets within our Entertainment and Communications and IT Services & Hardware segments.

A summary of restructuring activity by business segment is presented below:

(dollars in millions)	Entertainment and Communications	IT Services and Hardware	Corporate	Total
Balance as of December 31, 2013	\$ 10.5	\$ 0.8	\$ 3.0	\$ 14.3
Charges/(Reversals)	(0.5)	—	0.1	(0.4)
Utilizations	(6.1)	(0.5)	(2.4)	(9.0)
Balance as of December 31, 2014	3.9	0.3	0.7	4.9
Charges	1.6	2.8	1.6	6.0
Utilizations	(4.7)	(2.8)	(2.3)	(9.8)
Balance as of December 31, 2015	0.8	0.3	—	1.1
Charges	7.7	3.3	0.9	11.9
Utilizations	(1.0)	(0.6)	(0.2)	(1.8)
Balance as of December 31, 2016	\$ 7.5	\$ 3.0	\$ 0.7	\$ 11.2

At December 31, 2016 and 2015, \$7.4 million and \$0.9 million, respectively, of the restructuring liabilities were included in "Other current liabilities." At December 31, 2016 and 2015, \$3.8 million and \$0.2 million was included in "Other noncurrent liabilities," respectively.

Subsequent to December 31, 2016 the Company finalized a voluntary severance program for certain bargained employees related to an initiative to reduce costs associated with our copper field and network operations. As a result, a severance charge of approximately \$25 million will be recorded in the first quarter of 2017.

14. Business Segment Information

For the years ended December 31, 2016, 2015, and 2014, we operated two business segments: Entertainment and Communications and IT Services and Hardware. The closing of our wireless operations, effective March 31, 2015, represented a strategic shift in our business. Therefore, certain wireless assets, liabilities and results of operations are reported as discontinued operations in our financial statements. For further details of Discontinued Operations, see Notes 1 and 16 of Notes to Consolidated Financial Statements.

The Entertainment and Communications segment provides data, video, voice and other services. These services are primarily provided to customers in southwestern Ohio, northern Kentucky and southeastern Indiana. Data includes products such as high-speed internet access, digital subscriber lines, private line, multi-protocol label switching, SONET, dedicated internet access, wavelength, audio conferencing and digital signal. These products are used to transport large amounts of data over private networks. Video services provide our Fioptics customers access to over 400 entertainment channels, over 140 high-definition channels, parental controls, HD DVR and video On-Demand. In addition, we offer features that deliver high customer satisfaction including Fioptics MyTV and a Fioptics live TV streaming application. Voice represents local service, including Fioptics voice lines. It also includes VoIP, long distance, digital trunking, switched access and other value-added services such as caller identification, voicemail, call waiting, and call return. VoIP products provide our customers access to widely disbursed communication platforms and access to cloud based services and hosted unified communications products. Other services consists of revenue generated from wiring projects for business customers, advertising, directory assistance, maintenance and information services.

Entertainment and Communications revenue increased during 2016 and 2015 due to the demand for strategic fiber products more than offsetting legacy copper declines. Operating income for Entertainment and Communications for 2016 was down compared to a year ago due in large part to increased depreciation expense associated with the impact of accelerating construction of our fiber network and reducing the estimated useful life of certain set-top boxes and the related software as we upgrade to new technology. We also reduced the useful life of our copper assets in the fourth quarter of 2015. Operating income decreased during 2015 primarily due to additional operating expenses associated with the continued acceleration of our fiber investment and costs absorbed as a result of shutting down wireless operations. Entertainment and Communications recognized restructuring and severance related charges of \$7.7 million in 2016 primarily related to initiatives to reduce costs associated with our legacy copper network. Entertainment and Communications recognized restructuring and severance related charges of \$1.6 million in 2015 and reversed restructuring and severance related charges of \$0.5 million in 2014. In 2014, Entertainment and Communications recorded an asset impairment charge of \$4.6 million related to the abandonment of an internal use software project that was written off in the fourth quarter. There were no impairment charges recorded in 2016 or 2015. Capital expenditures are incurred to expand our Fioptics product suite, upgrade and increase capacity for our internet and data networks, and to maintain our wireline network.

The IT Services and Hardware segment provides a range of fully managed and outsourced IT and telecommunications services along with the sale, installation, and maintenance of major branded IT and telephony equipment. IT Services and Hardware revenue decreased \$4.7 million from 2015 as a result of an increase in strategic revenue of \$17.7 million in 2016 which was more than offset by the \$24.5 million decrease in telecom and IT hardware sales in 2016 compared to the prior year. IT Services and Hardware revenue increased \$2.4 million from 2014 to 2015 as a result of an increase of \$40.7 million in strategic revenue. This was partially offset by the \$35.1 million decrease in telecom and IT hardware sales. Restructuring and severance related charges of \$3.3 million were recognized in 2016 primarily related to a reduction in force as customers increased internal IT staff, therefore reducing the need for our professional services. In 2015, restructuring and severance related charges of \$2.8 million consisted of employee severance and project related costs for the integration of each segment's business markets and the discontinuation of our advanced cyber-security product offering in the first quarter of 2015. We also abandoned office space in Canada that is no longer in use. There were no restructuring and severance related charges recorded in 2014.

As of December 31, 2016 and 2015, our investment in CyrusOne is included as an asset of the Corporate segment. Deferred tax assets totaling \$64.5 million and \$182.3 million as of December 31, 2016 and 2015, respectively, are also reported as assets in the Corporate segment.

Our business segment information is as follows:

<u>(dollars in millions)</u>	<u>Year Ended December 31,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenue			
Entertainment and Communications	\$ 768.8	\$ 743.7	\$ 740.7
IT Services and Hardware	430.7	435.4	433.0
Intersegment	(13.7)	(11.3)	(12.2)
Total revenue	<u>\$ 1,185.8</u>	<u>\$ 1,167.8</u>	<u>\$ 1,161.5</u>
Intersegment revenue			
Entertainment and Communications	\$ 1.3	\$ 1.3	\$ 1.2
IT Services and Hardware	12.4	10.0	11.0
Total intersegment revenue	<u>\$ 13.7</u>	<u>\$ 11.3</u>	<u>\$ 12.2</u>
Operating income			
Entertainment and Communications	\$ 90.6	\$ 129.9	\$ 178.9
IT Services and Hardware	23.2	20.6	19.8
Corporate	(20.8)	(22.5)	(21.8)
Total operating income	<u>\$ 93.0</u>	<u>\$ 128.0</u>	<u>\$ 176.9</u>
Expenditures for long-lived assets			
Entertainment and Communications	\$ 272.5	\$ 269.5	\$ 163.7
IT Services and Hardware	13.7	14.0	11.9
Corporate	0.2	0.1	0.2
Total expenditures for long-lived assets	<u>\$ 286.4</u>	<u>\$ 283.6</u>	<u>\$ 175.8</u>
Depreciation and amortization			
Entertainment and Communications	\$ 168.6	\$ 129.2	\$ 115.7
IT Services and Hardware	13.5	12.3	11.7
Corporate	0.1	0.1	0.2
Total depreciation and amortization	<u>\$ 182.2</u>	<u>\$ 141.6</u>	<u>\$ 127.6</u>
<u>(dollars in millions)</u>	<u>As of December 31,</u>		
	<u>2016</u>	<u>2015</u>	
Assets			
Entertainment and Communications	\$ 1,093.5	\$ 982.5	
IT Services and Hardware	60.0	58.0	
Corporate and eliminations	387.5	405.9	
Total assets	<u>\$ 1,541.0</u>	<u>\$ 1,446.4</u>	

Details of our service and product revenues including eliminations are as follows:

<u>(dollars in millions)</u>	Year Ended December 31,		
	2016	2015	2014
Service revenue			
Entertainment and Communications	\$ 763.0	\$ 735.0	\$ 728.8
IT Services and Hardware	215.7	198.0	161.4
Total service revenue	<u>\$ 978.7</u>	<u>\$ 933.0</u>	<u>\$ 890.2</u>
Product revenue			
Handsets and accessories	\$ 4.5	\$ 7.4	\$ 10.7
Telecom and IT hardware	202.6	227.4	260.6
Total product revenue	<u>\$ 207.1</u>	<u>\$ 234.8</u>	<u>\$ 271.3</u>

15. Investment in CyrusOne

On January 24, 2013, we completed the IPO of CyrusOne, which owns and operates our former data center business through CyrusOne LP, an operating partnership. Effective with the IPO, our 69% ownership was held in the form of 1.9 million shares of unregistered common stock of CyrusOne and 42.6 million of economically equivalent partnership units in its underlying operating entity, CyrusOne LP. Therefore, effective January 24, 2013, we no longer included the accounts of CyrusOne in our consolidated financial statements and accounted for our ownership as an equity method investment as we no longer controlled the operations but maintained significant influence.

In 2014, we sold 16.0 million operating partnership units for net proceeds totaling \$355.9 million that resulted in a gain of \$192.8 million. During 2015, we sold 20.3 million operating partnership units and 1.4 million shares of CyrusOne's common stock that combined generated proceeds of \$643.9 million and resulted in a gain of \$449.2 million.

From the date of the IPO, we recognized our proportionate share of CyrusOne's net loss as "Other (income) expense, net" in our statement of operations through December 31, 2015. For 2015 and 2014, our equity method share of CyrusOne's net loss was \$5.1 million and \$7.0 million, respectively. Dividends received totaling \$22.2 million and \$28.4 million, in 2015 and 2014, respectively, were recorded as reduction of our investment.

Our remaining 6.3 million operating partnership units in CyrusOne LP were exchanged for an equal number of newly issued shares of common stock of CyrusOne on December 31, 2015. As a result, our 9.5% ownership in CyrusOne, which consisted of 6.9 million common shares, no longer constituted significant influence over the entity. Effective January 1, 2016, our investment in CyrusOne was no longer accounted for using the equity-method. Dividends declared by CyrusOne in 2016 totaled \$6.4 million and were included in "Other (income) expense, net" in the Consolidated Statement of Operations.

We sold 4.1 million shares of CyrusOne's common stock for net proceeds totaling \$189.7 million in 2016 that resulted in a gain of \$157.0 million. As of December 31, 2016, we held 2.8 million shares of CyrusOne Inc. common stock valued at \$128.0 million.

Subsequent to the end of the year, we sold approximately 2 million shares of CyrusOne Inc. common stock for net proceeds totaling approximately \$100 million that resulted in a gain of approximately \$83 million. The proceeds were primarily used to repay amounts outstanding on Receivables Facility.

Transactions with CyrusOne

Revenues - The Company records service revenue from CyrusOne under contractual service arrangements which include, among others, providing services such as fiber transport, network support, service calls, management and monitoring, storage and back-up, and IT systems support.

Operating Expenses - We lease data center and office space from CyrusOne at certain locations in our operating territory under operating leases and are also billed for other services provided by CyrusOne under contractual service arrangements. In the normal course of business, the Company also provides certain administrative services to CyrusOne which are billed based on agreed-upon rates.

Revenues and operating costs and expenses from transactions with CyrusOne were as follows:

<u>(dollars in millions)</u>	Year Ended December 31,		
	2016	2015	2014
Revenue:			
Services provided to CyrusOne	\$ 1.2	\$ 1.3	\$ 1.7
Operating costs and expenses:			
Charges for services provided by CyrusOne	\$ 10.2	\$ 10.2	\$ 9.1
Administrative services provided to CyrusOne	(0.3)	(0.4)	(0.5)
Total operating costs and expenses	\$ 9.9	\$ 9.8	\$ 8.6

Amounts receivable from and payable to CyrusOne were as follows:

<u>(dollars in millions)</u>	December 31, 2016	December 31, 2015
Accounts receivable	\$ —	\$ 0.1
Dividends receivable	1.1	2.1
Receivable from CyrusOne	\$ 1.1	\$ 2.2
Payable to CyrusOne	\$ 0.9	\$ 1.5

16. Discontinued Operations

Cincinnati Bell Wireless LLC ("CBW"), our former Wireless segment, provided digital wireless voice and data communications services to customers in the Company's licensed service territory, which included Greater Cincinnati and Dayton, Ohio, and areas of northern Kentucky and southeastern Indiana. The Company's customers were also able to place and receive wireless calls nationally and internationally due to roaming agreements the Company had with other carriers.

In the second quarter of 2014, we entered into agreements to sell our wireless spectrum licenses and certain other assets related to our wireless business, including leases to certain wireless towers and related equipment and other assets. The agreement to sell our spectrum licenses closed on September 30, 2014 for cash proceeds of \$194.4 million. Prior to this date, the Company's digital wireless network utilized 50 MHz of licensed spectrum in the Cincinnati area and 40 MHz of licensed spectrum in the Dayton area, which had a carrying value of \$88.2 million. Simultaneous with the close of the spectrum sale, the Company entered into a separate agreement to use certain wireless spectrum for \$8.00 until we no longer provided wireless services. We ceased providing wireless service effective March 31, 2015. The fair value of the lease, which is considered a Level 3 measurement based on other comparable transactions, totaled \$6.4 million and was recorded as a prepaid expense and amortized over a six month period ending March 31, 2015.

As of March 31, 2015, there were no subscribers remaining on the network and we no longer required the use of the spectrum being leased. Therefore, the \$112.6 million gain on the sale of the wireless spectrum licenses, which had been previously deferred, was recognized in Income (loss) from discontinued operations, net of tax during the three months ended March 31, 2015. On April 1, 2015, we transferred certain other wireless assets to the acquirer, including leases to certain wireless towers and related equipment and other assets, which resulted in a gain of \$15.9 million in the second quarter of 2015.

Wireless financial results for the twelve months ended December 31, 2016, 2015 and 2014 reported as "Income (loss) from discontinued operations, net of tax" on the Consolidated Statements of Operations are as follows:

<u>(dollars in millions)</u>	Twelve Months Ended December 31,		
	2016	2015	2014
Revenue	\$ —	\$ 4.4	\$ 132.8
Costs and expenses			
Cost of products and services	—	12.0	66.9
Selling, general and administrative	—	2.2	19.5
Depreciation and amortization expense	—	28.6	103.4
Restructuring charges	—	3.3	16.3
Impairment of assets	—	—	7.5
Transaction costs	—	—	3.2
Gain on sale or disposal of assets	—	(0.4)	—
Amortization of deferred gain	—	(6.5)	(22.9)
Total operating costs and expenses	—	39.2	193.9
Operating loss	—	(34.8)	(61.1)
Interest (income) expense	—	(1.7)	2.8
Other (income) expense	(0.3)	(2.3)	2.2
Gain on transfer of tower lease obligations and other assets	—	15.9	—
Gain on sale of wireless spectrum licenses	—	112.6	—
Income (loss) before income taxes	0.3	97.7	(66.1)
Income tax expense (benefit)	—	34.8	(24.0)
Income (loss) from discontinued operations, net of tax	<u>\$ 0.3</u>	<u>\$ 62.9</u>	<u>\$ (42.1)</u>

Wireless liabilities presented as discontinued operations as of December 31, 2016 and December 31, 2015 are as follows:

<u>(dollars in millions)</u>	December 31, 2016	December 31, 2015
Current liabilities		
Restructuring liability	\$ —	\$ 4.7
Other current liabilities	—	0.7
Total current liabilities from discontinued operations	<u>\$ —</u>	<u>\$ 5.4</u>

Restructuring liabilities were established for employee separations, lease abandonments and contract terminations charges. In 2015, restructuring charges were for tower operating leases that were abandoned. During 2014, restructuring charges included \$13.1 million in contract termination charges for wireless contracts that were no longer utilized and \$3.2 million in employee separation charges.

An asset impairment loss of \$7.5 million was also recognized in 2014 for the write-off of certain construction-in-progress projects that were not completed due to the wind down of wireless operations.

In the fourth quarter of 2014, we repaid \$22.7 million 8 ³/₈% Senior Notes due 2020 using proceeds from the sale of our wireless spectrum licenses.

Following is selected operating, investing and financing cash flow activity from discontinued operations included in Consolidated Statements of Cash Flows:

(dollars in millions)	Twelve Months Ended December 31,		
	2016	2015	2014
Depreciation and amortization	\$ —	\$ 28.6	\$ 103.4
Gain on sale of assets	—	(0.4)	—
Impairment of assets	—	—	7.5
Deferred gain on sale of spectrum licenses	—	(112.6)	—
Amortization of deferred gain on sale of towers	—	(6.5)	(22.9)
Gain on transfer of tower lease obligations and other assets	—	(15.9)	—
Non-cash spectrum lease	—	3.2	3.2
Restructuring payments	(4.4)	(14.5)	(2.4)
Capital expenditures	—	—	(6.5)
Proceeds from sale of wireless spectrum licenses	—	—	194.4
Repayment of debt	—	(0.3)	(23.5)

Operating Lease Commitments

The Company's discontinued operations leased certain facilities and equipment. Operating lease expense was \$1.4 million and \$6.4 million, in 2015 and 2014, respectively.

17. Quarterly Financial Information (Unaudited)

	2016				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
<u>(in millions, except per common share amounts)</u>					
Revenue	\$ 288.9	\$ 299.2	\$ 312.4	\$ 285.3	\$ 1,185.8
Operating income	29.6	27.4	25.5	10.5	93.0
Income (loss) from continuing operations	7.0	77.6	18.8	(1.6)	101.8
Income from discontinued operations, net of tax	—	—	—	0.3	0.3
Net income (loss)	7.0	77.6	18.8	(1.3)	102.1
Basic earnings (loss) per common share from continuing operations	\$ 0.10	\$ 1.79	\$ 0.39	\$ (0.10)	\$ 2.17
Basic earnings per common share from discontinued operations	\$ —	\$ —	\$ —	\$ 0.01	\$ 0.01
Net basic earnings (loss) per common share	\$ 0.10	\$ 1.79	\$ 0.39	\$ (0.09)	\$ 2.18
Diluted earnings (loss) per common share from continuing operations	\$ 0.10	\$ 1.78	\$ 0.38	\$ (0.10)	\$ 2.17
Diluted earnings per common share from discontinued operations	\$ —	\$ —	\$ —	\$ 0.01	\$ 0.01
Net diluted earnings (loss) per common share	\$ 0.10	\$ 1.78	\$ 0.38	\$ (0.09)	\$ 2.18

	2015				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
<u>(in millions, except per common share amounts)</u>					
Revenue	\$ 292.9	\$ 285.8	\$ 299.8	\$ 289.3	\$ 1,167.8
Operating income	37.1	29.7	36.2	25.0	128.0
Income from continuing operations	0.3	180.7	79.3	30.5	290.8
Income from discontinued operations, net of tax	48.9	10.9	1.0	2.1	62.9
Net income	49.2	191.6	80.3	32.6	353.7
Basic earnings (loss) per common share from continuing operations	\$ (0.06)	\$ 4.25	\$ 1.83	\$ 0.66	\$ 6.69
Basic earnings per common share from discontinued operations	\$ 1.17	\$ 0.26	\$ 0.02	\$ 0.05	\$ 1.50
Net basic earnings per common share	\$ 1.11	\$ 4.51	\$ 1.85	\$ 0.71	\$ 8.19
Diluted earnings (loss) per common share from continuing operations	\$ (0.06)	\$ 4.15	\$ 1.83	\$ 0.66	\$ 6.68
Diluted earnings per common share from discontinued operations	\$ 1.17	\$ 0.26	\$ 0.02	\$ 0.05	\$ 1.49
Net diluted earnings per common share	\$ 1.11	\$ 4.41	\$ 1.85	\$ 0.71	\$ 8.17

The effects of assumed common share conversions are determined independently for each respective quarter and year and may not be dilutive during every period due to variations in operating results. Therefore, the sum of quarterly per share results will not necessarily equal the per share results for the full year.

Restructuring and employee severance charges totaled \$11.9 million in the fourth quarter of 2016. Restructuring and employee severance charges totaled \$3.4 million, \$2.3 million and \$0.3 million in the first, second and third quarters of 2015, respectively.

In 2016, Income from continuing operations includes gains from the sale of our CyrusOne investment of \$118.6 million, \$33.3 million, and \$5.1 million in the second, third, and fourth quarters, respectively. Income from continuing operations in 2015 includes gains from the sale of our CyrusOne investment of \$295.2 million, \$117.7 million, and \$36.3 million in the second, third, and fourth quarters, respectively.

In the first quarter of 2016, the Company recognized a gain on the extinguishment of debt of \$2.4 million. The Company recognized losses on the extinguishment of debt of \$5.2 million, \$11.4 million, and \$4.8 million in the second, third, and fourth quarters, respectively. The Company recognized losses on the extinguishment of debt of \$13.5 million and \$7.8 million in the second and third quarters of 2015, respectively. In the fourth quarter of 2015, the Company recognized a gain on the extinguishment of debt of \$0.4 million.

As of March 31, 2015, no subscribers remained on the network, and we no longer required the use of the leased spectrum. Therefore, the \$112.6 million gain on the sale of the wireless spectrum licenses, which had been previously deferred, was recognized in Income from discontinued operations, net of tax in the first quarter of 2015. During the second quarter, we transferred certain other assets related to our wireless business, including leases to certain wireless towers and related equipment and other assets, resulting in a gain of \$15.9 million in the second quarter of 2015 which was recognized in Income from discontinued operations, net of tax.

18. Supplemental Cash Flow Information

(dollars in millions)	Year Ended December 31,		
	2016	2015	2014
Capitalized interest expense	\$ 0.7	\$ 1.1	\$ 0.8
Cash paid for:			
Interest	71.1	108.5	153.1
Income taxes, net of refunds	1.7	8.8	9.1
Noncash investing and financing activities:			
Accrual of CyrusOne dividends	1.1	2.1	6.0
Acquisition of property by assuming debt and other financing arrangements	12.0	5.8	4.7
Acquisition of property on account	23.8	34.6	24.8

19. Supplemental Guarantor Information - Cincinnati Bell Telephone Notes

As of December 31, 2016, Cincinnati Bell Telephone Company LLC ("CBT"), a wholly-owned subsidiary of Cincinnati Bell Inc. (the "Parent Company"), had \$87.9 million in notes outstanding that are guaranteed by the Parent Company and no other subsidiaries of the Parent Company. The guarantee is full and unconditional. The Parent Company's subsidiaries generate substantially all of its income and cash flow and generally distribute or advance the funds necessary to meet the Parent Company's debt service obligations.

The following information sets forth the Condensed Consolidating Balance Sheets of the Company as of December 31, 2016 and 2015 and the Condensed Consolidating Statements of Operations and Comprehensive Income (Loss) and Cash Flows for the years ended December 31, 2016, 2015, and 2014 of (1) the Parent Company, as the guarantor, (2) CBT, as the issuer, and (3) the non-guarantor subsidiaries on a combined basis.

Condensed Consolidating Statements of Operations and Comprehensive Income (Loss)

(dollars in millions)	Year Ended December 31, 2016				
	Parent (Guarantor)	CBT (Issuer)	Other Non-guarantors	Eliminations	Total
Revenue	\$ —	\$ 677.8	\$ 547.8	\$ (39.8)	\$ 1,185.8
Operating costs and expenses	20.7	592.5	519.4	(39.8)	1,092.8
Operating income (loss)	(20.7)	85.3	28.4	—	93.0
Interest expense (income), net	94.4	4.5	(23.2)	—	75.7
Other expense (income), net	20.3	4.9	(170.8)	—	(145.6)
Income (loss) before equity in earnings of subsidiaries and income taxes	(135.4)	75.9	222.4	—	162.9
Income tax expense (benefit)	(46.5)	27.1	80.5	—	61.1
Equity in earnings of subsidiaries, net of tax	191.0	—	—	(191.0)	—
Income from continuing operations	102.1	48.8	141.9	(191.0)	101.8
Income from discontinued operations, net of tax	—	—	0.3	—	0.3
Net income	102.1	48.8	142.2	(191.0)	102.1
Other comprehensive income	12.7	—	68.0	—	80.7
Total comprehensive income	\$ 114.8	\$ 48.8	\$ 210.2	\$ (191.0)	\$ 182.8
Net income	102.1	48.8	142.2	(191.0)	102.1
Preferred stock dividends	10.4	—	—	—	10.4
Net income applicable to common shareowners	\$ 91.7	\$ 48.8	\$ 142.2	\$ (191.0)	\$ 91.7

(dollars in millions)	Year Ended December 31, 2015				
	Parent (Guarantor)	CBT (Issuer)	Other Non-guarantors	Eliminations	Total
Revenue	\$ —	\$ 660.1	\$ 546.3	\$ (38.6)	\$ 1,167.8
Operating costs and expenses	22.4	538.6	517.4	(38.6)	1,039.8
Operating income (loss)	(22.4)	121.5	28.9	—	128.0
Interest expense (income), net	112.7	(0.9)	(8.7)	—	103.1
Other expense (income), net	19.5	7.0	(452.2)	—	(425.7)
Income (loss) before equity in earnings of subsidiaries and income taxes	(154.6)	115.4	489.8	—	450.6
Income tax expense (benefit)	(53.3)	41.1	172.0	—	159.8
Equity in earnings of subsidiaries, net of tax	455.0	—	—	(455.0)	—
Income from continuing operations	353.7	74.3	317.8	(455.0)	290.8
Income from discontinued operations, net of tax	—	—	62.9	—	62.9
Net income	353.7	74.3	380.7	(455.0)	353.7
Other comprehensive income (loss)	3.3	—	(0.4)	—	2.9
Total comprehensive income	\$ 357.0	\$ 74.3	\$ 380.3	\$ (455.0)	\$ 356.6
Net income	353.7	74.3	380.7	(455.0)	353.7
Preferred stock dividends	10.4	—	—	—	10.4
Net income applicable to common shareowners	\$ 343.3	\$ 74.3	\$ 380.7	\$ (455.0)	\$ 343.3

Condensed Consolidating Statements of Operations and Comprehensive Income (Loss)

(dollars in millions)	Year Ended December 31, 2014				
	Parent (Guarantor)	CBT (Issuer)	Other Non-guarantors	Eliminations	Total
Revenue	\$ —	\$ 659.6	\$ 541.0	\$ (39.1)	\$ 1,161.5
Operating costs and expenses	21.5	488.0	514.2	(39.1)	984.6
Operating income (loss)	(21.5)	171.6	26.8	—	176.9
Interest expense (income), net	142.6	(4.5)	7.8	—	145.9
Other expense (income), net	17.6	7.4	(193.1)	—	(168.1)
Income (loss) before equity in earnings of subsidiaries and income taxes	(181.7)	168.7	212.1	—	199.1
Income tax expense (benefit)	(55.8)	61.7	75.5	—	81.4
Equity in earnings of subsidiaries, net of tax	201.5	—	—	(201.5)	—
Income from continuing operations	75.6	107.0	136.6	(201.5)	117.7
Loss from discontinued operations, net of tax	—	—	(42.1)	—	(42.1)
Net income	75.6	107.0	94.5	(201.5)	75.6
Other comprehensive loss	(40.5)	—	(0.1)	—	(40.6)
Total comprehensive income	\$ 35.1	\$ 107.0	\$ 94.4	\$ (201.5)	\$ 35.0
Net income	75.6	107.0	94.5	(201.5)	75.6
Preferred stock dividends	10.4	—	—	—	10.4
Net income applicable to common shareowners	\$ 65.2	\$ 107.0	\$ 94.5	\$ (201.5)	\$ 65.2

Condensed Consolidating Balance Sheets

	As of December 31, 2016				
(dollars in millions)	Parent (Guarantor)	CBT (Issuer)	Other Non-guarantors	Eliminations	Total
Cash and cash equivalents	\$ 7.8	\$ 1.4	\$ 0.5	\$ —	\$ 9.7
Receivables, net	17.8	—	160.8	—	178.6
Other current assets	1.1	22.3	18.2	—	41.6
Total current assets	26.7	23.7	179.5	—	229.9
Property, plant and equipment, net	0.3	1,029.6	55.6	—	1,085.5
Investment in CyrusOne	—	—	128.0	—	128.0
Goodwill	—	2.2	12.1	—	14.3
Investments in and advances to subsidiaries	816.7	—	914.5	(1,731.2)	—
Other noncurrent assets	179.1	1.6	47.4	(144.8)	83.3
Total assets	\$ 1,022.8	\$ 1,057.1	\$ 1,337.1	\$ (1,876.0)	\$ 1,541.0
Current portion of long-term debt	\$ —	\$ 5.0	\$ 2.5	\$ —	\$ 7.5
Accounts payable	0.7	71.4	33.8	—	105.9
Other current liabilities	42.9	53.9	22.7	—	119.5
Total current liabilities	43.6	130.3	59.0	—	232.9
Long-term debt, less current portion	960.3	98.2	140.6	—	1,199.1
Other noncurrent liabilities	207.9	166.8	0.8	(144.8)	230.7
Intercompany payables	—	89.1	—	(89.1)	—
Total liabilities	1,211.8	484.4	200.4	(233.9)	1,662.7
Shareowners' (deficit) equity	(189.0)	572.7	1,136.7	(1,642.1)	(121.7)
Total liabilities and shareowners' equity (deficit)	\$ 1,022.8	\$ 1,057.1	\$ 1,337.1	\$ (1,876.0)	\$ 1,541.0

Condensed Consolidating Balance Sheets

	As of December 31, 2015				
(dollars in millions)	Parent (Guarantor)	CBT (Issuer)	Other Non-guarantors	Eliminations	Total
Cash and cash equivalents	\$ 4.6	\$ 1.0	\$ 1.8	\$ —	\$ 7.4
Receivables, net	0.7	—	156.4	—	157.1
Other current assets	1.6	20.2	14.1	—	35.9
Total current assets	6.9	21.2	172.3	—	200.4
Property, plant and equipment, net	0.3	921.5	53.7	—	975.5
Investment in CyrusOne	—	—	55.5	—	55.5
Goodwill	—	2.2	12.1	—	14.3
Investments in and advances to subsidiaries	844.6	63.9	647.2	(1,555.7)	—
Other noncurrent assets	207.2	3.0	136.8	(146.3)	200.7
Total assets	\$ 1,059.0	\$ 1,011.8	\$ 1,077.6	\$ (1,702.0)	\$ 1,446.4
Current portion of long-term debt	\$ 5.4	\$ 5.0	\$ 3.4	\$ —	\$ 13.8
Accounts payable	0.7	84.8	43.4	—	128.9
Other current liabilities	41.6	45.3	24.2	—	111.1
Other current liabilities from discontinued operations	—	—	5.4	—	5.4
Total current liabilities	47.7	135.1	76.4	—	259.2
Long-term debt, less current portion	1,018.6	134.3	70.9	—	1,223.8
Other noncurrent liabilities	235.5	168.3	4.0	(146.2)	261.6
Intercompany payables	54.7	—	—	(54.7)	—
Total liabilities	1,356.5	437.7	151.3	(200.9)	1,744.6
Shareowners' (deficit) equity	(297.5)	574.1	926.3	(1,501.1)	(298.2)
Total liabilities and shareowners' equity (deficit)	\$ 1,059.0	\$ 1,011.8	\$ 1,077.6	\$ (1,702.0)	\$ 1,446.4

Condensed Consolidating Statements of Cash Flows

	Year Ended December 31, 2016				
(dollars in millions)	Parent (Guarantor)	CBT (Issuer)	Other Non-guarantors	Eliminations	Total
Cash flows provided by (used in) by operating activities	\$ (61.1)	\$ 203.1	\$ 31.2	\$ —	\$ 173.2
Capital expenditures	(0.2)	(260.8)	(25.4)	—	(286.4)
Dividends received from CyrusOne (equity method investment)	—	—	2.1	—	2.1
Proceeds from sale of investment in CyrusOne	—	—	189.7	—	189.7
Distributions received from subsidiaries	12.0	—	—	(12.0)	—
Funding between Parent and subsidiaries, net	152.0	—	(188.8)	36.8	—
Other investing activities	(0.9)	—	—	—	(0.9)
Cash flows provided by (used in) investing activities	162.9	(260.8)	(22.4)	24.8	(95.5)
Funding between Parent and subsidiaries, net	—	103.0	(66.2)	(36.8)	—
Distributions paid to Parent	—	—	(12.0)	12.0	—
Proceeds from issuance of long-term debt	635.0	—	—	—	635.0
Net increase in corporate credit and receivables facilities with initial maturities less than 90 days	—	—	71.9	—	71.9
Repayment of debt	(710.9)	(44.9)	(3.5)	—	(759.3)
Debt issuance costs	(10.8)	—	(0.3)	—	(11.1)
Other financing activities	(11.9)	—	—	—	(11.9)
Cash flows provided by (used in) financing activities	(98.6)	58.1	(10.1)	(24.8)	(75.4)
Increase (decrease) in cash and cash equivalents	3.2	0.4	(1.3)	—	2.3
Beginning cash and cash equivalents	4.6	1.0	1.8	—	7.4
Ending cash and cash equivalents	\$ 7.8	\$ 1.4	\$ 0.5	\$ —	\$ 9.7

	Year Ended December 31, 2015				
(dollars in millions)	Parent (Guarantor)	CBT (Issuer)	Other Non-guarantors	Eliminations	Total
Cash flows provided by (used in) operating activities	\$ (19.3)	\$ 198.7	\$ (68.5)	\$ —	\$ 110.9
Capital expenditures	(0.1)	(260.7)	(22.8)	—	(283.6)
Dividends received from CyrusOne (equity method investment)	—	—	22.2	—	22.2
Proceeds from sale of investment in CyrusOne	—	—	643.9	—	643.9
Distributions received from subsidiaries	11.3	—	—	(11.3)	—
Funding between Parent and subsidiaries, net	—	71.9	(555.5)	483.6	—
Other investing activities	(0.3)	0.1	0.9	—	0.7
Cash flows provided by (used in) investing activities	10.9	(188.7)	88.7	472.3	383.2
Funding between Parent and subsidiaries, net	486.4	—	(2.8)	(483.6)	—
Distributions paid to Parent	—	—	(11.3)	11.3	—
Net decrease in corporate credit and receivables facilities with initial maturities less than 90 days	—	—	(1.6)	—	(1.6)
Repayment of debt	(518.5)	(10.0)	(3.2)	—	(531.7)
Debt issuance costs	(0.2)	—	(0.2)	—	(0.4)
Other financing activities	(10.9)	—	—	—	(10.9)
Cash flows provided by (used in) financing activities	(43.2)	(10.0)	(19.1)	(472.3)	(544.6)
Increase (decrease) in cash and cash equivalents	(51.6)	—	1.1	—	(50.5)
Beginning cash and cash equivalents	56.2	1.0	0.7	—	57.9
Ending cash and cash equivalents	\$ 4.6	\$ 1.0	\$ 1.8	\$ —	\$ 7.4

Condensed Consolidating Statements of Cash Flows

	Year Ended December 31, 2014				
(dollars in millions)	Parent (Guarantor)	CBT (Issuer)	Other Non-guarantors	Eliminations	Total
Cash flows provided by (used in) operating activities	\$ (56.3)	\$ 226.3	\$ 5.2	\$ —	\$ 175.2
Capital expenditures	(0.2)	(152.5)	(29.6)	—	(182.3)
Dividends received from CyrusOne (equity method investment)	—	—	28.4	—	28.4
Proceeds from sale of investment in CyrusOne	—	—	355.9	—	355.9
Proceeds from sale of wireless spectrum licenses - discontinued operations	—	—	194.4	—	194.4
Distributions received from subsidiaries	12.8	—	—	(12.8)	—
Funding between parent and subsidiaries, net	—	(71.0)	(545.0)	616.0	—
Other investing activities	(0.3)	0.3	(3.8)	—	(3.8)
Cash flows provided by (used in) investing activities	12.3	(223.2)	0.3	603.2	392.6
Funding between Parent and subsidiaries, net	516.2	—	99.8	(616.0)	—
Distributions paid to Parent	—	—	(12.8)	12.8	—
Net decrease in corporate credit and receivables facilities with initial maturities less than 90 days	(40.0)	—	(87.0)	—	(127.0)
Repayment of debt	(367.3)	(3.9)	(5.3)	—	(376.5)
Debt issuance costs	(0.7)	—	(0.2)	—	(0.9)
Other financing activities	(10.1)	—	—	—	(10.1)
Cash flows provided by (used in) financing activities	98.1	(3.9)	(5.5)	(603.2)	(514.5)
Increase (decrease) in cash and cash equivalents	54.1	(0.8)	—	—	53.3
Beginning cash and cash equivalents	2.1	1.8	0.7	—	4.6
Ending cash and cash equivalents	\$ 56.2	\$ 1.0	\$ 0.7	\$ —	\$ 57.9

20. Supplemental Guarantor Information - 8³/₈% Senior Notes due 2020 and 7% Senior Notes due 2024

As of December 31, 2016, the Parent Company's 7% Senior Notes due 2024 are guaranteed by the following subsidiaries: Cincinnati Bell Entertainment Inc., Cincinnati Bell Any Distance Inc., Cincinnati Bell Wireless LLC, CBTS Software LLC, Cincinnati Bell Technology Solutions Inc., Cincinnati Bell Any Distance of Virginia LLC, eVolve Business Solutions LLC, Data Center Investments Inc., and Data Centers South Inc.

During the fourth quarter of 2016, the Company redeemed the remaining \$84.6 million of outstanding 8³/₈% Senior Notes due 2020.

The Parent Company owns directly or indirectly 100% of each guarantor and each guarantee is full and unconditional, and joint and several. In certain customary circumstances, a subsidiary may be released from its guarantee obligation. These circumstances are defined as follows:

- upon the sale of all of the capital stock of a subsidiary,
- if the Company designates the subsidiary as an unrestricted subsidiary under the terms of the indentures, or
- if the subsidiary is released as a guarantor from the Company's Corporate Credit Agreement.

In the third quarter of 2014, the Company entered into an Amendment to the Corporate Credit Agreement giving the Company the right to provide written notice to the administrative agent on or after the closing of the wireless sale of spectrum assets to remove any designated wireless subsidiary as a guarantor subsidiary.

In compliance with certain regulations of the Federal Communications Commission (the "FCC"), the Company's wholly-owned regulated subsidiary, Cincinnati Bell Telephone Company LLC, has historically accounted for certain of its non-regulated operations through its non-regulated subsidiary, Cincinnati Bell Telecommunications Services LLC, which is a guarantor of the Notes (as defined below). Through an agreement with the FCC, the Company is no longer obligated to segregate these non-regulated operations and has discontinued this accounting practice. Effective December 31, 2016, the Company merged Cincinnati Bell Telecommunications Services LLC into another subsidiary, Cincinnati Bell Entertainment Inc., which is also a guarantor of the Notes. These condensed consolidated financial statements have been retroactively restated to reflect this change.

The Parent Company's subsidiaries generate substantially all of its income and cash flow and generally distribute or advance the funds necessary to meet the Parent Company's debt service obligations. The following information sets forth the Condensed Consolidating Balance Sheets of the Company as of December 31, 2016 and 2015 and the Condensed Consolidating Statements of Operations and Comprehensive Income (Loss) and Cash Flows for the years ended December 31, 2016, 2015, and 2014 of (1) the Parent Company, as the issuer, (2) the guarantor subsidiaries on a combined basis, and (3) the non-guarantor subsidiaries on a combined basis.

Condensed Consolidating Statements of Operations and Comprehensive Income (Loss)

	Year Ended December 31, 2016				
(dollars in millions)	Parent (Issuer)	Guarantors	Non-guarantors	Eliminations	Total
Revenue	\$ —	\$ 539.0	\$ 686.6	\$ (39.8)	\$ 1,185.8
Operating costs and expenses	20.7	510.7	601.2	(39.8)	1,092.8
Operating income (loss)	(20.7)	28.3	85.4	—	93.0
Interest expense (income), net	94.4	(25.2)	6.5	—	75.7
Other expense (income), net	20.3	(150.4)	(15.5)	—	(145.6)
Income (loss) before equity in earnings of subsidiaries and income taxes	(135.4)	203.9	94.4	—	162.9
Income tax expense (benefit)	(46.5)	74.0	33.6	—	61.1
Equity in earnings of subsidiaries, net of tax	191.0	—	—	(191.0)	—
Income from continuing operations	102.1	129.9	60.8	(191.0)	101.8
Income from discontinued operations, net of tax	—	0.3	—	—	0.3
Net income	102.1	130.2	60.8	(191.0)	102.1
Other comprehensive income (loss)	12.7	68.1	(0.1)	—	80.7
Total comprehensive income	\$ 114.8	\$ 198.3	\$ 60.7	\$ (191.0)	\$ 182.8
Net income	102.1	130.2	60.8	(191.0)	102.1
Preferred stock dividends	10.4	—	—	—	10.4
Net income applicable to common shareowners	\$ 91.7	\$ 130.2	\$ 60.8	\$ (191.0)	\$ 91.7

	Year Ended December 31, 2015				
(dollars in millions)	Parent (Issuer)	Guarantors	Non-guarantors	Eliminations	Total
Revenue	\$ —	\$ 532.4	\$ 674.0	\$ (38.6)	\$ 1,167.8
Operating costs and expenses	22.4	503.9	552.1	(38.6)	1,039.8
Operating income (loss)	(22.4)	28.5	121.9	—	128.0
Interest expense (income), net	112.7	(10.2)	0.6	—	103.1
Other expense (income), net	19.5	(432.9)	(12.3)	—	(425.7)
Income (loss) before equity in earnings of subsidiaries and income taxes	(154.6)	471.6	133.6	—	450.6
Income tax expense (benefit)	(53.3)	165.5	47.6	—	159.8
Equity in earnings of subsidiaries, net of tax	455.0	—	—	(455.0)	—
Income from continuing operations	353.7	306.1	86.0	(455.0)	290.8
Income from discontinued operations, net of tax	—	62.9	—	—	62.9
Net income	353.7	369.0	86.0	(455.0)	353.7
Other comprehensive income (loss)	3.3	—	(0.4)	—	2.9
Total comprehensive income	\$ 357.0	\$ 369.0	\$ 85.6	\$ (455.0)	\$ 356.6
Net income	353.7	369.0	86.0	(455.0)	353.7
Preferred stock dividends	10.4	—	—	—	10.4
Net income applicable to common shareowners	\$ 343.3	\$ 369.0	\$ 86.0	\$ (455.0)	\$ 343.3

Condensed Consolidating Statements of Operations and Comprehensive Income (Loss)

	Year Ended December 31, 2014				
<u>(dollars in millions)</u>	<u>Parent (Issuer)</u>	<u>Guarantors</u>	<u>Non-guarantors</u>	<u>Eliminations</u>	<u>Total</u>
Revenue	\$ —	\$ 532.0	\$ 668.6	\$ (39.1)	\$ 1,161.5
Operating costs and expenses	21.5	505.4	496.8	(39.1)	984.6
Operating income (loss)	(21.5)	26.6	171.8	—	176.9
Interest expense (income), net	142.6	6.2	(2.9)	—	145.9
Other expense (income), net	17.6	(171.6)	(14.1)	—	(168.1)
Income (loss) before equity in earnings of subsidiaries and income taxes	(181.7)	192.0	188.8	—	199.1
Income tax expense (benefit)	(55.8)	68.3	68.9	—	81.4
Equity in earnings of subsidiaries, net of tax	201.5	—	—	(201.5)	—
Income from continuing operations	75.6	123.7	119.9	(201.5)	117.7
Loss from discontinued operations, net of tax	—	(42.1)	—	—	(42.1)
Net income	75.6	81.6	119.9	(201.5)	75.6
Other comprehensive loss	(40.5)	(0.1)	—	—	(40.6)
Total comprehensive income	\$ 35.1	\$ 81.5	\$ 119.9	\$ (201.5)	\$ 35.0
Net income	75.6	81.6	119.9	(201.5)	75.6
Preferred stock dividends	10.4	—	—	—	10.4
Net income applicable to common shareowners	\$ 65.2	\$ 81.6	\$ 119.9	\$ (201.5)	\$ 65.2

Condensed Consolidating Balance Sheets

As of December 31, 2016

(dollars in millions)	Parent (Issuer)	Guarantors	Non-guarantors	Eliminations	Total
Cash and cash equivalents	\$ 7.8	\$ 0.3	\$ 1.6	\$ —	\$ 9.7
Receivables, net	17.8	1.7	159.1	—	178.6
Other current assets	1.1	17.9	22.6	—	41.6
Total current assets	26.7	19.9	183.3	—	229.9
Property, plant and equipment, net	0.3	54.4	1,030.8	—	1,085.5
Investment in CyrusOne	—	128.0	—	—	128.0
Goodwill	—	12.1	2.2	—	14.3
Investments in and advances to subsidiaries	816.7	972.2	—	(1,788.9)	—
Other noncurrent assets	179.1	43.9	5.1	(144.8)	83.3
Total assets	\$ 1,022.8	\$ 1,230.5	\$ 1,221.4	\$ (1,933.7)	\$ 1,541.0
Current portion of long-term debt	\$ —	\$ 2.5	\$ 5.0	\$ —	\$ 7.5
Accounts payable	0.7	33.1	72.1	—	105.9
Other current liabilities	42.9	22.5	54.1	—	119.5
Total current liabilities	43.6	58.1	131.2	—	232.9
Long-term debt, less current portion	960.3	51.1	187.7	—	1,199.1
Other noncurrent liabilities	207.9	0.7	166.9	(144.8)	230.7
Intercompany payables	—	—	147.7	(147.7)	—
Total liabilities	1,211.8	109.9	633.5	(292.5)	1,662.7
Shareowners' (deficit) equity	(189.0)	1,120.6	587.9	(1,641.2)	(121.7)
Total liabilities and shareowners' equity (deficit)	\$ 1,022.8	\$ 1,230.5	\$ 1,221.4	\$ (1,933.7)	\$ 1,541.0

Condensed Consolidating Balance Sheets

As of December 31, 2015

(dollars in millions)	Parent (Issuer)	Guarantors	Non-guarantors	Eliminations	Total
Cash and cash equivalents	\$ 4.6	\$ 0.4	\$ 2.4	\$ —	\$ 7.4
Receivables, net	0.7	2.8	153.6	—	157.1
Other current assets	1.6	13.9	20.4	—	35.9
Total current assets	6.9	17.1	176.4	—	200.4
Property, plant and equipment, net	0.3	53.4	921.8	—	975.5
Investment in CyrusOne	—	55.5	—	—	55.5
Goodwill	—	12.1	2.2	—	14.3
Investments in and advances to subsidiaries	844.6	772.1	63.9	(1,680.6)	—
Other noncurrent assets	207.2	132.6	7.1	(146.2)	200.7
Total assets	\$ 1,059.0	\$ 1,042.8	\$ 1,171.4	\$ (1,826.8)	\$ 1,446.4
Current portion of long-term debt	\$ 5.4	\$ 3.4	\$ 5.0	\$ —	\$ 13.8
Accounts payable	0.7	42.8	85.4	—	128.9
Other current liabilities	41.6	23.9	45.6	—	111.1
Other current liabilities from discontinued operations	—	5.4	—	—	5.4
Total current liabilities	47.7	75.5	136.0	—	259.2
Long-term debt, less current portion	1,018.6	53.3	151.9	—	1,223.8
Other noncurrent liabilities	235.5	3.8	168.5	(146.2)	261.6
Intercompany payables	54.7	—	125.7	(180.4)	—
Total liabilities	1,356.5	132.6	582.1	(326.6)	1,744.6
Shareowners' (deficit) equity	(297.5)	910.2	589.3	(1,500.2)	(298.2)
Total liabilities and shareowners' equity (deficit)	\$ 1,059.0	\$ 1,042.8	\$ 1,171.4	\$ (1,826.8)	\$ 1,446.4

Condensed Consolidating Statements of Cash Flows

	Year Ended December 31, 2016				
(dollars in millions)	Parent (Issuer)	Guarantors	Non-guarantors	Eliminations	Total
Cash flows provided by (used in) operating activities	\$ (61.1)	\$ 25.0	\$ 209.3	\$ —	\$ 173.2
Capital expenditures	(0.2)	(25.4)	(260.8)	—	(286.4)
Dividends received from CyrusOne (equity method investment)	—	2.1	—	—	2.1
Proceeds from sale of investment in CyrusOne	—	189.7	—	—	189.7
Distributions received from subsidiaries	12.0	—	—	(12.0)	—
Funding between Parent and subsidiaries, net	152.0	(188.0)	—	36.0	—
Other investing activities	(0.9)	—	—	—	(0.9)
Cash flows provided by (used in) investing activities	162.9	(21.6)	(260.8)	24.0	(95.5)
Funding between Parent and subsidiaries, net	—	—	36.0	(36.0)	—
Distributions paid to Parent	—	—	(12.0)	12.0	—
Proceeds from issuance of long-term debt	635.0	—	—	—	635.0
Net increase in corporate credit and receivables facilities with initial maturities less than 90 days	—	—	71.9	—	71.9
Repayment of debt	(710.9)	(3.5)	(44.9)	—	(759.3)
Debt issuance costs	(10.8)	—	(0.3)	—	(11.1)
Other financing activities	(11.9)	—	—	—	(11.9)
Cash flows provided by (used in) financing activities	(98.6)	(3.5)	50.7	(24.0)	(75.4)
Increase (decrease) in cash and cash equivalents	3.2	(0.1)	(0.8)	—	2.3
Beginning cash and cash equivalents	4.6	0.4	2.4	—	7.4
Ending cash and cash equivalents	\$ 7.8	\$ 0.3	\$ 1.6	\$ —	\$ 9.7

	Year Ended December 31, 2015				
(dollars in millions)	Parent (Issuer)	Guarantors	Non-guarantors	Eliminations	Total
Cash flows provided by (used in) operating activities	\$ (19.3)	\$ (86.8)	\$ 217.0	\$ —	\$ 110.9
Capital expenditures	(0.1)	(22.5)	(261.0)	—	(283.6)
Dividends received from CyrusOne (equity method investment)	—	22.2	—	—	22.2
Proceeds from sale of investment in CyrusOne	—	643.9	—	—	643.9
Distributions received from subsidiaries	11.3	—	—	(11.3)	—
Funding between Parent and subsidiaries, net	—	(554.3)	71.9	482.4	—
Other investing activities	(0.3)	0.9	0.1	—	0.7
Cash flows provided by (used in) investing activities	10.9	90.2	(189.0)	471.1	383.2
Funding between Parent and subsidiaries, net	486.4	—	(4.0)	(482.4)	—
Distributions paid to Parent	—	—	(11.3)	11.3	—
Net decrease in corporate credit and receivables facilities with initial maturities less than 90 days	—	—	(1.6)	—	(1.6)
Repayment of debt	(518.5)	(3.2)	(10.0)	—	(531.7)
Debt issuance costs	(0.2)	—	(0.2)	—	(0.4)
Other financing activities	(10.9)	—	—	—	(10.9)
Cash flows provided by (used in) financing activities	(43.2)	(3.2)	(27.1)	(471.1)	(544.6)
Increase (decrease) in cash and cash equivalents	(51.6)	0.2	0.9	—	(50.5)
Beginning cash and cash equivalents	56.2	0.2	1.5	—	57.9
Ending cash and cash equivalents	\$ 4.6	\$ 0.4	\$ 2.4	\$ —	\$ 7.4

Condensed Consolidating Statements of Cash Flows

	Year Ended December 31, 2014				
(dollars in millions)	Parent (Issuer)	Guarantors	Non-guarantors	Eliminations	Total
Cash flows provided by (used in) operating activities	\$ (56.3)	\$ 5.6	\$ 225.9	\$ —	\$ 175.2
Capital expenditures	(0.2)	(29.6)	(152.5)	—	(182.3)
Dividends received from CyrusOne (equity method investment)	—	28.4	—	—	28.4
Proceeds from sale of investment in CyrusOne	—	355.9	—	—	355.9
Proceeds from sale of wireless spectrum licenses - discontinued operations	—	194.4	—	—	194.4
Distributions received from subsidiaries	12.8	—	—	(12.8)	—
Funding between Parent and subsidiaries, net	—	(546.3)	(71.0)	617.3	—
Other investing activities	(0.3)	(5.5)	2.0	—	(3.8)
Cash flows provided by (used in) investing activities	12.3	(2.7)	(221.5)	604.5	392.6
Funding between Parent and subsidiaries, net	516.2	—	101.1	(617.3)	—
Distributions paid to parent	—	—	(12.8)	12.8	—
Net decrease in corporate credit and receivables facilities with initial maturities less than 90 days	(40.0)	—	(87.0)	—	(127.0)
Repayment of debt	(367.3)	(3.0)	(6.2)	—	(376.5)
Debt issuance costs	(0.7)	—	(0.2)	—	(0.9)
Other financing activities	(10.1)	—	—	—	(10.1)
Cash flows provided by (used in) financing activities	98.1	(3.0)	(5.1)	(604.5)	(514.5)
Increase (decrease) in cash and cash equivalents	54.1	(0.1)	(0.7)	—	53.3
Beginning cash and cash equivalents	2.1	0.3	2.2	—	4.6
Ending cash and cash equivalents	\$ 56.2	\$ 0.2	\$ 1.5	\$ —	\$ 57.9

21. Subsequent Events

In February 2017, the Company signed an agreement to acquire SunTel Services, based in Troy, Michigan, for approximately \$10 million. SunTel Services provides network security, data connectivity, and unified communications solutions to commercial and enterprise customers across multiple sectors throughout Michigan. The acquisition is expected to close in the first quarter of 2017.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

No reportable information under this item.

Item 9A. Controls and Procedures

- (a) Evaluation of disclosure controls and procedures.

Cincinnati Bell Inc.'s management, with the participation of the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in SEC Rule 13a-15(e)) as of the end of the period covered by this report. Based on this evaluation, Cincinnati Bell Inc.'s Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, such controls and procedures were effective.

- (b) Management's annual report on internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting and the Report of Independent Registered Public Accounting Firm are set forth in Part II, Item 8 of this Annual Report on Form 10-K.

- (c) Changes in internal control over financial reporting.

There were no changes to Cincinnati Bell Inc.'s internal control over financial reporting during the fourth quarter of 2016 that materially affect, or are reasonably likely to materially affect, Cincinnati Bell Inc.'s internal control over financial reporting.

Item 9B. Other Information

No reportable information under this item.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by Item 401, Item 405, Item 406 and 407 (c)(3), (d)(4) and (d)(5) of Regulation S-K regarding directors of Cincinnati Bell Inc. can be found in the Proxy Statement for the 2017 Annual Meeting of Shareholders and is incorporated herein by reference.

The Company's Code of Ethics for Senior Financial Officers that applies to its Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer is posted on the Company's website at <http://www.cincinnati-bell.com>. Within the time period required by the SEC and the New York Stock Exchange ("NYSE"), the Company will post on its website any amendment to the Code of Ethics for Senior Financial Officers and any waiver of such code relating to such senior executive officers of the Company.

In addition to the certifications of the Company's Chief Executive Officer and Chief Financial Officer required under Section 302 of the Sarbanes-Oxley Act of 2002 and filed as exhibits to this Annual Report on Form 10-K, in May 2016 the Company's Chief Executive Officer submitted to the NYSE the certification regarding compliance with the NYSE's corporate governance listing standards required by Section 303 A.12 of the NYSE Listed Company Manual.

Executive Officers of the Registrant:

The names, ages and positions of the executive officers of the Company as of February 24, 2017 are as follows:

Name	Age	Title
Theodore H. Torbeck (a)	60	Chief Executive Officer
Leigh R. Fox	44	President and Chief Operating Officer
Andrew R. Kaiser	48	Chief Financial Officer
Thomas E. Simpson	44	Chief Technology Officer
Christopher J. Wilson	51	Vice President and General Counsel
Joshua T. Duckworth	38	Vice President, Investor Relations and Controller

(a) Member of the Board of Directors

Officers are elected annually but are removable at the discretion of the Board of Directors.

The business experiences of our executive officers during the past five years are as follows:

THEODORE H. TORBECK, Chief Executive Officer since February 1, 2013; President and General Manager of Cincinnati Bell Communications Group from September 2010 to February 2013; Chief Executive Officer of The Freedom Group, Inc. from 2008 to August 2010.

LEIGH R. FOX, President and Chief Operating Officer of the Company since September 2016; Chief Financial Officer of the Company from October 2013 to September 2016; Chief Administrative Officer of the Company from July 2013 to October 2013; Senior Vice President of Finance and Operations from December 2012 to July 2013; Vice President of Finance at Cincinnati Bell Technology Solutions Inc. (CBTS) from October 2008 to December 2012.

ANDREW R. KAISER, Chief Financial Officer of the Company since September 2016; Vice President Consumer Marketing and Data Analytics of the Company from December 2015 to September 2016; Vice President Corporate Finance of the Company from January 2014 to December 2015; Partner at Howard Roark Consulting, LLC from 2005 to January 2014.

THOMAS E. SIMPSON, Senior Vice President and Chief Technology Officer of the Company since January 2015; Vice President and Chief Technology Officer at Cincinnati Bell Technology Solutions (CBTS) from 2014 to 2015; Vice President, Research and Development at CBTS from 2010 to 2014; Director, Technical Operations at CBTS from 2008 to 2010.

CHRISTOPHER J. WILSON, Vice President and General Counsel of the Company since August 2003.

JOSHUA T. DUCKWORTH, Vice President, Investor Relations and Controller of the Company since July 2013; Assistant Treasurer and Director of Investor Relations for Cincinnati Bell Inc. from August 2012 to July 2013; Assistant Controller for Cincinnati Bell Inc. from August 2010 to August 2012; Deloitte & Touche LLP's audit practice from October 2004 to August 2010.

Items 11. Executive Compensation

The information required by this item can be found in the Proxy Statement for the 2017 Annual Meeting of Shareholders and is incorporated herein by reference.

Items 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item can be found in the Proxy Statement for the 2017 Annual Meeting of Shareholders and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item can be found in the Proxy Statement for the 2017 Annual Meeting of Shareholders and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by this item can be found in the Proxy Statement for the 2017 Annual Meeting of Shareholders and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

Financial Statements

Consolidated financial statements are included beginning on page 58.

Financial Statement Schedules

Financial Statement Schedule II—Valuation and Qualifying Accounts is included on page 135. All other schedules are not required under the related instructions or are not applicable.

Exhibits 2

Exhibits identified in parenthesis below, on file with the Securities and Exchange Commission, are incorporated herein by reference as exhibits hereto.

<u>Exhibit Number</u>	<u>Description</u>
(3.1)	Amended and Restated Articles of Incorporation of Cincinnati Bell Inc. (Exhibit 3.1 to Current Report on Form 8-K, date of Report April 25, 2008, File No. 1-8519).
(3.2)	Amendment to the Amended and Restated Articles of Incorporation of Cincinnati Inc. (Exhibit 3.1 to Current Report on Form 8-K, date of Report October 4, 2016, File No. 1-8519).
(3.3)	Amended and Restated Regulations of Cincinnati Bell Inc. (Exhibit 3.2 to Current Report on Form 8-K, date of Report April 25, 2008, File No. 1-8519).
(4.1)	Indenture dated July 1, 1993, between Cincinnati Bell Inc., as Issuer, and The Bank of New York, as Trustee, relating to Cincinnati Bell Inc.'s 7 ¹ / ₄ % Notes Due June 15, 2023 (Exhibit 4-A to Current Report on Form 8-K, date of Report July 12, 1993, File No. 1-8519).
(4.2)	Indenture dated as of October 13, 2010, by and among Cincinnati Bell Inc., as Issuer, the subsidiaries of Cincinnati Bell Inc. party thereto, as Guarantors, and The Bank of New York Mellon, as Trustee, relating to Cincinnati Bell Inc.'s 8 ³ / ₈ % Senior Notes due 2020 (Exhibit 4.1 to Current Report on Form 8-K, date of Report October 13, 2010, File No. 1-8519).
(4.3)	Indenture dated as of November 30, 1998, among Cincinnati Bell Telephone Company, as Issuer, Cincinnati Bell Inc., as Guarantor, and The Bank of New York, as Trustee (Exhibit 4-A to Current Report on Form 8-K, date of Report November 30, 1998, File No. 1-8519).
(4.4)	First Supplemental Indenture dated as of December 31, 2004 to the Indenture dated as of November 30, 1998, among Cincinnati Bell Telephone Company, as Issuer, Cincinnati Bell Inc., as Guarantor, and The Bank of New York, as Trustee (Exhibit 4(c)(iii)(2) to Annual Report on Form 10-K for the year ended December 31, 2004, File No. 1-8519).
(4.5)	Second Supplemental Indenture dated as of January 10, 2005 to the Indenture dated as of November 30, 1998, among Cincinnati Bell Telephone Company LLC (as successor entity to Cincinnati Bell Telephone Company), as Issuer, Cincinnati Bell Inc., as Guarantor, and The Bank of New York, as Trustee (Exhibit (4)(c)(iii)(3) to Annual Report on Form 10-K for the year ended December 31, 2004, File No. 1-8519).
(4.6)	Indenture, dated September 22, 2016, among Cincinnati Bell Inc., the guarantor parties thereto and Regions Bank, as trustee (Exhibit 4.1 to Current Report on Form 8-K date of Report September 22, 2016, File No. 1-8519).
(4.7)	No other instrument which defines the rights of holders of long term debt of the registrant is filed herewith pursuant to Regulation S-K, Item 601(b)(4)(iii)(A). Pursuant to this regulation, the registrant hereby agrees to furnish a copy of any such instrument to the SEC upon request.
(10.1)	Credit Agreement dated as of November 20, 2012, among Cincinnati Bell Inc., an Ohio corporation, the subsidiary guarantors party thereto, the Lenders party thereto and Bank of America, N.A. (Exhibit 10.1 to Current Report on Form 8-K, date of Report November 20, 2012, File No. 1-8519).
(10.2)	First Amendment to Credit Agreement dated as of September 10, 2013, among Cincinnati Bell Inc., an Ohio corporation, the subsidiary guarantors party thereto, the Lenders party thereto and Bank of America, N.A. (Exhibit 10.1 to Current Report on Form 8-K, date of Report September 10, 2013, File No. 1-8519).
(10.3)	Annex I to First Amendment to Credit Agreement dated as of September 10, 2013, among Cincinnati Bell Inc., an Ohio corporation, the subsidiary guarantors party thereto, the Lenders party thereto and Bank of America, N.A. (Exhibit 10.2 to Current Report on Form 8-K, date of Report September 10, 2013, File No. 1-8519).

- (10.4) Second Amendment to Credit Agreement dated as of June 23, 2014, among Cincinnati Bell Inc., an Ohio corporation, the subsidiary guarantors party thereto, the Lenders party thereto and Bank of America, N.A. (Exhibit 10.4 to Annual Report on Form 10-K, date of Report February 26, 2015, File No. 1-8519).
- (10.5) Third Amendment to Credit Agreement dated as of September 30, 2014, among Cincinnati Bell Inc., an Ohio corporation, the subsidiary guarantors party thereto, the Lenders party thereto and Bank of America, N.A. (Exhibit 10.1 to Current Report on Form 8-K, date of Report September 30, 2014, File No. 1-8519).
- (10.6) Fourth Amendment to Credit Agreement dated as of November 5, 2014, among Cincinnati Bell Inc., an Ohio corporation, the subsidiary guarantors party thereto, the Lenders party thereto and Bank of America, N.A. (Exhibit 10.1 to Current Report on Form 8-K, date of Report November 5, 2014, File No. 1-8519).
- (10.7) Fifth Amendment to Credit Agreement dated as of May 11, 2016, among Cincinnati Bell Inc., an Ohio corporation, the subsidiary guarantors party thereto, the Lenders party thereto and Bank of America, N.A. (Exhibit 10.1 to Current Report on Form 8-K date of Report May 11, 2016, File No. 1-8519).
- (10.8) Amended and Restated Purchase and Sale Agreement dated as of June 6, 2011, among the Originators identified therein, Cincinnati Bell Funding LLC, and Cincinnati Bell Inc., as Servicer and sole member of Cincinnati Bell Funding LLC (Exhibit 99.2 to Current Report on Form 8-K, date of Report June 6, 2011, File No. 1-8519).
- (10.9) First Amendment to Purchase and Sale Agreement dated as of August 1, 2011, among the Originators identified therein, Cincinnati Bell Funding LLC and Cincinnati Bell Inc. as Servicer and sole member of Cincinnati Bell Funding LLC (Exhibit 99.2 to Current Report on Form 8-K, date of Report August 1, 2011, File No. 1-8519).
- (10.10) Second Amendment to Amended and Restated Purchase and Sale Agreement dated as of October 1, 2012, among the Originators identified therein, Cincinnati Bell Funding LLC and Cincinnati Bell Inc. as Servicer and sole member of Cincinnati Bell Funding LLC. (Exhibit 99.2 to Current Report on Form 8-K, date of Report October 1, 2012, File No. 1-8519).
- (10.11) Third Amendment to Amended and Restated Purchase and Sale Agreement, dated as of June 1, 2015, among Cincinnati Bell Wireless, LLC, Cincinnati Bell Funding LLC and Cincinnati Bell Inc. (Exhibit 10.2 to Current Report on Form 8-K date of Report June 1, 2015, File No. 1-8519).
- (10.12) Amended and Restated Receivables Purchase Agreement dated as of June 6, 2011, among Cincinnati Bell Funding LLC, as Seller, Cincinnati Bell Inc., as Servicer, the Various Purchaser Groups identified therein, and PNC Bank, National Association, as Administrator and LC Bank (Exhibit 99.1 to Current Report on Form 8-K, date of Report June 6, 2011, File No. 1-8519).
- (10.13) First Amendment to Amended and Restated Receivables Purchase Agreement dated as of August 1, 2011, among Cincinnati Bell Funding LLC, as Seller, Cincinnati Bell Inc., as Servicer, the Various Purchasers and Purchaser Agents identified therein, and PNC Bank, National Association, as Administrator and LC Bank (Exhibit 99.1 to Current Report on Form 8-K, date of Report August 1, 2011, File No. 1-8519).
- (10.14) Second Amendment to Amended and Restated Receivables Purchase Agreement dated as of June 4, 2012, among Cincinnati Bell Funding LLC, as Seller, Cincinnati Bell Inc., as Servicer, the Various Purchaser Groups identified therein, and PNC Bank, National Association, as Administrator and LC Bank (Exhibit 99.1 to Current Report on Form 8-K, date of Report June 4, 2012, File No. 1-8519).
- (10.15) Third Amendment to Amended and Restated Receivables Purchase Agreement dated as of October 1, 2012, among Cincinnati Bell Funding LLC, as Seller, Cincinnati Bell Inc., as Servicer, the Various Purchaser Groups identified therein, and PNC Bank, National Association, as Administrator and LC Bank. (Exhibit 99.1 to Current Report on Form 8-K, date of Report October 1, 2012, File No. 1-8519).
- (10.16) Fourth Amendment to Amended and Restated Receivables Purchase Agreement, dated as of June 3, 2013, among Cincinnati Bell Funding LLC, as Seller, Cincinnati Bell, Inc., as Servicer, the various Purchasers and Purchaser Agents identified therein, and PNC Bank, National Association, as Administrator (Exhibit 99.1 to Current Report on Form 8-K, date of Report June 3, 2013, File No. 1-8519).
- (10.17) Fifth Amendment to Amended and Restated Receivables Purchase Agreement, dated as of September 13, 2013, among Cincinnati Bell Funding LLC, as Seller, Cincinnati Bell, Inc., as Servicer, the various Purchasers and Purchaser Agents identified therein, and PNC Bank, National Association, as Administrator (Exhibit 10.16 to Annual Report on Form 10-K for the year ended December 31, 2013, File No. 1-8519).
- (10.18) Sixth Amendment to Amended and Restated Receivables Purchase Agreement, dated as of June 2, 2014, among Cincinnati Bell Funding LLC, as Seller, Cincinnati Bell, Inc., as Servicer, the various Purchasers and Purchaser Agents identified therein, and PNC Bank, National Association, as Administrator (Exhibit 99.1 to Current Report on Form 8-K, date of Report June 2, 2014, File No. 1-8519).

- (10.19) Seventh Amendment to Amended and Restated Receivables Purchase Agreement, dated as of September 30, 2014, among Cincinnati Bell Funding LLC, as Seller, Cincinnati Bell, Inc., as Servicer, the various Purchasers and Purchaser Agents identified therein, and PNC Bank, National Association, as Administrator (Exhibit 10.17 to Annual Report on Form 10-K, date of Report February 26, 2015, File No. 1-8519).
- (10.20) Eighth Amendment to Amended and Restated Receivables Purchase Agreement, dated June 1, 2015, among Cincinnati Bell Funding LLC, as Seller, Cincinnati Bell, Inc., as Servicer and Performance Guarantor, the various Purchasers and Purchaser Agents identified therein, and PNC Bank, National Association, as Administrator (Exhibit 10.1 to Current Report on Form 8-K, date of Report June 1, 2015, File No. 1-8519).
- (10.21) Ninth Amendment to Amended and Restated Receivables Purchase Agreement, dated May 27, 2016, among Cincinnati Bell Funding LLC, as Seller, Cincinnati Bell, Inc., as Servicer and Performance Guarantor, the various Purchasers and Purchaser Agents identified therein, PNC Bank, National Association, as Administrator, and PNC Capital Markets LLC, as Structuring Agent (Exhibit 10.1 to Current Report on Form 8-K, date of Report May 27, 2016, File No. 1-8519).
- (10.22) License Purchase Agreement dated as of April 6, 2014 among Cincinnati Bell Wireless, LLC, an Ohio limited liability company, and Cellco Partnership, a Delaware general partnership doing business as Verizon Wireless (Exhibit 10.1 to Current Report on Form 8-K, date of Report April 7, 2014, File No. 1-8519).
- (10.23) Network Asset Purchase Agreement dated as of April 6, 2014 among Cincinnati Bell Wireless, LLC, an Ohio limited liability company, and Cellco Partnership, a Delaware general partnership doing business as Verizon Wireless (Exhibit 10.2 to Current Report on Form 8-K, date of Report April 7, 2014, File No. 1-8519).
- (10.24) Incremental Assumption Agreement dated April 6, 2015 among Cincinnati Bell Inc. an Ohio corporation, the subsidiary guarantors thereto, Bank of America, N.A., and the additional lenders thereto (Exhibit 10.1 to Current Report on Form 8-K, date of Report April 6, 2015, File No. 1-8519).
- (10.25) Assignment Agreement, dated as of June 1, 2015, among Cincinnati Bell Funding LLC, Cincinnati Bell Wireless, LLC, and PNC Bank, National Association (Exhibit 10.3 to Current Report on Form 8-K, date of Report June 1, 2015, File No. 1-8519).
- (10.26)* Cincinnati Bell Inc. Pension Program, as amended and restated effective January 1, 2005 (Exhibit (10)(iii)(A)(3) to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-8519).
- (10.27)* Amendment to Cincinnati Bell Inc. Pension Program, effective December 31, 2011 (Exhibit 10.12 to Annual Report on Form 10-K for the year ended December 31, 2011, File No. 1-8519).
- (10.28) + Restatement of the Cincinnati Bell Management Pension Plan executed December 22, 2016.
- (10.29) + Restatement of the Cincinnati Bell Pension Plan executed December 22, 2016.
- (10.30) + Amendment to Cincinnati Bell Management Pension Plan executed December 22, 2016.
- (10.31) + Amendment to the Cincinnati Bell Pension Plan executed December 22, 2016.
- (10.32)* Cincinnati Bell Inc. 2011 Short Term Incentive Plan (Appendix II to the Company's 2016 Proxy Statement on Schedule 14A filed March 17, 2016, File No. 1-8519).
- (10.33)* Cincinnati Bell Inc. Deferred Compensation Plan for Outside Directors, as amended and restated as of January 1, 2005 (Exhibit (10)(iii)(A)(2) to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-8519).
- (10.34)* Amendment to Cincinnati Bell Inc. Deferred Compensation Plan for Outside Directors, as of November 7, 2016 (Exhibit 10.2 to Current Report on Form 8-K, date of Report November 7, 2016, File No. 1-8519).
- (10.35)* Cincinnati Bell Inc. Executive Deferred Compensation Plan, as amended and restated effective January 1, 2005 (Exhibit (10)(iii)(A)(4) to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-8519).
- (10.36)* Amendment to Cincinnati Bell Inc. Executive Deferred Compensation Plan, as of November 7, 2016 (Exhibit 10.1 to Current Report on Form 8-K, date of Report November 7, 2016, File No. 1-8519).
- (10.37)* Cincinnati Bell Inc. 2007 Long Term Incentive Plan, as amended (Appendix I to the Company's 2014 Proxy Statement on Schedule 14A filed March 20, 2015, File No. 1-8519).
- (10.38)* Cincinnati Bell Inc. Form of Stock Option Agreement (2007 Long Term Incentive Plan) (Exhibit (10)(iii)(A)(22) to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-8519).
- (10.39)* Cincinnati Bell Inc. Form of Performance Restricted Stock Agreement (2007 Long Term Incentive Plan) (Exhibit (10)(iii)(A)(23) to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-8519).

- (10.40)+ Cincinnati Bell Inc. Form of 2016 - 2018 Share-Based Performance Unit Award Agreement (2007 Long Term Incentive Plan).
- (10.41)* Cincinnati Bell Inc. Form of Stock Appreciation Rights Agreement (Employees) (Exhibit (10)(iii)(A)(21) to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-8519).
- (10.42)* Cincinnati Bell Inc. Form of Restricted Stock Unit Award Agreement (2007 Long Term Incentive Plan)(Exhibit 10.45 to Annual Report for the year ended December 31, 2015, File No. 1-8519).
- (10.43)* Cincinnati Bell Inc. 2007 Stock Option Plan for Non-Employee Directors, as amended (Appendix I to the Company's 2016 Proxy Statement on Schedule 14A filed on March 17, 2016, File No. 1-8519).
- (10.44)* Executive Compensation Recoupment/Clawback Policy effective as of January 1, 2011 (Exhibit 99.1 to Current Report on Form 8-K, date of Report October 29, 2010, File No. 1-8519).
- (10.45)* Amended and Restated Employment Agreement effective January 1, 2005, between Cincinnati Bell Inc. and Christopher J. Wilson (Exhibit (10)(iii)(A)(10) to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-8519).
- (10.46)* Amended and Restated Employment Agreement between Cincinnati Bell Inc. and Christopher J. Wilson effective July 26, 2013 (Exhibit 10.1 to Current Report on Form 8-K, date of Report July 26, 2013, File No. 1-8519).
- (10.47)* Amended and Restated Employment Agreement between Cincinnati Bell Inc. and Christopher J. Wilson effective January 1, 2015 (Exhibit 10.51 to Current Report on Form 10-K, date of report February 26, 2015, File No. 1-8519).
- (10.48)* Amended and Restated Employment Agreement dated September 7, 2010 between Cincinnati Bell Inc. and Theodore H. Torbeck (Exhibit 10.1 to Current Report on Form 8-K, date of Report September 7, 2010, File No. 1-8519).
- (10.49)* Employment Agreement dated as of February 6, 2013 between Cincinnati Bell Inc. and Theodore H. Torbeck (Exhibit 10.1 to Current Report on Form 8-K, date of Report January 31, 2013, File No. 1-8519).
- (10.50)* Amended and Restated Employment Agreement effective July 26, 2013 between Cincinnati Bell Inc. and Leigh R. Fox (Exhibit 10.2 to Current Report on Form 8-K, date of Report July 26, 2013, File No. 1-8519).
- (10.51)* Amended and Restated Employment Agreement between Cincinnati Bell Inc. and Leigh R. Fox effective as of September 1, 2016 (Exhibit 10.1 to Current Report on Form 8-K, date of Report September 1, 2016, File No. 1-8519).
- (10.52)* Employment Agreement dated as of May 5, 2014 between Cincinnati Bell Inc. and Joshua T. Duckworth (Exhibit 10.1 to Current Report on Form 8-K, date of Report May 5, 2014, 2014, File No. 1-8519).
- (10.53)* Amended and Restated Employment Agreement between Cincinnati Bell Inc. and Thomas E. Simpson dated as of January 27, 2015 (Exhibit 10.50 to Annual Report on Form 10-K, date of report February 26, 2015, File No. 1-8519).
- (10.54)* Amended and Restated Employment Agreement between Cincinnati Bell Inc. and Thomas E. Simpson effective as of September 1, 2016 (Exhibit 10.1 to Current Report on Form 8-K, date of Report September 9, 2016, File No. 1-8519).
- (10.55)* Employment Agreement between Cincinnati Bell Inc. and Andrew R. Kaiser effective as of September 1, 2016 (Exhibit 10.2 to Current Report on Form 8-K, date of Report September 1, 2016, File No. 1-8519).
- (12.1)+ Calculation of Ratio of Earnings to Combined Fixed Charges and Preferred Dividends.
- (14) Code of Ethics for Senior Financial Officers, as adopted pursuant to Section 406 of Regulation S-K (Exhibit (10)(iii)(A)(15) to Annual Report on Form 10-K for the year ended December 31, 2003, File No. 1-8519).
- (21)+ Subsidiaries of the Registrant.
- (23)+ Consent of Independent Registered Public Accounting Firm.
- (24)+ Powers of Attorney.
- (31.1)+ Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- (31.2)+ Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- (32.1)+ Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- (32.2)+ Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(101.INS)** XBRL Instance Document.
(101.SCH)** XBRL Taxonomy Extension Schema Document.
(101.CAL)** XBRL Taxonomy Calculation Linkbase Document.
(101.DEF)** XBRL Taxonomy Extension Definition Linkbase Document.
(101.LAB)** XBRL Taxonomy Label Linkbase Document.
(101.PRE)** XBRL Taxonomy Presentation Linkbase Document.

+ Filed herewith.

* Management contract or compensatory plan required to be filed as an exhibit pursuant to Item 15(a)(3) of the Instruction to Form 10-K.

** Submitted electronically with this report.

The Company's reports on Form 10-K, 10-Q, 8-K, proxy and other information are available free of charge at the following website:
<http://www.cincinnati-bell.com>. Upon request, the Company will furnish a copy of the Proxy Statement to its security holders without charge, portions of which are incorporated herein by reference. The Company will furnish any other exhibit at cost.

VALUATION AND QUALIFYING ACCOUNTS

(dollars in millions)	Beginning of Period	Additions		Deductions	End of Period
		Charge (Benefit) to Expenses	(To) From Other Accounts		
Allowance for Doubtful Accounts					
Year 2016	\$ 12.4	\$ 9.4	\$ (2.0)	\$ 9.9	\$ 9.9
Year 2015	\$ 12.4	\$ 8.5	\$ —	\$ 8.5	\$ 12.4
Year 2014	\$ 12.2	\$ 10.4	\$ —	\$ 10.2	\$ 12.4
Deferred Tax Valuation Allowance					
Year 2016	\$ 58.4	\$ (3.6)	\$ (0.4)	\$ —	\$ 54.4
Year 2015	\$ 64.4	\$ (5.5)	\$ (0.5)	\$ —	\$ 58.4
Year 2014	\$ 68.3	\$ (1.1)	\$ (2.8)	\$ —	\$ 64.4

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Date: February 24, 2017

/s/ Andrew R. Kaiser

Andrew R. Kaiser
Chief Financial Officer

Date: February 24, 2017

/s/ Joshua T. Duckworth

Joshua T. Duckworth
Chief Accounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Theodore H. Torbeck</u> Theodore H. Torbeck	Chief Executive Officer and Director	February 24, 2017
<u>Phillip R. Cox*</u> Phillip R. Cox	Chairman of the Board and Director	February 24, 2017
<u>John W. Eck*</u> John W. Eck	Director	February 24, 2017
<u>Jakki L. Haussler*</u> Jakki L. Haussler	Director	February 24, 2017
<u>Craig F. Maier*</u> Craig F. Maier	Director	February 24, 2017
<u>Russel P. Mayer*</u> Russel P. Mayer	Director	February 24, 2017
<u>Lynn A. Wentworth*</u> Lynn A. Wentworth	Director	February 24, 2017
<u>Martin J. Yudkovitz*</u> Martin J. Yudkovitz	Director	February 24, 2017
<u>John M. Zmo*</u> John M. Zmo	Director	February 24, 2017

*By: /s/ Theodore H. Torbeck
Theodore H. Torbeck
as attorney-in-fact and on his behalf
as Principal Executive Officer, Chief Executive Officer and Director

CINCINNATI BELL MANAGEMENT PENSION PLAN

(As amended and restated effective as of January 1, 2016)

CINCINNATI BELL MANAGEMENT PENSION PLAN

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CINCINNATI BELL MANAGEMENT PENSION PLAN
(As amended and restated effective as of January 1, 2016)

ARTICLE 1

NAME, PURPOSE, AND EFFECTIVE DATE

1.1 Name of Plan. The plan set forth herein shall be known as the “Cincinnati Bell Management Pension Plan.” It shall hereinafter be referred to in this document as the “Plan.”

1.2 Purpose of Plan. The purpose of the Plan is to provide additional retirement income to persons who participate in the Plan. Except as is otherwise provided in Article 22 below, it is intended that the Plan (together with the Trust used in conjunction with the Plan) qualify as a tax-favored plan and trust under sections 401(a) and 501(a) of the Code and shall be interpreted in a manner consistent with sections 401(a) and 501(a) of the Code.

1.3 Effective Date.

1.3.1 This document amends and restates the Plan effective as of January 1, 2016 (except as is otherwise provided herein) within its Cycle E remedial amendment period in order (a) to conform the Plan to the statutory provisions and related guidance described in the Internal Revenue Service’s 2014 Cumulative List of Changes in Plan Qualified Requirements that reflect tax-qualification requirements applicable to the Plan, including but not limited to the provisions of the Pension Protection Act of 2006, the Heroes Earnings Assistance and Relief Tax Act of 2008, and the Worker, Retiree, and Employer Recovery Act of 2008; (b) to reflect amendments adopted prior to January 1, 2016; and (c) to make certain other changes in the Plan.

1.3.2 This Plan document amends and restates, effective as of January 1, 2016 (except to the extent that certain provisions of this restatement specifically provide that they apply to the Plan for a Plan Year or Period that begins before such general effective date), the Plan as it was in existence on December 31, 2015 and supersedes all amendments to the Plan that were made prior to the date on which this Plan document is signed.

1.3.3 Wherever the context permits, any reference to the Plan includes a reference to the provisions of the Plan as it was in effect for periods prior to January 1, 2016.

ARTICLE 2

GENERAL DEFINITIONS AND GENDER AND NUMBER

2.1 **General Definitions.** For purposes of the Plan, the following terms shall have the meanings hereinafter set forth, unless a different meaning is plainly required by the context.

2.1.1 “Accrued Benefit” means, when applied to any Participant and his interest as of any specified date under this Plan, under the Prior Pension Plan, or under a plan which merges into this Plan or has its assets and liabilities attributable to the Participant transferred to this Plan (for purposes of this Subsection 2.1.1, a “merged plan”), the monthly amount of the benefit to which the Participant would be entitled under the Plan, under the Prior Pension Plan, or under the merged plan, as the case may be: (i) if the Participant permanently ceased to be an Employee as of the specified date (if he has not already done so); (ii) if the Participant was fully vested in (i.e., had a nonforfeitable right to) his benefit under the Plan, under the Prior Pension Plan, or under the merged plan, as the case may be, as of the specified date (even if he is not yet fully vested in such benefit); and (iii) if the Participant’s benefit under the Plan, under the Prior Pension Plan, or under the merged plan, as the case may be, is paid in the form of a Single Life Annuity commencing as of the Participant’s Normal Retirement Date (or, if the specified date is later than the Participant’s Normal Retirement Date, commencing as of the specified date).

(a) For purposes of the Plan, when a Participant’s “Accrued Benefit” as of any specified date is to be determined under the other provisions of this Plan based on the amount credited to the Participant’s Cash Balance Account, then the Participant’s “Accrued Benefit” as of the specified date is determined:

(i) first, by determining the amount that as of the specified date is credited to the Participant’s Cash Balance Account;

(ii) second, in the event (and only in the event) the specified date occurs before the Participant’s Normal Retirement Date, by projecting the amount determined under subparagraph (i) immediately above from the specified date to the Participant’s Normal Retirement Date at an interest rate of 4% per annum (which is the interest rate used under the Plan to determine interest rate credits to the Participant’s Cash Balance Account after the Participant has ceased to be an Employee, assuming, prior to March 1, 2012, that the Participant did not elect to reduce that rate in return for a pre-retirement death benefit that otherwise could be provided under the Plan); and

(iii) third and last, by dividing the amount determined under subparagraph (i) above, as projected to the Participant’s Normal Retirement Date under the provisions of subparagraph (ii) immediately above in the event the specified date occurs before the Participant’s Normal Retirement Date, by both (A) 9.7 (which is the annuity conversion rate used by the Plan pursuant to Table 1 to this Plan to convert, at a Participant’s Normal Retirement Date or a later date, the Participant’s Cash Balance Account balance to an actuarially equivalent Single Life Annuity annual amount) and (B) twelve (which is the divisor needed to convert a Single Life Annuity annual amount into a monthly amount). The calculations called for under this subparagraph (iii) convert the amount determined under subparagraph (i) above, as projected to the Participant’s Normal Retirement Date under the provisions of subparagraph (ii) immediately above in the event the specified date occurs before the Participant’s Normal Retirement Date, into an actuarially equivalent Single Life Annuity monthly amount.

(b) Further, when (and only when) both a Participant's "Accrued Benefit" as of any specified date is to be determined under the other provisions of this Plan based on the amount credited to the Participant's Cash Balance Account and the Participant's Normal Retirement Date is the first day after the Participant's 65th birthday, then the Participant's "Accrued Benefit" as of the specified date can also, for convenience and simplicity and in lieu of the method of determining such "Accrued Benefit" under the provisions of paragraph (a) immediately above, be determined by dividing (i) one-twelfth of the amount that as of the specified date is credited to the Participant's Cash Balance Account by (ii) the factor identified in Table 1 to this Plan as applicable to a payment age that is the Participant's attained age (in whole years and months) as of the specified date. The determination of a Participant's "Accrued Benefit" as of any specified date under the method described in the immediately preceding sentence produces the same result for such Accrued Benefit as is produced by the method described in paragraph (a) immediately above as long as the Participant's Normal Retirement Date is the first day after the Participant's 65th birthday.

(c) For purposes of the Plan, when a Participant's "Accrued Benefit" as of any specified date is not to be determined under the other provisions of this Plan based on the amount credited to the Participant's Cash Balance Account but instead is based on a non-cash balance formula under the Prior Pension Plan (including any modifications to such formula that are provided under this Plan) or under a merged plan's benefit formula, then the Participant's "Accrued Benefit" as of the specified date is determined pursuant to the terms of the Prior Pension Plan that provide for such non-cash balance formula (as such benefit formula terms may be modified under this Plan) or pursuant to the terms of the merged plan that provide for its benefit formula, as appropriate.

2.1.2 "Accumulated Benefit" means, when applied to any Participant and his or her interest under this Plan as of any specified date that occurs on or after January 1, 2008: (i) to the extent that his Cash Balance Account is used in any manner to determine such interest, the amount that as of such specified date is credited to the Participant's Cash Balance Account; or (ii) to the extent that such interest is not subject to clause (i) of this sentence, the Participant's Accrued Benefit that applies as of such specified date to such interest. A Participant's Accumulated Benefit as of any specified date that occurs on or after January 1, 2008, as such benefit is expressed under the terms of the immediately preceding sentence, refers to the Participant's benefit under the Plan that has accrued to that specified date and that is used to determine that the Plan satisfies the requirements of section 411(b)(1)(H)(i) and (b)(5)(A) of the Code and section 204(b)(1)(H)(i) and (b)(5)(A) of ERISA.

2.1.3 "Affiliated Employer" means each of: the Company; each corporation which is (and only during the period it is) a member of a controlled group of corporations (within the meaning of section 414(b) of the Code as modified when applicable by section 415(h) of the Code) which includes the Company; each trade or business (whether or not incorporated) which is (and only during the period it is) under common control (as defined in section 414(c) of the Code as modified when applicable by section 415(h) of the Code) with the Company; each member (and only during the period it is such a member) of an affiliated service group (within the meaning of section 414(m) of the Code) which includes the Company; and each other entity required to be aggregated with the Company under section 414(o) of the Code (and only during the period it is required to be so aggregated).

2.1.4 "Board" means the Board of Directors of the Company.

2.1.5 "Cash Balance Account" means, with respect to any Participant, the bookkeeping account established with respect to the Participant under Article 5 below.

2.1.6 “Code” means the Internal Revenue Code of 1986 and the sections thereof, as it and they exist as of the Effective Amendment Date or may thereafter be amended or renumbered.

2.1.7 “Committee” means the Employees’ Benefit Committee which is appointed by the Company to administer the Plan (and to perform certain other duties with respect to the Plan) in accordance with the provisions of Article 13 below and the other provisions of the Plan.

2.1.8 “Company” means Cincinnati Bell Inc., or any corporate successor thereto. The Company is the sponsor of the Plan.

2.1.9 “Covered Employee” generally refers to an individual who is eligible to be a Participant in the Plan if and after he meets all of the participation requirements set forth in Article 4 below (including certain minimum age and minimum service requirements set forth in Article 4 below). In addition, service while a “Covered Employee” was often required in order to accrue certain benefit amounts under the Plan. For these and all other purposes of the Plan, a “Covered Employee” means an individual who meets the criteria set forth in the following paragraphs of this Subsection 2.1.9.

(a) Subject to the other provisions of this Subsection 2.1.9, a person shall be considered a “Covered Employee” for any period during which he is or was an Employee of a Participating Company.

(b) Notwithstanding the provisions of paragraph (a) above, a person shall not in any event be considered a “Covered Employee” for any period during which he is or was an ineligible bargained-for or hourly employee. For purposes of the Plan, a person is or was considered an “ineligible bargained-for or hourly employee” for any period if, and only if, he is or was during such period either: (1) an Employee of a Participating Company who in such period is or was a collectively bargained employee (within the meaning of Treasury Regulations section 1.410(b)-6(d)(2)), unless his participation in the Plan is or was required for such period under a collective bargaining agreement entered into between the Participating Company and the representatives of the applicable collective bargaining unit; or (2) an Employee of a Participating Company who in such period is or was not a collectively bargained employee (within the meaning of Treasury Regulations section 1.410(b)-6(d)(2)) but whose position is or was an hourly paid position either that in such period is or was or at any prior time had been subject to automatic wage progression or that at any prior time had been a position the holder of which would be eligible to participate in the Cincinnati Bell Pension Plan (another defined benefit pension plan sponsored by the Company) upon the meeting of any applicable minimum age and/or service requirements of such plan.

(i) Notwithstanding the foregoing provisions of this paragraph (b), a person shall not for purposes of the Plan be considered an “ineligible bargained-for or hourly employee” for any period that begins after January 31, 2008 and during which he is described in clause (2) of the second sentence of the foregoing provisions of this paragraph (b) (*i.e.*, an Employee of a Participating Company who is not a collectively bargained employee but whose position is an hourly paid position either that is or at any prior time had been subject to automatic wage progression or that at any prior time had been a position the holder of which would be eligible to participate in the Cincinnati Bell Pension Plan upon the meeting of any applicable minimum age and/or service requirements of such plan) in the event he was not considered an ineligible bargained-for or hourly employee under the provisions of this paragraph (b) that precede this subparagraph (i) on the date that immediately precedes the first day of such period.

(ii) In addition and notwithstanding the foregoing provisions of this paragraph (b), a person shall for purposes of the Plan still be considered an “ineligible bargained-for or hourly employee”

for any period during which he is or was temporarily promoted from an ineligible bargained-for or hourly employee position to another position for one year or less.

(c) Notwithstanding the provisions of paragraph (a) above, a person shall not in any event be considered a "Covered Employee" for any period during which he is not or was not on the employee payroll of a Participating Company or during which he is or was a Leased Employee. In particular, it is expressly intended that any person not treated as an employee by a Participating Company on its employee payroll records shall not be considered a Covered Employee for purposes of this Plan even if a court or administrative agency determines that such individual is a common law employee of a Participating Company.

(d) Notwithstanding the provisions of paragraph (a) above, a person shall not in any event be considered a "Covered Employee" for any period during which he is or was classified by a Participating Company as a contingency employee or a job bank employee. However, it is also provided that: (i) if such a contingency employee became a Covered Employee on or after January 1, 1989 and prior to January 1, 2002, his prior service as a contingency employee shall be deemed to have been service as a Covered Employee; and (ii) if such a job bank employee became a Covered Employee on or after January 1, 1991 and prior to January 1, 2002, his prior service as a job bank employee shall be deemed to have been service as a Covered Employee.

(e) Notwithstanding the provisions of paragraph (a) above, a person shall not in any event be considered a "Covered Employee" for any period during which he is or was a co-op or intern first hired by an Affiliated Employer after April 30, 1994; provided that if an Employee who is or was a co-op or intern later, but in any event prior to January 1, 2002, became a Covered Employee, his prior service as a co-op or intern Employee shall be deemed to have been service as a Covered Employee.

(f) Notwithstanding the provisions of paragraph (a) above, a person shall not in any event be considered a "Covered Employee" (i) when he is or was employed on or after March 1, 1996 at a location which is not within one of the States of the United States (other than as an Employee who is a foreign service employee) or (ii) when he on or after October 1, 1996 is or was a rotational employee. For purposes of this paragraph (f), a "foreign service employee" means an Employee who is a citizen of the United States and who has been classified by the Participating Company which employs him as a foreign service employee and a "rotational employee" means an Employee who is a nonresident alien of the United States and who is employed by a Participating Company within one of the States of the United States for a period not expected to exceed three years.

(g) Notwithstanding the provisions of paragraph (a) above, a person shall not in any event be considered a "Covered Employee": (i) for any period prior to April 1, 1987 during which he was on the Participating Company payroll known as the Cellular Business Systems - Chicago Payroll; (ii) for any period prior to January 1, 1988 during which he was classified as an employee of the CMS Department of Cincinnati Bell Information Systems Inc., or (iii) for any period prior to July 1, 1988 during which he was classified as an employee of the Comptech Department of the CBS Division of Cincinnati Bell Information Systems Inc.

(h) Notwithstanding the provisions of paragraph (a) above, a person shall not in any event be considered a "Covered Employee" for any period prior to January 1, 1988 during which he was classified as an employee of Auxton Computer Enterprises, Inc.; provided however, that, in the case of an Employee who performs or performed an Hour of Service for an Affiliated Employer on or after November 1, 1991, his prior service with Auxton Computer Enterprises, Inc. shall be deemed to have been service as a Covered Employee.

(i) Notwithstanding the provisions of paragraph (a) above, a person shall not in any event be considered a “Covered Employee” for any period after December 31, 1991 and prior to December 31, 1993 during which either (i) he was classified as an employee of a CBIS Company (unless either he was during such period employed as a salaried employee and first performed an Hour of Service for a CBIS Company or CBIS Federal Inc. prior to January 1, 1992 or he was in a class of Employees eligible to participate in the Plan on the day preceding the date on which he first performed an Hour of Service for a CBIS Company) or (ii) he was classified as an employee of CBIS Federal Inc. but not a transferred employee. It is provided, however, that if a person is not considered a Covered Employee during any period after December 31, 1991 and prior to December 31, 1993 solely by reason of the provisions of the immediately preceding sentence but he later becomes or became a Covered Employee, his service when he would have been considered a Covered Employee but for the provisions of the immediately preceding sentence shall be considered to be service as a Covered Employee. For purposes of this paragraph (i), a “CBIS Company” shall mean any of Cincinnati Bell Information Systems Inc., CBIS International Inc., and CBIS International Services Inc. Also for purposes of this paragraph (i), a “transferred employee” means an Employee who was transferred to CBIS Federal Inc. from the employee payroll of another Participating Company after December 31, 1990 and prior to November 1, 1994 and who was in a class of Employees eligible to participate in the Plan immediately prior to transferring to CBIS Federal Inc.

(j) Notwithstanding the provisions of paragraph (a) above, a person shall not in any event be considered a “Covered Employee” for any period that occurred on or after January 1, 1994 and prior to January 1, 1998 and during which he was considered a substantial service employee (within the meaning of Treasury Regulations section 1.414(r)-11(b)(2)) with respect to MATRIX Marketing Inc. or any direct or indirect subsidiary of MATRIX Marketing Inc.

(k) Notwithstanding the provisions of paragraph (a) above, a person shall not in any event be considered a “Covered Employee” for any period that occurred or occurs on or after January 1, 2007 and during which he is a participant, eligible for participation,

or in the process of qualifying for participation in any other defined benefit plan (within the meaning of section 414(j) of the Code) which qualifies under section 401(a) of the Code and the cost of which is borne, in whole or in part, by any Participating Company. However, a person who otherwise qualifies as a “Covered Employee” under the other provisions of this Subsection 2.1.9 shall not be considered other than as a “Covered Employee” merely because of his participation in another defined benefit pension plan if such participation relates solely to employment which preceded the date on which he would otherwise become a Participant under the Plan and the person’s benefits under such other plan relate solely to such past service.

(l) Notwithstanding the provisions of paragraph (a) above, if a person became or becomes an Employee on any date after December 31, 2008 (whether as a new hire or a rehire) after not having been an Employee on the immediately preceding date, then he shall not in any event be considered a “Covered Employee” at any time on or after such post-December 31, 2008 date on which he so becomes an Employee, even if he would be deemed to have become a Covered Employee during such time were the provisions of this paragraph (l) ignored.

2.1.10 “Effective Amendment Date” refers to the general effective date of the amendment and restatement of the Plan that is reflected in this document and means January 1, 2016.

2.1.11 “Employee” means any person who either (a) is employed as a common law employee of an Affiliated Employer (in general terms, a person whose work procedures are subject to control by an Affiliated Employer), including any such person who is absent from active service with an Affiliated Employer

by reason of an absence from service that is approved by the Affiliated Employer that employs such person, or (b) is a Leased Employee. A person who is an Employee shall no longer be considered an Employee when he both: (a) is no longer providing services to any Affiliated Employer; and (b) is not then on a temporary leave of absence approved by an Affiliated Employer (or, for any period prior to January 1, 2010, is no longer treated as an Employee by an Affiliated Employer) or in a position where applicable law requires him to be treated as an employee of an Affiliated Employer.

2.1.12 “ERISA” means the Employee Retirement Income Security Act of 1974 and the sections thereof, as it and they exist as of the Effective Amendment Date or may thereafter be amended or renumbered.

2.1.13 “Leased Employee” means any person who is a leased employee (within the meaning of section 414(n) of the Code) of an Affiliated Employer. Under the provisions of Code section 414(n) as in effect on the Effective Amendment Date but subject to any subsequent changes to such Code section, a leased employee is an individual who provides services to an Affiliated Employer, in a capacity other than as a common law employee of the Affiliated Employer, in accordance with each of the following three requirements: (a) the services are provided pursuant to an agreement between the Affiliated Employer and one or more leasing organizations; (b) the individual has performed such services for the Affiliated Employer on a substantially full-time basis for a period of at least one year; and (c) such services are performed under the primary direction or control by the Affiliated Employer. The determination of who is a Leased Employee shall be consistent with any regulations issued under section 414(n) of the Code (except to the extent such regulations fail to reflect changes made in Code section 414(n) after the issuance of such regulations).

2.1.14 “Mandatory Portability Agreement” means that agreement, which was originally effective January 1, 1985, between and among Cincinnati Bell Telephone Company and certain other companies to comply with the mandatory portability provisions of the Deficit Reduction Act of 1984 and which provides for the portability of benefits with respect to certain employees who terminate employment with one company subject to the agreement and subsequently commence employment with another company subject to the agreement.

2.1.15 “Normal Retirement Age” means: (a) in the case of an Employee who first became a Participant in the Plan prior to January 1, 1988, the Employee’s 65th birthday; and (b) in the case of an Employee who first became or becomes a Participant in the Plan on or after January 1, 1988, the later of (i) the Employee’s 65th birthday or (ii) the fifth anniversary of the date the Employee first became or becomes a Participant in the Plan.

2.1.16 “Normal Retirement Date” means, with respect to any Participant, the date on which the Participant first attains his Normal Retirement Age.

2.1.17 “Participant” means a person who becomes a Participant in the Plan in accordance with the provisions of Article 4 below, so long as he remains a Participant under the provisions of Article 4 below.

2.1.18 “Participating Company” refers to each employer that participates in the Plan, as determined under the following paragraphs of this Subsection 2.1.18.

(a) Subject to the provisions of paragraph (b) below, on and after January 1, 2002 each of the following organizations shall be considered a “Participating Company”: (i) the Company; (ii) each corporation which is (and only during the period it is) a member of a controlled group of corporations (within the meaning of section 414(b) of the Code) which includes the Company; and (iii) each other trade

or business (whether or not incorporated) which is (and only during the period it is) under common control (as defined in section 414(c) of the Code) with the Company.

(b) Any corporation, partnership, or other organization (for purposes of this paragraph (b), the “acquired company”) that first becomes a member of a controlled group of corporations (within the meaning of section 414(b) of the Code) which includes the Company or a part of a group of trades or businesses under common control (within the meaning of section 414(c) of the Code) with the Company after January 1, 2001 and prior to January 1, 2009, as a result of the acquisition by any Participating Company (for purposes of this paragraph (b), the “acquiring company”) of the stock or interests of the acquired company or substantially all of the assets of a trade or business previously operated by another organization shall not be considered a Participating Company unless and until the first date as of which both (i) the agreements by which such stock, interests, or assets were acquired by the acquiring company do not require that the employees of the acquired company be eligible to actively participate in another defined benefit plan (within the meaning of section 414(j) of the Code) maintained by the acquired company or another Affiliated Employer (and do not otherwise prohibit the employees of the acquired company from participating in the Plan) and (ii) the Company has taken such actions (such as, but not necessarily limited to, the providing of notices) so as to clearly indicate that employees of the acquired company are to begin participating in the Plan as of such date.

(c) For any period prior to the January 1, 2002, a Participating Company shall be deemed to refer to each organization that was identified as a participating company in the Plan as in effect during such period.

(d) Notwithstanding the foregoing paragraphs of this Subsection 2.1.18, any of the employers identified as a “Participating Company” under such foregoing paragraphs shall no longer be a “Participating Company” for purposes of this Plan once it no longer is an Affiliated Employer.

2.1.19 “Plan Year” refers to the annual period on which Plan records are kept and means a calendar year.

2.1.20 “Prior Pension Plan” means the part of the Plan as in effect on December 30, 1993 (or, to the extent indicated in the other provisions of this Plan, at any earlier date) which dealt with service, disability, and deferred vested pensions. Where the context requires, any reference to the Plan that concerns benefits accrued for periods prior to December 31, 1993 shall be deemed to include a reference to the Prior Pension Plan.

2.1.21 “Qualified Joint and Survivor Annuity” means an annuity (*i.e.*, a form of benefit without life insurance which provides for equal payments at regular installments over more than a one year period) payable in the manner described in the following paragraphs of this Subsection 2.1.21.

(a) Under a Qualified Joint and Survivor Annuity, monthly payments are made to a Participant for his life, and after his death monthly survivor payments continue to the person who is the spouse of the Participant on the date as of which the annuity commences to be paid to the Participant (for purposes of this paragraph (a), the “spouse”), provided that the spouse survives the Participant, for the spouse’s life. Payments under the Qualified Joint and Survivor Annuity shall end with the payment due for the calendar month in which the date of death of the survivor of the Participant and the spouse occurs.

(b) Under a Qualified Joint and Survivor Annuity, each monthly survivor payment to the person who is the spouse of the Participant on the date as of which the annuity commences to be paid to the Participant shall be equal in amount to 50% (or, when both the annuity begins being paid as of a

commencement date that occurs after December 31, 2007 and the Participant otherwise chooses when he elects the form of his retirement benefit under the subsequent provisions of the Plan, either 75% or 100%) of the monthly payment amount made during the life of the Participant under the same annuity.

(c) Any reference in the other provisions of the Plan to a “50% Qualified Joint and Survivor Annuity,” a “75% Qualified Joint and Survivor Annuity,” or a “100% Qualified Joint and Survivor Annuity” refers to a Qualified Joint and Survivor Annuity that has each of its monthly survivor payments based on the specified percent (50%, 75%, or 100%) of the monthly payment amount made during the life of the Participant under the same annuity. (The 75% Qualified Joint and Survivor Annuity constitutes the qualified optional survivor annuity that is required to be offered under the Plan by reason of section 1004 of the Pension Protection Act of 2006.)

(d) The monthly amount of a Qualified Joint and Survivor Annuity that is paid while the Participant is living is determined under the provisions of Subsection 7.2.2 below and certain other provisions of the Plan.

2.1.22 “Required Beginning Date” means, with respect to any Participant, a date determined by the Committee for administrative reasons to be the date as of which the Participant’s nonforfeitable benefit (if any such benefit would then exist and not yet have begun to be paid) is to commence in order to meet the requirements of section 401(a)(9) of the Code (or, for any Participant who attains age 70-1/2 prior to January 1, 2002, in order to meet the requirements of Code section 401(a)(9) as in effect before the effect of the Small Business Job Protection Act of 1996 is taken into account), which date shall be subject to the parameters set forth in the following paragraphs of this Subsection 2.1.22.

(a) Subject to paragraph (e) below, for a Participant who attained age 70-1/2 on or after January 1, 1987 and prior to January 1, 2002 his Required Beginning Date must be no later than, and no earlier than six months prior to, the April 1 of the calendar year next following the calendar year in which he attained age 70-1/2.

(b) Subject to paragraph (e) below, for a Participant who both attained or attains age 70-1/2 prior to January 1, 1987 or on or after January 1, 2002 and is not a 5% owner of an Affiliated Employer, his Required Beginning Date must be no later than, and no earlier than six months prior to, the April 1 of the calendar year next following the later of: (i) the calendar year in which he attained or attains age 70-1/2; or (ii) the calendar year in which he ceased or ceases to be an Employee.

(c) Subject to paragraph (e) below, for a Participant who both attained or attains age 70-1/2 prior to January 1, 1987 or on or after January 1, 2002 and is a 5% owner of an Affiliated Employer, his Required Beginning Date must be no later than, and no earlier than six months prior to, the April 1 of the calendar year next following the later of: (i) the calendar year in which he attained or attains age 70-1/2; or (ii) the earlier of the calendar year with or within which ends the Plan Year in which he became or becomes a 5% owner of an Affiliated Employer or the calendar year in which he ceased or ceases to be an Employee.

(d) A Participant is deemed to be a 5% owner of an Affiliated Employer for purposes hereof if he was or is a 5% owner of the Affiliated Employer (as determined under section 416(i)(1)(B) of the Code) at any time during the Plan Year ending with or within the calendar year in which he attained or attains age 66-1/2 or any subsequent Plan Year. Once a Participant meets this criteria, he shall be deemed a 5% owner of the Affiliated Employer even if he ceased or ceases to own 5% of the Affiliated Employer in a later Plan Year.

(e) Notwithstanding the foregoing provisions of this Subsection 2.1.22, if a Participant first earned or earns a nonforfeitable retirement benefit under the Plan after the date which would otherwise be his Required Beginning Date under the foregoing provisions of this Subsection 2.1.22, then his Required Beginning Date shall not be determined under such foregoing provisions but rather must be a date within the calendar year next following the calendar year in which he first earned or earns a nonforfeitable retirement benefit under the Plan.

2.1.23 “Single Life Annuity” means an annuity (i.e., a form of benefit without life insurance which provides for equal payments at regular installments over more than a one year period) payable as follows. Monthly payments are made to a Participant for his life and end with the last payment due for the calendar month in which the date of the Participant’s death occurs. The monthly amount of a Single Life Annuity is determined under the provisions of Subsection 7.2.1 below and certain other provisions of the Plan.

2.1.24 “Trust” means the Cincinnati Bell Pension Plans Trust, which trust was created by the Company to serve as the funding media for the Plan, as such trust exists as of the Effective Amendment Date or is subsequently amended. The Trust is hereby incorporated by reference and made a part of the Plan. The Trust is not part of and does not serve as the funding media for the separate Excess Plan described in Article 22 below.

2.1.25 “Trustee” means the person or entity serving at any time as trustee of the Trust.

2.1.26 “Vested Participant” means a Participant who is (or, if he ceased to be an Employee immediately, would be) entitled under the provisions of the Plan to some nonforfeitable benefit under the Plan.

2.2 Gender and Number. For purposes of this Plan, words used in any gender shall include all other genders, words used in the singular form shall include the plural form, and words used in the plural form shall include the singular form, as the context may require.

ARTICLE 3

SERVICE

3.1 **Hour of Service.** An Employee's "Hours of Service" to be counted for purposes of the Plan shall be computed as set forth in the following subsections of this Section 3.1, subject to the rules contained in U.S. Department of Labor Regulations section 2530.200b-2(b) and (c) (which is incorporated herein by reference).

3.1.1 One Hour of Service shall be credited for each hour for which the Employee is paid, or entitled to payment, by an Affiliated Employer for the performance of duties. Hours of Service credited under this Subsection 3.1.1 shall be allocated to the computation period or periods during which the duties are performed.

3.1.2 One Hour of Service shall be credited for each hour for which the Employee is paid, or entitled to payment, by an Affiliated Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, or leave of absence. Hours of Service credited under this Subsection 3.1.2 shall be allocated to computation periods in accordance with the rules of U.S. Department of Labor Regulations section 2530.200b-2(b) and (c). Notwithstanding the foregoing provisions of this Subsection 3.1.2:

(a) no more than 501 Hours of Service shall be credited under this Subsection 3.1.2 to the Employee on account of any single continuous period during which the Employee performs no duties (whether or not such period occurs in a single computation period);

(b) an hour for which the Employee is directly or indirectly paid, or entitled to payment, on account of a period during which no duties are performed is not required to be credited to the Employee if such payment is made or due under a plan maintained solely for the purpose of complying with applicable workers' compensation, unemployment compensation, or disability insurance laws; and

(c) Hours of Service shall not be credited for a payment which solely reimburses the Employee for medical or medically related expenses incurred by the Employee.

For purposes of this Subsection 3.1.2, a payment shall be deemed to be made by or due from an Affiliated Employer regardless of whether such payment is made by or due from the Affiliated Employer directly or indirectly through, among others, a trust fund or insurer to which the Affiliated Employer contributes or pays premiums, and regardless of whether contributions made or due to the trust fund, insurer, or other entity are for the benefit of particular Employees or are on behalf of a group of Employees in the aggregate.

3.1.3 One Hour of Service shall be credited for each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by an Affiliated Employer with respect to the Employee. Hours of Service credited under this Subsection 3.1.3 shall be allocated to the computation period or periods to which the agreement or award relates. The same Hours of Service shall not be credited both under Subsection 3.1.1 or 3.1.2, as the case may be, and under this Subsection 3.1.3. Crediting of Hours of Service for back pay awarded or agreed to with respect to periods described in Subsection 3.1.2 above shall be subject to the limitations set forth in that provision.

3.1.4 To the extent required by applicable Federal law, Hours of Service shall be credited for any leave taken pursuant to the requirements of the Federal Family and Medical Leave Act of 1993, as amended.

3.1.5 For purposes only of determining whether the Employee has incurred a Break in Service, if the Employee is absent from active service with an Affiliated Employer (1) by reason of the pregnancy of the Employee, (2) by reason of the birth of a child of the Employee, (3) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee, or (4) for purposes of caring for such a child for a period beginning immediately following such a birth or placement, and the Employee is not paid or entitled to be paid for such absence, the Employee shall be credited with one Hour of Service for each hour which the Employee would normally have been scheduled for work but for such absence (or, if the Employee does not have a regular work schedule, with eight Hours of Service for each day of such absence). Notwithstanding the immediately preceding sentence, the following paragraphs of this Subsection 3.1.5 shall apply to the crediting of Hours of Service under this Subsection 3.1.5.

(a) No more than 501 Hours of Service shall be credited under this Subsection 3.1.5 to the Employee on account of any single continuous period of such an absence.

(b) Any Hours of Service which are to be credited to the Employee under this Subsection 3.1.5 by reason of a single continuous period of absence shall be credited for the calendar year in which such absence begins if the Employee would be prevented from incurring a Break in Service with respect to such calendar year solely because of such crediting. Otherwise, such Hours of Service shall be credited for the calendar year next following the calendar year in which such absence begins.

(c) No Hours of Service shall be credited under this Subsection 3.1.5 to the Employee unless the Employee furnishes to the Committee such timely information as the Committee may reasonably require to establish that the applicable absence from work is for reasons referred to in the first sentence of this Subsection 3.1.5 and the number of days for which there was such an absence.

3.1.6 For purposes of the Plan, the Employee shall be deemed to have completed 45 Hours of Service for each week in which he would otherwise be credited with one or more Hours of Service under the foregoing provisions of this Section 3.1; except that, in the case of (a) any Employee who is classified by the Affiliated Employer which employs him as a part-time Employee or (b) any Employee who is hired for a period not exceeding three consecutive weeks and who is not employed for more than 30 days in a year, such Employee shall be deemed to have completed 10 Hours of Service for each day in which he would otherwise be credited with one or more Hours of Service under the foregoing provisions of this Section 3.1. However, the provisions of this Subsection 3.1.6 shall not apply: (a) for any period occurring prior to January 1, 2002 and after December 31, 2000 with respect to Employees of Cincinnati Bell Wireless Company or Cincinnati Bell Wireless LLC; (b) for any period occurring prior to January 1, 2001 with respect to Employees of any Participating Companies other than the Company, Cincinnati Bell Telephone Company, Cincinnati Bell Information Systems Inc., CBIS International Services Inc., CBIS International Inc., CBIS Federal Inc., or Cincinnati Bell Public Communications Inc; or (c) for purposes of Section 7.7 below.

3.2 Break in Service. An Employee shall be deemed to have incurred a "Break in Service" in any calendar year during which he is credited with not more than 500 Hours of Service.

3.3 Employment and Reemployment Commencement Dates. An Employee's "Employment Commencement Date" shall be the date on which he first performs an Hour of Service as an Employee for which he is paid, or entitled to payment, by any Affiliated Employer. Further, if the Employee incurs a Break in Service in any calendar year that commences after his Employment Commencement Date but that ends prior to his completion of at least 1,000 Hours of Service in any Eligibility Computation Period, then the first day that occurs after the end of such calendar year and on which he performs an Hour of Service as an Employee for which he is paid, or entitled to be paid, by any Affiliated Employer shall be considered his "Reemployment Commencement Date."

3.4 Eligibility Service. An Employee shall be credited with one year of "Eligibility Service" as of the last day of the first Eligibility Computation Period during which he completes at least 1,000 Hours of Service.

3.5 Eligibility Computation Period. An Employee's "Eligibility Computation Period" shall be the twelve-month period commencing on the Employee's Employment Commencement Date and each calendar year commencing after his Employment Commencement Date. However, notwithstanding the foregoing, if the Employee incurs a Break in Service in any calendar year that commences after his Employment Commencement Date but that ends prior to his completion of at least 1,000 Hours of Service in an Eligibility Computation Period, then his "Eligibility Computation Period" after such calendar year shall mean the twelve-month period commencing on his first Reemployment Commencement Date that occurs after the end of such calendar year and each calendar year commencing after such Reemployment Commencement Date.

3.6 Vesting Service. An Employee's years of "Vesting Service" shall be computed as set forth in the following subsections of this Section 3.6.

3.6.1 The Employee shall be credited with years of Vesting Service equal to the number of his years of service counted for purposes of determining eligibility for a vested pension under the Prior Pension Plan as of December 31, 1993 (as calculated under the provisions of the Prior Pension Plan).

3.6.2 The Employee shall also be credited with one year of Vesting Service for each calendar year ending after December 31, 1993 and during which he is credited with at least 1,000 Hours of Service; provided that service prior to the calendar year in which the Employee attained age 18 shall not be counted for purposes of this Subsection 3.6.2.

3.7 Mandatory Portability Agreement. To the extent required under the Mandatory Portability Agreement, service of Employees with former Bell System companies (and their successors) shall be recognized under this Plan. In this regard, Employees of certain Participating Companies may not be subject to or affected by the Mandatory Portability Agreement while employed by any such companies, and this Section 3.7 shall not give any rights under the Mandatory Portability Agreement to such Employees while employed by any such companies.

3.8 Service With Predecessor Entities. The following subsections of this Section 3.8 shall apply for purposes of the Plan.

3.8.1 Service prior to January 1, 1996 with Information Systems Development Partnership (or its predecessor, Information Systems Development, Inc.) shall be deemed to be service with an Affiliated Employer which was not a Participating Company.

3.8.2 In the case of an employee of AccuStaff Incorporated or People Systems Inc. (for purposes of this Subsection 3.8.2, collectively referred to as "AccuStaff") who became an Employee of MATRIXX Marketing Inc. (for purposes of this Subsection 3.8.2 and Subsection 3.8.3 below, "MATRIXX") during 1998 and who was supporting MATRIXX immediately prior to the date on which he became an

Employee of MATRIXX, his service with AccuStaff prior to the date on which he became an Employee of MATRIXX shall be deemed to be service with an Affiliated Employer which was not a Participating Company.

3.8.3 In the case of an employee of American Transtech, Inc. or AT&T Corp. (for purposes of this Subsection 3.8.3, collectively referred to as “ATT”) who became an Employee of MATRIXX on March 1, 1998, his service with ATI prior to the date on which he became an Employee of MATRIXX shall be deemed to be service with an Affiliated Employer which was not a Participating Company.

3.8.4 Service with KSM Consulting, LLC (“KSMC”), or with its affiliate Katz, Sapper & Miller, L.L.P., that was completed prior to the acquisition by an Affiliated Employer of substantially all of the assets of KSMC (which acquisition occurred on October 1, 1998) shall be deemed to be service with an Affiliated Employer which was not a Participating Company with respect to any person who became an Employee upon or in connection with such acquisition.

3.8.5 In the case of any person who became or becomes a Covered Employee of a Participating Company on or after January 1, 2001, any service he completed prior to November 9, 1999 with IXC Communications, Inc. (the predecessor to Broadwing Communications Inc.) or any subsidiary thereof shall be deemed to be service with an Affiliated Employer which was or is not a Participating Company. For purposes of this Subsection 3.8.5, a “subsidiary” of IXC Communications, Inc. means any corporation (or other trade or business) other than IXC Communications, Inc. which was both in a chain of corporations (and/or other trades or businesses) that began with IXC Communications, Inc. and in which at least 80% of the voting interests in such corporation (or other trade or business) in such chain (other than IXC Communications, Inc.) was owned by IXC Communications, Inc. or another corporation (or other trade or business) in such chain.

3.8.6 The service credited to any person under the foregoing provisions of this Section 3.8 shall be determined by the Committee (or any other party to whom these administrative duties are delegated under procedures authorized by the Plan) based on the best records that it received or receives as to such service. Since the service credited to any person under the foregoing provisions of this Section 3.8 is deemed to be service with an Affiliated Employer which was or is not a Participating Company, such service shall be used in determining the person’s Eligibility Service and Vesting Service under this Plan but shall not be used in any manner in calculating the amount of the person’s benefits under the benefit formulas of this Plan, if any.

3.8.7 Except as is otherwise provided in the Plan, service with a corporation or other organization which became or becomes an Affiliated Employer (or substantially all of whose assets were or are acquired by an Affiliated Employer) that was or is completed prior to the date on which such corporation or other organization so became or becomes an Affiliated Employer (or prior to the date on which substantially all of the assets of such corporation or organization were or are so acquired by an Affiliated Employer) shall not be deemed to be service with an Affiliated Employer for purposes of this Plan.

ARTICLE 4

ELIGIBILITY AND PARTICIPATION

4.1 **Participation.** Any Employee who was a participant in the Plan on the date immediately preceding the Effective Amendment Date shall become a Participant in the Plan on the Effective Amendment Date. Each other Employee shall become a Participant in the Plan on the first date subsequent to the Effective Amendment Date on which he satisfies the following eligibility requirements: (a) is Covered Employee, (b) has attained age 21, and (c) has been credited with at least one year of Eligibility Service. In accordance with the Subsection 2.1.9 above (definition of Covered Employee), an Employee may become a Participant in the Plan on a date subsequent to the Effective Amendment Date only in very limited circumstances, such as in the case of an ineligible bargained-for or hourly employee who becomes a Covered Employee due to a change in position and, in accordance with Subsection 18.2.2 below, whose accrued benefit under the Cincinnati Bell Pension Plan is transferred to the Plan. Each Employee who becomes a Participant in the Plan shall continue to be a Participant so long as he remains an Employee and until he ceases to have any nonforfeitable right to a benefit under the Plan.

4.2 **Reemployment of Former Participants.** If a former Participant is reemployed on any date after December 31, 2008, he shall not again become a Participant in the Plan after he is reemployed because, in accordance with Subsection 2.1.9 above, he shall not again become a Covered Employee. If, however, his prior retirement benefit has not been made or begun in any form by the time of his reemployment and can under reasonable administrative procedures be stopped by the Committee before such payment is made or begins, he shall be considered a Participant in the Plan to the extent of his prior retirement benefit.

ARTICLE 5

CASH BALANCE ACCOUNT

5.1 Cash Balance Accounts for Participants. A bookkeeping account, known as a “Cash Balance Account” in this Plan, shall be established under the Plan with respect to each Participant. As is indicated in the provisions of Subsection 7.2.1 below, the Participant’s Accrued Benefit Final Payment Amount is based largely on the basis of the dollar amount credited to the Participant’s Cash Balance Account. A Participant’s Cash Balance Account does not represent an actual funded account under which the Participant has a specific right to assets under the Trust or an account which reflects a specific part of the Trust; instead, it represents only a bookkeeping account to which bookkeeping amounts are credited and which is generally used to help determine the amount of the Participant’s retirement benefit, if any, which exists under the Plan. The Cash Balance Account of a Participant is credited with (a) an initial cash balance amount to the extent provided in Section 5.2 below, (b) pension credit amounts to the extent provided in Section 5.3 below, (c) interest credit amounts to the extent provided in Section 5.4 below, and (d) special credit amounts to the extent provided in Section 5.5 below. No other amounts are credited to a Participant’s Cash Balance Account.

5.2 Initial Cash Balance Amount Credited to Cash Balance Account.

5.2.1 In the case of a Participant who was a Covered Employee on December 31, 1993 and who was a Participant in the Prior Pension Plan on December 30, 1993, there shall be credited to his Cash Balance Account, as of December 30, 1993, an amount equal to the amount that would make the single sum payment of such amount as of December 30, 1993 actuarially equivalent to his Accrued Benefit under the Prior Pension Plan as of December 30, 1993 (expressed as a Single Life Annuity commencing on the Participant’s 65th birthday), based upon the Participant’s attained age, in whole years and months, on December 30, 1993 and with the actuarial assumptions to be used in determining such amount being the assumptions described in Subsection 11.5.2 below.

5.2.2 In the case of a Participant who was a Participant in the Prior Pension Plan on December 30, 1993, who was not a Covered Employee on December 31, 1993, and who thereafter became a Covered Employee, there shall be credited to his Cash Balance Account, as of the first date after December 31, 1993 on which he so became a Covered Employee (for purposes of this Subsection 5.2.2, the Participant’s “rehire date”), an amount equal to the amount that would make the single sum payment of such amount as of the Participant’s rehire date actuarially equivalent to his Accrued Benefit under the Prior Pension Plan as of his rehire date (expressed as a Single Life Annuity commencing on the Participant’s 65th birthday), based upon his attained age, in whole years and months, on such date, but disregarding any amendments to the Plan adopted effective March 31, 1995 when determining such Accrued Benefit. The actuarial assumptions to be used in determining such amount shall be the assumptions described in Subsection 11.5.2 below.

5.2.3 In the case of a Participant who first became a Participant on or after December 31, 1993, there shall be credited to his Cash Balance Account, as of the date on which he first became a Participant, an amount equal to the amount which would have been credited to his Cash Balance Account on such date if the Plan did not require attainment of age 21 and completion of one year of Eligibility Service as conditions of becoming a Participant. Notwithstanding the foregoing, the provisions of this Subsection 5.2.3 do not provide for an amount to be credited to the Cash Balance Account of any Participant prior to the date on which the Participant first became a Covered Employee and met any other conditions (not related to the Plan’s minimum age and service conditions) for becoming a Participant in the Plan.

5.2.4 In the case of a Participant for whom an Accrued Benefit is transferred to the Plan from a Related Plan on or after December 31, 1993, there shall be credited to his Cash Balance Account, as of the date on which such Accrued Benefit is transferred to the Plan (for purposes of this Subsection 5.2.4, the “transfer date”), an amount equal to: (a) in the case of a transfer on or after January 1, 1997 from the Cincinnati Bell Pension Plan (as such plan existed as of January 1, 1997 or was or is subsequently amended), the amount credited to his cash balance account under that plan as of the transfer date; or (b) in the case of any other transfer from a Related Plan, the amount that would make the single sum payment of such amount as of the transfer date actuarially equivalent to such Accrued Benefit (expressed as a Single Life Annuity commencing on the Participant’s 65th birthday), based upon his attained age, in whole years and months, on such date and with the actuarial assumptions to be used in determining such amount being the assumptions described in Subsection 11.5.2 below. For purposes of the Plan, a “Related Plan” means the Cincinnati Bell Pension Plan and each Former Affiliate Plan (within the meaning of the Mandatory Portability Agreement).

5.2.5 In the case of an employee of American Transtech, Inc. or AT&T Corp. (for purposes of this Subsection 5.2.5, collectively referred to as “ATI”) who became an Employee of MATRIX Marketing Inc. (for purposes of this Subsection 5.2.5, “MATRIX”) on March 1, 1998 (for purposes of this Subsection 5.2.5, such an employee being referred to as an “ATI Employee”), the following paragraphs of this Subsection 5.2.5 shall apply.

(a) If such ATI Employee had a cash balance account under the AT&T Management Pension Plan (for purposes of this Subsection 5.2.5, the “ATTMPP”) which was not vested on February 28, 1998, his Cash Balance Account under this Plan shall be credited, on March 1, 1998, with an amount equal to the amount credited to his cash balance account under the ATTMPP immediately prior to that date. If such ATI Employee had an accrued benefit under the AT&T Pension Plan (for purposes of this Subsection 5.2.5, the “ATTPP”) which was not vested on February 28, 1998, his Cash Balance Account under this Plan shall be credited, on March 1, 1998, with an amount equal to the amount that would make the single sum payment of such amount actuarially equivalent to his accrued benefit under (and as determined pursuant to the terms of) the ATTPP immediately prior to that date and with the actuarial assumptions to be used in determining such amount being the assumptions described in Subsection 11.5.2 below. For purposes of this Subsection 5.2.5, if such ATI Employee was not a participant in the ATTMPP or the ATTPP on February 28, 1998 solely by reason of not satisfying the minimum age and/or service conditions for such plan, then, if and when he became a Participant in this Plan, he shall be deemed to have been a participant in the ATTMPP or the ATTPP, as the case may be, on February 28, 1998 and shall be treated as having the cash balance account balance under the ATTMPP or the accrued benefit under the ATTPP, as the case may be, that would have existed if neither such plan had contained minimum age and/or service conditions to becoming a participant thereunder.

(b) If such ATI Employee had completed at least 29 years of net credited service under the ATTMPP or the ATTPP as of March 1, 1998, and if such ATI Employee would not have attained age 55 prior to completing 30 years of such net credited service (assuming that his net credited service had continued uninterrupted after February 28, 1998), his Cash Balance Account under this Plan shall be credited with an additional amount, as of March 1, 1998, equal to the amount “E” determined under the formula: $E = (A - B) \times C \times D$. For purposes of such formula, “A” is equal to the monthly accrued benefit which would be payable to such ATI Employee under the ATTMPP or the ATTPP, as the case may be, on the date on which such ATI Employee would have completed 30 years of net credited service with ATI (for purposes of this paragraph (b), the “30 Year Date”) if his net credited service had continued uninterrupted after February 28, 1998 and if such benefit was paid in the form of a Single Life Annuity; “B” is equal to the monthly accrued benefit which would be payable to such ATI Employee under the ATTMPP or the ATTPP, as the case may be, on the 30 Year Date if his net credited service had continued uninterrupted after February 28, 1998, if such benefit was paid in the form of a Single Life Annuity, and if the monthly amount of such benefit were

reduced by .005 a month for each month by which the 30 Year Date would precede his 55th birthday; “C” is a fraction having a numerator equal to the factor identified in Table 1 to this Plan as applicable to a payment age that is the Participant’s attained age (in whole years and months) as of the 30 Year Date and a denominator equal to the factor identified in Table 2 to the Plan as applicable to the same payment age; and “D” is a discount factor based on this Plan’s then active employee interest crediting rate for Cash Balance Account purposes.

5.3 Pension Credit Amounts Credited to Cash Balance Account.

5.3.1 As of December 31, 1993, there shall be credited to the Cash Balance Account of each Participant who was a Covered Employee on that date an amount equal to the product obtained by multiplying the Participant’s Covered Compensation Rate times the Participant’s Applicable Percentage from the table set forth in Subsection 5.3.2 below, based upon his attained age, in completed years, as of December 31, 1993. For purposes of this Subsection 5.3.1, a Participant’s “Covered Compensation Rate” means the quotient obtained by dividing the Participant’s annualized rate of Covered Compensation as of December 31, 1993 by 261.

5.3.2 Subject to the provisions of Subsections 5.3.3 and 5.3.4 below, as of the last day of each calendar year subsequent to 1993 and prior to 2014 (or, in the case of a Participant who ceased to be an Employee during any such calendar year, as of the date on which he was last employed as an Employee), there shall be credited to the Cash Balance Account of each Participant who received Covered Compensation during the calendar year an amount equal to the product obtained by multiplying (a) the sum of (i) an amount equal to such Covered Compensation plus (ii) an amount equal to that portion of such Covered Compensation in excess of the Social Security Wage Base for such year by (b) the Participant’s Applicable Percentage for the applicable calendar year as determined from the tables set forth below in this Subsection 5.3.2, based upon his attained age, in whole years, on such December 31 (or, if he ceased to be an Employee during the year, his attained age as of the date on which he was last employed as an Employee). For purposes of this Subsection 5.3.2, the “Social Security Wage Base” means, with respect to any calendar year, the contribution and benefit base for old-age retirement benefits that was in effect for such year under section 230 of the Federal Social Security Act, as amended.

Participant's Attained Age Applicable Percentage for any calendar
year beginning before January 1, 2001

Less than 30 years	2.500%
30 but less than 35 years	2.750%
35 but less than 40 years	3.250%
40 but less than 45 years	4.000%
45 but less than 50 years	5.250%
50 but less than 55 years	6.500%
55 or more years	8.000%

Participant's Attained Age Applicable Percentage for any calendar
year beginning on or after January 1, 2001
and before January 1, 2012

Less than 30 years	3.000%
30 but less than 35 years	3.250%
35 but less than 40 years	3.750%
40 but less than 45 years	4.500%
45 but less than 50 years	5.250%
50 but less than 55 years	6.500%
55 or more years	8.000%

Participant's Attained Age Applicable Percentage for any calendar
year beginning on or after January 1, 2012

Less than 30 years	1.500%
30 but less than 35 years	1.625%
35 but less than 40 years	1.875%
40 but less than 45 years	2.250%
45 but less than 50 years	2.625%
50 but less than 55 years	3.250%
55 or more years	4.000%

5.3.3 Notwithstanding the foregoing subsections of this Section 5.3 or any other provision of this Plan: (a) for any Participant who is not a Grandfathered Participant (as defined in Subsection 5.3.4 below), in no event shall any amount be credited under this Section 5.3 to the Participant's Cash Balance Account based on any amount or portion of his Covered Compensation that is received by the Participant after March 28, 2009 (other than for Covered Compensation that is received by the Participant by April 3, 2009 and that relates to services of the Participant as a Covered Employee in the pay period that ended on March 28, 2009); and (b) for any Participant who is a Grandfathered Participant (as defined in Subsection 5.3.4 below), in no event shall any amount be credited under this Section 5.3 to the Participant's Cash Balance Account based on any amount or portion of his Covered Compensation that is received by the Participant after June 30, 2013 (other than for Covered Compensation that is received by the Participant by July 5, 2013 and that relates to services of the Participant as a Covered Employee in the pay period that ends on June 29, 2013).

5.3.4 For purposes of Subsection 5.3.3 above, a “Grandfathered Participant” means a Participant who either: (a) has attained at least age 50 by January 1, 2009; (b) was eligible for the offer of a special Plan benefit pursuant to the provisions of Section 20.3 below, received such offer, and declined such offer (by not meeting the conditions of Subsection 20.4.2(b) below); or (c) was eligible for the offer of a special Plan benefit pursuant to the provisions of Section 20.3 below, received such offer, and accepted such offer (by meeting the conditions of Subsection 20.4.2(b) below).

5.4 Interest Credit Amounts Credited to Cash Balance Account.

5.4.1 As of December 31, 1993, there shall be credited to the Cash Balance Account of each Participant who is deemed to have a Cash Balance Account balance under the Plan as of December 30, 1993 an amount equal to 0.02191% of such balance.

5.4.2 On each day subsequent to December 31, 1993 and prior to January 1, 2003, there shall be credited to the Cash Balance Account of each Participant who has a Cash Balance Account balance under the Plan on the December 31 immediately preceding such day assumed interest on such balance at an annualized rate (without compounding) of: for days occurring during calendar years 1994 through 1996, 8%; for days occurring during calendar years 1997 and 1998, 8.125%; for days occurring during calendar years 1999 through 2001, 7.75%; and for days occurring during calendar year 2002, 6.50%.

5.4.3 On each day subsequent to December 31, 2002, there shall be credited to the Cash Balance Account of each Participant who has a Cash Balance Account balance under the Plan on the December 31 immediately preceding such day assumed interest on such balance at an annualized rate (without compounding) of 4%.

5.4.4 For the calendar year in which a Participant has an amount credited to his Cash Balance Account under Section 5.2 above, on each day that occurs in such calendar year and that is subsequent to the date on which such amount is credited to his Cash Balance Account under the Plan, there also shall be credited to his Cash Balance Account the product obtained by multiplying such amount times the applicable assumed interest rate that is determined for such day under Subsection 5.4.2 above or Subsection 5.4.3 above, as the case may be.

5.4.5 Notwithstanding any of the foregoing provisions of this Section 5.4 but subject to the final sentence of this Subsection 5.4.5, (a) the assumed annualized interest rate to be applied on any day prior to January 1, 1998 under Subsection 5.4.2, 5.4.3, or 5.4.4 above, as the case may be, shall be 3.5% (instead of the assumed interest rate otherwise provided under Subsection 5.4.2, 5.4.3 or 5.4.4 above) unless the Participant is either employed as a Covered Employee on such day or is employed as an Employee (other than a leased, contingency, or job bank employee) both on such day and on December 31, 1997 and (b) the assumed annualized interest rate to be applied on any day subsequent to December 31, 1997 and prior to March 1, 2012 under Subsection 5.4.2, 5.4.3, or 5.4.4 above, as the case may be, shall be 3.5% (instead of the assumed interest rate otherwise provided under Subsection 5.4.2, 5.4.3 or 5.4.4 above) unless the Participant is employed as an Employee (other than a leased, contingency, or job bank employee) on such day. However, the assumed annualized interest rate to be applied under clause (a) of the immediately preceding sentence on any day prior to January 1, 1998, or under clause (b) of the immediately preceding sentence on any day subsequent to December 31, 1997 and prior to March 1, 2012, shall be deemed to be 4.0% for any such day on which both (a) such assumed annualized interest rate would otherwise be 3.5% under clause (a) or clause (b) of the immediately

preceding sentence on such day and (b) a waiver by the Participant to the death benefit otherwise applicable to him under Section 8.1 or 8.2 below is in effect for him pursuant to the provisions of Section 8.3 below. However, the provision of this Subsection 5.4.5 shall not apply in determining the assumed annualized interest rate to be applied on any day after February 29, 2012 under Subsection 5.4.3 or 5.4.4 above, as the case may be.

5.5 Special Cash Balance Account Credit for Broadwing Communications Employees. Each person who is an Eligible BCI Employee (as defined in Subsection 5.5.1 below) shall have an amount equal to 6.3875% of the Eligible BCI Employee's Special Credit Compensation (as defined in Subsection 5.5.2 below) credited on March 1, 2001 (or, if earlier, the later of the date on which he ceased to be an Employee or January 1, 2001) to a Cash Balance Account established for his benefit under this Plan.

5.5.1 For purposes of this Section 5.5, an "Eligible BCI Employee" means a person who was an Employee on the payroll of Broadwing Communications Inc. (for purposes of this Section 5.5, "BCI") on BCI's last business day of 2000 and who had become eligible by October 1, 2000 to participate in the Broadwing Communications Inc. 401(k) Plan (for purposes of this Section 5.5, the "BCI Plan") then maintained by BCI.

5.5.2 Also for purposes of this Section 5.5, the "Special Credit Compensation" of any Eligible BCI Employee means the sum of the base pay and commissions that were payable to the Eligible BCI Employee by BCI during 2000 (regardless of the extent to which the Eligible BCI Employee elected to reduce such base pay or commissions on a pre-tax basis through any plan of BCI); except that, if the Eligible BCI Employee first became eligible to participate in the BCI Plan after January 1, 2000, his "Special Credit Compensation" means the product obtained by multiplying (a) the sum of the base pay and sales commissions that were payable to the Eligible BCI Employee by BCI during 2000 (regardless of the extent to which the Eligible BCI Employee elected to reduce such base pay or sales commissions on a pre-tax basis through any plan of BCI) by (b) a fraction having a numerator equal to the number of calendar months included in the period that began on the day in 2000 on which the Eligible BCI Employee first became eligible to participate in the BCI Plan and that ended on December 31, 2000 and having a denominator of 12.

5.5.3 For purposes of the provisions of Subsections 5.5.1 and 5.5.2 above, under the provisions of the BCI Plan in effect during 2000, an Employee on the payroll of BCI generally became first eligible to participate in the BCI Plan as of the first day of the first calendar quarter that began after he both completed at least six months of service with BCI (and any employers affiliated to BCI under section 414(b), (c), (m), or (o) of the Code) and attained at least age 20-1/2.

5.5.4 In the event an Eligible BCI Employee is not otherwise a Participant in the Plan on the date that he has an amount credited to his Cash Balance Account under this Section 5.5, he shall be considered a Participant for all purposes of the Plan beginning on such date except that he shall not in any event be entitled to receive any credit to his Cash Balance Account pursuant to the provisions of Section 5.2 above or Section 5.3 above unless and until he qualifies as a Participant in the Plan other than solely because of the provisions of this Section 5.5.

5.6 Covered Compensation. For purposes of the Plan, a Participant's "Covered Compensation" means, with respect to any calendar year, the base pay plus differentials and commissions received by the Participant during the calendar year for services rendered as a Covered Employee, subject to the following subsections of this Section 5.6.

5.6.1 In the case of the Company and Cincinnati Bell Telephone Company, a Participant's "Covered Compensation" shall not include team awards or bonuses paid to him prior to 1997 (provided that 1993 team awards and bonuses, paid in 1994, shall be used to compute the December 30, 1993 Cash Balance

Account initial amounts) or overtime but shall include, for purposes other than computing the “transition” benefits described in Section 9.2 below, team awards and bonuses paid after 1996.

5.6.2 In the case of remuneration provided to the Participant by Cincinnati Bell Information Systems Inc., CBIS International Inc., CBIS International Services Inc., and CBIS Federal Inc., “Covered Compensation” shall not include overtime or vacation buy back but shall include, for purposes other than computing the “transition” benefits described in Section 9.2 below, team awards and bonuses, provided that 1993 team awards and bonuses (paid in 1994) shall be used only to compute the December 30, 1993 Cash Balance Account initial amounts.

5.6.3 In the case of remuneration provided to the Participant by any Participating Company other than the Company, Cincinnati Bell Telephone Company, Cincinnati Bell Information Systems Inc., CBIS International Inc., CBIS International Services Inc., or CBIS Federal Inc., “Covered Compensation” shall not include overtime but shall include, for purposes other than computing the “transition” benefits described in Section 9.2 below, team awards and bonuses.

5.6.4 For purposes of the Plan, “team awards and bonuses” refer to discretionary awards and bonuses that are considered on a recurring annual or other periodic basis in connection with the normal and integral operations of the applicable employer (but do not, for example, include awards that are made for a special performance outside the normal job of an Employee or which are considered by an applicable employer on an ad hoc or non-regular schedule).

5.6.5 A Participant’s “Covered Compensation” for any calendar year shall include amounts which would have been paid in such calendar year to the Participant (and considered as Covered Compensation for such calendar year under the foregoing provisions of this Section 5.6) if (to the extent applicable) the Participant had not entered into a cash or deferred arrangement described in section 401(k) of the Code, the Participant had not elected nontaxable benefits under a cafeteria plan described in section 125 of the Code, and/or, effective on and after January 1, 2000, the Participant had not elected nontaxable benefits under a plan that provides qualified parking within the meaning of section 132(f) of the Code. A Participant’s “Covered Compensation” for any calendar year also shall include amounts which would have been paid in such calendar year to the Participant (and considered as Covered Compensation for such calendar year under the foregoing provisions of this Section 5.6) if the Participant had not elected to participate in the Cincinnati Bell Inc. Executive Deferred Compensation Plan as amended over time (or, during the period that MATRIX Marketing Inc. was an Affiliated Employer, the MATRIX Marketing Inc. Executive Deferred Compensation Plan), provided that such amounts shall be deemed to be compensation in excess of the limitations contained in Subsection 10.3.5 below for all purposes of calculating the Participant’s benefits under the Plan.

5.6.6 A Participant’s “Covered Compensation” for any calendar year shall include any amounts that would be treated as part of his Covered Compensation for such calendar year under the foregoing provisions of this Section 5.6 but for the fact that they are received by the Participant after the end of such calendar year in the case when the Participant ceased to be a Covered Employee by the end of such calendar year and such amounts are paid to the Participant by reason of his employment as a Covered Employee in the last pay period that begins in such calendar year.

5.6.7 Notwithstanding any of the foregoing provisions of this Section 5.6, the “Covered Compensation” of a Participant which is taken into account for any calendar year under the Plan shall be subject to the provisions of Subsection 10.3.5 below.

5.7 Preservation of Capital. In no event shall the value of a Participant’s Cash Balance Account (when used to determine his interest in the Plan), be less than the sum of the amounts credited to his Cash

Balance Account under (i) Sections 5.2, 5.3, and 5.5 above and (ii) Section 5.4 above, but only to the extent, if any, that the interest credit amounts credited to the Participant's Cash Balance Account under Section 5.4 above for any day exceed the amount that would have been credited to the Cash Balance Account of the Participant for such day based on an assumed annualized interest rate of 4%.

ARTICLE 6

RETIREMENT BENEFITS AND VESTED PERCENTAGE

6.1 **Normal Retirement.** A Participant who ceases to be an Employee (other than by reason of his death) on the date he first attains his Normal Retirement Age (and prior to his Required Beginning Date) shall be entitled to a retirement benefit under the Plan (unless he dies before the commencement date of the benefit). The date as of which such benefit will commence, the form in which such benefit will be paid, and the monthly or single sum amount of such benefit shall all be determined under the provisions of Article 7 below.

6.2 **Late Retirement.** A Participant who continues to be an Employee following the date on which he first attains his Normal Retirement Age (or is still an Employee on his Required Beginning Date in the limited circumstances when such date occurs prior to the date he first attains his Normal Retirement Age) shall also be entitled to a retirement benefit under the Plan (unless he dies before the commencement date of the benefit). The date as of which such benefit will commence, the form in which such benefit will be paid, and the monthly or single sum amount of such benefit shall all be determined under the provisions of Article 7 below.

6.3 **Vested Retirement.** A Participant who ceases to be an Employee (other than by reason of his death) prior to becoming eligible for any normal or late retirement benefit under the foregoing provisions of this Article 6, but by the date he ceases to be an Employee has a Vested Percentage above 0% pursuant to the provisions of Section 6.4 below, shall also be entitled to a retirement benefit under the Plan (unless he dies before the commencement date of the benefit). The date as of which such benefit will commence, the form in which such benefit will be paid, and the monthly or single sum amount of such benefit shall all be determined under the provisions of Article 7 below.

6.4 **Vested Percentage.** For purposes of determining whether a Participant may be entitled to a retirement benefit under Section 6.3 above, and also for purposes of helping to determine (under the provisions of Articles 7 and 8 below) the amount of each payment of a retirement benefit that may be payable with respect to any Participant who becomes entitled to a retirement benefit under any of the foregoing provisions of this Article 6 (or whose spouse or estate becomes entitled to a death benefit under any of the provisions of Article 8 below), the Participant's vested percentage under this Plan must be determined. For purposes of all provisions of the Plan, as of any date (for purposes of this Section 6.4, the "subject date"), the "vested percentage" of any Participant shall be determined under the following Subsections of this Section 6.4.

6.4.1 The Participant's vested percentage shall be 100% if the subject date occurs on or after the date on which the Participant first attains his Normal Retirement Age and the Participant is an Employee on such date.

6.4.2 If (a) Subsection 6.4.1 above does not apply to the Participant, (b) the subject date occurs on or after January 1, 2008, and (c) the Participant completes at least one Hour of Service on or after January 1, 2008 (and by the subject date), then the Participant's vested percentage shall be 0% if the Participant has not completed at least three years of Vesting Service by the subject date or 100% if the Participant has completed at least three years of Vesting Service by the subject date (except that, if the Participant was a Participant in the Plan as of December 31, 2007, then, notwithstanding the foregoing, the Participant's vested percentage shall in no event be less than 20% if the Participant has completed at least one but not two years of Vesting Service by the subject date or 40% if the Participant has completed at least two but not three years of Vesting Service by the subject date).

6.4.3 If (a) neither Subsection 6.4.1 or 6.4.2 above applies to the Participant, (b) the Participant completes at least one Hour of Service by the subject date, and (c) either the subject date occurs prior to January 1, 2008 or the Participant fails to complete at least one Hour of Service on or after January 1, 2008, then the Participant's vested percentage shall be 0% if the Participant has not completed at least one year of Vesting Service by the subject date, 20% if the Participant has completed at least one but not two years of Vesting Service by the subject date, 40% if the Participant has completed at least two but not three years of Vesting Service by the subject date, 60% if the Participant has completed at least three but not four years of Vesting Service by the subject date, 80% if the Participant has completed at least four but not five years of Vesting Service by the subject date, or 100% if the Participant has completed at least five years of Vesting Service by the subject date.

6.5 Other Cessation of Employment. Except as otherwise provided in Article 8 below, if a Participant dies prior to the commencement date of any retirement benefit to which he is entitled under any of the foregoing provisions of this Article 6 or under Section 17.2 below, or if the Participant ceases to be an Employee for any reason at a time when he is not entitled to a retirement benefit under one of the foregoing provisions of this Article 6 or under Section 17.2 below, neither he nor any person claiming by or through him shall be entitled to receive a benefit under the Plan. In such case, his prior interest under this Plan (including his prior interest in his Accrued Benefit) shall be forfeited pursuant to the provisions of Section 11.7 below.

ARTICLE 7

PAYMENT OF RETIREMENT BENEFITS

7.1 Commencement Date of Retirement Benefit. If a Participant is entitled to a retirement benefit under the Plan pursuant to any of the provisions of Article 6 above, then, subject to the provisions of Section 7.5 below, he may, as a part of his filing with a Plan representative of a claim for his retirement benefit under and in accordance with the provisions of Section 7.4 below, elect the specific commencement date as of which his retirement benefit under the Plan will commence to be paid, provided that the elected commencement date meets each and every of the requirements set forth in Subsections 7.1.1 through 7.1.5 below (to the extent such requirements apply to the elected commencement date under the terms of such subsections).

7.1.1 Such commencement date must occur both: (i) no later than the Participant's Required Commencement Date; and (ii) if the date on which the Participant ceases to be an Employee occurs before the Participant's Required Commencement Date, after the date on which the Participant ceases to be an Employee.

7.1.2 Such commencement date may not occur more than 180 days after the date (for purposes of this Section 7.1, the "written explanation date") on which the latest written explanation as to the Participant's benefit form options and other benefit payment rules that is described in Subsection 7.4.4 below (for purposes of this Section 7.1, the "written explanation") is provided to the Participant.

7.1.3 Such commencement date may not occur before 30 days have expired after the written explanation date unless all of the following conditions are met:

(a) the written explanation clearly indicates that the Participant has a right to at least 30 days to consider the form in which his retirement benefit will be paid and elect a permitted form of benefit;

(b) the Participant affirmatively elects the form in which he wants his retirement benefit to be paid prior to the expiration of the 30-day period beginning on the date that immediately follows the written explanation date;

(c) the Participant is permitted to amend or revoke an affirmative election he makes for payment of his retirement benefit in any form at least until the later of the date as of which the Participant's retirement benefit under the Plan will commence based on such election or the expiration of the seven-day period that begins on the date that immediately follows the written explanation date; and

(d) the actual distribution of the retirement benefit in accordance with the Participant's affirmative election does not begin before the expiration of the seven-day period that begins on the date that immediately follows the written explanation date.

7.1.4 Such commencement date may occur prior to the date on which the Participant makes a claim for his retirement benefit only if (a) the actual payment of the Participant's retirement benefit begins to be paid within 180 days after the written explanation date or (b) the actual payment of the Participant's retirement benefit begins to be paid after the end of such 180-day period solely due to administrative reasons.

7.1.5 Such commencement date may occur prior to the written explanation date (in which case such commencement date shall be considered a “retroactive commencement date” under this Subsection 7.1.5) only if all of the following conditions are met:

(a) such commencement date does not occur before the date that is twelve months before the date on which the Participant’s retirement benefit actually begins to be paid;

(b) the Participant affirmatively elects the commencement date of his retirement benefit and the form in which he wants his retirement benefit to be paid no later than 180 days after the date on which the earliest written explanation as to the Participant’s benefit form options and other benefit payment rules that is described in Subsection 7.4.4 below is provided to the Participant;

(c) the Participant’s retirement benefit is paid in the form of an annuity and not in the form of a single sum cash payment pursuant to the Participant’s election of the benefit form for his retirement benefit (and the other provisions of this Plan);

(d) the Participant’s spouse as of the date the retirement benefit actually begins to be paid (if any) is treated as the Participant’s spouse as of the retroactive commencement date for all purposes of the rules of Article 7 of the Plan (and, if the Participant actually had a different spouse as of his retroactive commencement date, such former spouse is not treated for such purposes as the Participant’s spouse as of such date except to the extent otherwise required by a qualified domestic relations order as defined in section 206(d)(3) of ERISA and section 414(p) of the Code);

(e) the Participant’s spouse as of the date the benefit actually begins to be paid (if any) consents to the form of the retirement benefit and the retroactive commencement date (even if the form is a Qualified Joint and Survivor Annuity when the spouse’s consent would not be required but for the retroactive commencement date applying) in a manner that would satisfy the requirements of Subsection 7.4.2 below;

(f) the Participant receives a make-up payment to reflect any missed payments from the retroactive commencement date to the date of the actual make-up payment, with an appropriate adjustment for interest from the dates the missed payments would have been made to the date of the actual make-up payment, which interest adjustment will be based on the annual interest rate on 30-year Treasury securities for the fifth calendar month which precedes the first calendar month included in the Plan Year in which the date of the actual make-up payment occurs (as such interest rate is specified for purposes of Code section 417(e)(3) by the Secretary of the Treasury or his delegate in revenue rulings, notices, or other guidance);

(g) the actual payment of the Participant’s retirement benefit begins to be paid within 180 days after the written explanation date or the actual payment of the Participant’s retirement benefit begins to be paid after the end of such 180-day period solely due to administrative reasons; and

(h) the date of the first actual payment of the retirement benefit is substituted for the retroactive commencement date for purposes of Subsections 7.1.1 through 7.1.4 above.

If the Participant makes a claim for his retirement benefit under the Plan but fails to elect the specific commencement date of such benefit, then such commencement date shall be set by the Committee (i) to be relatively close to the date on which the Participant files such claim (but not in any event later than the

Participant's Required Commencement Date), (ii) to meet all of the requirements of Subsections 7.1.1 through 7.1.4 above, and (iii) to occur in any event after the written explanation date.

7.2 Normal Form of Benefit.

7.2.1 Subject to the other terms of the Plan, if a Participant is not married as of the date a retirement benefit under the Plan commences to be paid to him, such retirement benefit shall be paid in the form of a Single Life Annuity. The monthly amount of such annuity shall be referred to in the other provisions of the Plan as the Participant's "Accrued Benefit Final Payment Amount" and shall be equal to the result obtained:

(a) first, by multiplying the Participant's Accrued Benefit determined as of the commencement date of such retirement benefit by the Participant's vested percentage determined as of such commencement date;

(b) second, in the event (and only in the event) such commencement date occurs before the Participant's 65th birthday, by multiplying the amount determined under paragraph (a) immediately above by the factor identified in Table 2 to this Plan as applicable to a payment age that is the Participant's attained age (in whole years and months) as of such commencement date. The calculation called for under this paragraph (b) reduces the Participant's vested Accrued Benefit amount determined under paragraph (a) above by an actuarial factor to reflect the early (pre-age 65) commencement of the Participant's actual retirement benefit to be paid under the Plan; and

(c) third and last, in the event (and only in the event) such commencement date occurs after the Participant's Normal Retirement Date (for purposes of this paragraph (c), his "post-NRD commencement date"), by increasing the amount determined under paragraph (a) above by the amount, if any, that is needed so that the Participant's retirement benefit when paid in the form of a Single Life Annuity that begins to be paid as of his post-NRD commencement date is at least actuarially equivalent (using the actuarial assumptions referred to in the immediately following sentence) to the Participant's retirement benefit that would have applied if it had been paid in the form of a Single Life Annuity that commenced as of the later of the Participant's Normal Retirement Date or the first day of the Plan Year in which his post-NRD commencement date falls and if his retirement benefit as of his Normal Retirement Date or the first day of each Plan Year beginning after his Normal Retirement Date and on or before his post-NRD commencement date had been deemed to be the amount that would have been determined under paragraph (a) above and this paragraph (c) had the Participant permanently ceased to be a Covered Employee no later than such date or day. The actuarial assumptions referred to in the immediately preceding sentence shall be the applicable interest rate and, for purposes of post-commencement mortality, the applicable mortality assumption that apply under Section 11.5 below as of the Participant's post-NRD commencement date.

7.2.2 Subject to the other terms of the Plan, if a Participant is married as of the date a retirement benefit under the Plan commences to be paid to him, such retirement benefit shall be paid in the form of a Qualified Joint and Survivor Annuity. The following paragraphs of this Subsection 7.2.2 shall determine the monthly amount of such annuity while the Participant is living.

(a) If the commencement date of the Participant's retirement benefit occurs on or after January 1, 2008 (in which case the Qualified Joint and Survivor Annuity may be a 50%, 75%, or 100% Qualified Joint and Survivor Annuity), then, subject to the provisions of subparagraphs (i) and (ii) below, the monthly amount of the Qualified Joint and Survivor Annuity that is payable to the Participant during the joint lives of the Participant and the person who is his spouse on the date as of which the annuity commences to be

paid to the Participant shall be equal to the monthly amount that makes such annuity actuarially equivalent (using the actuarial assumptions referred to in the immediately following sentence) to the Participant's retirement benefit if it was paid in the form of a Single Life Annuity that commences as of the same commencement date as applies to such Qualified Joint and Survivor Annuity. The actuarial assumptions referred to in the immediately preceding sentence shall be: (1) an interest rate assumption of 6% per annum; and (2) the mortality rates specified in the 2008 Applicable Mortality Table as published by the Internal Revenue Service in the appendix to Revenue Ruling 2007-67.

(i) Notwithstanding the foregoing provisions of this paragraph (a) and pursuant to the provisions of the first sentence of Subsection 11.5.5 below, if the commencement date of the Participant's retirement benefit occurs on or after January 1, 2008, if the Participant had been a Participant in the Plan prior to January 1, 2008, and if the Participant's retirement benefit is paid in the form of a 50% Qualified Joint and Survivor Annuity, then the monthly amount of such 50% Qualified Joint and Survivor Annuity (that is payable to the Participant during the joint lives of the Participant and the person who is his spouse on the date as of which the annuity commences to be paid to the Participant) shall not in any event be less than the monthly amount that would be determined for such 50% Qualified Joint and Survivor Annuity had: (A) the Participant permanently ceased to be an Employee no later than as of December 31, 2007 (and thus as if no service or compensation of the Participant were completed or received by him after such date); and (B) instead of and in substitution for the Plan's actuarial assumptions or factors referred to in the second sentence of this paragraph (a), the actuarial assumptions or factors used in the Plan with respect to the determination of the monthly amount of such benefit been the Plan's actuarial assumptions or factors which were in effect as of December 31, 2007 (and which actuarial assumptions and factors are noted in paragraph (b) below).

(ii) Also notwithstanding the foregoing provisions of this paragraph (a), if the commencement date of the Participant's retirement benefit occurs on or after January 1, 2008, if the Participant had been a Participant in the Plan prior to January 1, 2008, and if the Participant's retirement benefit is paid in the form of a 75% Qualified Joint and Survivor Annuity or a 100% Qualified Joint and Survivor Annuity, then the monthly amount of such 75% Qualified Joint and Survivor Annuity or 100% Qualified Joint and Survivor Annuity (that is payable to the Participant during the joint lives of the Participant and the person who is his spouse on the date as of which the annuity commences to be paid to the Participant) shall not in any event be less than the monthly amount that makes such annuity actuarially equivalent (using the actuarial assumptions referred to in the second sentence of this paragraph (a)) to the Participant's retirement benefit if it was paid in the form of a 50% Qualified Joint and Survivor Annuity that commences as of the same commencement date as applies to such 75% Qualified Joint and Survivor Annuity or 100% Qualified Joint and Survivor Annuity.

(b) If the commencement date of the Participant's retirement benefit occurred prior to January 1, 2008 (in which case the Qualified Joint and Survivor Annuity is a 50% Qualified Joint and Survivor Annuity, since that was the only type of Qualified Joint and Survivor Annuity then permitted under the Plan), then the monthly amount of the Qualified Joint and Survivor Annuity that is payable to the Participant during the joint lives of the Participant and the person who was his spouse on the date as of which the annuity commenced to be paid to the Participant shall be equal to a percentage of the monthly amount that would otherwise have applied to the retirement benefit if it was paid in the form of a Single Life Annuity that commenced as of the same commencement date as applied to such Qualified Joint and Survivor Annuity. Such percentage shall be based upon the Participant's attained age on the commencement date of his retirement benefit and in accordance with the following rules: (i) less than 30 years of age, 97%; (ii) at least 30 but less than 40 years of age, 95%; (iii) at least 40 but less than 50 years of age, 92%; and (iv) at least 50 years of age, 90%. Such "97%," "95%," "92%," or "90%" factor, as the case may be, shall for all purposes of the Plan (including the provisions of Section 11.5 below) be considered an actuarial assumption that is used to make the Participant's retirement benefit when payable in the form of a 50% Qualified Joint and Survivor Annuity that commenced as of any date prior to

January 1, 2008 actuarially equivalent to such retirement benefit when payable in the form of a Single Life Annuity that commenced as of the same pre-January 1, 2008 date.

(c) Further, if the person who is the Participant's spouse on the date as of which the Qualified Joint and Survivor Annuity commences to be paid to the Participant (for purposes of this paragraph (c), the Participant's "spouse") predeceases the Participant, the monthly amount of the Qualified Joint and Survivor Annuity that is payable to the Participant after the death of his spouse shall be equal to the same monthly amount that would otherwise have applied to the Participant's retirement benefit if it had been paid in the form of a Single Life Annuity beginning as of the same commencement date as applies to such Qualified Joint and Survivor Annuity.

7.3 Optional Forms of Benefit. A Participant entitled to any retirement benefit under the Plan may elect to receive such benefit, in lieu of the normal form of benefit otherwise payable under Section 7.2 above and provided all of the election provisions of Section 7.4 below are met, in either of the following forms: (a) a Single Life Annuity (which is an optional form only for a Participant who is married as of the date as of which his retirement benefit commences); or (b) a single sum cash payment.

7.3.1 If the Participant elects to receive such retirement benefit in the optional form of a Single Life Annuity, then the monthly amount of such annuity shall be equal to the Participant's Accrued Benefit Final Payment Amount determined as of the commencement date of such retirement benefit.

7.3.2 If the Participant elects to receive such retirement benefit in the optional form of a single sum payment, then the single sum amount of such optional form shall be equal to the greater of:

(a) the amount that would make the optional single sum payment form actuarially equivalent to the Participant's retirement benefit if such benefit were paid in a Single Life Annuity form which commences as of the later of the Participant's Normal Retirement Date or the same date as of which the optional single sum form is paid and which has a monthly amount equal to the product produced by multiplying (i) the Participant's Accrued Benefit determined as of the date as of which the optional single sum form is paid by (ii) the Participant's vested percentage determined as of the same date, with the actuarial assumptions to be used in determining such amount being the applicable interest rate and applicable mortality assumption that apply under Section 11.5 below as of the date as of which the optional single sum form is paid; or

(b) the amount produced by multiplying (i) the amount credited to the Participant's Cash Balance Account as of the date as of which the optional single sum form is paid by (ii) the Participant's vested percentage determined as of the same date.

7.4 Claim for Benefit.

7.4.1 A Participant entitled to a retirement benefit under the Plan may, in a writing filed with a Plan representative (on a form prepared or accepted by the Committee), file a claim that such benefit commence and elect to receive his retirement benefit in the normal form that otherwise applies to him under Section 7.2 above or to waive such normal form and instead to have such benefit paid in any optional form permitted him under Section 7.3 above, provided that such claim and election is made: (a) after the date (for purposes of this Section 7.4, the "written explanation date") on which the latest written explanation as to the Participant's benefit form options and other benefit payment rules and that is described in Subsection 7.4.4 below (for purposes of this Section 7.4, the "written explanation") is provided to the Participant; (b) no more than 180 days before the date that becomes the commencement date of his retirement benefit under Section 7.1 above; and (c) no later than the date that becomes the commencement date of his retirement benefit under Section 7.1 above (except

that his claim for a benefit may be made after the date that becomes the commencement date of his retirement benefit under Section 7.1 above if the provisions of Subsection 7.1.4 above are met).

7.4.2 Notwithstanding the provisions of Subsection 7.4.1 above but subject to the last sentence of this Subsection 7.4.2 and to the provisions of Subsection 7.1.5 above, if a Participant is married on the date as of which his retirement benefit commences, his election of any optional form permitted him under Section 7.3 above is not effective unless the person who is the spouse of the Participant as of the commencement date of the retirement benefit consents, in a writing filed with a Plan representative (on a form prepared or accepted by the Committee), to such election of the named optional form within the same period in which the Participant has to make his election, with the spouse's consent acknowledging the effect of such consent and being witnessed by a notary public or a Plan representative. Any such spouse's consent shall be irrevocable once received by a Plan representative. However, any consent of the Participant's spouse otherwise required under this Subsection 7.4.2 shall not be required if it is established to the satisfaction of a Plan representative that the consent cannot be obtained because no spouse exists, because the spouse cannot reasonably be located, or because of such other circumstances as the Secretary of the Treasury or his delegate allows in regulations.

7.4.3 If a Participant elects a form of payment different than his normal form under Section 7.2 above, he may amend or revoke that election by a written notice filed with a Plan representative (on a form prepared or accepted by the Committee) before the commencement date of his retirement benefit under the Plan (or, if the Participant elects a commencement date for such benefit that is before, or in any event less than 30 days after, the date on which the written explanation is provided to the Participant, he may amend or revoke his election of a form of payment different than his normal form under Section 7.2 above until the later of the commencement date of his retirement benefit as based on his election or the expiration of the seven-day period that begins on the date that immediately follows the written explanation date); provided that if the Participant desires to elect another form of payment different than the normal form applicable to him, the conditions of Subsections 7.4.1 and 7.4.2 above must be satisfied as if that amendment were a new election.

7.4.4 The Committee shall provide each Participant who is entitled to a retirement benefit under the Plan a written explanation of:

- (a) a description of each available form of benefit in which the Participant's retirement benefit can be paid;
- (b) a description of the eligibility conditions and any other material features of each such form of benefit; and
- (c) any other items that are required to be contained in the written explanation by Treasury regulations and/or Internal Revenue Service notices or other guidance, including, when and to the extent required by such Treasury regulations or other guidance and to the extent applicable to the Participant's benefit, a description of the financial effect of electing any available form of benefit, the relative value of each optional form of benefit compared to the normal form in which the Participant's benefit will be paid in

the absence of the Participant electing out of such form (or, to the extent permitted by such Treasury regulations or other guidance, compared to a different form of benefit), and the right of the Participant to defer receipt of the Participant's benefit and of the consequences of failing to defer such receipt.

7.4.5 The Committee or a Plan representative shall provide the written explanation to a Participant at any time deemed appropriate by the Committee and in any event within a reasonable administrative period after the Participant notifies the Committee that he desires to commence payment of his benefit (if he is then eligible, or if it is anticipated that he will soon be eligible, to commence such benefit) and/or within a reasonable administrative period prior to the latest date that such benefit must commence under the other provisions of the Plan. The written explanation shall be deemed to have been provided the Participant for purposes of the other provisions of the Plan on the date it either is personally delivered to the Participant, is addressed to the Participant and deposited in the mail (first class or certified mail, postage prepaid) by the Committee or a Plan representative, or is provided in such other manner as is permitted by Treasury regulations.

7.5 Automatic Single Sum Payment. The provisions of this Section 7.5 will apply to any retirement benefit of a Participant notwithstanding any other provision of the Plan to the contrary.

7.5.1 If any retirement benefit payable under the Plan to a Participant has a present value of \$1,000 or less as of such benefit's distribution date, then such retirement benefit will be converted to and paid as a single sum cash payment as of such benefit's distribution date (with the amount of such payment equal to the present value of such benefit as of such date) instead of being paid in any other form or as of any other date.

7.5.2 For purposes of this Section 7.5, the "distribution date" of any Participant's retirement benefit under the Plan means the date as of which the single sum payment amount of such benefit is determined by a Plan representative under the Plan's administrative processes, which date (a) shall occur on or after the date on which the Participant ceases to be an Employee and no more than 90 days before the first date on which the Plan representative is in a position administratively to have the Plan actually distribute such benefit to the Participant (e.g., after calculating the single sum payment amount of such benefit, confirming the Participant's ceasing of Employee status, and meeting all requirements set forth in the other provisions of the Plan as to providing the Participant the opportunity to elect a direct rollover of such benefit to the extent a direct rollover of such benefit is permitted under the Code) and (b) shall in no event occur later than the Participant's Required Commencement Date.

7.5.3 For purposes of this Section 7.5, the present value as of any date (for purposes of this Subsection 7.5.3, the "subject date") of a Participant's retirement benefit shall be equal to the greater of:

(a) the amount that would make the single sum payment of such amount as of the subject date actuarially equivalent to the Participant's retirement benefit if such benefit were paid in a Single Life Annuity form which commences as of the later of the Participant's Normal Retirement Date or the subject date and which has a monthly amount equal to the product produced by multiplying (i) the Participant's Accrued Benefit determined as of the subject date by (ii) the Participant's vested percentage determined as of the same date, with the actuarial assumptions to be used in determining such amount being the applicable interest rate and applicable mortality assumption that apply under Section 11.5 below as of the date as of which the optional single sum form is paid; or

(b) the amount produced by multiplying (i) the amount credited to the Participant's Cash Balance Account as of the subject date by (ii) the Participant's vested percentage determined as of the same date.

7.6 Reemployment of Participant Prior to Required Beginning Date. Except as provided in Subsection 7.6.4 below, if a Participant ceases to be an Employee, thereby becomes entitled to the distribution of a retirement benefit under the Plan that is attributable to his service prior to such termination of employment (for purposes of this Section 7.6, the Participant's "prior retirement benefit"), and later resumes employment as an Employee, then Subsections 7.6.1 through 7.6.3 below shall apply to such situation.

7.6.1 If payment of the Participant's prior retirement benefit has not been made or begun in any form by the time of the Participant's reemployment and can under reasonable administrative procedures be stopped by the Committee before such payment is made or begins, no payment of his prior retirement benefit shall be made and neither he nor anyone claiming by or through him shall be entitled to receive any Plan benefit solely by reason of his earlier ceasing to be an Employee.

7.6.2 If payment of the Participant's prior retirement benefit has been made or begun in any form by the time of the Participant's reemployment or cannot in any event be stopped from being made or beginning by the Committee, then: (a) if the Participant's prior retirement benefit was being paid in the form of an annuity and the Participant's earlier ceasing to be an Employee occurred prior to December 31, 1993, the annuity payments of such benefit shall be suspended during any period after his reemployment when he is a Covered Employee; but (b) the payment of his prior retirement benefit shall not be suspended or changed in any manner or at any time in any other case.

7.6.3 The Participant shall be entitled to a new retirement benefit (for purposes of this Subsection 7.6.3, the Participant's "new retirement benefit") after the earlier of the first date after his reemployment on which the Participant next ceases to be an Employee or his Required Beginning Date. The form and commencement date of the Participant's new retirement benefit shall be determined under the provisions of the foregoing sections of this Article 7 without regard to whether his prior retirement benefit had ever actually been paid or started being paid before the commencement date of his new retirement benefit; except that the monthly or single sum amount of the Participant's new retirement benefit, when it is paid or begins to be paid, shall be determined to be the amount that would apply to the Participant's retirement benefit under the Plan if his prior retirement benefit never had been paid or begun to be paid before the commencement date of his new retirement benefit and if he had never elected under the provisions of Section 8.3 below to waive the death benefit otherwise applicable to him under Section 8.1 or 8.2 below (with such amount being referred to as the "initially determined amount" in this Subsection 7.6.3), subject to the adjustments set forth in the following paragraphs of this Subsection 7.6.3.

(a) If the payment of the Participant's prior retirement benefit was paid in the form of a single sum payment or was paid in the form of an annuity that was suspended pursuant to the provisions of clause (a) of Subsection 7.6.2 above, then the initially determined amount shall be reduced by the sum of each payment actually made to the Participant of his prior retirement benefit before the commencement date of the Participant's new retirement benefit, together with interest on such payment. When the commencement date of the Participant's new retirement benefit occurs prior to October 1, 2003, such interest shall be determined (without compounding) from the original date as of which such payment was made to the date the Participant is reemployed as an Employee at the rate or rates of interest determined for purposes of section 411(c)(2)(C) of the Code for such initial period and from such reemployment date to the commencement date of the Participant's new retirement benefit at the rate or rates that would have been used under Section 5.4 above for determining interest credit amounts to a Cash Balance Account of the Participant if the Participant had had a Cash Balance Account throughout such latter period. When the commencement date of the Participant's new retirement benefit occurs on or after October 1, 2003, such interest shall be determined (without compounding) from the original date as of which such payment was made to the commencement

date of the Participant's new retirement benefit at the rate or rates that would have been used under Section 5.4 above for determining interest credit amounts to a Cash Balance Account of the Participant if the Participant had had a Cash Balance Account throughout such period.

(b) If the Participant's prior retirement benefit was paid in the form of an annuity that was not suspended upon the Participant's reemployment as an Employee by reason of the provisions of clause (b) of Subsection 7.6.2 above, then the initially determined amount shall be reduced by an amount equal to the monthly or single sum amount that would apply to the Participant's new retirement benefit if he had performed no services and received no Covered Compensation as a Covered Employee after his reemployment (and if such new retirement benefit commenced as of the commencement date that applies to such new retirement benefit without regard to this paragraph (b)).

(c) Notwithstanding the provisions of paragraph (a) above, no reduction shall be made in the initially determined amount by reason of the provisions of paragraph (a) above if (i) the Participant had received his prior retirement benefit in the form of a single sum payment prior to both the commencement date of the Participant's new retirement benefit and January 1, 2003, (ii) the Participant is a Covered Employee after his reemployment, and (iii) the Participant repays, before the earlier of (A) five years after the first date on which he is reemployed as a Covered Employee or (B) the date he incurs five consecutive Breaks in Service following the original date as of which the single sum payment of his prior retirement benefit was made, the full amount of such single sum payment plus interest thereon. When such repayment is made prior to October 1, 2003, such interest shall be determined (without compounding) from the original date as of which such payment was made to the date the Participant is reemployed as an Employee at the rate or rates of interest determined for purposes of section 411(c)(2)(C) of the Code for such initial period and from such reemployment date to the repayment date of such payment at the rate or rates that would have been used under Section 5.4 above for determining interest credit amounts to a Cash Balance Account of the Participant if the Participant had had a Cash Balance Account throughout such latter period. When such repayment is made on or after October 1, 2003, such interest shall be determined (without compounding) from the original date as of which such payment was made to the repayment date of such payment at the rate or rates that would have been used under Section 5.4 above for determining interest credit amounts to a Cash Balance Account of the Participant if the Participant had had a Cash Balance Account throughout such period.

7.6.4 If a former Participant (a) is or was reemployed after December 31, 2008 (and, therefore, in accordance with Subsection 2.1.9 above never becomes a Covered Employee on or after his reemployment date) and (b) his prior retirement has been made or begun in any form by the time of the his reemployment (and in accordance with Subsection 7.6.2 above, is not suspended or changed in any manner or at any time merely by reason of such reemployment), then, because he will have accrued no benefit under the Plan on or after his reemployment date, neither the Participant nor any person claiming by or through him shall be entitled to receive any additional or adjusted benefit when he later ceases to be an Employee (or reaches his Required Beginning Date).

7.6.5 For purposes of this Section 7.6 and Section 7.8 below, if, under the terms of Subsection 21.1.1 below, a Participant's prior retirement benefit has been bifurcated into a restricted portion and an unrestricted portion and the Participant elected to commence payment of the unrestricted portion and delay payment of the restricted portion, the provisions of this Section 7.6 and Section 7.8 below shall be applied separately to the restricted portion and unrestricted portion of the Participant's prior retirement benefit.

7.7 Employment After Age 65.

7.7.1 Notwithstanding any other provision hereof to the contrary, if a Participant who has attained age 65 remains an Employee but completes less than 40 Hours of Service in any calendar month that begins after he has attained age 65 (and prior to his Required Beginning Date) and in which he is employed as an Employee, he shall be entitled to elect under this Subsection 7.7.1 to commence, as of the first day of any calendar month beginning after such less-than-40 Hour of Service month, the payment of the retirement benefit (if any) he has then accrued and become vested in under the Plan, with such election to be made in accordance with (and subject to) the other provisions of this Plan in the same manner as such provisions would be applied if the Participant had ceased to be an Employee at the end of such less-than-40 Hour of Service month. However, such retirement benefit shall, if it is being paid in the form of an annuity, cease to be paid beginning with the first calendar month subsequent to such less-than-40 Hour of Service month in which the Participant completes 40 or more Hours of Service, unless either the Participant's Required Beginning Date occurs in such subsequent month or both the Participant has by the end of such subsequent month reached his Normal Retirement Age and he elects in a writing filed with the Committee that such benefit shall continue to be paid without interruption (which election to continue the payment of his retirement benefit shall be irrevocable).

7.7.2 In the event a Participant's retirement benefit under the Plan is paid or begins to be paid by reason of the provisions of Subsection 7.7.1 above, then the provisions of Section 7.6 above and Section 7.8 below shall both be applied in the same manner as if the Participant had ceased to be an Employee, but had then been reemployed as an Employee immediately thereafter, at the end of the latest calendar month which precedes the calendar month in which the Participant's retirement benefit under the Plan commences pursuant to the provisions of Subsection 7.7.1 above.

7.8 Requirements of Code Section 401(a)(9) and Additional Accruals After Required Beginning Date.

7.8.1 Notwithstanding any other provisions of the Plan to the contrary, the requirements of section 401(a)(9) of the Code (as modified to the extent provided in Subsection 2.1.22 above) shall apply to the Plan, and such Code section is hereby incorporated into the Plan. Such Code section (as modified to the extent provided in Subsection 2.1.22 above) requires, among other things, that any Participant's retirement benefit under the Plan must begin to be paid no later than the Participant's Required Beginning Date. The Plan shall apply the requirements of section 401(a)(9) of the Code to any distribution made under the Plan in accordance with any final regulations issued under Code section 401(a)(9) that by their terms apply to such distribution. In this regard, the Plan shall apply the requirements of section 401(a)(9) of the Code, including the incidental benefit requirements of Code section 401(a)(9)(G), in accordance with the requirements of Treasury Regulations section 1.401(a)(9)-2 through 1.409(a)(9)-9.

7.8.2 Subject to the other provisions of this Section 7.8 and the provisions of Subsection 7.6.5 above, if a Participant continues to be employed or is reemployed as an Employee after his Required Beginning Date, any prior distribution of the Participant's retirement benefit under the Plan shall not be suspended (or adjusted in amount or form) merely by reason of such continued employment or reemployment except to the extent provided in this Subsection 7.8.2.

(a) If the Participant has not accrued any benefit under the Plan after the prior payment of his retirement benefit was made (in a single sum payment) or begun (in an annuity form), then

the payment of his retirement benefit shall not be suspended or adjusted (in amount or form) in any manner or at any time merely by reason of such continued employment or reemployment and neither the Participant nor any person claiming by or through him shall be entitled to receive any additional or adjusted benefit when he later ceases to be an Employee.

(b) If the Participant accrued a benefit under the Plan after the prior payment of his retirement benefit was made (in a single sum payment) or begun (in an annuity form), then the payment of his retirement benefit shall not be suspended or adjusted (in amount or form) merely by reason of such continued employment or reemployment until the Participant next ceases to be an Employee. In such a case, upon the first date after the Participant's Required Beginning Date on which the Participant ceases to be an Employee, his latest retirement benefit under the Plan that began being paid prior to his Required Beginning Date shall be redetermined.

(i) Any such redetermined retirement benefit shall be paid in the same form as the form in which his latest retirement benefit under the Plan was made to the Participant prior to the applicable redetermination date if such form of prior Plan benefit payments was an annuity form, and any such redetermined retirement benefit shall commence as of the first date after the Participant ceases to be an Employee (following his Required Beginning Date). If the form of his latest retirement benefit under the Plan was not an annuity form, then the form and commencement date of such redetermined retirement benefit shall be determined under the provisions of the foregoing sections of this Article 7 as if no Plan benefit payments prior to the applicable redetermination date had occurred.

(ii) The monthly or single sum amount of his redetermined retirement benefit, when it is paid or begins to be paid as of such redetermination date, shall be the amount that would apply to the Participant's retirement benefit under the Plan if such retirement benefit never had been paid or begun to be paid before the redetermination date but was reduced by the sum of each payment made of such retirement benefit, together with interest on such payment, compounded annually, from the original date as of which such payment was made to such redetermination date at the rate or rates used for determining interest credit amounts to Cash Balance Accounts for Employees under Section 5.4 above for such period (or, for any portion of such period in which the Participant is not an Employee, at the rate or rates determined under section 411(c)(2)(C) of the Code for such portion); except that, if the form of the Participant's latest retirement benefit under the Plan as of such redetermination date had been an annuity form, the monthly amount of the Participant's redetermined retirement benefit as of such redetermination date shall not be less than the monthly amount of such annuity as in effect immediately prior to such redetermination date.

ARTICLE 8

DEATH BENEFITS

8.1 Unmarried Participants. If an unmarried Vested Participant dies while an Employee or after ceasing to be an Employee but prior to his benefit commencement date, then, unless waived under the provisions of Section 8.3 below, a death benefit shall be paid to his estate. Such death benefit shall be paid in the form of a single sum cash payment that is made as of such benefit's distribution date.

(a) The amount of such single sum payment shall be equal to the product produced by multiplying the amount credited to the Participant's Cash Balance Account on such date by the Participant's vested percentage determined as of the date of his death.

(b) For purposes of this Section 8.1, the "distribution date" of an unmarried Vested Participant's estate's death benefit under the Plan means: (i) when the Participant's death occurs prior to March 28, 2005, the first date after the Participant's death that the Plan is administratively able to determine the amount of such benefit in preparation for its distribution; or (ii) when the Participant's death occurs on or after March 28, 2005, on a date chosen by the Committee that occurs after the Participant's death and no more than 90 days before the first date after such death on which the Plan is in a position administratively to actually distribute such benefit to the estate (e.g., after calculating the single sum payment amount of such benefit and confirming the Participant's death).

8.2 Married Participants. If a married Vested Participant dies while an Employee or after ceasing to be an Employee but prior to his benefit commencement date, then, unless waived under the provisions of Section 8.3 below and subject to the following provisions of this Section 8.2, the Participant's surviving spouse shall be entitled to a death benefit that is described in and payable under the following subsections of this Section 8.2.

8.2.1 The Participant's surviving spouse may, after the Participant's death and in accordance with reasonable administrative procedures adopted by the Committee, elect to receive such death benefit in the form of a single sum cash payment that is paid: (1) when the Participant's death occurs prior to March 28, 2005, as of the first date after such spouse's election on which the Plan is administratively able to determine the amount of such benefit in preparation for its distribution; or (2) when the Participant's death occurs on or after March 28, 2005, as of a date chosen by the Committee under its administrative processes that occurs after such spouse's election and no more than 90 days before the first date after such death on which the Plan is in a position administratively to distribute such benefit to the surviving spouse (e.g., after calculating the single sum payment amount of such benefit, confirming the Participant's death, and meeting all requirements set forth in the other provisions of the Plan as to providing the spouse an opportunity to elect a direct rollover of such benefit in the event a direct rollover of such benefit is permitted under the Code). The amount of such single sum payment shall be equal to the product produced by multiplying (1) the amount credited to the Participant's Cash Balance Account as of such date by (2) the Participant's vested percentage determined as of the date of his death.

(a) It is provided, however, that if the Participant's surviving spouse fails to elect in writing to have such death benefit paid in one single sum under the foregoing provisions of this Subsection 8.2.1, such death benefit shall be paid to the Participant's spouse in the form of a monthly annuity that is payable for the life of the Participant's spouse and that commences as of the later of the date which would be the Participant's Normal Retirement Date if he had not died or the

first date following the Participant's death on which the Plan is administratively able to determine the amount of such benefit in preparation for its distribution. Notwithstanding the foregoing, if the Participant dies before his Normal Retirement Date, the Participant's surviving spouse may elect, after the Participant's death and prior to the date which would have been the Participant's Normal Retirement Date if he had not died and in accordance with reasonable administrative procedures adopted by the Committee, to commence such monthly annuity prior to the date which would have been the Participant's Normal Retirement Date if he had not died. If such election is made, such annuity shall commence as of a date (set by the Committee) that is within a reasonable administrative period after such spouse's election and prior to the date which would have been the Participant's Normal Retirement Date if he had not died.

(b) The monthly amount of any annuity described in paragraph (a) above shall be the amount that makes such annuity actuarially equivalent to such death benefit if such benefit had been paid in the form of a single sum payment that is made as of the date as of which the annuity commences to be paid and that has an amount equal to the product produced by multiplying (i) the amount credited to the Participant's Cash Balance Account as of the date as of which the annuity commences to be paid by (ii) the Participant's vested percentage determined as of the date of his death. The actuarial assumptions to be used in determining such monthly amount shall be the applicable interest rate and applicable mortality assumption that apply under Section 11.5 below as of the commencement date of such annuity.

8.2.2 Notwithstanding the provisions of Subsection 8.2.1 above, if (1) the death benefit payable under this Section 8.2 to the surviving spouse of a Vested Participant has a present value of \$5,000 or less as of such benefit's distribution date and (2) such benefit has not begun to be paid to the Participant's surviving Spouse prior to such benefit's distribution date, then such death benefit shall be converted to and paid as a single sum cash payment as of such benefit's distribution date (with the amount of such payment equal to the present value of such benefit as of such date).

(a) For purposes of this Subsection 8.2.2, the present value as of the distribution date of such spouse's death benefit shall be equal to the product produced by multiplying (i) the amount credited to the Participant's Cash Balance Account as of the distribution date by (ii) the Participant's vested percentage determined as of the date of his death.

(b) Also for purposes of this Subsection 8.2.2, the "distribution date" of a Participant's surviving spouse's death benefit under the Plan means the date as of which the single sum payment amount of such benefit is: (i) when the Participant's death occurs prior to March 28, 2005, the first date after the Participant's death that the Plan is administratively able to determine the amount of such benefit in preparation for its distribution; or (ii) when the Participant's death occurs after March 28, 2005, a date chosen by the Committee that occurs after the Participant's death and no more than 90 days before the first date after such death on which the Plan is in a position administratively to actually distribute such benefit to the surviving spouse, (e.g., after calculating the single sum payment amount of such benefit, confirming the Participant's death, and meeting all requirements set forth in the other provisions of the Plan as to providing the spouse an opportunity to elect a direct rollover of such benefit to the extent a direct rollover of such benefit is permitted under the Code).

8.2.3 Notwithstanding the provisions of Subsections 8.2.1 and 8.2.2 above, in no event shall the monthly amount or single sum amount of the death benefit payable to the married Vested Participant's surviving spouse under Subsection 8.2.1 or 8.2.2 above be less than the monthly or single sum amount (as appropriate) that makes such benefit actuarially equivalent to the survivor benefit that would otherwise have been paid to such spouse if such Participant had ceased to be an Employee prior to his death (if he had not already done so) and had begun the payment of the retirement benefit to which he was entitled in the form

of a 50% Qualified Joint and Survivor Annuity commencing immediately prior to the date as of which the death benefit payable to his surviving spouse under this Section 8.2 commences or is paid. The actuarial assumptions to be used in determining such monthly or single sum amount shall be the applicable interest rate and the applicable mortality assumption that apply under Section 11.5 below as of the commencement date of such benefit.

8.2.4 Further, notwithstanding the foregoing provisions of this Section 8.2, if the surviving spouse of a Vested Participant is entitled to a death benefit under the foregoing provisions of this Section 8.2 but the spouse dies before the date as of which such death benefit is to be paid or begin to be paid under the foregoing provisions of this Section 8.2, then such death benefit shall be paid to the estate of the spouse in the form of a single sum cash payment that is equal to the product produced by multiplying (a) the amount credited to the Participant's Cash Balance Account as of the date of the spouse's death by (b) the Participant's vested percentage determined as of the date of his death and is paid as of the day next following the date of the spouse's death.

8.3 Waiver of Death Benefit. If during any period occurring prior to March 1, 2012 a Participant would otherwise have interest rate credits to his Cash Balance Account determined under the provisions of Subsection 5.4.5 above, he may elect prior to March 1, 2012 to waive the death benefit otherwise applicable to him under Section 8.1 or 8.2 above. In the event of such a waiver, then, notwithstanding any of the provisions of Subsection 5.4.5 above to the contrary, the assumed annualized interest rate applicable to his Cash Balance Account under Subsection 5.4.5 above on any date prior to March 1, 2012 shall be 4% (instead of 3.5%) while the waiver is in effect. Prior to March 1, 2012, any waiver referred to in this Section 8.3 shall also be subject to the following subsections of this Section 8.3.

8.3.1 In the case of an unmarried Participant: (a) such waiver may be elected (and put into effect) or revoked in a writing filed with a Plan representative (on a form prepared or accepted by the Committee) at any time prior to his death; and (b) such waiver shall be automatically revoked if the Participant marries and fails to make the election called for under Subsection 8.3.2 below.

8.3.2 In the case of a married Participant: (a) such waiver may be elected (and put into effect) or revoked in a writing filed with a Plan representative (on a form prepared or accepted by the Committee) at any time prior to his death; (b) the Participant's spouse must consent in a writing filed with a Plan representative (on a form prepared or accepted by the Committee) to the election of the waiver (with such consent acknowledging the effect of the election and being witnessed by a Plan representative or notary public); (c) in the case of a waiver made before the Plan Year in which the Participant attains age 35, such waiver shall be automatically revoked on the first day of the Plan Year in which the Participant attains age 35 (and must be reelected on or after such date in order to become again effective); and (d) within the applicable period, the Participant shall be provided a written explanation of the death benefit under Section 8.2 above in a manner comparable to the explanation that is provided under Subsection 7.4.4 above. The "applicable period" for giving the written explanation under clause (d) of the immediately preceding sentence shall be whichever of the following periods ends later: (a) the first day of the three-year period ending on the last day of the Plan Year in which the Participant attains age 35; or (b) the two-year period ending one year after the date on which the Participant becomes a Participant. Notwithstanding the foregoing, in the case of a Participant who ceases to be an Employee prior to the Plan Year in which he attains age 35, such explanation also must be provided within the three-year period ending on the first anniversary of the date on which he ceases to be an Employee.

Notwithstanding any of the foregoing provisions of this Section 8.3, the provisions of this Section 8.3 shall not apply on any day after February 29, 2012 (and thus no waiver of the death benefit

otherwise applicable under Section 8.1 or 8.2 above to any Participant shall be valid on any day after February 29, 2012).

ARTICLE 9

SPECIAL MINIMUM, EARLY RETIREMENT WINDOW, AND TRANSITION BENEFITS

9.1 **Minimum Benefit.** Notwithstanding any other provision hereof to the contrary, if a Participant has his Cash Balance Account include an amount (for purposes of this Section 9.1, the “prior plan amount”) that derives from an Accrued Benefit under the Prior Pension Plan (or an accrued benefit under another plan) by reason of the provisions of Section 5.2 above, then, when determined as of any date (for purposes of this Section 9.1, the “subject date”):

9.1.1 his Accrued Benefit Final Payment Amount (as otherwise is generally calculated under the provisions of Subsection 7.2.1 above) shall not be less than the product produced by multiplying (a) the monthly amount that would have applied to the Participant’s retirement benefit under the terms of the plan from which the prior plan amount derives (as determined as of the date that immediately precedes the date as of which the prior plan amount is credited to the Participant’s Cash Balance Account and as if the Participant had ceased accruing any further benefits under such plan as of such date) if such benefit were paid in the form of a Single Life Annuity that commences as of the later of the Participant’s 65th birthday or the subject date by (b) a factor derived from Table 2 under the Plan as in effect immediately prior to January 1, 1997 (or, if the prior plan amount derives from a plan other than the Prior Pension Plan, the corresponding early commencement table of such other plan) that applies to non-cash balance benefits and a payment age that is the Participant’s attained age (in whole years and months) as of the subject date; and

9.1.2 his Accrued Benefit (as otherwise is generally calculated under the provisions of Subsection 2.1.1 above) shall not be less than the monthly amount that would have applied to the Participant’s retirement benefit under the terms of the plan from which the prior plan amount derives (as determined as of the date that immediately precedes the date as of which the prior plan amount is credited to the Participant’s Cash Balance Account and as if the Participant had ceased accruing any further benefits under such plan as of such date) if such benefit were paid in the form of a Single Life Annuity that commences as of the later of the Participant’s 65th birthday or the subject date.

9.2 **Transition Retirement Benefits.** The provisions of this Section 9.2 shall apply notwithstanding any other provision of the Plan.

9.2.1 When determined as of any date (for purposes of this Subsection 9.2.1, the “subject date”), the Accrued Benefit Final Payment Amount (as is otherwise generally calculated under the provisions of Subsection 7.2.1 above) of a Transition Group Participant (as defined in Subsection 9.2.4(d) below) shall not be less than: (a) if the subject date occurs on or after the Transition Group Participant’s Normal Retirement Date or in any event is a date as of which a retirement benefit could have commenced to the Transition Group Participant under the terms of the Prior Pension Plan had the Prior Pension Plan continued in effect unamended, the Transition Group Participant’s Prior Pension Plan Amount determined as of the subject date under the provisions of Subsection 9.2.4(a) below; or (b) if the subject date occurs prior to the Transition Group Participant’s Normal Retirement Date and is not a date as of which a retirement benefit could have commenced to the Transition Group Participant under the terms of the Prior Pension Plan had the Prior Pension Plan continued in effect unamended, the product produced by multiplying (i) the Transition Group Participant’s Prior Pension Plan Amount determined as of his 65th birthday under the provisions of Subsection 9.2.4(a) below by (ii) a factor derived from Table 2 to the Plan as in effect immediately prior to January 1, 1997 that applies to non-cash balance benefits and a payment age that is the Participant’s attained age (in whole years

and months) as of the subject date. In addition, when determined as of the subject date, the Transition Group Participant's Accrued Benefit (as is otherwise generally calculated under the provisions of Subsection 2.1.1 above) shall not be less than the Transition Group Participant's Prior Pension Plan Amount determined as of the later of his 65th birthday or the subject date under the provisions of Subsection 9.2.4(a) below.

9.2.2 In no event shall the monthly amount of any death benefit provided under Article 8 above to a surviving spouse of a Transition Group Participant (as defined in Subsection 9.2.4(d) below), determined as if such benefit were paid in the form of a monthly annuity for the life of the surviving spouse that commences as of the date as of which such death benefit commences to be paid, be less than the surviving spouse's Prior Pension Plan Survivor Amount (as defined in Subsection 9.2.4(b) below) when determined as of the applicable determination date.

9.2.3 If a Transition Group Participant (as defined in Subsection 9.2.4(d) below) whose Term of Employment (as defined in the Prior Pension Plan) at the time he ceases to be an Employee is 15 or more years and who is not a Service Pension Eligible Participant (as defined in Subsection 9.2.4(c) below) becomes totally disabled (i.e., unable to perform the requirements of his job with the Participating Companies) as a result of sickness or injury (other than by accidental injury arising out of and in the course of employment as an Employee) and, as a consequence of such disability, ceases to be an Employee, he shall be entitled to receive a monthly disability benefit that commences on the day next following the date he ceases to be an Employee by reason of his total disability and is payable until the earliest of (1) the date on which he is no longer disabled, (2) the date on which he attains age 65, (3) the date as of which his retirement benefit under the Plan is paid or begins to be paid, or (4) the date of his death. The monthly amount of the disability benefit provided under this Subsection 9.2.3 to the Transition Group Participant shall be equal to the monthly amount of the retirement benefit that he accrues under the Plan to the date he ceases to be an Employee (determined as if such retirement benefit were paid in the form of a Single Life Annuity that commences as of the Participant's 65th birthday).

9.2.4 For purposes of this Section 9.2, the following terms shall have the meanings set forth below.

(a) "Prior Pension Plan Amount" means, with respect to any Transition Group Participant and as of any date (for purposes of this paragraph (a), the "subject date"), the monthly amount of the pension benefit to which the Transition Group Participant would have been entitled under the Prior Pension Plan, determined as if such benefit were paid in the form of a Single Life Annuity that commences as of the subject date, if, subject to the adjustments set forth below (and except as is otherwise noted below), (1) he had permanently ceased to be an Employee on (and received no compensation and completed no service after) the earlier of the latest date he ceased to be an Employee before the subject date or December 31, 1998 and (2) the Prior Pension Plan had continued in effect unamended except that the applicable "averaging period" used to compute the Transition Group Participant's Adjusted Career Income under such plan shall be deemed to be the 60-month period ending on the earlier of the date he ceased to be an Employee or December 31, 1998 and the Transition Group Participant's "compensation" used under the Prior Pension Plan for any period after December 30, 1993 shall be deemed to be his Covered Compensation. Notwithstanding the foregoing, the adjustments set forth in the following subparagraphs of this paragraph (a) shall apply in determining the Transition Group Participant's Prior Pension Plan Amount.

(i) The Transition Group Participant's Prior Pension Plan Amount shall in no event be deemed to be less than if it had been determined under the foregoing provisions of this paragraph (a) except that the Transition Group Participant is treated as permanently ceasing to be an Employee on (and as if he received no compensation and completed no service after) January 31, 1992.

(ii) If the Transition Group Participant was a Special Eligibility Participant (as defined in the Plan as in effect immediately prior to January 1, 1997 and reflecting a Participant who was eligible for an early retirement “window” benefit that was offered in 1995 under the Plan), then his Prior Pension Plan Amount shall in no event be deemed to be less than if it had been determined under the foregoing provisions of this paragraph (a) but modified to the extent provided under the terms of the Plan as in effect immediately prior to January 1, 1997 by reason of the Participant being such a Special Eligibility Participant.

(b) “Prior Pension Plan Survivor Amount” means, with respect to a surviving spouse of any Transition Group Participant and as of any date (for purposes of this paragraph (b), the “subject date”), the monthly amount of the survivor pension benefit to which the surviving spouse would have been entitled under the Prior Pension Plan, determined as if such benefit were paid in the form of a monthly annuity for the life of the surviving spouse that commences as of the subject date, if: (i) the Transition Group Participant had died before the commencement date of the Transition Group Participant’s pension benefit that had accrued under the Prior Pension Plan; and (ii) the monthly amount of the Transition Group Participant’s pension benefit that had accrued under the Prior Pension Plan immediately prior to the date of his death, determined as if such benefit were paid in the form of a Single Life Annuity that commenced immediately prior to the subject date, had been equal to his Prior Pension Plan Amount (determined as of the subject date).

(c) “Service Pension Eligible Participant” means a Transition Group Participant who either (i) has attained at least age 60 and has a Term of Employment of at least 10 years, (ii) has attained at least age 55 and has a Term of Employment of at least 20 years, (iii) has attained at least age 50 and has a Term of Employment of at least 25 years, or (iv) has a Term of Employment of at least 30 years (regardless of his age). Such Term of Employment shall, for purposes of this paragraph (c), be determined under the terms of the Prior Pension Plan except that section 4.1.8 of such plan shall be disregarded.

(d) “Transition Group Participant” means a Participant who meets either the conditions of subparagraph (i) below or the conditions of subparagraph (ii) below:

(i) A Participant meets the conditions of this subparagraph (i) if (A) he on December 31, 1993 was a Covered Employee, (B) he had completed by December 31, 1993 at least five full years of Vesting Service, and (C) either his Term of Employment (as defined in the Prior Pension Plan) on December 31, 1993 was at least 20 full years or the sum of his attained age and Term of Employment on December 31, 1993 (in actual years, months, and days) totaled at least 65 full years.

(ii) A Participant meets the conditions of this subparagraph (ii) if (A) he on December 31, 1993 was an Employee and was then a participant in the defined benefit pension plan sponsored by the Company that was then named the Cincinnati Bell Pension Plan (for purposes of this subparagraph (ii), the “CBPP”), (B) he had completed by December 31, 1993 at least five full years of vesting service under the CBPP, and (C) either his Term of Employment (as defined in the CBPP as in effect on December 31, 1993) on December 31, 1993 was at least 20 full years or the sum of his attained age and Term of Employment on December 31, 1993 (in actual years, months, and days) totaled at least 65 full years.

9.3 Transition Death Benefits.

9.3.1 Subject to the terms of the following subsections of this Section 9.3, in the event of the death of a Participant who was a Participant in the Prior Death Benefit Plan on December 30, 1993, such Participant’s beneficiaries shall be entitled to receive the same death benefit, and in the same form and amount,

which they would have been entitled to receive if the Prior Death Benefit Plan had continued in effect unamended, except that (a) no burial expenses or other expenses incident to the death of the Participant shall be paid and (b) the payment of such death benefit shall only be made in the form of a single sum cash payment.

9.3.2 For purposes of this Section 9.3, except as provided below, the “Prior Death Benefit Plan” means those provisions of the Prior Pension Plan which dealt with the death benefits provided under section 5 of the Prior Pension Plan. However, for purposes of determining the amount of death benefit payable under the Prior Death Benefit Plan, a Participant’s “Wages” shall be deemed to be:

(a) if the Participant was on an active payroll of a Participating Company on December 31, 1993, his rate of base pay plus differentials from the Participating Companies as in effect on such date (or, if the Participant on such date was on a disability or other leave of absence, the rate of base pay plus differentials which would have been in effect on such date if he had returned from such leave on such date) plus the commissions, team awards, and bonuses paid the Participant by the Participating Companies during 1993, but excluding any overtime or vacation buy back of the Participant; or

(b) if the Participant was not on an active payroll of a Participating Company on December 31, 1993, his rate of base pay plus differentials from the Participating Companies as in effect on the latest date prior to December 31, 1993 on which he was on such an active payroll (or, if the Participant on such pre-December 31, 1993 date was on a disability or other leave of absence, the rate of base pay plus differentials which would have been in effect on such pre-December 31, 1993 date if he had returned from such leave on such date) plus the commissions, team awards, and bonuses paid the Participant by the Participating Companies during the twelve consecutive month period ending on the latest date prior to December 31, 1993 on which the Participant was on such an active payroll, but excluding any overtime or vacation buy back of the Participant.

9.3.3 Notwithstanding any other provision of the Plan (or the Prior Death Benefit Plan), the amount of any death benefit that becomes payable under the foregoing subsections of this Section 9.3 (and under the Prior Death Benefit Plan) with respect to any person who (a) is or was a participant in the Plan, (b) did not have his employment with the Affiliated Employers end prior to July 1, 1989, and (c) dies on or after January 1, 2008 shall not in any event exceed \$15,000 (or, if less, the amount of such death benefit that would apply in the absence of the provisions of this Subsection 9.3.3).

ARTICLE 10

MAXIMUM RETIREMENT BENEFIT LIMITATIONS

10.1 Maximum Plan Benefit.

10.1.1 **General Rules.** Subject to the other provisions of this Section 10.1 but notwithstanding any other provision of this Plan to the contrary, in no event, during any limitation year, shall the annual amount of a Participant's retirement benefit accrued or payable at any time under this Plan, when expressed in the form of a Single Life Annuity and in accordance with the adjustments described in the following provisions of this Section 10.1, exceed the maximum permissible benefit. For purposes of this Section 10.1 and subject to the adjustments described in the following provisions of this Section 10.1, the "maximum permissible benefit" is the lesser of the defined benefit dollar limitation, as defined in paragraph (a) of this Subsection 10.1.1, or the defined benefit compensation limitation, as defined in paragraph (b) of this Subsection 10.1.1.

(a) **Defined Benefit Dollar Limitation.** For purposes of this Section 10.1, the "defined benefit dollar limitation" is \$160,000, as adjusted, effective January 1 of each calendar year, under section 415(d) of the Code in such manner as the Secretary of the Treasury or his delegate shall prescribe. A limitation as adjusted under Code section 415(d) as of the January 1 of any calendar year shall apply to the limitation year ending with or within such calendar year.

(b) **Defined Benefit Compensation Limitation.** For purposes of this Section 10.1 and subject to subparagraphs (i) and (ii) of this paragraph (b), the "defined benefit compensation limitation" is 100% of the Participant's average annual compensation received during the three consecutive calendar years which produce the highest dollar result (or, for any limitation year prior to the limitation year that commences as of January 1, 2006, 100% of the Participant's average annual compensation received during the three consecutive calendar years both during which he is a Participant in the Plan and which produce the highest dollar result).

(i) Notwithstanding the foregoing provisions of this paragraph (b), if the Participant is an Employee for less than three consecutive calendar years (or, for any limitation year prior to the limitation year that commences as of January 1, 2006, if the Participant is both an Employee and a Participant for less than three consecutive calendar years), the Participant's "defined benefit compensation limitation" shall for purposes of this Section 10.1 be deemed to be the quotient obtained by dividing (1) the Participant's compensation received during the Participant's longest consecutive period of service as an Employee (or, for any limitation year prior to the limitation year that commences as of January 1, 2006, the Participant's compensation received during the Participant's longest consecutive period of service as both an Employee and a Participant) by (2) the number of years in that period (including fractions of years, but not less than one year).

(ii) For purposes of the foregoing provisions of this paragraph (b), if the Participant ceases to be an Employee and is subsequently rehired as an Employee, all years for which the Participant performs no services as an Employee and receives no compensation for his services as an Employee (for purposes of this subparagraph (ii), the "break period") shall be ignored in determining the Participant's defined benefit compensation limitation and the year of service immediately prior to and the year of service immediately after the break period shall be treated as if they were consecutive.

10.1.2 Necessary Terms. For purposes of the restrictions and rules set forth in this Section 10.1, the terms set forth in the following paragraphs of this Subsection 10.1.2 shall apply.

(a) A Participant's "compensation" shall refer to his Compensation as defined in Section 10.3 below.

(b) The "limitation year" for purposes of the restrictions under this Section 10.1 shall be the Plan Year.

10.1.3 Procedures for Applying Limitation. This Subsection 10.1.3 describes the adjustments that are made in a Participant's retirement benefit accrued or payable under the Plan, in the defined benefit dollar limitation, and in the defined benefit compensation limitation when determining whether such retirement benefit meets the requirements of Subsection 10.1.1 above. For any limitation year, the Participant's retirement benefit accrued or payable at any time under the Plan shall be limited to the extent necessary so that, if such limit would be deemed to have applied under the provisions of the Plan that do not include the provisions of this Section 10.1, the annual amount of the actual equivalent benefit-form Single Life Annuity determined in Step 1 below cannot and shall not exceed the lesser of the annual amount of the maximum equivalent age-adjusted Single Life Annuity determined in Step 2 below or the annual amount of the maximum equivalent compensation-adjusted Single Life Annuity determined in Step 3 below.

(a) Step 1: This Step 1 determines the annual amount of a hypothetical Single Life Annuity that, if it were paid to the Participant and commenced as of the commencement date of the Participant's actual retirement benefit under the Plan (for purposes of this Subsection 10.1.3, the "actual commencement date"), would have an annual amount calculated in accordance with subparagraphs (i) and (ii) of this paragraph (a). Such hypothetical Single Life Annuity is referred to in this Section 10.1 as the Participant's "actual equivalent benefit-form Single Life Annuity."

(i) When the form of the Participant's actual retirement benefit under the Plan is a Single Life Annuity or a Qualified Joint and Survivor Annuity that commences as of the actual commencement date, then the annual amount of the actual equivalent benefit-form Single Life Annuity shall be equal to the annual amount that would apply to the Participant's actual retirement benefit under the Plan (that is paid in the form of a Single Life Annuity or a Qualified Joint and Survivor Annuity that commences as of the actual commencement date) if the provisions of this Section 10.1 were disregarded.

(ii) When the form of the Participant's actual retirement benefit under the Plan is a single sum payment (which is the only form of benefit other than a Single Life Annuity or a Qualified Joint and Survivor Annuity available under the Plan) that is made as of the actual commencement date, then the annual amount of the actual equivalent benefit-form Single Life Annuity shall be equal to the greatest of:

(A) the annual amount that would make the actual equivalent benefit-form Single Life Annuity actuarially equivalent to the Participant's actual retirement benefit under the Plan (that is paid in the form of a single sum payment that is made as of the actual commencement date) if the provisions of this Section 10.1 did not apply and if the actuarial assumptions used to determine such actuarial equivalence were the combination of the interest rate assumption and the mortality assumption that is specified and would be used under the other provisions of the Plan for determining the actuarial equivalence of two benefits whose only difference is one is paid in the form of an Annuity and the other is paid in the form of a single sum payment;

(B) the annual amount that would make the actual equivalent benefit-form Single Life Annuity actuarially equivalent to the Participant's actual retirement benefit under the Plan (that is paid in the form of a single sum payment that is made as of the actual commencement date) if the provisions of this Section 10.1 did not apply and if the actuarial assumptions used to determine such actuarial equivalence were the applicable interest rate and the applicable mortality assumption (as such terms are defined in Subsection 10.1.4 below). Notwithstanding the foregoing, the reference to "the applicable interest rate" in the immediately preceding sentence shall be deemed to be a reference to "an interest rate of 5.5% per annum" if the Participant's actual retirement benefit under the Plan is paid in the form of a single sum payment as of any date that occurs during a Plan Year that begins on or after January 1, 2004; or

(C) if and only if the Participant's actual retirement benefit under the Plan is paid in the form of a single sum payment as of any date that occurs during a Plan Year that begins on or after January 1, 2006, the quotient produced by dividing (1) the annual amount that would make the actual equivalent benefit-form Single Life Annuity actuarially equivalent to the Participant's actual retirement benefit under the Plan (that is paid in the form of a single sum payment that is made as of the actual commencement date) if the provisions of this Section 10.1 did not apply and if the actuarial assumptions used to determine such actuarial equivalence were the applicable interest rate and the applicable mortality assumption (as such terms are defined in Subsection 10.1.4 below) by (2) 1.05.

(b) Step 2: This Step 2 determines the annual amount of a hypothetical Single Life Annuity that, if it were paid to the Participant and commenced as of the actual commencement date, would have an annual amount calculated in accordance with subparagraphs (i), (ii), and (iii) of this paragraph (b). Such hypothetical Single Life Annuity is referred to in this Section 10.1 as the Participant's "maximum equivalent age-adjusted Single Life Annuity."

(i) If the actual commencement date occurs before the date the Participant first attains age 65 and on or after the date on which the Participant first attains age 62, then the annual amount of the maximum equivalent age-adjusted Single Life Annuity shall be equal to the defined benefit dollar limitation set forth in Subsection 10.1.1(a) above (as adjusted for the limitation year that includes the actual commencement date).

(ii) If the actual commencement date occurs before the date on which the Participant first attains age 62, then the annual amount of the maximum equivalent age-adjusted Single Life Annuity shall be equal to the lesser of:

(A) the product obtained by multiplying (1) the defined benefit dollar limitation set forth in Subsection 10.1.1(a) above (as adjusted for the limitation year that includes the actual commencement date) by (2) a fraction that has a numerator equal to the annual amount of the Participant's actual retirement benefit under the Plan that would apply if it was paid in the form of a Single Life Annuity that commences as of the actual commencement date and if the provisions of this Section 10.1 were disregarded and a denominator equal to the annual amount of the Participant's actual retirement benefit under the Plan that would apply if it was paid in the form of a Single Life Annuity that commences as of the date on which the Participant first attains age 62 and if the provisions of this Section 10.1 were disregarded; or

(B) the annual amount that would make the maximum equivalent age-adjusted Single Life Annuity actuarially equivalent to a hypothetical retirement benefit that would apply to the Participant under the Plan if it was paid in the form of a Single Life Annuity that commences as of the

date on which the Participant first attains age 62, if its annual amount were the defined benefit dollar limitation set forth in Subsection 10.1.1(a) above (as adjusted for the limitation year that includes the actual commencement date), and if the actuarial assumptions used to determine such actuarial equivalence were an interest rate of 5% per annum and the applicable mortality assumption (as such term is defined in Subsection 10.1.4 below and applied by expressing the Participant's age based on completed months as of the actual commencement date). Notwithstanding the foregoing provisions of this clause (B), the actuarial assumptions referred to in the immediately preceding sentence shall not reflect the probability of the Participant's death between the actual commencement date and the date on which the Participant first attains age 62 to the extent that the Participant's retirement benefit under the Plan will not be forfeited upon the death of the Participant.

(iii) If the actual commencement date occurs after the date on which the Participant first attains age 65, then the annual amount of the maximum equivalent age-adjusted Single Life Annuity shall be equal to the lesser of:

(A) the product obtained by multiplying (1) the defined benefit dollar limitation set forth in Subsection 10.1.1(a) above (as adjusted for the limitation year that includes the actual commencement date) by (2) a fraction that has a numerator equal to the annual amount of the Participant's actual retirement benefit under the Plan that would apply if the Participant permanently ceased to be an Employee when he first attained age 65, if it was paid in the form of a Single Life Annuity that commences as of the actual commencement date, and if the provisions of this Section 10.1 were disregarded and a denominator equal to the annual amount of the Participant's actual retirement benefit under the Plan that would apply if the Participant permanently ceased to be an Employee when he first attained age 65, if it was paid in the form of a Single Life Annuity that commences as of the date on which the Participant first attains age 65, and if the provisions of this Section 10.1 were disregarded; or

(B) the annual amount that would make the maximum equivalent age-adjusted Single Life Annuity actuarially equivalent to a hypothetical retirement benefit that would apply to the Participant under the Plan if it was paid in the form of a Single Life Annuity that commences as of the date on which the Participant first attains age 65, if its annual amount were the defined benefit dollar limitation set forth in Subsection 10.1.1(a) above (as adjusted for the limitation year that includes the actual commencement date), and if the actuarial assumptions used to determine such actuarial equivalence were an interest rate of 5% per annum and the applicable mortality assumption (as such term is defined in Subsection 10.1.4 below and applied by expressing the Participant's age based on completed months as of the actual commencement date). Notwithstanding the foregoing provisions of this clause (B), the actuarial assumptions referred to in the immediately preceding sentence shall not reflect the probability of the Participant's death between the date on which the Participant first attains age 65 and the actual commencement date to the extent that the Participant's retirement benefit under the Plan will not be forfeited upon the death of the Participant between the date on which the Participant first attains age 65 and the actual commencement date.

(c) Step 3: This Step 3 determines the annual amount of a hypothetical Single Life Annuity that, if it were paid to the Participant and commenced as of the actual commencement date, would have an annual amount calculated in accordance with the last sentence of this paragraph (c). Such hypothetical Single Life Annuity is referred to in this Section 10.1 as the Participant's "maximum equivalent compensation-adjusted Single Life Annuity." In all cases, the annual amount of the maximum equivalent compensation-adjusted Single Life Annuity shall be equal to the defined benefit compensation limitation set forth in Subsection 10.1.1(b) above that applies to the Participant.

10.1.4 Applicable Interest Rate and Applicable Mortality Assumption.

(a) For purposes of this Section 10.1, the “applicable interest rate” means, with respect to adjusting any benefit or limitation applicable to any single sum form of benefit, an interest rate determined as follows.

(i) When the commencement date of the benefit occurs during any limitation year that begins prior to January 1, 2008, the applicable interest rate shall be the annual interest rate on 30-year Treasury securities for the fifth calendar month which precedes the first calendar month included in the Plan Year in which falls such commencement date and as such rate is published (in a revenue ruling, notice, or other written form) by the Internal Revenue Service under Code section 417(e)(3) for such month.

(ii) When the commencement date of the benefit occurs during any limitation year that begins on or after January 1, 2008, the applicable interest rate shall be the adjusted first, second, and third segment rates (as such terms are defined in Code section 417(e)(3)(D)) applied under rules similar to the rules of Code section 430(h)(2)(C) for the fifth calendar month which precedes the first calendar month included in the Plan Year in which falls such commencement date and as such rate is published (in a revenue ruling, notice, or other written form) by the Internal Revenue Service under Code section 417(e)(3) for such month.

(b) Also for purposes of this Section 10.1, the “applicable mortality assumption” means, with respect to adjusting any benefit or limitation of a retirement benefit, a mortality assumption determined as follows.

(i) When the commencement date of the benefit occurs during any limitation year that begins prior to January 1, 2009, the applicable mortality assumption shall be based on the mortality table prescribed by the Secretary of the Treasury or his delegate as the applicable mortality table under section 415(b) of the Code as of the date as of which the applicable benefit is paid (determined without regard to any change in the mortality table prescribed in Code section 415(b) that is made under the Worker, Retiree, and Employer Recovery Act of 2008). Such table is based on the prevailing commissioners’ standard table, described in section 807(d)(5)(A) of the Code, used to determine reserves for group annuity contracts, without regard to any other subparagraph of section 807(d)(5) of the Code. In accordance with the immediately preceding two sentences:

(A) for Plan benefits with commencement dates prior to January 1, 2009 and on or after December 31, 2002, the mortality table referred to in such preceding sentences shall be deemed to be the mortality table prescribed in Revenue Ruling 2001-62; and

(B) for Plan benefits with commencement dates prior to December 31, 2002, the mortality table referred to in such preceding sentences shall be deemed to be the mortality table prescribed in Revenue Ruling 95-6.

(ii) When the commencement date of the benefit occurs during any limitation year that begins on or after January 1, 2009, the applicable mortality assumption shall be determined under the mortality table published by the Internal Revenue Service under Code section 417(e)(3) for such limitation year. In accordance with the immediately preceding sentence:

(A) the applicable mortality assumption for any applicable Plan benefit with a commencement date that occurs in the limitation year beginning in 2009, 2010, 2011, 2012, or 2013 (but no later limitation year) shall be determined under the column labeled “Unisex” of the applicable mortality tables that apply to the specific limitation year (the limitation year beginning in 2009, 2010, 2011, 2012, or 2013) in which such commencement date occurs as such tables are published in the appendix to the Internal Revenue Service’s Notice 2008-85; and

(B) the applicable mortality assumption for any applicable Plan benefit with a commencement date that occurs in a limitation year beginning in 2014 or 2015 (but no later limitation year) shall be determined under the column labeled “Unisex” of the applicable mortality tables that apply to the specific limitation year (the limitation year beginning in 2014 or 2015) in which such commencement date occurs as such tables are published in the appendix to the Internal Revenue Service’s Notice 2013-49;

(C) the applicable mortality assumption for any applicable Plan benefit with a commencement date that occurs in a limitation year beginning in 2016 (but no later limitation year) shall be determined under the column labeled “Unisex” of the mortality table that is published in the appendix to the Internal Revenue Service’s Notice 2015-53; and

(D) the applicable mortality assumption for any applicable Plan benefit with a commencement date that occurs in a limitation year later than the limitation year beginning in 2016 shall be determined under the applicable mortality table published (in a revenue ruling, notice, or other written form) by the Internal Revenue Service under Code section 417(e)(3) for such later limitation year.

10.1.5 Reduction for Participation or Service of Less Than Ten Years.

(a) In the case of a Participant who has less than ten years of participation in this Plan when his retirement benefit under the Plan commences, the defined benefit dollar limitation shall be adjusted for all purposes of this Section 10.1 (including for purposes of determining the maximum equivalent age-adjusted Single Life Annuity described in Step 2 of Subsection 10.1.3 above) so as to be equal to the defined benefit dollar limitation (determined without regard to this Subsection 10.1.5) multiplied by a fraction. The numerator of such fraction is the Participant’s years (and any fraction thereof) of participation in the Plan at the time his benefit commences (or 1, if greater), and its denominator is ten.

(b) Further, in the case of a Participant who has less than ten years of Vesting Service as of the date on which his retirement benefit under the Plan commences, the defined benefit compensation limitation shall be adjusted for all purposes of this Section 10.1 (including for purposes of determining the maximum equivalent compensation-adjusted Single Life Annuity described in Step 3 of Subsection 10.1.3 above) so as to be equal to such limitation (determined without regard to this Subsection 10.1.5) multiplied by a fraction. The numerator of such fraction is the Participant’s years of Vesting Service as of the date his benefit commences (or 1, if greater), and its denominator is ten.

10.1.6 Preservation of Prior Plan Benefits. Notwithstanding any of the foregoing provisions of this Section 10.1, in no event shall the foregoing provisions of this Section 10.1 cause by themselves a Participant’s Accrued Benefit (or the annual or lump sum amount of a Participant’s actual retirement benefit under the Plan) to be less than his Accrued Benefit determined as of (or the annual or lump sum amount that would apply to his actual retirement benefit if the Participant had earned no additional benefit amount after

and in fact had ceased to be a Covered Employee no later than) December 31, 2007, to the extent such Accrued Benefit (or such annual or lump sum amount of his actual retirement benefit) is determined solely on the basis of the provisions of the Plan that were both adopted and in effect before April 5, 2007 (including the provisions of the Plan that then reflected the requirements of section 415 of the Code).

10.1.7 Combining of Plans. If any other defined benefit plans (as defined in section 414(j) of the Code) in addition to this Plan are maintained by one or more Affiliated Employers, then the limitations set forth in this Section 10.1 shall be applied as if this Plan and such other defined benefit plans are a single plan. If any reduction or adjustment in a Participant's retirement benefit is required by this Section 10.1, such reduction or adjustment shall when necessary be made to the extent possible under any of such other defined benefit plan or plans in which the Participant actively participated (i.e., performed service which is taken into consideration in determining the amount of his benefit under the benefit formulas of the other plan or plans) at a later point in time (that occurs by the end of the applicable limitation year) than the latest point in time (that occurs by the end of the applicable limitation year) at which he actively participated in this Plan (provided such other plan or plans provide for such adjustment in such situation). To the extent still necessary, such adjustment shall be made under this Plan.

10.1.8 IRS Regulations Issued Under Code Section 415. For any limitation year that begins on or after January 1, 2008, the provisions of the final regulations issued by the Internal Revenue Service under Code section 415 shall, to the extent and only to the extent they provide details as to the manner in which any of the requirements set forth in the foregoing provisions of this Section 10.1 are to be applied (such as details as to the application of such requirements when benefits are transferred to this Plan from another plan, when multiple commencement dates of a Participant's Plan benefit are involved, or when an Affiliated Employer that maintains another defined benefit plan loses its status as an Affiliated Employer), be deemed to be incorporated into this Section 10.1.

10.2 Restrictions on Benefits Payable to Certain Highly Compensated Participants. The provisions set forth in this Section 10.2 shall apply notwithstanding any other provisions of this Plan.

10.2.1 In the event of the termination of the Plan, the benefit otherwise payable under the Plan to any Participant who is a Highly Compensated Employee (or a Former Highly Compensated Employee) with respect to the Plan Year in which such Plan termination occurs shall be limited to a benefit which is nondiscriminatory under section 401(a)(4) of the Code. To the extent necessary and permitted under the provisions of Subsection 16.4.2(d) below, any assets otherwise allocable upon the Plan's termination under Section 16.4 below to a Participant who is a Highly Compensated Employee (or Former Highly Compensated Employee) for the Plan Year in which the Plan's termination occurs shall be reallocated to other Participants so that this provision is not violated.

10.2.2 Subject to the provisions of Subsections 10.2.3 and 10.2.4 below, prior to the complete termination of the Plan and distribution of all Plan assets, the payments made during any Plan Year to a Participant who is a Restricted Participant (as defined in Subsection 10.2.5 below) for such Plan Year shall be restricted to the extent necessary so that such payments do not exceed the payments that would be made for such Plan Year if the Participant's remaining Accrued Benefit under the Plan was being paid in the form of a Single Life Annuity.

10.2.3 Subject to the provisions of Subsection 10.2.4 below but notwithstanding the provisions of Subsection 10.2.2 above, prior to the complete termination of the Plan and distribution of all Plan assets, the retirement benefit payments made during any Plan Year to a Participant who is a Restricted

Participant (as defined in Subsection 10.2.5 below) for such Plan Year may exceed the limit set forth in Subsection 10.2.2 above to the extent the method under which the Participant's retirement benefit is being paid calls for such payments, provided that the Plan and the Participant establish an agreement which meets the following provisions of this Subsection 10.2.3 in order to secure repayment to the Plan of any amount necessary for the distribution of assets upon the Plan's termination required to satisfy section 401(a)(4) of the Code.

(a) During any such Plan Year, the amount that may be required to be repaid to the Plan by the Participant is the restricted amount. For this purpose, the "restricted amount" means the excess of the accumulated amount of the retirement benefit payments made to the Participant under the Plan over the accumulated amount of the Participant's nonrestricted limit. The Participant's "nonrestricted limit" for this purpose means the retirement benefit payments that could have been made to the Participant under the Plan, commencing when retirement benefit payments initially commenced to the Participant under the Plan, had the Participant received his retirement benefit in the form of a Single Life Annuity. Further, an "accumulated amount" means, with respect to any payment, the amount of such payment plus interest thereon from the date of such payment (or the date such payment would have been made) to the date of the determination of the restricted amount, compounded annually from the date of such payment (or the date such payment would have been made), at the rate determined under section 411(c)(2)(C) of the Code in effect on the date of the determination of the restricted amount.

(b) In order to secure the Participant's repayment obligation to the Plan of the restricted amount, prior to receipt of a distribution from the Plan the Participant must agree that upon distribution the Participant shall promptly deposit in escrow with an acceptable depository property having a fair market value equal to at least 125% of the restricted amount. The obligation of the Participant under the repayment agreement alternatively can be secured or collateralized by posting a bond equal to at least 100% of the restricted amount. For this purpose, the bond must be furnished by an insurance company, bonding company, or other surety approved by the U.S. Treasury Department as an acceptable surety for federal bonds. As another alternative, the Participant's obligation under the repayment agreement can be secured by a bank letter of credit in an amount equal to at least 100% of the restricted amount.

(c) Amounts in the escrow account in excess of 125% of the restricted amount may be withdrawn for the Participant. Similar rules apply to the release of any liability in excess of 100% of the restricted amount where the repayment obligation has been secured by a bond or a letter of credit. If, however, the market value of the property in the escrow account falls below 110% of the restricted amount, the Participant is obligated to deposit additional property to bring the value of the property held by the depository up to 125% of the restricted amount. In addition, the Participant may be given the right to receive any income from the property placed in escrow, subject to the obligation to maintain the value of the property as described.

(d) A depository may not redeliver to the Participant (or any other party claiming through the Participant) any property held under such an agreement, other than amounts in excess of 125% of the restricted amount, and a surety or bank may not release any liability on such a bond or letter of credit, unless the Committee certifies to the depository, surety, or bank that the Participant (or the Participant's estate) is no longer obligated to repay to the Plan any amount under the agreement. The Committee shall make such a certification if at any time after the distribution commences either that any of the conditions of Subsection 10.2.4 below are met or that the Plan has terminated and the benefit received by the Participant is nondiscriminatory under section 401(a)(4) of the Code. Such a certification by the Committee terminates the agreement between the Participant and the Plan. Further, a depository will deliver any property held under such an agreement, and a surety or bank will deliver any portion of such a bond or letter of credit, to

the Plan if the Committee certifies to the depository, surety, or bank that the Participant (or the Participant's estate) is required to repay any amount under the agreement. The complete delivery of all property held under such an agreement, or the complete release or delivery of all portions of such a bond or letter of credit, to the Participant (or the Participant's estate) and/or the Plan shall terminate the agreement between the Participant and the Plan.

10.2.4 The restrictions set forth in Subsections 10.2.2 and 10.2.3 above shall not apply to any Participant if either: (a) after payment to such Participant of all benefits payable to him under the Plan, the present value of all assets of the Plan equals or exceeds 110% of the then present value of the Plan's current liabilities; (b) the present value of such Participant's retirement benefit under the Plan is less than 1% of the then value of the Plan's current liabilities before the distribution; or (c) the present value of such Participant's retirement benefit under the Plan is \$5,000 or less. For purposes of the immediately preceding sentence, the Plan's "current liabilities" will be deemed to be: (a) as of any date that occurs on or after January 1, 2008, all benefits accrued or earned under the Plan as determined for purposes of Code section 430(d)(1) of the Code (as created under the Pension Protection Act of 2006 (for purposes of this Section 10.2.4, the "PPA")); or (b) as of any date that occurs prior to January 1, 2008, the Plan's current liabilities as defined in Code section 412(1)(7) (as in effect before the adoption of the PPA).

10.2.5 For purposes of Subsections 10.2.2 through 10.2.4 above, a Participant shall be considered a "Restricted Participant" for any Plan Year if he is one of the 25 Highly Compensated and Former Highly Compensated Employees for such Plan Year with the greatest compensation (as defined in Section 10.3 below). In determining which of the Highly Compensated and Former Highly Compensated Employees for any Plan Year have the 25 greatest compensations, the compensation to be considered for any such Highly Compensated or Former Highly Compensated Employee shall be the highest compensation he received in such Plan Year or any other Plan Year under which his compensation and/or ownership in an Affiliated Employer made him a Highly Compensated or Former Highly Compensated Employee for the subject Plan Year.

10.3 Compensation. The "Compensation" of an Employee, as defined in this Section 10.3, refers to the Employee's compensation as used throughout the provisions of this Article 10, and to the Employee's compensation or remuneration as referred to in any other provision of this Plan (or any other plan that is merged into this Plan or transfers assets and liabilities to this Plan) that otherwise fails to define such term. For such purposes, an Employee's "Compensation" means, for any specified period, the amount determined in accordance with the following subsections of this Section 10.3.

10.3.1 Subject to Subsections 10.3.2, 10.3.3, 10.3.4, and 10.3.5 below, the Employee's "Compensation" for any specified period shall mean his wages, salaries, fees for professional services, and other amounts paid (without regard to whether or not an amount is paid in cash), during such specified period, for personal services actually rendered in the course of employment with the Affiliated Employers, to the extent that the amounts are includible in gross income for Federal income tax purposes. These amounts include, but are not limited to, commissions paid to salespersons, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan as described in Treasury Regulations section 1.62-2(c).

10.3.2 Notwithstanding the provisions of Subsection 10.3.1 above, in no event shall the Employee's "Compensation" for any specified period include any of the items described in the following paragraphs of this Subsection 10.3.2:

(a) contributions (other than elective contributions described in Code section 402(e)(3), Code section 408(k)(6), Code section 408(p)(2)(A)(i), or Code section 457(b)) made by an Affiliated Employer to a plan of deferred compensation (including a simplified employee pension described in Code section 408(k) or a simple retirement account described in Code section 408(p), and whether or not qualified) to the extent that the contributions are not includible in the gross income of the Employee for Federal income tax purposes and with respect to the taxable year in which contributed. In addition, any distributions from a plan of deferred compensation (whether or not qualified) are not considered as the Employee's "Compensation" for any specified period, regardless of whether such amounts are includible in the gross income of the Employee for Federal income tax purposes when distributed. However, any amounts received by the Employee pursuant to a nonqualified unfunded deferred compensation plan shall be considered as his "Compensation" in the year the amounts are actually received, but only to the extent such amounts are includible in the Employee's gross income for Federal income tax purposes;

(b) amounts realized from the exercise of a nonstatutory option (which is an option other than a statutory option as defined in Code section 1.421-1(b)), or when restricted stock or other property held by the Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture (pursuant to Code section 83 and Treasury Regulations promulgated under section 83 of the Code);

(c) amounts realized from the sale, exchange, or other disposition of stock acquired under a statutory stock option (as defined in Code section 1.421-1(b));

(d) other amounts that receive special tax benefits, such as premiums for group-term life insurance (but only to the extent that the premiums are not includible in the gross income of the Employee for Federal income tax purposes and are not salary reduction amounts that are described in section 125 of the Code); and

(e) other items of remuneration that are similar to any of the items listed in paragraphs (a) through (d) above.

10.3.3 Also notwithstanding the provisions of Subsection 10.3.1 above, the Employee's "Compensation" for any specified period that begins on or after January 1, 2008 shall not in any event include any wages or other compensation paid after he has ceased to be an Employee, unless such wages or other compensation is paid within 2-1/2 months after (or, if later, by the end of the Plan Year in which) he has ceased to be an Employee and reflects either:

(a) a payment that, absent his severance from employment with the Affiliated Employers, would have been paid to him while he was an Employee and would have been regular compensation for services during his regular working hours, compensation for services outside his regular working hours (such as overtime or shift differentials), commissions, bonuses, or similar compensation;

(b) a payment under a nonqualified unfunded deferred compensation plan, but only if the payment would have been made on its actual date of payment even if the Employee had not ceased to be an Employee and only to the extent that the payment is includible in his gross income for Federal income tax purposes; or

(c) a payment for accrued bona fide sick, vacation, or other leave, but only if he would have been able to use the leave if he had not ceased to be an Employee.

In no event, even if paid within 2-1/2 months after (or, if later, by the end of the Plan Year in which) he has ceased to be an Employee, shall any payment of severance pay, or any nonqualified unfunded deferred compensation plan payment (unless explicitly described in the immediately preceding sentence), that is made after the Employee ceases to be an Employee be treated as part of the Employee's "Compensation" for any period that begins on or after January 1, 2008 under the provisions of this Subsection 10.3.3.

10.3.4 In addition to the amounts included in the Employee's "Compensation" for any specified period under Subsections 10.3.1 through 10.3.3 above, and notwithstanding such paragraphs, the Employee's "Compensation" for any period shall also include any amounts which are not treated as the Employee's "Compensation" for such specified period under Subsections 10.3.1 through 10.3.3 above solely because such amounts are considered elective contributions that are made by an Affiliated Employer on behalf of the Employee and are not includable in the Employee's gross income for Federal income tax purposes by reason of section 125, 402(e)(3), 402(h), and/or 132(f)(4) of the Code (*i.e.*, elective contributions under a cafeteria plan, a cash or deferred arrangement in a profit sharing plan, a simplified employee pension plan, or an arrangement under which qualified transportation fringes can be chosen) or any other types of deferred compensation or contributions described in Code section 414(s)(2) or Treasury Regulations section 1.414(s)-1(c)(4); except that the treating of elective contributions that are not includable in gross income under Code section 132(f)(4) as part of the Employee's Compensation shall only apply when the specified period begins on or after January 1, 2000.

10.3.5 Finally, notwithstanding any of the foregoing subsections of this Section 10.3, the "Compensation" of the Employee for any twelve consecutive month period which is taken into account under any other provision of the Plan will not exceed: (a) for any such twelve consecutive month period that begins in 2002 or a later calendar year, the dollar amount set forth in section 401(a)(17)(A) of the Code, as such amount is adjusted under section 401(a)(17)(B) of the Code by the Secretary of the Treasury or his delegate for the calendar year in which such twelve consecutive month period begins; (b) for any such twelve consecutive month period that begins in 2000 or 2001, \$170,000; (c) for any such twelve consecutive month period that begins in 1997, 1998, or 1999, \$160,000; or (d) for any such twelve consecutive month period that begins in 1996 or an earlier calendar year, \$150,000.

10.4 Former Highly Compensated Employee. For purposes of this Article 10 (and any other provision of the Plan that expressly refers to a Former Highly Compensated Employee), a "Former Highly Compensated Employee" means, with respect to any Plan Year (for purposes of this Section 10.4, the "subject Plan Year"), any person (a) who is a former Employee at the start of the subject Plan Year (or who, while an Employee at the start of such year, performs no services for any Affiliated Employer during such year by reason of being on a leave of absence or for some other reason), (b) who had a separation year prior to the subject Plan Year, and (c) who was a Highly Compensated Employee for the person's separation year or any other Plan Year which ended on or after the person's 55th birthday. Except as otherwise provided in final regulations issued under section 414(q) of the Code, a person's separation year refers to the Plan Year in which the person ceased to be an Employee. For purposes of this rule, an Employee who performs no services for the Affiliated Employers during the subject Plan Year shall be treated as having ceased to be an Employee in the Plan Year in which such Employee last performed services for the Affiliated Employers.

10.5 Highly Compensated Employee. For purposes of this Article 10 (and any other provision of the Plan that expressly refers to a Highly Compensated Employee), a "Highly Compensated Employee" means, with respect to any Plan Year (for purposes of this Section 10.5, the "subject Plan Year"), any person who is an Employee during at least part of the subject Plan Year and (a) was at any time a 5% owner (as defined in section 416(i)(1) of the Code) of any Affiliated Employer during the subject Plan Year or the

immediately preceding Plan Year (for purposes of this Section 10.5, the “look-back Plan Year”) or (b) received Compensation in excess of \$85,000 in the look-back Plan Year. The \$85,000 amount set forth above shall be adjusted for each Plan Year that begins after December 31, 2001 in accordance with the adjustment to such amount made by the Secretary of the Treasury or his delegate under section 414(q)(1) of the Code.

ARTICLE 11

ADDITIONAL RETIREMENT AND DEATH BENEFIT PAYMENT PROVISIONS

11.1 **Incompetency.** Every person receiving or claiming benefits under the Plan shall be conclusively presumed to be mentally or legally competent and of age until the date on which the Committee receives written notice that such person is incompetent or a minor for whom a guardian or other person legally vested with the care of his person or estate has been appointed. If the Committee finds that any person to whom a benefit is payable under the Plan is unable to care for his affairs because he is incompetent or is a minor, any payment due (unless a prior claim therefor has been made by a duly appointed legal representative) may be paid to the spouse, a child, a parent, a brother, or a sister of such person or to any person or institution deemed by the Committee to have incurred expense for such person. If a guardian of the estate of any person receiving or claiming benefits under the Plan is appointed by a court of competent jurisdiction, benefit payments may be made to such guardian provided that proper proof of appointment and continuing qualification is furnished in a form and manner acceptable to the Committee. Any payment made pursuant to this Section 11.1 shall be a complete discharge of liability therefor under the Plan.

11.2 **Commercial Annuity Contracts.** Notwithstanding any other provision of the Plan to the contrary, in its sole discretion, the Committee may elect to distribute a retirement or death benefit by the purchase and delivery to the applicable Participant (or beneficiary) of a commercial annuity contract from an insurance company. In such an event, delivery to and acceptance by such Participant (or beneficiary) of such contract shall be in complete satisfaction of any claim the Participant (or beneficiary) or any person claiming by or through such Participant (or beneficiary) may have for benefits under this Plan. The use of an annuity contract shall not itself cause any optional benefit form otherwise available to the Participant (or, if a death benefit is involved, his beneficiary) under the Plan to be eliminated, however.

11.3 Timing of Benefit Distributions.

11.3.1 For purposes of the Plan, each benefit payment under the Plan shall be made “as of” a certain date specified in an appropriate section of the Plan, which means that the amount of the payment shall be determined as of such date (or, if determined to be appropriate for administrative purposes by the Committee, as of the first day of the first month that begins on or after such date) and the actual payment shall be made on or as soon as practical after such date (to allow the Plan time to ascertain the applicable person’s entitlement to a benefit and the amount of such benefit and to process and payout such benefit). Further, the date “as of” which a benefit commences to be paid to a person under the Plan may sometimes be called such benefit’s “commencement date,” “benefit commencement date,” or “payment date” in the other provisions of this Plan. Any of such terms refer to the date as of which the applicable benefit commences (or, when the benefit is paid in a single sum, is paid).

11.3.2 Notwithstanding any other provision of the Plan to the contrary, the commencement date of any benefit that is payable to a Participant (or his beneficiary under the Plan) shall be set by the Committee pursuant to the terms of the other provisions of the Plan so that such commencement date represents:

(a) when the benefit is paid in the form of an annuity, the first day of the first period for which an amount is paid under the annuity form; or

(b) when the benefit is paid in the form of a single sum payment, the first day on which all events have occurred (including, if applicable, the Participant's or beneficiary's election of such benefit form, the end of any period in which he is given under the Plan's administrative processes to revoke such election, and the Participant's severance from employment when the Participant has not yet reached his Required Commencement Date) which entitle the Participant (or, if applicable, his beneficiary) to such benefit.

In no event may any date be determined under paragraph (b) above to be the commencement date of a Participant's benefit when such benefit is paid in the form of a single sum payment unless such date could have been the commencement date of the Participant's benefit had it been paid in the form of a Qualified Joint and Survivor Annuity (or, if the Participant is not married as of such date, a Single Life Annuity) had all Participant elections and spousal consents, when applicable, been made on a timely basis.

11.3.3 If a person entitled to a benefit hereunder dies subsequent to the date as of which such payment was to have been made but, because of administrative reasons, prior to the actual payment thereof, such benefit shall be paid to the person's beneficiary who is appropriate to such benefit under the provisions of the Plan (or, if no such beneficiary exists, to his estate).

11.3.4 If, notwithstanding any of the foregoing provisions of this Section 11.3, a Participant (or person claiming through him) who is entitled to a benefit hereunder cannot reasonably be located, then such benefit shall thereupon be deemed forfeited. If, however, the lost Participant (or person claiming through him) thereafter makes a claim for the amount previously forfeited hereunder, such benefit shall be paid or commence, with any unpaid installments thereof which otherwise would have previously been paid also being paid (but without any interest credited on such unpaid installments), as soon as administratively possible.

11.4 Nonalienation of Benefits. To the extent permitted by law and except as provided in the immediately following sentence or in Treasury Regulations section 1.401(a)-13, no benefit payable under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, whether voluntary or involuntary, nor shall any such benefit be in any manner liable for or subject to the debts, contracts, liabilities, engagements, or torts of the person entitled to such benefit. The Committee shall, however, adopt procedures as necessary so as to allow benefits to be assigned in connection with qualified domestic relations orders (as defined in and in accordance with the provisions of section 206(d)(3) of ERISA and section 414(p) of the Code).

11.5 Actuarial Assumptions. This Section 11.5 provides certain rules that involve actuarial assumptions or factors used under other provisions of the Plan.

11.5.1 Under this Plan, except as is otherwise provided in this Plan, any reference to actuarial equivalent, actuarially equivalent, or actuarial equivalence means equality in value of the aggregate amounts of a benefit when determined to be received under different forms at the same time, the same form at different times, or different forms at different times, as the case may be, in accordance with actuarial assumptions or factors set forth in the Plan.

11.5.2 When the Plan requires the calculation under any provision of Section 5.2 above of the single sum amount that is actuarially equivalent to a Participant's benefit when payable in the form of a Single Life Annuity, the actuarial assumptions to be used in making such calculation shall be (a) an interest rate assumption of 4% per annum and (b) mortality assumptions based on the UP-1984 Mortality Table.

11.5.3 When the commencement date of any benefit under the Plan occurs prior to January 1, 2008, the "applicable interest rate" and the "applicable mortality assumption" that apply to such benefit (and that may be referred to in any other provision of the Plan) shall be deemed to be the GATT applicable interest rate and the GATT applicable mortality assumption that apply to such benefit under the following paragraphs of this Subsection 11.5.3.

(a) For purposes hereof, the "GATT applicable interest rate" that applies to such benefit shall be deemed to mean the annual interest rate on 30-year Treasury securities for the fifth calendar month which precedes the first calendar month included in the Plan Year in which the applicable benefit's commencement date occurs and as such rate is published (in a Revenue Ruling, Notice, or other written form) by the Internal Revenue Service under section 417(e)(3) of the Code.

(b) For purposes hereof, the "GATT applicable mortality assumption" that applies to such benefit shall be deemed to mean an appropriate mortality assumption based on the mortality table prescribed by the Internal Revenue Service under Code section 417(e)(3) to apply as of the commencement date of the applicable benefit (which table shall be based on the prevailing commissioners' standard table described in Code section 807(d)(5)(A) and used to determine reserves for group annuity contracts, without regard to any other subparagraph of section 807(d)(5) of the Code). In accordance with the immediately preceding sentence: (i) the GATT applicable mortality assumption for any applicable Plan benefit with a commencement date that occurs on or after December 31, 2002 and prior to January 1, 2008 shall be determined under the mortality table prescribed by the Internal Revenue Service in Revenue Ruling 2001-62; and (ii) the GATT applicable mortality assumption for any applicable Plan benefit with a commencement date that occurs prior to December 31, 2002 shall be determined under the mortality table prescribed by the Internal Revenue Service in Revenue Ruling 95-6.

11.5.4 When the commencement date of any benefit under the Plan occurs on or after January 1, 2008, the "applicable interest rate" and the "applicable mortality assumption" that apply to such benefit (and that may be referred to in any other provision of the Plan) shall be deemed to be the PPA applicable interest rate and the PPA applicable mortality assumption that apply to such benefit under the following paragraphs of this Subsection 11.5.4.

(a) For purposes hereof, the "PPA applicable interest rate" that applies to such benefit shall be deemed to mean the adjusted first, second, and third segment rates (as such terms are defined in Code section 417(e)(3)(D)) applied under rules similar to the rules of Code section 430(h)(2)(C) for the fifth calendar month which precedes the first calendar month included in the Plan Year in which the applicable benefit's commencement date occurs and as such rate is published (in a Revenue Ruling, Notice, or other written form) by the Internal Revenue Service under section 417(e)(3) of the Code.

(b) For purposes hereof, the "PPA applicable mortality assumption" that applies to such benefit shall be deemed to mean an appropriate mortality assumption determined

under the mortality table published by the Internal Revenue Service under Code section 417(e)(3) for the Plan Year in which occurs the date as of which the applicable benefit is paid. In accordance with the immediately preceding sentence:

(i) the applicable mortality assumption for any applicable Plan benefit with a commencement date that occurs in the Plan Year beginning in 2008 (but no later Plan Year) shall be determined under the 2008 Applicable Mortality Table as published by the Internal Revenue Service in the appendix to Revenue Ruling 2007-67;

(ii) the applicable mortality assumption for any applicable Plan benefit with a commencement date that occurs in the Plan Year beginning in 2009, 2010, 2011, 2012, or 2013 (but no later Plan Year) shall be determined under the column labeled “Unisex” of the applicable mortality tables that apply to the specific Plan Year (the Plan Year beginning in 2009, 2010, 2011, 2012, or 2013) in which such commencement date occurs as such tables are published in the appendix to the Internal Revenue Service’s Notice 2008-85;

(iii) the applicable mortality assumption for any applicable Plan benefit with a commencement date that occurs in a Plan Year beginning in 2014 or 2015 (but no later Plan Year) shall be determined under the column labeled “Unisex” of the applicable mortality tables that apply to the specific Plan Year (the Plan Year beginning in 2014 or 2015) in which such commencement date occurs as such tables are published in the appendix to the Internal Revenue Service’s Notice 2013-49;

(iv) the applicable mortality assumption for any applicable Plan benefit with a commencement date that occurs in a Plan Year beginning in 2016 (but no later Plan Year) shall be determined under the column labeled “Unisex” of the mortality table that is published in the appendix to the Internal Revenue Service’s Notice 2015-53; and

(v) the applicable mortality assumption for any applicable Plan benefit with a commencement date that occurs in a Plan Year later than the Plan Year beginning in 2016 shall be determined under the applicable mortality table published (in a revenue ruling, notice, or other written form) by the Internal Revenue Service under Code section 417(e)(3) for such later Plan Year.

11.5.5 Except to the extent otherwise permitted by applicable law, Treasury regulations, or Revenue Rulings, Notices, or other written guidance of the Internal Revenue Service, if the Plan is amended to change any of the actuarial assumptions or factors used in the Plan to determine actuarial equivalence, then the monthly or lump sum amount or value of any Plan benefit (that is payable in any form, and commences as of any date, permitted under the Plan) which is applicable to a Participant who is a Participant in the Plan on the effective date of the amendment and the monthly or lump sum amount or value of which is determined in part by using the Plan’s actuarial assumptions or factors shall be determined in accordance with the provisions of the Plan in effect as of the date the benefit is to commence or be paid; except that the monthly or lump sum amount or value of such benefit shall not in any event be deemed to be less than would apply if both: (a) such benefit were determined as if the applicable Participant had permanently ceased to be an Employee no later than as of the day next preceding the effective date of the amendment (and thus as if no service or compensation of the Participant were completed or received by him after such date); and (b) instead of and in substitution for the Plan’s actuarial assumptions or factors in effect as of the date the benefit is to commence or be paid, the actuarial assumptions or factors used in the Plan with respect to the determination of the monthly or lump sum amount or value of such benefit were the Plan’s actuarial assumptions or factors which were in effect as of the day next preceding the effective date of the amendment. In accordance with Internal Revenue Service guidance (including guidance set forth in Treasury Regulations section 1.417(e)-1(d)(10) and Revenue Ruling 2007-67), however, the provisions

of this Subsection 11.5.5 shall not apply to any changes that are made by the provisions of Subsections 11.5.3 and 11.5.4 above with respect to the actuarial assumptions used to determine the “applicable interest rate” and the “applicable mortality assumption” that apply to any Plan benefit based on the commencement date of such benefit.

11.6 Applicable Benefit Provisions.

11.6.1 Subject to Sections 7.6 through 7.8 above, any retirement benefit to which a Participant becomes entitled (or any death benefit to which such Participant’s spouse or other beneficiary becomes entitled) shall be determined on the basis of the provisions of the Plan in effect as of the earlier of the date the Participant last ceases to be an Employee or his Required Beginning Date notwithstanding any amendment to the Plan adopted subsequent to such date, except for subsequent amendments which are by their specific terms made applicable to such Participant (or his spouse or other beneficiary).

11.6.2 In addition, except as is otherwise specifically provided in this Plan, the provisions of this Plan only apply to persons who become Participants in this Plan under Article 4 above on or after the Effective Amendment Date and to benefits which have not begun to be paid prior to the Effective Amendment Date. However, any person who was a participant in the Plan prior to the Effective Amendment Date and, while never becoming a Participant in this Plan under Article 4 above on or after the Effective Amendment Date, still had a nonforfeitable right to an unpaid benefit under the Plan as of the date immediately preceding the Effective Amendment Date shall be considered a participant in this Plan to the extent of his interest in such benefit. The amount of such benefit, the form in which such benefit is to be paid, and the conditions (if any) which may cause such benefit not to be paid shall, except as is otherwise specifically provided by the provisions of this Plan, be determined solely by the provisions of the Plan in effect at the time he ceased to be an Employee and any subsequent Plan amendments that both became effective before the Effective Amendment Date and applied by their terms to him.

11.7 Forfeitures.

11.7.1 A Participant who ceases to be an Employee shall forfeit any portion of the benefit he has accrued under the Plan were the Plan’s vesting requirements ignored which he is not entitled to receive as a retirement benefit under the provisions of the Plan because of the Plan’s vesting requirements (for purposes of this Section 11.7, his “nonvested benefit”) as of the earlier of (a) the date he receives a complete distribution of the portion of his Plan benefit which he is entitled to receive as a retirement benefit under the provisions of the Plan (for purposes of this Section 11.7, his “vested benefit”) or (b) the date he incurs five consecutive Breaks in Service commencing after he ceases to be an Employee. For purposes hereof, a Participant who ceases to be an Employee at a time when he has no vested benefit at all shall be deemed to have received a complete distribution of his vested benefit on the date he ceases to be an Employee.

11.7.2 If a Participant who forfeits the entire portion of his Plan benefit under Subsection 11.7.1 above is rehired by an Affiliated Employer as an Employee by the end of the date he incurs five consecutive Breaks in Service commencing after his prior ceasing to be an Employee, then his previously forfeited nonvested benefit shall be restored to his credit under the Plan.

11.8 Direct Rollover Distributions. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee’s election under this Section 11.8, a distributee may elect, at the time and in the manner prescribed by the Committee, to have any portion of an eligible rollover distribution otherwise payable to him paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

11.8.1 For purposes of this Section 11.8, the following terms shall have the meanings indicated in the following paragraphs of this Subsection 11.8.1.

(a) An “eligible rollover distribution” means, with respect to any distributee, any distribution of all or any portion of the entire benefit otherwise payable under the Plan to the distributee, except that an eligible rollover distribution does not include: (i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee’s designated beneficiary, or for a specified period of ten years or more; (ii) any distribution to the extent such distribution is required to be made under section 401(a)(9) of the Code; or (iii) any other distribution that is not permitted to be directly rolled over to an eligible retirement plan under regulations of the Secretary of the Treasury or his delegate. For purposes of this paragraph (a), a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income; however, such portion may be paid only to: an eligible retirement plan that is described in clause (i), (ii), or (iii) of paragraph (b) below; or in a direct rollover to an eligible retirement plan that is described in clause (v) or clause (vii) of paragraph (b) below that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(b) An “eligible retirement plan” means, with respect to any distributee’s eligible rollover distribution, any of the following accounts, annuities, plans, or contracts that accepts the distributee’s eligible rollover distribution: (i) an individual retirement account described in section 408(a) of the Code; (ii) an individual retirement annuity described in section 408(b) of the Code; (iii) a Roth IRA (as defined in Code section 408A); (iv) an annuity plan described in section 403(a) of the Code; (v) an annuity contract described in section 403(b) of the Code; (vi) an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan; or (vii) a qualified trust described in section 401(a) of the Code. This definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in section 206(d)(3) of ERISA and section 414(p) of the Code.

(c) A “distributee” means a Participant. In addition, a Participant’s surviving spouse, or a Participant’s spouse or former spouse who is the alternate payee under a qualified domestic relations order (as defined in section 206(d)(3) of ERISA and section 414(p) of the Code), is a distributee with regard to any interest of the Participant which becomes payable under the Plan to such spouse or former spouse.

(d) A “direct rollover” means, with respect to any distributee, a payment by the Plan to an eligible retirement plan specified by the distributee.

11.8.2 As a special rule and notwithstanding any other provision of this Section 11.8 to the contrary, if a person who is a designated beneficiary (as defined in Code section 401(a)(9)(E) and including, to the extent provided in rules prescribed by the Secretary of the Treasury or his delegate, a trust established for the benefit of one or more designated beneficiaries) of a deceased Participant and who is not the Participant’s surviving spouse is entitled under the Plan to receive a Plan distribution that would be an eligible rollover distribution were such person a distributee, such person may elect to have all or a part of the distribution directly rolled over by the Plan to an inherited individual retirement account or annuity (within

the meaning of Code section 408(d)(3)(C)(ii) and any related provisions of the Code) to the extent permitted by and subject to the provisions of section 402(c)(11) of the Code.

11.8.3 The Committee may prescribe reasonable rules in order to provide for the Plan to meet the provisions of this Section 11.8 and all rules of the Code that apply to direct rollovers of eligible rollover distributions. Any such rules shall comply with the provisions of Code section 401(a)(31) and any applicable Treasury regulations which are issued with respect to the direct rollover requirements. For example, subject to meeting the provisions of Code section 401(a)(31) and applicable Treasury regulations, the Committee may: (a) prescribe the specific manner in which a direct rollover shall be made by the Plan, whether by wire transfer to the eligible retirement plan, by mailing a check to the eligible retirement plan, by providing the distributee a check made payable to the eligible retirement plan and directing the distributee to deliver the check to the eligible retirement plan, and/or by some other method; (b) prohibit any direct rollover of any eligible rollover distributions payable during a calendar year to a distributee when the total of such distributions is less than \$200; and/or (c) refuse to make a direct rollover of an eligible rollover distribution to more than one eligible retirement plan.

ARTICLE 12
CONTRIBUTIONS

12.1 Contributions.

12.1.1 The Company has established a trust, referred to herein as the “Trust,” to serve as the funding media for the Plan, and the Trust is hereby incorporated by reference into and made a part of the Plan.

12.1.2 Any contribution to provide the benefits under the Plan shall be made by the Participating Companies at such times and in such amounts as the Participating Companies may determine and be paid to the Trust. In general, the Participating Companies intend to meet at least minimum funding requirements of section 412 of the Code, but, except to the extent otherwise required by applicable law, in no manner are the Participating Companies obligated to make further contributions to the Plan after the termination of the Plan or at any particular time during the period the Plan is in existence.

12.1.3 Further, subject to the minimum funding requirements of section 412 of the Code, contributions of the Participating Companies shall be conditioned on their deductibility under section 404(a)(1) of the Code for the tax year in which they are paid to the Trust (or are deemed to be paid to the Trust pursuant to the provisions of section 404(a)(6) of the Code).

12.1.4 No contributions shall be required or permitted of Participants. (Notwithstanding the foregoing, any bequest to the Plan made under the last will and testament or a trust of a Participant, a former Participant, or any other individual shall not constitute a “contribution” for any purposes of the Plan and thus may be accepted by the Plan, provided (a) that none of the Affiliated Employers, the Committee, or any agents of or parties related to any of them have pressured, coerced, or solicited such bequest, (b) that there is no obligation whatsoever imposed on the Plan, the Affiliated Employers, the Committee, or any agents of or parties related to any of them by reason of such bequest, and (c) that such bequest does not constitute a prohibited transaction under Code section 4975 or section 406 of ERISA.)

12.1.5 Forfeitures arising under the Plan shall only be used to reduce Participating Company contributions otherwise payable hereunder.

12.2 Mistake of Fact. Participating Company contributions made upon the basis of a mistaken factual assumption shall be repaid by the Trustee of the Trust to the appropriate Participating Companies, upon receipt by such Trustee, within one year from the date of such contributions, of a certificate of the Participating Companies describing such mistaken factual assumption and requesting the return of such contributions.

12.3 Disallowance of Deductions. Unless not permitted by reason of the minimum funding requirements of section 412 of the Code, any Participating Company contributions which are determined by the Internal Revenue Service or by final judgment of a court of competent jurisdiction not to be deductible expenses under section 404(a)(1) of the Code for the tax year in which they are paid to the Trust (or are deemed to be paid to the Trust pursuant to the provisions of section 404(a)(6) of the Code) shall be repaid by the Trustee of the Trust to the appropriate Participating Companies, upon receipt by such Trustee of evidence of such determination, and a request of the Participating Companies requesting such repayment, within one year from the date of such determination or final judgment, as the case may be.

ARTICLE 13

ADMINISTRATION OF THE PLAN

13.1 Plan Administration. The Company shall be the Plan's administrator (as that term is defined in ERISA), but, except as is otherwise noted elsewhere in this Article 13, the general administration of the Plan and the responsibility for carrying out its provisions shall be placed by the Company in a committee of not less than three persons who are appointed by and serve at the pleasure of the Company and which committee is named the Employees' Benefit Committee of the Company, referred to herein as the "Committee."

13.2 Committee Procedures. The Committee may elect such officers as it deems necessary. The Committee shall hold meetings upon such notice, at such place or places, and at such time or times as its members may from time to time determine. The Committee may adopt such bylaws and regulations as it deems desirable for the conduct of its affairs, and the provisions of any such bylaws or regulations shall apply under this Plan to the extent they are not inconsistent with the terms of this Plan.

13.3 Authority of Committee. The Committee shall be a named fiduciary of the Plan, and, except as is otherwise noted elsewhere in this Article 13, shall have authority to control and manage the operation and administration of the Plan.

13.3.1 The Committee shall have all powers and discretion necessary to exercise its authority and discharge its responsibilities, including, but not by way of limitation, the full power and discretion:

- (a) to construe and interpret the Plan and determine all questions relating to the eligibility of Employees to become Participants;
- (b) to maintain all necessary records for the administration of the Plan other than those maintained by the Trustee of the Trust;
- (c) to compute and certify to the Trustee of the Trust the amount and kind of benefits payable to Participants and their beneficiaries;
- (d) to authorize all disbursements by the Trustee from the Trust;
- (e) to make and publish rules for the administration of the Plan and the transaction of its business;
- (f) to employ one or more persons to render advice with regard to any responsibility to be discharged by any person under the Plan;
- (g) to prescribe procedures to be followed by Participants or their beneficiaries in obtaining benefits;
- (h) to receive from the Participating Companies and from Employees such information and prescribe the use of such forms as shall be necessary for the proper administration of the Plan;
- (i) to prepare and distribute, in such manner as the Committee determines to be appropriate, information explaining the Plan;

(j) to delegate to one or more of the members of the Committee the right to act in its behalf in any or all matters connected with the administration of the Plan;

(k) to receive and review reports of the financial condition and of the receipts and disbursements of the Trust from the Trustee;

(l) to delegate any duty or power assigned to the Committee under the provisions of the Plan or the Trust (except duties provided in the Trust for the management or control of the assets of the Plan) to such person or persons as the Committee may choose, and to designate one or more of such persons as a named fiduciary (as such term is defined in ERISA) for purposes of the Plan. To the extent any such duty or power is so delegated, the person or persons to whom such duty or power is delegated may take actions that are within his or their scope of authority with the same force and effect as if the Committee had acted directly;

(m) to appoint or employ for the Plan agents it deems advisable, including, but not limited to, legal and actuarial counsel, to assist the Committee in discharging its duties hereunder, and to dismiss any such agents and engage another at any time; and

(n) to correct, by any reasonable method determined by the Committee, any errors in the administration or application of the Plan (or any delays in distributing benefits beyond a reasonable period) which it discovers, however arising and notwithstanding any other provision of the Plan to the contrary, and, as far as possible, adjust any benefit payments accordingly, provided only that the correction methods used by the Committee are not inconsistent with any revenue procedures or other guidance issued by the Internal Revenue Service or the U.S. Department of Labor as to the manner in which corrections of errors under employee benefit plans may be made. For example, the Committee may, when any single sum payment of a benefit is made after the date which is such benefit's payment date under the other provisions of the Plan, add interest to the amount of such benefit payment (in order to reflect any administrative delay in making the payment) at a rate of 3-1/2% per annum (or such other rate as is determined by the Committee). Because of the much lesser percentage of a benefit that is encompassed by a monthly annuity payment, no interest will be credited for an administrative delay in making a monthly annuity payment (unless otherwise determined by the Committee based on special facts and circumstances).

13.3.2 Notwithstanding the foregoing provisions of this Section 13.3, if the Committee cannot reasonably and economically determine or verify, with respect to any Employee or a class of Employees, service, compensation, date of hire, date of termination, or any other pertinent factor in the administration of the Plan, the Committee shall adopt, with respect to such Employee or class of Employees, reasonable and uniform assumptions regarding the determination of such factor or factors, provided that no such assumption shall (a) discriminate in favor of Highly Compensated Employees, (b) reduce or eliminate a protected benefit (within the meaning of Treasury Regulations section 1.411(d)-4), or (c) operate to the disadvantage of such Employee or class of Employees.

13.3.3 Unless otherwise provided in the Trust, the Committee may also establish guidelines with respect to the investment of all funds held by the Trustee under the Trust, direct investments of all or part of such funds, and/or appoint investment managers to direct investments of all or part of such funds.

13.3.4 For purposes hereof, any party which has been authorized by the Plan or under a procedure authorized under the Plan to perform fiduciary and/or nonfiduciary administrative duties hereunder, whether such party is the Committee, the Company, an agent appointed or permitted by the Committee to

carry out its duties, or otherwise, shall, when properly acting within the scope of his authority, sometimes be referred to in the Plan as a “Plan representative.”

13.4 Reliance on Information and Effect of Decisions. When making a determination or calculation with respect to the Plan, the Committee shall be entitled to rely upon information furnished by any Participant, any beneficiary, any Participating Company, legal counsel of any Participating Company, an enrolled actuary appointed or employed by the Company or the Committee, the Trustee of the Trust, or an investment manager appointed under the Trust. The determination of the Committee as to the interpretation of the provisions of the Plan or any disputed questions shall be conclusive, subject only to applicable law and the provisions of Article 14 below for review of a decision denying a claim.

13.5 Appointment of Actuary. The Company or the Committee shall appoint an actuary to make all actuarial computations required in the operation and administration of the Plan and may dismiss the actuary and engage another at any time.

13.6 Funding Policy and Method. Pursuant to ERISA, the Committee from time to time shall establish a funding policy and method for carrying out the objectives of the Plan which is consistent with the requirements of the Plan and applicable law. In this connection, the Committee shall consider the Plan’s short and long term financial needs. In addition, the Committee shall allocate the contributions and other costs of this Plan that are required to be paid by the Participating Companies under the other provisions of this Plan among each Participating Company using any reasonable allocation methods adopted by the Committee. In general, such allocation methods shall be designed so that each Participating Company pays to the extent practical the contributions and other Plan costs that are attributable to its own Employees.

13.7 Participant Information Forms. At the discretion of the Committee, at any time an Employee may be furnished with a form or forms which shall be executed by him and returned to the Committee setting forth such information as the Committee deems necessary to the administration of the Plan. In addition, a Participant must keep current with the Plan his address and the address of his spouse or other beneficiary, if any, and any spouse or other beneficiary entitled to a future benefit under this Plan must continue to keep current the spouse’s or beneficiary’s address after the Participant’s death. All benefits payable under this Plan may be based on the latest address and information provided to the Committee by the Participant or his spouse or beneficiary.

13.8 Disbursement of Funds. The Committee shall determine the manner in which the funds of the Plan shall be disbursed, including the form of any voucher or warrant to be used in making disbursements, and the due qualification of persons authorized to approve and sign the same, but subject to the provisions of the Trust.

13.9 Insurance. The Participating Companies (but not the Plan) may, in their discretion, obtain, pay for, and keep current a policy or policies of insurance insuring the Committee members, the members of the Board, the members of the Review Committee (as described in Section 13.12 below), and other persons to whom any fiduciary responsibility with respect to the administration of the Plan is delegated, against any and all liabilities, costs, and expenses incurred by such persons as a result of any act, or omission to act, in connection with the performance of their duties, responsibilities, and obligations under the Plan and any applicable Federal or state law.

13.10 Compensation of Committee and Payment of Plan Administrative and Investment Charges. Unless otherwise determined by the Company, the members of the Committee (and the members of the Review Committee, as described in Section 13.12 below) shall serve without compensation for their services

as such. All expenses of the administration and investment of the Plan (excluding brokerage fees, expenses related to securities transactions, and any taxes on the assets held in the Trust Fund, which expenses shall only be payable out of the Trust Fund), including, without limitation, premiums due the Pension Benefit Guaranty Corporation and the fees and charges of the Trustee, any investment manager or other financial advisor, any actuary, any attorney, any accountant, any specialist, or any other person employed by the Committee or the Company in the administration of the Plan, shall be paid out of the Trust Fund (or, if the Participating Companies so elect, by the Participating Companies directly). In this regard, the Plan administrative and investment expenses which shall be paid out of the Trust Fund (unless the Participating Companies elect to pay them directly) shall also include compensation payable to any employees of the Affiliated Employers who perform administrative or investment services for the Plan to the extent such compensation would not have been sustained had such services not been provided, to the extent such compensation can be fairly allocated to such services, to the extent such compensation does not represent an allocable portion of overhead costs or compensation for performing “settlor” functions (such as services incurred in establishing or designing the Plan), and to the extent such compensation does not fail for some other reason to constitute a “direct expense” within the meaning of U.S. Department of Labor Regulations section 2550.408c-2(b)(3).

13.11 Indemnification. The Participating Companies shall indemnify each member of the Committee, the Review Committee (as described in Section 13.12 below), and the Board for all expenses and liabilities (including reasonable attorneys’ fees) arising out of the administration of the Plan, other than any expenses or liabilities resulting from the member’s own willful misconduct or lack of good faith.

13.12 Employees’ Benefit Claim Review Committee. While the Committee generally handles all administrative matters involving the Plan, it shall not review or decide any appeal claims made by Participants whose initial claims for benefits or other relief have been denied, in whole or in part, by the Committee (or any delegate of the Committee). Instead, the Company shall appoint an Employees’ Benefit Claim Review Committee (for purposes of this Section 13.12 and Article 14 below, the “Review Committee”), consisting of one or more persons who are not members of the Committee. The Review Committee shall serve as the final review committee, under the Plan and ERISA, for the review of all appeal claims by Participants whose initial claims for benefits have been denied, in whole or in part, by the Committee (or any delegate of the Committee). Such appeal review duties are described in Article 14 below. Further, the provisions of Section 13.2 above shall apply to the Review Committee in the same manner as if the Review Committee were the Committee.

ARTICLE 14

CLAIM AND APPEAL PROCEDURES

14.1 **Initial Claim.** In general, benefits due under this Plan will be paid only if the applicable Participant or beneficiary of a deceased Participant files a notice with the Committee electing to receive such benefits, except to the extent otherwise required under the Plan. Further, if a Participant (or a person claiming through a Participant) has a dispute as to the failure of the Plan to pay or provide a benefit, as to the amount of benefit paid, or as to any other matter involving the Plan, the Participant (or such person) may file a claim for the benefit or relief believed by the Participant (or such person) to be due. Such claim must be provided by written notice to the Committee or any other person designated by the Committee for this purpose. Any claim made pursuant to this Section 14.1 shall be decided by the Committee (or any other person or committee designated by the Committee to perform this review on behalf of the Committee).

14.2 Actions in Event Initial Claim is Denied.

14.2.1 If a claim made pursuant to Section 14.1 above is denied, in whole or in part, notice of the denial in writing shall be furnished by the Committee (or any other person or committee designated by the Committee to decide the claim on behalf of the Committee) to the claimant within 90 days (or, if a Participant's disability is material to the claim, 45 days) after receipt of the claim by the Committee (or such other designated person or committee); except that if special circumstances require an extension of time for processing the claim, the period in which the Committee (or such other designated person or committee) is to furnish the claimant written notice of the denial shall be extended for up to an additional 90 days (or, if a Participant's disability is material to the claim, 30 days) and the Committee (or such other designated person or committee) shall provide the claimant within the initial 90-day period (or, if applicable, 45-day period) a written notice indicating the reasons for the extension and the date by which the Committee (or such other designated person or committee) expects to render the final decision).

14.2.2 The final notice of denial shall be written in a manner designed to be understood by the claimant and set forth: (a) the specific reasons for the denial, (b) specific reference to pertinent Plan provisions on which the denial is based, (c) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary, and (d) information as to the steps to be taken if the claimant wishes to appeal such denial of his claim (including the time limits applicable to making a request for an appeal and, if the claim involves a claim for benefits, a statement of the claimant's right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on appeal).

14.3 **Appeal of Denial of Initial Claim.** Any claimant who has a claim denied under Sections 14.1 and 14.2 above may appeal the denied claim to the Review Committee (as defined in Section 13.12 above) or any other person or committee designated by the Review Committee to perform this review on behalf of the Review Committee. But, if a Participant's disability is material to the denied claim, the Review Committee shall make sure that the persons reviewing and deciding the appeal of the denied claim may not include any person who made the decision on the initial claim or his subordinate.

14.3.1 An appeal must, in order to be considered, be filed by written notice to the Review Committee (or such other designated person or committee) within 60 days (or, if a Participant's disability is material to the claim, 180 days) of the receipt by the claimant of a written notice of the denial of his initial claim, unless it was not reasonably possible for the claimant to make such appeal within such period, in which

case the claimant must file his appeal within 60 days (or, if a Participant's disability is material to the claim, 180 days) after the time it becomes reasonable for him so to file an appeal.

14.3.2 If any appeal is filed in accordance with such rules, the claimant (a) shall be given, upon request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to the claim and (b) shall be provided the opportunity to submit written comments, documents, records, and other information relating to the claim. A formal hearing may be allowed in its discretion by the Review Committee (or such other person or committee) but is not required.

14.4 Decision on Appeal. Upon any appeal of a denied claim made pursuant to Section 14.3 above, the Review Committee (or such other person or committee with authority to decide the appeal) shall provide a full and fair review of the subject claim, taking into account all comments, documents, records, and other information submitted by the claimant (without regard to whether such information was submitted or considered in the initial benefit determination of the claim), and decide the appeal within 60 days (or, if a Participant's disability is material to the claim, 45 days) after the filing of the appeal; except that if special circumstances require an extension of time for processing the appeal, the period in which the appeal is to be decided shall be extended for up to an additional 60 days (or, if a Participant's disability is material to the claim, 45 days) and the party deciding the appeal shall provide the claimant written notice of the extension prior to the end of the initial 60-day period (or, if applicable, 45-day period). However, if the decision on the appeal is extended due to the claimant's failure to submit information necessary to decide the appeal, the period for making the decision on the appeal shall be tolled from the date on which the notification of the extension is sent until the date on which the claimant responds to the request for additional information.

14.4.1 The decision on appeal shall be set forth in a writing designed to be understood by the claimant, specify the reasons for the decision and references to pertinent Plan provisions on which the decision is based, and contain statements that the claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to the claim and, if the claim involves a claim for benefits, of the claimant's right to bring a civil action under section 502(a) of ERISA.

14.4.2 The decision on appeal shall be furnished to the claimant by the Review Committee (or such other person or committee with authority to decide the appeal) within the period described above that the Review Committee (or such other party) has to decide the appeal.

14.5 Additional Rules. A claimant may appoint a representative to act on his behalf in making or pursuing a claim or an appeal of a claim. Unless otherwise required by applicable law, a claimant must exhaust his claim and appeal rights provided under this Article 14 in order to be entitled to file a civil suit under section 502(a) of ERISA as to his claim. In addition, the Committee may prescribe additional rules which are consistent with the other provisions of this Article 14 in order to carry out the Plan's claim and appeal procedures.

ARTICLE 15

CERTAIN RIGHTS AND OBLIGATIONS OF COMPANY RELATING TO AMENDMENTS, PLAN TERMINATIONS, AND CONTRIBUTIONS

15.1 Authority to Amend Plan. The Company reserves the right, at any time, to modify and amend, in whole or in part, any or all of the provisions of the Plan.

15.1.1 It is provided, however, that no modification or amendment of the Plan shall decrease any Participant's Accrued Benefit. In addition, except as otherwise provided in regulations issued under section 411(d)(6) of the Code or allowed by the Internal Revenue Service in any submission made to it, no amendment to the Plan which eliminates or reduces, or otherwise imposes greater restrictions or conditions on the Participant's rights to, an early retirement benefit, retirement-type subsidy, or optional form of benefit shall be permitted with respect to any Participant who meets (either before or after the amendment) the pre-amendment conditions for such early retirement benefit, retirement-type subsidy, or optional form of benefit, to the extent such early retirement benefit, retirement-type subsidy, or optional form of benefit is based and calculated on the basis of the Participant's Plan benefit accrued to the date of such amendment (as if he had ceased to be an Employee no later than such date).

15.1.2 It is provided, further, that no modification or amendment of the Plan shall make it possible, at any time prior to the satisfaction of all liabilities with respect to the Participants, for any part of the assets of the Plan to be used for, or diverted to, purposes other than for the exclusive benefit of such Participants (or their beneficiaries) or the payment of the costs or expenses of the Plan and the Trust.

15.1.3 Notwithstanding the foregoing restrictions on modifications or amendments of the Plan, however, any modification or amendment may be made to the Plan, even if retroactive in effect, if such modification or amendment is necessary to continue the qualification of the Plan under section 401(a) of the Code.

15.2 Amendment to Vesting Schedule.

15.2.1 Notwithstanding any other provision that applies to a Participant's benefits under the Plan hereof to the contrary, no Plan amendment may be adopted changing any vesting schedule that applies to a Participant's benefit under the Plan or affecting the computation of the nonforfeitable percentage of the Participant's benefits under the Plan unless the nonforfeitable percentage of the Participant's Plan benefits, as such benefits are determined as of the later of the date such amendment is adopted or the date such amendment becomes effective, will at all times not be less than such nonforfeitable percentage computed under the Plan without regard to such amendment.

15.2.2 In addition and also notwithstanding any other provision of the Plan to the contrary, if a Plan amendment is adopted which changes any vesting schedule that applies to a Participant's benefits under the Plan or if the Plan is amended in any way which directly or indirectly affects the computation of the nonforfeitable percentage of the Participant's Plan benefits, and if the Participant has completed at least three years of Vesting Service, then he may elect, within the election period, to have his nonforfeitable percentage computed under the Plan without regard to such amendment. For purposes hereof, the "election period" is a period which begins on the date the Plan amendment is adopted and ends on the date which is 60 days after the latest of the following days: (a) the day the Plan amendment is adopted; (b) the day the Plan

amendment becomes effective; or (c) the day the Participant is issued a written notice of the Plan amendment by an Affiliated Employer or the Committee.

15.3 Authority to Terminate Plan. The Company shall have the right to partially or completely terminate the Plan at any time, subject to the provisions of Article 16 below.

15.4 Modification or Termination of Contributions. It is the intention of the Participating Companies to continue making contributions to the Plan regularly, but the Participating Companies may for any reason discontinue, suspend, or reduce below those deemed sufficient by the Committee its contributions to the Plan.

15.5 Benefits Not Guaranteed. All contributions by the Participating Companies to the Plan are voluntary. The Participating Companies do not guarantee any of the benefits of the Plan.

15.6 Procedure for Amending or Terminating Plan.

15.6.1 Section 15.3 above authorizes the Company to terminate the Plan. The procedure for the Company to terminate this Plan is as follows. In order to terminate the Plan, the Board (or its Executive Committee) shall adopt resolutions, pursuant and subject to the regulations of the Company and any applicable law, and either at a duly called meeting of the Board (or its Executive Committee) or by a written consent in lieu of a meeting, to terminate the Plan. Such resolutions shall set forth therein the effective date of the Plan's termination. Such Board (or Executive Committee) resolutions shall be incorporated herein by reference and considered a part of the Plan.

15.6.2 Further, Section 15.1 above authorizes the Company to amend the Plan, subject to certain limitations set forth in Sections 15.1 and 15.2 above. The procedure for the Company to amend the Plan is as follows. Subject to Subsections 15.6.3 and 15.6.4 below, in order to amend the Plan, the Board (or its Executive Committee) shall adopt resolutions, pursuant and subject to the regulations of the Company and any applicable law, and either at a duly called meeting of the Board (or, if applicable, its Executive Committee) or by written consent in lieu of a meeting, to amend this Plan. Such resolutions shall either (a) set forth the express terms of the Plan amendment or (b) simply set forth the nature of the amendment and direct an officer of the Company to have prepared and to sign on behalf of the Company the formal amendment to the Plan. In the latter case, such officer shall have prepared and shall sign on behalf of the Company an amendment to the Plan which is in accordance with such resolutions.

15.6.3 In addition to the procedure for amending the Plan set forth in Subsection 15.6.2 above, the Board (or its Executive Committee) may also adopt resolutions, pursuant and subject to the regulations of the Company and any applicable law, and either at a duly called meeting of the Board (or, if applicable, its Executive Committee) or by a written consent in lieu of a meeting, to delegate to any officer of the Company authority to amend the Plan. Such Board (or, if applicable, Executive Committee) resolutions shall be incorporated herein by reference and considered a part of the Plan. Such resolutions may either grant to such designated party broad authority to amend the Plan in any manner such designated party deems necessary or advisable, but subject to the limitations set forth in Sections 15.1 and 15.2 above, or may limit the scope of amendments such designated party may adopt, such as by limiting such amendments to matters related to the administration of the Plan or to changes requested by the Internal Revenue Service. In the event of any such delegation to amend the Plan, the party to whom authority is delegated may amend the Plan by having prepared and signing on behalf of the Company in accordance with such resolutions an amendment to the Plan which is within the scope of amendments which such party has authority to adopt. Also, any such

delegation to amend the Plan may be terminated at any time by later resolution adopted by the Board (or its Executive Committee).

15.6.4 Further, and in addition to the procedures for amending the Plan set forth in Subsections 15.6.2 and 15.6.3 above, the Committee shall, for and on behalf of the Company in connection with the Company's position as the sponsor of the Plan, have the power to recommend to the Company any amendment to the Plan which the Committee believes is advisable, including but not limited to any amendment that is intended to improve the administration of the Plan, any amendment that is intended to further the purposes or understanding of the Plan, and any amendment that the Committee determines is necessary to maintain the tax-favored status of the Plan, but subject to the limitations set forth in Sections 15.1 and 15.2 above. When recommending any such amendment, the Committee shall not be acting in any fiduciary capacity with respect to the Plan but instead shall be acting solely as an agent and representative of the Company in its position as the sponsor of the Plan. Any amendment to the Plan that is recommended by the Committee shall become effective when (and shall not be effective unless and until) (a) it is consented to in writing by the Chief Executive Officer of the Company (or such other Company officer who is permitted to consent to such amendment by resolutions of the Board or the Board's Executive Committee) and (b) it is approved by resolutions adopted by the Board or the Board's Executive Committee (except that the approval by the Board or the Board's Executive Committee shall not be required in the case of any amendment that the Committee has determined is necessary to maintain the tax-qualified status of the Plan under section 401(a) of the Code or any amendment that the Committee determines will not have a material cost impact on the Participating Companies).

15.6.5 Finally, in the event of any right of parties other than the Board or its Executive Committee to amend the Plan that is delegated or provided them under Subsection 15.6.3 or 15.6.4 above, and even while such right remains in effect, the Board (and its Executive Committee) shall continue to retain its own right to amend the Plan pursuant to the procedure set forth in Subsection 15.6.2 above.

15.7 Preservation of Pre-January 1, 2016 Protected Benefits. This January 1, 2016 amendment and restatement of the Plan shall not, except to the extent permitted in regulations issued under section 411(d)(6) of the Code, reduce or eliminate any benefit of a Participant that as of December 31, 2015 was protected under Code section 411(d)(6), including the Participant's Accrued Benefit as in effect as of December 31, 2015 or any early retirement benefit, retirement-type subsidy, or optional form of benefit provided that the Participant met or meets (either before, on, or after January 1, 2016) the December 31, 2015 conditions for such benefit or subsidy and to the extent such benefit or subsidy is solely based and calculated on the basis of the Participant's Accrued Benefit, determined as of the end of December 31, 2015.

ARTICLE 16

TERMINATION OF PLAN

16.1 Vesting on Plan Termination.

16.1.1 Upon a complete or partial termination of the Plan, all interests of each Participant affected by the complete or partial termination in the benefits he has accrued under the Plan, as determined as of the date of complete or partial termination and to (and only to) the extent funded as of such date, shall become nonforfeitable. Notwithstanding any other provision herein to the contrary, no Participant (or person claiming through him) shall have any recourse towards satisfaction of his Plan benefits, if any, other than from the assets of the Plan (or the Pension Benefit Guaranty Corporation).

16.1.2 Any Participant who would not be entitled to any retirement benefit under the provisions of Article 6 above but for the provisions of Subsection 16.1.1 above, but who becomes entitled to a benefit because of such provisions, shall be entitled to a retirement benefit under the Plan (unless he dies before the commencement date of the benefit). The provisions of Article 7 above (concerning, e.g., the commencement date, form, and amount of payment), Article 8 above (concerning certain death benefits), Article 9 above (concerning certain “transition” and other benefits), Article 10 above (concerning maximum benefit limits and restrictions on benefits for highly paid participants), and Article 11 above (concerning certain miscellaneous benefit matters) shall apply to the payment of any retirement benefit payable under this Section 16.1 as if such retirement benefit was described in Article 6 above.

16.2 Special Rules as to Interest Rate and Mortality Table on Complete Plan Termination. If the Plan is completely terminated on or after January 1, 2008, then, notwithstanding any other provision of the Plan to the contrary, the subsections of this Section 16.2 shall apply to the Plan.

16.2.1 To the extent a Participant’s Plan benefit is determined in relation to the Participant’s Cash Balance Account, the interest rate and mortality table used on and after the date of the Plan’s termination for purposes of determining the amount of any Plan benefit of the Participant that is payable in the form of an annuity commencing at or after the Participant’s Normal Retirement Age shall be the interest rate and mortality table specified under the Plan for that purpose as of the Plan’s termination date; except to the extent required by Treasury Regulations section 1.411(b)(5)-1(e)(2)(iii). In that regard, if the Participant’s Accrued Benefit is to be determined under the other provisions of the Plan based on the amount credited to the Participant’s Cash Balance Account and the interest rate used for the purpose of calculating the Participant’s Accrued Benefit Final Payment Amount is a variable rate, then the interest rate for that purpose shall be equal to the average interest rate that applied for that purpose during the five-year period ending on the Plan’s termination date, determined in accordance with Treasury Regulations section 1.411(b)(5)-1(e)(2)(iii).

16.2.2 If the interest crediting rate used under Section 5.4 above to determine a Participant’s Cash Balance Account has been a variable rate during the interest crediting periods in the five-year period ending on the date of the Plan’s termination (including any case in which the interest crediting rate was not the same fixed rate during all such periods), then the interest crediting rate used under Section 5.4 above to determine the Participant’s Cash Balance Account after the date of the Plan’s termination shall be equal to the average of the interest crediting rates applied under Section 5.4 above during each interest crediting period for which the interest crediting date is within the five-year period ending on the Plan’s termination date (with each rate adjusted to reflect the length of the interest crediting period and the average rate expressed as an annual rate and determined in accordance with Treasury Regulations section 1.411(b)(5)-1(e)(2)(ii)).

16.3 Distribution Method on Termination. Upon a complete termination of the Plan, the Committee shall determine, and direct the appropriate parties accordingly, from among the following methods, the method of discharging and satisfying all obligations under the Plan on behalf of Participants affected by the complete termination: (a) by the purchase of a group or individual retirement annuity or annuities from any insurance company selected by the Committee; (b) by the liquidation and distribution of the assets of the Plan; or (c) by any combination of such methods. Any distribution made by reason of the termination of the Plan shall continue to meet the provisions of the Plan concerning the form in which distributions from the Plan must be made, however.

16.4 Allocation of Assets on Termination. Under whatever method is chosen by the Committee to discharge and satisfy the obligations on behalf of affected Participants, upon the termination of the Plan the assets of the Plan shall be allocated among the Participants in the Plan on the basis of their then Plan benefits, in accordance with the following provisions.

16.4.1 Subject to Subsections 16.4.2 through 16.4.4 below, the assets of the Plan shall, in the event of the termination of the Plan, be allocated among the Participants in the Plan on the basis of their then Plan benefits, in the following order of priority classes until such assets are exhausted.

(a) Priority Class 1: First, equally to all benefits described in subparagraphs (i) and (ii) immediately below:

(i) in the case of all benefits which are in pay status three years or more prior to the date of termination, to each such benefit as determined under the provisions of the Plan in effect during the five-year period ending on the date of termination under which such benefit would be the least in amount;

(ii) in the case of all benefits which would have been in pay status three years prior to the date of termination had the applicable Participants been retired or terminated in employment prior to the three-year period ending on the date of termination, to each such benefit as determined under the provisions of the Plan in effect during the five-year period ending on the date of termination under which such benefit would be the least in amount.

(b) Priority Class 2: Second, equally to the benefits described in subparagraphs (i) and (ii) immediately below:

(i) to all other benefits guaranteed by the Pension Benefit Guaranty Corporation under title IV of ERISA, determined without regard to section 4022B(a) of ERISA; and

(ii) to the additional benefits, if any, which would be guaranteed by the Pension Benefit Guaranty Corporation under title IV of ERISA if section 4022(b)(5) of ERISA did not apply.

For purposes of this Priority Class 2, section 4021 of ERISA shall be applied without regard to subparagraph (c) thereof.

(c) Priority Class 3: Third, to all other vested and nonforfeitable benefits (determined without regard to such benefits which become vested and nonforfeitable solely because of the termination of the Plan).

(d) Priority Class 4: Fourth, to all other benefits.

16.4.2 For purposes of the order of priority classes described in Subsection 16.4.1 above, the following provisions shall apply.

(a) The amount allocated under any priority class in Subsection 16.4.1 above with respect to any benefit shall be properly adjusted for any allocation of assets with respect to that benefit under a prior priority class in such subsection.

(b) If the assets available for allocation under either Priority Class 1, 2, or 4 above are insufficient to satisfy in full the Plan benefits described in such priority class, then such assets shall be allocated pro rata on the basis of the present value of the benefits described in such priority class (such present value being determined as of the date of termination).

(c) This paragraph (c) applies if the assets available for allocation under Priority Class 3 above are insufficient to satisfy in full the Plan benefits described in Priority Class 3. In such event, the following provisions apply.

(i) Such assets shall be allocated, except as provided in subparagraph (ii) immediately below, on a pro rata basis to the benefits which would have been described in Priority Class 3 if the provisions of the Plan as in effect at the beginning of the five-year period ending on the date of termination had never been changed.

(ii) If the assets available for allocation under Priority Class 3 are sufficient to satisfy in full the benefits described in subparagraph (i) immediately above, then such assets shall be allocated to the benefits which would have been described in Priority Class 3 if the provisions of the Plan as in effect at the latest point in time during the five-year period ending on the date of termination that such assets available for allocation are sufficient to satisfy in full such benefits had never been changed, with any such assets remaining to be allocated being allocated pro rata to the additional benefits which would have been described in Priority Class 3 if the provisions of the Plan as in effect under the next succeeding Plan amendment which modified any benefits had never been changed.

(d) If the allocations made pursuant to this Section 16.4 (without regard to this paragraph (d)) result in discrimination prohibited by section 401(a)(4) of the Code, then, to the extent required to prevent the disqualification of the Plan under section 401(a)(4) of the Code: (i) the assets allocated under paragraph (b) of Priority Class 2, Priority Class 3, and Priority Class 4 shall be reallocated to the extent necessary to avoid such discrimination, and, if still necessary to avoid such discrimination after such reallocation, (ii) the assets otherwise allocable to benefits which are limited or restricted under Section 10.2 above (and which are not otherwise allocated to paragraph (b) of Priority Class 2, to Priority Class 3, or to Priority Class 4 under clause (i) immediately above) shall also be reallocated to the extent necessary to avoid such discrimination.

16.4.3 Any allocations, determinations, distributions, or other actions taken pursuant to this Section 16.4 shall be subject to all required approvals and authorizations of the Pension Benefit Guaranty Corporation and the Internal Revenue Service.

16.4.4 Finally, in the case of a complete termination, any assets of the Plan remaining after all foregoing liabilities in the priority classes set forth in Subsection 16.4.1 above have been satisfied shall be paid to the Participating Companies, provided such payment does not violate any applicable Federal law.

ARTICLE 17

TOP HEAVY PROVISIONS

17.1 **Determination of Whether Plan Is Top Heavy.** For purposes of this Article 17, this Plan shall be considered a “Top Heavy Plan” for any Plan Year (for purposes of the first two sentences of this Section 17.1, the “subject Plan Year”) if, and only if, (a) this Plan is an Aggregation Group Plan during at least part of the subject Plan Year, and (b) the ratio of the total Present Value of all accrued benefits of Key Employees under all Aggregation Group Plans to the total Present Value of all accrued benefits of both Key Employees and Non-Key Employees under all Aggregation Group Plans equals or exceeds 0.6. All calculations called for in clauses (a) and (b) above with respect to this Plan and with respect to the subject Plan Year shall be made as of this Plan’s Determination Date which is applicable to the subject Plan Year, and all calculations called for under clause (b) above with respect to any Aggregation Group Plan other than this Plan and with respect to the subject Plan Year shall be made as of that plan’s Determination Date which is applicable to such plan’s plan year that has its Determination Date fall within the same calendar year as the Determination Date being used by this Plan for the subject Plan Year. For the purpose of this Article 17, the following terms shall have the meanings hereinafter set forth.

17.1.1 **Aggregation Group Plan.** “Aggregation Group Plan” refers, with respect to any plan year of such plan, to a plan (a) which qualifies under Code section 401(a), (b) which is maintained by an Affiliated Employer, and (c) which either includes a Key Employee as a participant (determined as of the Determination Date applicable to such plan year) or allows another plan qualified under Code section 401(a), maintained by an Affiliated Employer, and including at least one Key Employee as a participant to meet the requirements of section 401(a)(4) or section 410(b) of the Code. In addition, if the Company so decides, any plan which meets clauses (a) and (b) but not (c) of the immediately preceding sentence shall be treated as an “Aggregation Group Plan” with respect to any plan year of such plan if the group of such plan and all other Aggregation Group Plans will meet the requirements of sections 401(a)(4) and 410(b) of the Code with such plan being taken into account.

17.1.2 **Determination Date.** The “Determination Date” which is applicable to any plan year of an Aggregation Group Plan refers to the last day of the immediately preceding plan year (except that, for the first plan year of such a plan, the “Determination Date” applicable to such plan year shall be the last day of such first plan year).

17.1.3 **Key Employee.** With respect to any Aggregation Group Plan and as of any Determination Date that applies to a plan year of such plan, a “Key Employee” refers to a person who at any time during the plan year ending on the subject Determination Date is:

(a) an officer of an Affiliated Employer, provided such person receives compensation from the Affiliated Employers of an amount greater than \$130,000 (as adjusted under section 416(i) of the Code for plan years beginning after December 31, 2002) for the applicable plan year. For this purpose, no more than 50 employees (or, if less, the greater of three or 10% of the employees of the Affiliated Employers) shall be treated as officers;

(b) a 5% or more owner of any Affiliated Employer; or

(c) a 1% or more owner of any Affiliated Employer who receives compensation of \$150,000 or more from the Affiliated Employers for the applicable plan year.

For purposes of paragraphs (b) and (c) above, a person is considered to own 5% or 1%, as the case may be, of an Affiliated Employer if he owns (or is considered as owning within the meaning of Code section 318, except that subparagraph (C) of Code section 318(a) (2) shall be applied by substituting “5%” for “50%”) at least 5% or 1%, as the case may be, of either the outstanding stock or the voting power of all stock of the Affiliated Employer (or, if the Affiliated Employer is not a corporation, at least 5% or 1%, as the case may be, of the capital or profits interest in the Affiliated Employer). Further, for purposes of this entire Subsection 17.1.3, the term “Key Employee” includes any person who is deceased as of the subject Determination Date but who when alive had been a Key Employee at any time during the plan year ending on the subject Determination Date, and any accrued benefit payable to his beneficiary shall be deemed to be the accrued benefit of such person.

17.1.4 Non-Key Employee. With respect to any Aggregation Group Plan and as of any Determination Date that applies to a plan year of such plan, a “Non-Key Employee” refers to a person who at any time during the plan year ending on the subject Determination Date is an employee of an Affiliated Employer and who has never been considered a Key Employee as of such or any earlier Determination Date. Further, for purposes of this Subsection 17.1.4, the term “Non-Key Employee” includes any person who is deceased as of the subject Determination Date and who when alive had been an employee of an Affiliated Employer at any time during the plan year ending on the subject Determination Date but had not been a Key Employee as of the subject or any earlier Determination Date, and any accrued benefit payable to his beneficiary shall be deemed to be the accrued benefit of such person.

17.1.5 Present Value of Accrued Benefits.

(a) For any Aggregation Group Plan which is a defined benefit plan (as defined in Code section 414(j)), including such a plan which has been terminated, the “Present Value” of a participant’s accrued benefit, as determined as of any Determination Date, refers to the single sum value (calculated as of the latest Valuation Date which coincides with or precedes such Determination Date and in accordance with the actuarial assumptions adopted under such defined benefit plan for valuing single sum forms of benefits which are in effect as of such Valuation Date) of the monthly retirement or termination benefit which the participant had accrued under such plan to such Valuation Date. For this purpose, such accrued monthly retirement or termination benefit is calculated as if it was to first commence as of the first day of the month next following the month the participant first attains his normal retirement age under such plan (or, if such normal retirement age had already been attained, as of the first day of the month next following the month in which occurs such Valuation Date) and as if it was to be paid in the form of a single life annuity. Further, the accrued benefit of any participant under such plan (other than a participant who is a Key Employee) shall be determined under the method which is used for accrual purposes for all defined benefit plans of the Affiliated Employers (or, if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rates permitted under the fractional rule of section 411(b)(1)(C) of the Code). In addition, the dollar amount of any distributions made from the plan (including the value of any annuity contract distributed from the plan) actually paid to such participant prior to the subject Valuation Date but still within the plan year ending on the subject Determination Date (or, when the distribution is made other than by reason of the participant’s severance from employment from the Affiliated Employers, his death, or his disability, the five consecutive plan years ending on the subject Determination Date) shall be added in calculating such “Present Value” of the participant’s accrued benefit.

(b) For any Aggregation Group Plan which is a defined contribution plan (as defined in Code section 414(i)), including such a plan which has been terminated, the "Present Value" of a participant's accrued benefit, as determined as of any Determination Date, refers to the sum of (i) the total of the participant's account balances under the plan (valued as of the latest Valuation Date which coincides with or precedes such Determination Date), and (ii) an adjustment for contributions due as of such Determination Date. In the case of a profit sharing or stock bonus plan, the adjustment in clause (ii) above shall be the amount of the contributions, if any, actually made after the subject Valuation Date but on or before such Determination Date (and, in the case of the first plan year, any amounts contributed to the plan after such Determination Date which are allocated as of a date in such first plan year). In the case of a money purchase pension or target benefit plan, the adjustment in clause (ii) above shall be the amount of the contributions, if any, which are either actually made or due to be made after the subject Valuation Date but before the expiration of the period allowed for meeting minimum funding requirements under Code section 412 for the plan year which includes the subject Determination Date. In addition, the value of any distributions made from the plan (including the value of any annuity contract distributed from the plan) actually paid to such participant prior to the subject Valuation Date but still within the plan year ending on the subject Determination Date (or, when the distribution is made other than by reason of the participant's severance from employment from the Affiliated Employers, his death, or his disability, the five consecutive plan years ending on the subject Determination Date) shall be added in calculating such "Present Value" of the participant's accrued benefit.

(c) In the case of any rollover (as defined in the appropriate provisions of the Code), or a direct plan-to-plan transfer, to or from a subject Aggregation Group Plan, which rollover or transfer is both initiated by a participant and made between a plan maintained by an Affiliated Employer and a plan maintained by an employer other than an Affiliated Employer, (i) the Aggregation Group Plan, if it is the plan from which the rollover or transfer is made, shall count the amount of the rollover or transfer as a distribution made as of the date such amount is distributed by such plan in determining the "Present Value" of the participant's accrued benefit under paragraph (a) or (b) above, as applicable, and (ii) the Aggregation Group Plan, if it is the plan to which the rollover or transfer is made, shall not so consider the amount of the rollover or transfer as part of the participant's accrued benefit in determining such "Present Value" if such rollover or transfer was or is accepted after December 31, 1983 and shall so consider such amount if such rollover or transfer was accepted prior to January 1, 1984.

(d) In the case of any rollover (as defined in the appropriate provisions of the Code), or a direct plan-to-plan transfer, to or from a subject Aggregation Group Plan, which rollover or transfer is not described in paragraph (c) above, (i) the subject Aggregation Group Plan, if it is the plan from which the rollover or transfer is made, shall not consider the amount of the rollover or transfer as part of the participant's accrued benefit in determining the "Present Value" thereof under paragraph (a) or (b) above, as applicable, and (ii) the subject Aggregation Group Plan, if it is the plan to which the rollover or transfer is made, shall consider the amount of the rollover or transfer when made as part of the participant's accrued benefit in determining such "Present Value."

(e) As is noted in paragraphs (a) and (b) above, the "Present Value" of any participant's accrued benefit under any Aggregation Group Plan (that is either a defined benefit plan or a defined contribution plan) as of any Determination Date includes the value of any distribution from such a plan actually paid to such participant prior to the last Valuation Date which coincides with or precedes such Determination Date but still within the plan year ending on the subject Determination Date (or, in some cases, within the five year period ending on the subject Determination Date). This rule shall also apply to any

distribution under any terminated defined benefit or defined contribution plan which, if it had not been terminated, would have been required to be included as an Aggregation Group Plan.

(f) Notwithstanding the foregoing provisions, the “Present Value” of a participant’s accrued benefit under any Aggregation Group Plan (that is either a defined benefit plan or a defined contribution plan) as of any Determination Date shall be deemed to be zero if the participant has not performed services for any Affiliated Employer at any time during the plan year ending on the subject Determination Date.

17.1.6 Valuation Date. A “Valuation Date” refers to: (a) in the case of an Aggregation Group Plan that is a defined benefit plan (as defined in Code section 414(j)), the date as of which the plan actuary computes plan costs for minimum funding requirements under Code section 412 (except that, for an Aggregation Group Plan that is a defined benefit plan which has terminated, a “Valuation Date” shall be deemed to be the same as a Determination Date); and (b) in the case of an Aggregation Group Plan that is a defined contribution plan (as defined in Code section 414(i)), the date as of which plan income, gains, and/or contributions are allocated to plan accounts of participants.

17.1.7 Compensation. For purposes hereof, a participant’s “compensation” shall refer to his Compensation as defined in Section 10.3 above.

17.2 Effect of Top Heavy Status on Vesting. If for any Plan Year this Plan is a Top Heavy Plan, then, notwithstanding any other provision of the Plan to the contrary, any Participant who is a Participant at some time during such Plan Year and who ceases to be an Employee during such or any later Plan Year prior to being entitled to any other retirement benefit under the Plan, but after completing at least three years of Vesting Service (not including any years of Vesting Service completed after the last Plan Year in which this Plan is considered a Top Heavy Plan), shall still be entitled to a retirement benefit under the Plan (unless he dies before the commencement date of the benefit). The provisions of Article 7 above (concerning, e.g., the commencement date, form, and amount of payment), Article 8 above (concerning certain death benefits), Article 9 above (concerning certain “transition” and other benefits), Article 10 above (concerning maximum benefit limits and restrictions on benefits for highly paid participants), and Article 11 above (concerning certain miscellaneous benefit matters) shall apply to the payment of any retirement benefit payable under this Section 17.2 as if such retirement benefit was described in Article 6 above.

17.3 Effect of Top Heavy Status on Benefit Amounts.

17.3.1 For any Plan Year in which this Plan is considered a Top Heavy Plan, then, notwithstanding any other provision of the Plan to the contrary, the annual amount (if paid in the form of an annuity) or the single sum amount (if paid in the form of a single sum payment) of any retirement benefit to which a Participant becomes entitled under the Plan shall not: (a) if paid in the form of a Single Life Annuity that commences as of the later of the Participant’s Normal Retirement Date or the date as of which the Participant’s retirement benefit under the Plan commences (for purposes of this Subsection 17.3.1, the Participant’s “normal commencing Single Life Annuity”), be less than the product obtained by multiplying (i) 2% of the Participant’s average annual compensation (as defined below) by (ii) the Participant’s years of service (as defined below), up to but not exceeding ten such years; and (b) if paid in any form of benefit and/or as of any commencement date other than the form of benefit and commencement date that apply under a normal commencing Single Life Annuity, be less than the annual amount or single sum amount (as appropriate) that makes the Participant’s retirement benefit that is paid in such other form and/or as of such other commencement date actuarially equivalent to the minimum retirement benefit that is described in clause

(a) immediately above when such retirement benefit is paid in the form of a normal commencing Single Life Annuity.

17.3.2 For purposes of this Section 17.3, a Participant's "average annual compensation" refers to the annual average of his compensation received from the Affiliated Employers for the five consecutive calendar years which produce the highest result (excluding from consideration, however, compensation received in any Plan Year which began prior to January 1, 1984, in any calendar year which begins after the end of the last Plan Year in which the Plan is considered a Top Heavy Plan, and in any calendar year which does not end during a year of service).

17.3.3 For purposes of this Section 17.3, except as provided below, a Participant's "years of service" shall include each period for which the Participant is credited with a year of Vesting Service, regardless of the Participant's level of compensation during such period and regardless of whether the Participant is employed on any particular date during such period (such as the last day of such period). Notwithstanding the foregoing, a Participant's "years of service" for purposes of this Section 17.3 shall not include any period which began prior to January 1, 1984, any period which is not included at least in part in a Plan Year as of which the Plan is considered a Top Heavy Plan, or any period which occurs during a Plan Year when the Plan benefits (within the meaning of section 410(b) of the Code) no Key Employee or former Key Employee.

17.3.4 For purposes of the foregoing provisions of this Section 17.3, a Participant's benefit accruals under any other defined benefit plan (as defined in Section 414(j) of the Code) maintained by any Affiliated Employer and which is an Aggregation Group Plan for the subject Plan Year, other than benefit accruals made by reason of any top heavy provisions of such other plan, shall be considered as benefit accruals under this Plan.

17.3.5 Notwithstanding the foregoing provisions of this Section 17.3, such provisions shall not apply so as to cause any additional benefit to be provided a Participant for a Plan Year under this Plan if (i) such Participant actively participates in an Aggregation Group Plan maintained by an Affiliated Employer at any time in such Plan Year which is later than any date in such year on which he or she actively participates in this Plan and (ii) such other plan provides for the same benefit as would otherwise be required under the foregoing provisions of this Section 17.3 for such Plan Year.

ARTICLE 18

MISCELLANEOUS

18.1 Exclusive Benefit of Participants. All assets of the Plan shall be held in the Trust for the benefit of the Participants. In no event shall it be possible, at any time prior to the satisfaction of all liabilities with respect to the Participants, for any part of the assets of the Plan to be used for, or diverted to, purposes other than for the exclusive benefit of the Participants or their beneficiaries (except as may be otherwise provided in Sections 12.2 and 12.3 above) or for payment of proper administrative costs and expenses of the Plan and the Trust. No person shall have any interest in or right to any part of the Trust, or any rights in, to, or under the Trust, except as and to the extent expressly provided in the Plan.

18.2 Mergers, Consolidations, and Transfers of Assets.

18.2.1 Notwithstanding any other provision hereof to the contrary, in no event shall this Plan be merged or consolidated with any other plan and trust, nor shall any of the assets or liabilities of this Plan be transferred to any other plan or trust or vice versa, unless: (1) either the Plan is amended to provide for such action or the Committee determines that such action furthers the purposes of this Plan; (2) each Participant and beneficiary would (if this Plan then terminated) receive a benefit immediately after the merger, consolidation, or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation, or transfer (if this Plan had then terminated); and (3) such merger, consolidation, or transfer of assets does not cause any accrued benefit, early retirement benefit, retirement-type subsidy, or optional form of benefit of a person under this Plan or the applicable other plan, or the person's rights to any such benefits, to be eliminated or reduced except to the extent such elimination or reduction is permitted under section 411(d)(6) of the Code or in Treasury regulations issued thereunder. In the event of any such merger, consolidation, or transfer, the requirements of clause (2) set forth in the immediately preceding sentence shall be deemed to be satisfied if the merger, consolidation, or transfer conforms to and is in accordance with regulations issued under section 414(1) of the Code.

(a) In addition, in the case of any spin-off to this Plan from another plan which is maintained by an Affiliated Employer or of any spin-off from this Plan to another plan which is maintained by an Affiliated Employer, a percentage of the excess assets (as determined under section 414(l)(2) of the Code) held in the plan from which the spin-off is made (if any) shall be allocated to each of such plans to the extent required by section 414(l)(2) of the Code.

(b) Subject to the provisions of this Subsection 18.2.1, the Committee may take action to merge or consolidate this Plan and the Trust with any other plan and trust or permit the transfer of any assets and liabilities of this Plan and the Trust to any other plan and trust or vice versa.

18.2.2 If an Employee who is participating in the Cincinnati Bell Pension Plan, as such plan exists as of the Effective Amendment Date or is subsequently amended or renamed (for purposes of this Subsection 18.2.2, the "CBPP"), becomes a Participant in this Plan, his accrued benefit under the CBPP (and the assets related thereto) shall be transferred to and assumed by this Plan. Further, if a Participant in this Plan becomes a Participant in the CBPP, his accrued benefit under the Plan (and the assets related thereto) shall be transferred to and assumed by the CBPP. Any transfer of benefits and assets provided under this Subsection 18.2.2 shall be subject to the provisions of Subsection 18.2.1 above.

18.2.3 To the extent required under the Mandatory Portability Agreement, accrued benefits (and related assets) shall be transferred to and from Former Affiliate Plans (as such term is defined in the Mandatory Portability Agreement), provided that no accrued benefit shall be transferred to and assumed by this Plan unless assets at least equal to such accrued benefits also are transferred to this Plan. Any transfer of benefits and assets provided under this Subsection 18.2.3 shall be subject to the provisions of Subsection 18.2.1 above.

18.3 Benefits and Service for Military Service. Notwithstanding any provision of the Plan to the contrary and in order to satisfy the requirements of sections 401(a)(37) and 414(u) of the Code with respect to a Participant's qualified military service, the following provisions of this Section 18.3 shall apply.

18.3.1 An individual reemployed as an Employee by an Affiliated Employer under chapter 43 of title 38 of the United States Code (as such chapter is in effect on December 12, 1994 and without regard to any subsequent amendment) shall be treated as not having incurred a Break in Service for purposes of the Plan by reason of such individual's qualified military service.

18.3.2 Each period of qualified military service served by an individual shall, upon reemployment as an Employee by an Affiliated Employer under chapter 43 of title 38 of the United States Code (as such chapter is in effect on December 12, 1994 and without regard to any subsequent amendment), be deemed to constitute Vesting Service for purposes of the Plan.

18.3.3 For purposes of Article 10 above, a Participant who is in qualified military service shall be treated as receiving Compensation during the period of qualified military service equal to the Compensation the Participant would have received during such period were he not in qualified military service, determined based on the rate of pay the Participant would have received from the Affiliated Employers but for his absence during the period of qualified military service; except that, if the compensation the Participant would receive during the period of qualified military service is not reasonably certain, then the Participant shall be treated as receiving compensation from the Affiliated Employers during the period of qualified military service equal to the Participant's average compensation from the Affiliated Employers during the shorter of (a) the twelve month period immediately preceding the period of the qualified military service or (b) the Participant's entire period of employment by the Affiliated Employers.

18.3.4 If a Participant dies on or after January 1, 2007 and while performing qualified military service, the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the Participant resumed and then terminated employment on account of death. By reason of the immediately preceding sentence and among other things, credit for Vesting Service shall be provided for the period of qualified military service of a Participant who dies while performing qualified military service for purposes of determining whether any death benefit is provided under the Plan with respect to the Participant (but the amount of such death benefit is not determined as if the Participant received benefit accruals during such qualified military service).

18.3.5 An individual receiving, in a Plan Year that begins after December 31, 2008, a differential wage payment from an Affiliated Employer shall be treated as an Employee of such Affiliated Employer and the differential wage payment shall be treated as part of the Participant's compensation solely for purposes of applying Articles 10 and 17 above and applying any other requirement imposed by the Code on the Plan (but shall not be used for any other purposes of the Plan). For purposes hereof, a "differential wage payment" means any payment that is made by an Affiliated Employer to an individual with respect to any period during which the individual is performing service in the uniformed services (as defined in chapter

43 of title 38 of the United States Code) while on active duty for a period of more than 30 days and represents all or a portion of the wages that the individual would have received from such Affiliated Employer if the individual were performing service for such Affiliated Employer.

18.3.6 For all purposes of this Section 18.3, “qualified military service” means, with respect to any individual, any service of his in the uniformed services (as defined in chapter 43 of title 38 of the United States Code, as such chapter is in effect on December 12, 1994 and without regard to any subsequent amendment) if he is entitled to reemployment rights with the Employer under such chapter with respect to such service.

18.4 Actions Required by Mandatory Portability Agreement. This Plan shall comply with any requirements of the Mandatory Portability Agreement that apply to it. Thus, to the extent not addressed elsewhere in this Plan, any action shall be taken under or in connection with the Plan if it is required to comply with the Mandatory Portability Agreement. However, as is indicated in Section 3.7 above, Employees of certain Participating Companies are not subject to or affected by the Mandatory Portability Agreement while employed by any such companies, and this Section 18.4 shall not give any rights under the Mandatory Portability Agreement to such Employees while employed by any such company.

18.5 Authority to Act for Company. Except as is otherwise expressly provided elsewhere in this Plan, any matter or thing to be done by the Company shall be done by the Board or the Board’s Executive Committee, except that the Board or the Board’s Executive Committee may, by resolution, delegate in writing to any officer of any Affiliated Employer any or all of its rights or duties hereunder (and any such delegation shall be deemed incorporated into and made a part of this Plan). Any such delegation shall be valid and binding upon all persons, and the person or persons to whom authority is delegated shall have full power to act in all matters so delegated until the authority expires by its terms or is revoked by resolution of the Board or the Board’s Executive Committee.

18.6 Relationship of Plan to Employment Rights. The adoption and maintenance of the Plan is purely voluntary on the part of the Participating Companies and neither the adoption nor the maintenance of the Plan shall be construed as conferring any legal or equitable rights to employment on any person.

18.7 Applicable Law. The provisions of the Plan shall be administered and enforced according to applicable Federal law and, only to the extent not preempted by Federal law, to the laws of the State of Ohio. The Company may at any time initiate any legal action or proceedings for the determination of any question of construction which arises or for instructions. Except as required by law, in any application to, or proceeding or action in, any court with regard to the Plan, only the Company shall be a necessary party, and no Participant, beneficiary, or other person having or claiming any interest in the Plan shall be entitled to any notice or service of process. The Company may include as parties defendant any other person or persons. Any judgment entered into in such a proceeding or action shall be conclusive upon all persons claiming under the Plan.

18.8 Separability of Provisions. If any provision of the Plan is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, and the Plan shall be construed and enforced as if such provision had not been included.

18.9 Counterparts. The Plan may be executed in any number of counterparts, each of which shall be deemed an original. The counterparts shall constitute one and the same instrument, which shall be sufficiently evidenced by any one thereof.

18.10 Headings. Headings used throughout the Plan are for convenience only and shall not be given legal significance.

18.11 Special Definitions and Tables. Any terms which are defined by use of a parenthetical contained in any provision of the Plan shall apply only to the provision in which such parenthetical is contained, except where otherwise indicated in such parenthetical or the context otherwise requires. In addition, any tables attached to this Plan shall constitute a part of this Plan.

18.12 Plan Administrator and Sponsor. The Company shall be the Plan's administrator and sponsor as those terms are used in ERISA.

18.13 Accumulated Benefit Used To Satisfy Applicable Age Discrimination Rules. As is indicated in Subsection 2.1.2 above, a Participant's Accumulated Benefit as of any specified date that occurs on or after January 1, 2008 shall be the Participant's benefit that is used for purposes of determining whether the requirements of section 411(b)(1)(H)(i) and (b)(5)(A) of the Code and section 204(b)(1)(H)(i) and (b)(5)(A) of ERISA, and Treasury Regulations section 1.411(b)(5)-1(b), are met for the Plan with respect to the Participant's Plan benefit as of such specified date. In that regard and by virtue of the fact that the accrued benefits of all Participants under the Plan have been frozen prior to the Effective Amendment Date, the requirements of the safe harbor accumulated benefit test under Treasury Regulations section 1.411(b)(5)-1(b)(1), including the definition of lump sum-based formula under Treasury Regulations section 1.411(a)(13)-1(d)(3), shall be applied to the Plan without regard to the requirements under such Treasury Regulations section that are effective only for Plan Years beginning on or after January 1, 2017.

ARTICLE 19

2004 EARLY RETIREMENT OFFER

19.1 **Overview.** This Article 19 is effective as of August 19, 2004 and provides for special benefits to be provided certain Participants who accepted an offer of the Participating Employers of a special benefit program, all as is provided for in the following provisions of this Article 19.

19.2 **Special Definitions.** For purposes of this Article 19 only, the following terms shall have the meanings hereinafter set forth:

19.2.1 The term “Eligible Participant” means any person who was eligible under Section 19.3 below to be offered the special benefit program described in this Article 19.

19.2.2 The term “Extra Lump Sum Formula Amount” means, with respect to any Eligible Participant who accepted the special benefit program offer provided under this Article 19, an amount equal to the product obtained by multiplying (a) a dollar amount equal to two weeks value of the Eligible Participant’s base rate of pay as determined on October 1, 2004 by (b) the number of whole years included in the Eligible Participant’s Net Credited Service as determined on October 1, 2004. Notwithstanding the immediately preceding sentence, such Eligible Participant’s “Extra Lump Sum Formula Amount” shall in no event be deemed to exceed an amount equal to one year’s value of the Eligible Participant’s base rate of pay as determined on October 1, 2004. For purposes of this Subsection 19.2.2, if such Eligible Participant was assigned to a sales division of a Participating Employer and received Sales Incentive Compensation Awards, all such awards paid to him for the twelve month period ending on the day immediately preceding October 1, 2004 will be taken into account in determining his base rate of pay on October 1, 2004. In addition, for purposes of this Subsection 19.2.2 and except as is provided in the immediately preceding sentence, night differentials, overtime pay, team incentive and other awards, bonuses, and any other amounts not part of such Eligible Participant’s basic rate of scheduled pay shall not be included in determining such Eligible Participant’s base rate of pay. Notwithstanding the foregoing, for an Eligible Participant who is described in Subsection 19.4.4 below, each reference to “October 1, 2004” in the foregoing provisions of this Subsection 19.2.2 shall be deemed to be a reference to the Eligible Participant’s last day of employment with the Affiliated Employers.

19.2.3 The term “Normal Retirement Extra Single Life Annuity Benefit” means, with respect to any Eligible Participant who accepted the special benefit program offer provided under this Article 19 and when determined as of any date (for purposes of this Subsection 19.2.3, the “subject date”), a hypothetical Single Life Annuity payable to the Eligible Participant that both (a) commences to be paid as of the later of the Eligible Participant’s Normal Retirement Date or the Eligible Participant’s Offer Retirement Date and (b) has a monthly amount that is actuarially equivalent to a hypothetical single sum payment that both is made as of the subject date and is equal to the Eligible Participant’s Extra Lump Sum Formula Amount. The actuarial assumptions to be used in making such actuarially equivalent calculation shall be solely the applicable interest rate and applicable mortality assumption that are in effect under Section 11.5 above for a benefit for which the subject date is the benefit’s commencement date.

19.2.4 The term “Offer Retirement Date” means, with respect to any Eligible Participant who accepted the special benefit program offer provided under this Article 19, the date the Participant ceased to be an Employee pursuant to such offer.

19.2.5 The term “Net Credited Service” means, with respect to any Participant, the Eligible Participant’s Term of Employment that would be determined under the terms of the Prior Pension Plan if all references to a “Covered Employee” in such Prior Pension Plan were deemed to be references to an “Employee” (and if section 4.1.8 of such Prior Pension Plan were disregarded).

19.3 Eligible Participants. Any person was eligible to be offered the special benefit program described in this Article 19 if, and only if, he met the following conditions:

19.3.1 he was on August 19, 2004 both a Covered Employee and a Participant in the Plan; and

19.3.2 he would by December 31, 2006, if he had remained an Employee from August 19, 2004 to December 31, 2006, either (a) have had Net Credited Service of 30 or more years, (b) both been age 50 and have had Net Credited Service of 25 or more years, (c) both been age 55 and have had Net Credited Service of 20 or more years, or (d) both been age 60 and have had Net Credited Service of 10 or more years; and

19.3.3 he was not prevented by the Participating Employers from accepting the special benefit program offer provided under this Article 19 because of business needs of the Participating Employers. In this regard, the Participating Employers may have excluded employees performing certain jobs from being eligible for such offer and/or limited the number of employees in the Participating Employers in the aggregate, or in any department, job, or other unit, who were permitted to accept such offer.

19.4 Offer.

19.4.1 The Participating Employers, on or about November 3, 2004, delivered or mailed written material to each Eligible Participant setting forth the special benefit program offer described in this Article 19 (with such written material being referred to in this Article 19 as an “offer package”).

19.4.2 Such special benefit program offer provided that an Eligible Participant shall receive the benefits described in Sections 19.5 and 19.6 below if, and only if, the Eligible Participant:

(a) voluntarily terminated his employment with the Affiliated Employers on such date as was requested or agreed to by the Participating Employers (which date was not earlier than the date on which he received the offer package or later than December 31, 2006);

(b) accepted the special benefit program offered to him under this Article 19 by, and only by, signing a form prepared by the Participating Employers for this purpose (which form set forth the Eligible Participant’s agreement to accept the offer and to retire in accordance with the rules of paragraph (a) of this Subsection 19.4.2) and filing such signed form with the Participating Employers on or prior to the latest date as of which the latest offer package received by him indicated that he could accept such offer (which date was not in any event after December 1, 2004); and

(c) released and waived any claims that he may have against the Affiliated Employers and all of the Affiliated Employers’ related parties that were requested to be released by the Participating Employers in connection with the special benefit program offer provided under this Article 19, by, and only by, signing a form prepared by the Participating Employers for this purpose and filing such signed form with the Participating Employers within such time period as was set by the Participating

Employers (which generally was his Offer Retirement Date or the three immediately following business days); and

(d) met all other conditions imposed by the Participating Employers for accepting such offer.

19.4.3 If an Eligible Participant did not accept the special benefit program offer provided to him under this Article 19 or failed to meet all of the conditions set forth in Subsection 19.4.2 above, he shall not at any time be entitled to the benefits described in Sections 19.5 and 19.6 below.

19.4.4 Notwithstanding the provisions of Subsections 19.4.1 through 19.4.3 above, any person who qualifies as an Eligible Participant but who voluntarily terminated his employment with the Affiliated Employers between August 19, 2004 and November 2, 2004 shall, provided that he complied with the requirements of paragraph (c) of Subsection 19.4.2 above (within such time, after he was notified as to the special benefit program described in this Article 19, as was provided him by the Participating Employers), be deemed for all of the provisions of this Article 19 to have been offered the special program benefit offer described in this Article 19, to have accepted and complied with all of the conditions of such offer, and to have voluntarily terminated his employment with the Affiliated Employers under and pursuant to such offer.

19.5 Special Extra Retirement Benefit. If an Eligible Participant accepted the special benefit program offer provided under this Article 19 and complied with all of the conditions of such offer, he shall be entitled to a special retirement benefit not otherwise provided under the foregoing Articles of this Plan. Such special retirement benefit is described in the following provisions of this Section 19.5 and is referred to in such provisions and in Section 19.6 below as the “extra retirement benefit.” The monthly or single sum amount of the Eligible Participant’s extra retirement benefit shall be determined under the provisions of Subsection 19.5.1 below, and all other details of the extra retirement benefit (including such benefit’s form of payment and commencement date) shall be determined under the provisions of Subsections 19.5.2 and 19.5.3 below.

19.5.1 The monthly or single sum amount of the Eligible Participant’s extra retirement benefit shall be determined as follows.

(a) If the Eligible Participant’s extra retirement benefit is paid to the Eligible Participant in the form of a Single Life Annuity that commences as of any certain date (for purposes of this paragraph (a), the “subject commencement date”), then the monthly amount of such benefit shall be equal to the greater of (i) the amount that would make such Single Life Annuity actuarially equivalent to a hypothetical single sum payment that both is made as of the subject commencement date and is equal to the Eligible Participant’s Extra Lump Sum Formula Amount or (ii) the amount that would make such Single Life Annuity actuarially equivalent to the Eligible Participant’s Normal Retirement Extra Single Life Annuity Benefit determined as of the subject commencement date. The actuarial assumptions to be used in making any of the actuarially equivalent calculations required under this paragraph (a) shall be solely the applicable interest rate and applicable mortality assumption that are in effect under Section 11.5 above for a benefit for which the subject commencement date is the benefit’s commencement date.

(b) If the Eligible Participant’s extra retirement benefit is paid to the Eligible Participant in the form of a Qualified Joint and Survivor Annuity that commences as of any certain date, then the monthly amount of such benefit shall be the amount that would be determined under Subsection 7.2.2 above if the extra retirement benefit were the Eligible Participant’s sole retirement benefit under the Plan.

(c) If the Eligible Participant's extra retirement benefit is paid to the Eligible Participant in the form of a single sum payment that is made as of any certain date (for purposes of this paragraph (c), the "subject payment date"), then the single sum amount of such benefit shall be an amount equal to the greater of (i) the Eligible Participant's Extra Lump Sum Formula Amount or (ii) the amount that would make such single sum payment actuarially equivalent to the Eligible Participant's Normal Retirement Extra Single Life Annuity Benefit determined as of the subject payment date. The actuarial assumptions to be used in making the actuarially equivalent calculation required under this paragraph (c) shall be solely the applicable interest rate and applicable mortality assumption that are in effect under Section 11.5 above for a benefit for which the subject payment date is the benefit's commencement date.

19.5.2 Except to the extent otherwise provided or modified in Subsection 19.5.3 below or to the extent the context of this Article 19 otherwise requires, all of the provisions of this Plan (other than Articles 3, 4, 5, and 9 above) shall apply as if the Eligible Participant's extra retirement benefit were added to and were a part of the Eligible Participant's retirement benefit accrued under the Articles of this Plan that precede this Article 19 as of his Offer Retirement Date and as such benefit may be modified under the provisions of Section 19.6 below (for purposes of this Section 19.5 and Section 19.6 below, his "regular retirement benefit"). In particular, except to the extent otherwise provided or modified in Subsection 19.5.3 below, the Eligible Participant's extra retirement benefit and regular retirement benefit shall be deemed to be one retirement benefit for purposes of determining the form of and commencement date of such benefits and applying the provisions of Articles 10 and 17 above (which provide for benefit limits and top heavy plan rules).

19.5.3 Notwithstanding the provisions of Subsection 19.5.2 above, as a special option and not in any event limiting the forms of benefit in which the Eligible Participant's extra retirement benefit and regular retirement benefit can be paid, the Eligible Participant may elect to receive his extra retirement benefit and regular retirement benefit, in lieu of the normal form of benefit otherwise payable under Section 7.2 above or any other optional form of benefit described in Section 7.3 above and provided all of the election provisions of Section 7.4 above are met, in the following forms:

(a) a Single Life Annuity for his regular retirement benefit and a single sum payment for his extra retirement benefit; or

(b) if the Eligible Participant is married as of the commencement date of his retirement benefits under the Plan, a Qualified Joint and Survivor Annuity for his regular retirement benefit and a single sum payment for his extra retirement benefit.

The commencement date of the payment of each of his regular retirement benefit and his extra retirement benefit must in such case still be the same date and determined as if the Eligible Participant's extra retirement benefit and regular retirement benefit were one benefit.

19.6 Special Early Retirement Discount Factors for Regular Retirement Benefit. If an Eligible Participant accepted the special benefit program offer provided under this Article 19 and complied with all of the conditions of such offer, then, in addition to the extra retirement benefit under Section 19.5 above, he shall have his regular retirement benefit under the Plan determined in accordance with the other provisions of the Plan but with the following adjustment in the event the commencement date of his regular retirement benefit occurred prior to December 31, 2006: his Prior Pension Plan Amount (as is otherwise defined in Subsection 9.2.4(a) above) as of the commencement date of his regular retirement benefit (which Prior Pension Plan Amount is sometimes used to help determine his regular retirement benefit) shall be determined under the provisions of Subsection 9.2.4(a) above but with any early retirement discount reduction factors set forth in the provisions of the Prior Pension Plan that are used in such determination (to the extent the provisions of Subsection 9.2.4(a) above would require that such Prior Pension Plan early retirement discount factors

are used in determining the Prior Pension Plan Amount) being applied in such determination of the Prior Pension Plan Amount based on the age and service with the Affiliated Employers that the Eligible Participant would have had on December 31, 2006 if he had continued in the employment of the Affiliated Employers from his actual date of termination with the Affiliated Employers (pursuant to his acceptance of the special benefit program offer provided under this Article 19) to December 31, 2006.

ARTICLE 20

2008 SPECIAL EARLY RETIREMENT BENEFITS

20.1 Overview. This Article 20 is effective as of January 1, 2008 and provides for special benefits to be provided certain Participants who accepted an early retirement offer of the Participating Employers, all as is provided for in the following provisions of this Article 20.

20.2 Special Definitions. For purposes of this Article 20 only, the following terms shall have the meanings hereinafter set forth.

20.2.1 The term “Eligible Participant” means any person who was eligible under Section 20.3 below to be provided the early retirement offer described in this Article 20.

20.2.2 The term “Extra Lump Sum Formula Amount” means, with respect to any Eligible Participant who accepted the early retirement offer provided under this Article 20 and subject to paragraphs (a) and (b) of this Subsection 20.2.2, an amount equal to the sum of: (1) the product obtained by multiplying (A) a dollar amount equal to two weeks value of the Eligible Participant’s base rate of pay as determined on October 1, 2007 by (B) the number of the whole years included in the Eligible Participant’s Net Credited Service as determined on October 1, 2007, up to but not in excess of 17 such years; and (2) the product obtained by multiplying (A) a dollar amount equal to four weeks value of the Eligible Participant’s base rate of pay as determined on October 1, 2007 by (B) the number of the whole years included in the Eligible Participant’s Net Credited Service as determined on October 1, 2007 in excess of 17 such years.

(a) Notwithstanding the foregoing provisions of this Subsection 20.2.2, an Eligible Participant’s “Extra Lump Sum Formula Amount” shall in no event be deemed to exceed an amount equal to 78 weeks value of the Eligible Participant’s base rate of pay as determined on October 1, 2007.

(b) For purposes of this Subsection 20.2.2, if prior to October 1, 2007 an Eligible Participant was assigned to a sales division of a Participating Employer and received Sales Incentive Compensation Awards, all such awards paid to him for the twelve month period ending on the day immediately preceding October 1, 2007 shall be taken into account in determining his base rate of pay on October 1, 2007. In addition, for purposes of this Subsection 20.2.2 and except as is provided in the immediately preceding sentence, night differentials, overtime pay, team incentive and other awards, bonuses, and any other amounts not part of an Eligible Participant’s basic rate of scheduled pay shall not be included in determining such Eligible Participant’s base rate of pay.

20.2.3 The term “Normal Retirement Extra Single Life Annuity Benefit” means, with respect to any Eligible Participant who accepted the early retirement offer described in this Article 20 and when determined as of any date (for purposes of this Subsection 20.2.3, the “subject date”), a hypothetical Single Life Annuity payable to the Eligible Participant that both (a) commences to be paid as of the later of the Eligible Participant’s Normal Retirement Date or the Eligible Participant’s Offer Retirement Date and (b) has a monthly amount that is actuarially equivalent to a hypothetical single sum payment that both is made as of the subject date and is equal to the Eligible Participant’s Extra Lump Sum Formula Amount. The actuarial assumptions to be used in making such actuarially equivalent calculation shall be solely the applicable interest rate and applicable mortality assumption that are in effect under Section 11.5 above for a benefit for which the subject date is the benefit’s commencement date.

20.2.4 The term “Offer Retirement Date” means, with respect to any Eligible Participant who accepted the early retirement offer described in this Article 20, the date the Participant ceased to be an Employee pursuant to such offer.

20.2.5 The term “Net Credited Service” means, with respect to any Eligible Participant, the Eligible Participant’s Term of Employment that would be determined under the terms of the Prior Pension Plan if all references to a “Covered Employee” in such Prior Pension Plan were deemed to be references to an “Employee” (and if section 4.1.8 of such Prior Pension Plan were disregarded).

20.3 Eligible Participants. Any person was eligible to be offered the early retirement offer described in this Article 20 if, and only if, he met the following conditions:

20.3.1 he was on October 1, 2007 both a Covered Employee and a Participant in the Plan; and

20.3.2 he would by December 31, 2009, if he had remained an Employee from October 1, 2007 to December 31, 2009, either (a) have had Net Credited Service of 30 or more years, (b) both been age 50 and have had Net Credited Service of 25 or more years, (c) both been age 55 and have had Net Credited Service of 20 or more years, or (d) both been age 60 and have had Net Credited Service of 10 or more years; and

20.3.3 he was not prevented by the Participating Employers from accepting the early retirement offer provided under this Article 20 because of business needs of the Participating Employers. In this regard, the Participating Employers may have excluded employees performing certain jobs from being eligible for such offer and/or limited the number of employees in the Participating Employers in the aggregate, or in any department, job, or other unit, who were permitted to accept such offer.

20.4 Offer.

20.4.1 The Participating Employers delivered or mailed written material to each Eligible Participant setting forth the early retirement offer described in this Article 20 on or about December 7, 2007.

20.4.2 Such early retirement offer provided that an Eligible Participant shall receive the benefits described in Sections 20.5 and 20.6 below if, and only if, the Eligible Participant satisfied all of the conditions set forth in the following paragraphs of this Subsection 20.4.2.

(a) He voluntarily terminated his employment with the Affiliated Employers on such date as was requested or agreed to by the Participating Employers, which date was, except as is indicated in the immediately following sentence, not be earlier than December 7, 2007 or later than December 31, 2010. However, if the Eligible Participant terminated his employment with the Affiliated Employers between October 1, 2007 and December 7, 2007, he shall be deemed for all purposes of this Article 20 to have voluntarily terminated his employment with the Affiliated Employers on a date that was requested or agreed to by the Participating Employers and to have met the condition set forth in this paragraph (a).

(b) He accepted the early retirement offer described in this Article 20 by, and only by, signing a form prepared by the Participating Employers for this purpose (which form set forth the Eligible Participant’s agreement to accept the offer and, if applicable, to retire in accordance with the rules of the first sentence of paragraph (a) of this Subsection 20.4.2) and filing such signed form with the Participating Employers on or prior to December 31, 2007.

(c) He released and waived any claims that he may have against the Affiliated Employers and all of the Affiliated Employers' related parties that were requested to be released by the Participating Employers in connection with the early retirement offer described in this Article 20 by, and only by, signing a form prepared by the Participating Employers for this purpose and filing such signed form with the Participating Employers on his Offer Retirement Date or on any of the three immediately following business days (or, if he terminated his employment with the Affiliated Employers between October 1, 2007 and December 7, 2007, by, and only by, signing a form prepared by the Participating Employers for this purpose and filing such signed form with the Participating Employers within such time, after he was notified as to the early retirement offer described in this Article 20, as was provided him by the Participating Employers).

(d) He met all other conditions imposed by the Participating Employers for accepting such offer.

20.4.3 If an Eligible Participant did not accept the early retirement offer described in this Article 20 or failed to meet all of the conditions set forth in Subsection 20.4.2 above, he shall not at any time be entitled to the benefits described in Sections 20.5 and 20.6 below.

20.5 Special Extra Retirement Benefit. If an Eligible Participant accepted the early retirement offer described in this Article 20 and complied with all of the conditions of such offer, he shall be entitled to a special retirement benefit not otherwise provided under the foregoing Articles of this Plan. Such special retirement benefit is described in the following provisions of this Section 20.5 and is referred to in such provisions and in Section 20.6 below as the "extra retirement benefit." The monthly or single sum amount of the Eligible Participant's extra retirement benefit shall be determined under the provisions of Subsection 20.5.1 below, and all other details of the extra retirement benefit (including such benefit's form of payment and commencement date) shall be determined under the provisions of Subsections 20.5.2, 20.5.3, and 20.5.4 below.

20.5.1 The monthly or single sum amount of the Eligible Participant's extra retirement benefit shall be determined in accordance with the following paragraphs of this Subsection 20.5.1.

(a) If the Eligible Participant's extra retirement benefit is paid to the Eligible Participant in the form of a Single Life Annuity that commences as of any certain date (for purposes of this paragraph (a), the "subject commencement date"), then the monthly amount of such benefit shall be equal to the greater of (i) the amount that would make such Single Life Annuity actuarially equivalent to a hypothetical single sum payment that both is made as of the subject commencement date and is equal to the Eligible Participant's Extra Lump Sum Formula Amount or (ii) the amount that would make such Single Life Annuity actuarially equivalent to the Eligible Participant's Normal Retirement Extra Single Life Annuity Benefit determined as of the subject commencement date. The actuarial assumptions to be used in making any of the actuarially equivalent calculations required under this paragraph (a) shall be solely the applicable interest rate and applicable mortality assumption that apply under Section 11.5 above to a benefit for which the subject commencement date is the benefit's commencement date.

(b) If the Eligible Participant's extra retirement benefit is paid to the Eligible Participant in the form of a Qualified Joint and Survivor Annuity that commences as of any certain date, then the monthly amount of such benefit shall be the amount that would be determined under Subsection 7.2.2 above if the extra retirement benefit were the Eligible Participant's sole retirement benefit under the Plan.

(c) If the Eligible Participant's extra retirement benefit is paid to the Eligible Participant in the form of a single sum payment that is made as of any certain date (for purposes of this paragraph (c), the "subject payment date"), then the single sum amount of such benefit shall be an amount equal to the greater of (i) the Eligible Participant's Extra Lump Sum Formula Amount or (ii) the amount that would make such single sum payment actuarially equivalent to the Eligible Participant's Normal Retirement Extra Single Life Annuity Benefit determined as of the subject payment date. The actuarial assumptions to be used in making any of the actuarially equivalent calculations required under this paragraph (c) shall be solely the applicable interest rate and applicable mortality assumption that apply under Section 11.5 above to a benefit for which the subject payment date is the benefit's commencement date.

20.5.2 Except to the extent otherwise provided or modified in Subsection 20.5.3 below or Subsection 20.5.4 below or to the extent the context of this Article 20 otherwise requires, all of the provisions of this Plan (other than Articles 3, 4, 5, and 9 above) shall apply as if the Eligible Participant's extra retirement benefit were added to and were a part of the Eligible Participant's retirement benefit accrued under the Articles of this Plan that precede this Article 20 as of his Offer Retirement Date and as such benefit may be modified under the provisions of Section 20.6 below (for purposes of this Section 20.5 and Section 20.6 below, his "regular retirement benefit"). In particular, except to the extent otherwise provided or modified in Subsection 20.5.3 below or Subsection 20.5.4 below, the Eligible Participant's extra retirement benefit and regular retirement benefit shall be deemed to be one retirement benefit for purposes of determining the form of and commencement date of such benefits and applying the provisions of Articles 10 and 17 above (which provide for benefit limits and top heavy plan rules).

20.5.3 Notwithstanding the provisions of Subsection 20.5.2 above but subject to the provisions of Subsection 20.5.4 below, as a special option and not in any event limiting the forms of benefit in which the Eligible Participant's extra retirement benefit and regular retirement benefit can be paid, the Eligible Participant may elect to receive his extra retirement benefit and regular retirement benefit, in lieu of the normal form of benefit otherwise payable under Section 7.2 above or any other optional form of benefit described in Section 7.3 above and provided all of the election provisions of Section 7.4 above are met, in the following forms:

(a) a Single Life Annuity for his regular retirement benefit and a single sum payment for his extra retirement benefit; or

(b) if the Eligible Participant is married as of the commencement date of his retirement benefits under the Plan, a Qualified Joint and Survivor Annuity for his regular retirement benefit and a single sum payment for his extra retirement benefit.

The commencement date of the payment of each of his regular retirement benefit and his extra retirement benefit must in such case still be the same date and determined as if the Eligible Participant's extra retirement benefit and regular retirement benefit were one benefit.

20.5.4 Notwithstanding the provisions of Subsections 20.5.2 and 20.5.3 above, if the Eligible Participant voluntarily terminated his employment with the Affiliated Employers and commenced the payment of his regular retirement benefit as of any date before January 1, 2008, then (a) the Eligible Participant's extra retirement benefit shall not be added to or treated as a part of the Eligible Participant's regular retirement benefit, (b) the commencement date of the Eligible Participant's extra retirement benefit may not occur prior to January 1, 2008, and (c) the form and commencement date of the Eligible Participant's extra retirement benefit shall be determined as if such benefit were the sole retirement benefit under the Plan (except that the provisions of Section 7.5 above, that provide for an automatic cashout of a retirement benefit, shall apply to the Eligible Participant's extra retirement benefit only if such provisions would have applied

to the combination of the Eligible Participant's extra retirement benefit and regular retirement benefit had such regular retirement benefit not previously commenced to be paid).

20.6 Special Early Retirement Discount Factors for Regular Retirement Benefit. If an Eligible Participant (a) accepted the early retirement offer described in this Article 20, (b) complied with all of the conditions of such offer, and (c) has an Offer Retirement Date that is prior to December 31, 2009, then, in addition to the extra retirement benefit under Section 20.5 above, he shall have his regular retirement benefit under the Plan determined in accordance with the other provisions of the Plan but with the following adjustment: his Prior Pension Plan Amount (as is otherwise defined in Subsection 9.2.4(a) above) as of the commencement date of his regular retirement benefit (which Prior Pension Plan Amount is sometimes used to help determine his regular retirement benefit) shall be determined under the provisions of Subsection 9.2.4(a) above but with any early retirement discount reduction factors set forth in the provisions of the Prior Pension Plan that are used in such determination (to the extent the provisions of Subsection 9.2.4(a) above would require that such Prior Pension Plan early retirement discount factors are used in determining the Prior Pension Plan Amount) being applied in such determination of the Prior Pension Plan Amount based on the age and service with the Affiliated Employers that the Eligible Participant would have had on December 31, 2009 if he had continued in the employment of the Affiliated Employers from his Offer Retirement Date to December 31, 2009 (except that his age for such purposes will be based on his actual age on the commencement date of the benefit if such commencement date occurs after December 31, 2009).

ARTICLE 21

BENEFIT LIMITATIONS REQUIRED UNDER SECTION 436 OF INTERNAL REVENUE CODE

21.1 Limitations Applicable If Plan's Adjusted Funding Target Attainment Percentage Is Less Than 80 Percent, But Not Less Than 60 Percent. Notwithstanding any other provisions of the Plan, if the Plan's adjusted funding target attainment percentage for a Plan Year is less than 80 percent (or would be less than 80 percent to the extent described in Subsection 21.1.2 below) but is not less than 60 percent, then the limitations set forth in this Section 21.1 apply.

21.1.1 50 Percent Limitation on Single Sum Payments, Other Accelerated Forms of Distribution, and Other Prohibited Payments. A Participant or beneficiary is not permitted to elect, and the Plan shall not pay, a single sum payment or other optional form of benefit that includes a prohibited payment with an annuity starting date on or after the applicable section 436 measurement date, and the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment, unless the present value of the portion of the benefit that is being paid in a prohibited payment does not exceed the lesser of:

- (a) 50 percent of the present value of the benefit payable in the optional form of benefit that includes the prohibited payment; or
- (b) 100 percent of the PBGC maximum benefit guarantee amount (as defined in section 1.436-1(d)(3)(iii)(C) of the Treasury Regulations).

The limitation set forth in this Subsection 21.1.1 does not apply to any payment of a benefit which under section 411(a)(11) of the Code may be immediately distributed without the consent of the Participant. If an optional form of benefit that is otherwise available under the terms of the Plan is not available to a Participant or beneficiary as of the annuity starting date because of the application of the requirements of this Subsection 21.1.1, the Participant or beneficiary is permitted to elect to bifurcate the benefit into unrestricted and restricted portions (as described in section 1.436-1(d)(3)(iii)(D) of the Treasury Regulations). The Participant or beneficiary may also elect any other optional form of benefit otherwise available under the Plan at that annuity starting date that would satisfy the 50 percent/PBGC maximum benefit guarantee amount limitation described in this Subsection 21.1.1, or may elect to defer the benefit in accordance with any general right to defer commencement of benefits under the Plan. In addition, during a period when this Subsection 21.1.1 applies to the Plan, Participants and beneficiaries are permitted to elect payment in any optional form of benefit otherwise available under the Plan that provides for the current payment of the unrestricted portion of the benefit (as described in section 1.436-1(d)(3)(iii)(D) of the Treasury Regulations), with a delayed commencement for the restricted portion of the benefit (subject to other applicable qualification requirements, such as sections 411(a)(11) and 401(a)(9) of the Code).

21.1.2 Plan Amendments Increasing Liability for Benefits. No amendment to the Plan that has the effect of increasing liabilities of the Plan by reason of increases in benefits, establishment of new benefits, changing the rate of benefit accrual, or changing the rate at which

benefits become nonforfeitable shall take effect in a Plan Year if the adjusted funding target attainment percentage for the Plan Year is:

(a) Less than 80 percent; or

(b) 80 percent or more, but would be less than 80 percent if the benefits attributable to the amendment were taken into account in determining the adjusted funding target attainment percentage.

The limitation set forth in this Subsection 21.1.2 does not apply to any amendment to the Plan that provides a benefit increase under a Plan formula that is not based on compensation, provided that the rate of such increase does not exceed the contemporaneous rate of increase in the average wages of Participants covered by the amendment.

21.2 Limitations Applicable If Plan's Adjusted Funding Target Attainment Percentage Is Less Than 60 Percent.

Notwithstanding any other provisions of the Plan (except for and subject to the terms of Subsection 5.3.3 above, under which benefit accruals for all Participants other than Grandfathered Participants ceased as of March 28, 2009 and benefit accruals for Grandfathered Participants ceased as of June 30, 2013), if the Plan's adjusted funding target attainment percentage for a Plan Year is less than 60 percent (or would be less than 60 percent to the extent described in Subsection 21.2.2 below), then the limitations in this Section 21.2 apply.

21.2.1 Single Sums, Other Accelerated Forms of Distribution, and Other Prohibited Payments Not Permitted.

A Participant or beneficiary is not permitted to elect, and the Plan shall not pay, a single sum payment or other optional form of benefit that includes a prohibited payment with an annuity starting date on or after the applicable section 436 measurement date, and the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment. The limitation set forth in this Subsection 21.2.1 does not apply to any payment of a benefit which under section 411(a)(11) of the Code may be immediately distributed without the consent of the Participant.

21.2.2 Shutdown Benefits and Other Unpredictable Contingent Event Benefits Not Permitted to Be Paid.

An unpredictable contingent event benefit with respect to an unpredictable contingent event occurring during a Plan Year shall not be paid if the adjusted funding target attainment percentage for the Plan Year is:

(a) Less than 60 percent; or

(b) 60 percent or more, but would be less than 60 percent if the adjusted funding target attainment percentage were redetermined applying an actuarial assumption that the likelihood of occurrence of the unpredictable contingent event during the Plan Year is 100 percent.

21.2.3 Benefit Accruals Frozen.

Benefit accruals under the Plan shall cease as of the applicable section 436 measurement date. In addition, if the Plan is required to cease benefit accruals under this Subsection 21.2.3, then the Plan is not permitted to be amended in a manner that would increase the liabilities of the Plan by reason of an increase in benefits or establishment of new benefits. Notwithstanding the provisions of this Subsection 21.2.3, benefit accruals under the Plan have ceased in accordance with Subsection 5.3.3 above (effective as of the dates reflected therein).

21.3 Limitations Applicable If Plan Sponsor Is In Bankruptcy.

Notwithstanding any other provisions of the Plan, a Participant or beneficiary is not permitted to elect, and the Plan shall not

pay, a single sum payment or other optional form of benefit that includes a prohibited payment with an annuity starting date that occurs during any period in which the Plan sponsor is a debtor in a case under title 11, United States Code, or similar Federal or State law, except for payments made within a Plan Year with an annuity starting date that occurs on or after the date on which the Plan's enrolled actuary certifies that the Plan's adjusted funding target attainment percentage for that Plan Year is not less than 100 percent. In addition, during such period in which the Plan sponsor is a debtor, the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment, except for payments that occur on a date within a Plan Year that is on or after the date on which the Plan's enrolled actuary certifies that the Plan's adjusted funding target attainment percentage for that Plan Year is not less than 100 percent. The limitation set forth in this Section 21.3 does not apply to any payment of a benefit which under section 411(a)(11) of the Code may be immediately distributed without the consent of the Participant.

21.4 Provisions Applicable After Limitations Cease to Apply.

21.4.1 Resumption of Prohibited Payments. If a limitation on prohibited payments under Section 21.1(a), 21.2.1, or 21.3 above applied to the Plan as of a section 436 measurement date, but that limit no longer applies to the Plan as of a later section 436 measurement date, then that limitation does not apply to benefits with annuity starting dates that are on or after that later section 436 measurement date.

21.4.2 Resumption of Benefit Accruals. If a limitation on benefit accruals under Subsection 21.2.3 above applied to the Plan as of a section 436 measurement date, but that limitation no longer applies to the Plan as of a later section 436 measurement date, then benefit accruals shall resume prospectively and that limitation does not apply to benefit accruals that are based on service on or after that later section 436 measurement date, except as otherwise provided under the Plan. The Plan shall comply with the rules relating to partial years of participation and the prohibition on double proration under Department of Labor Regulation 29 CFR section 2530.204-2(c) and (d). Notwithstanding the provisions of this Subsection 21.2.3, benefit accruals under the Plan have ceased in accordance with Subsection 5.3.3 above (effective as of the dates reflected therein).

21.4.3 Shutdown and Other Unpredictable Contingent Event Benefits. If an unpredictable contingent event benefit with respect to an unpredictable contingent event that occurs during the Plan Year is not permitted to be paid after the occurrence of the event because of the limitation of Subsection 21.2.2 above, but is permitted to be paid later in the same Plan Year (as a result of additional contributions or pursuant to the enrolled actuary's certification of the adjusted funding target attainment percentage for the Plan Year that meets the requirements of section 1.436-1(g)(5)(ii)(B) of the Treasury Regulations), then that unpredictable contingent event benefit shall be paid, retroactive to the period that benefit would have been payable under the terms of the Plan (determined without regard to Subsection 21.2.2 above). If the unpredictable contingent event benefit does not become payable during the Plan Year in accordance with the preceding sentence, then the Plan is treated as if it does not provide for that benefit.

21.4.4 Treatment of Plan Amendments That Do Not Take Effect. If a Plan amendment does not take effect as of the effective date of the amendment because of the limitation of Subsection 21.1.2 or 21.2.3 above, but is permitted to take effect later in the same Plan Year (as a result of additional contributions or pursuant to the enrolled actuary's certification of the adjusted funding target attainment percentage for the Plan Year that meets the requirements of section 1.436-1(g)(5)(ii)(C) of the Treasury Regulations), then the Plan amendment must automatically take effect as of the first day of the Plan Year (or, if later, the original effective date of the amendment). If the Plan amendment cannot take effect during the same Plan Year, then it shall be treated as if it were never adopted, unless the Plan amendment provides otherwise.

21.5 Notice Requirement. See section 101(j) of ERISA for rules requiring the Plan administrator to provide a written notice to Participants and beneficiaries within 30 days after certain specified dates if the Plan has become subject to a limitation described in Subsection 21.1.1, 21.2, or 21.3 above.

21.6 Methods to Avoid or Terminate Benefit Limitations. See section 436(b)(2), (c)(2), (e)(2), and (f) of the Code and section 1.436-1(f) of the Treasury Regulations for rules relating to employer contributions and other methods to avoid or terminate the application of the limitations set forth in Sections 21.1 through 21.3 above for a Plan Year. In general, the methods a Plan sponsor may use to avoid or terminate one or more of the benefit limitations under Sections 21.1 through 21.3 above for a Plan Year include employer contributions and elections to increase the amount of Plan assets which are taken into account in determining the adjusted funding target attainment percentage, making an employer contribution that is specifically designated as a current year contribution that is made to avoid or terminate application of certain of the benefit limitations, or providing security to the Plan.

21.7 Special Rules.

21.7.1 Rules of Operation for Periods Prior To and After Certification of Plan's Adjusted Funding Target Attainment Percentage.

(a) In General. Section 436(h) of the Code and section 1.436-1(h) of the Treasury Regulations set forth a series of presumptions that apply (1) before the Plan's enrolled actuary issues a certification of the Plan's adjusted funding target attainment percentage for the Plan Year and (2) if the Plan's enrolled actuary does not issue a certification of the Plan's adjusted funding target attainment percentage for the Plan Year before the first day of the 10th month of the Plan Year (or if the Plan's enrolled actuary issues a range certification for the Plan Year pursuant to section 1.436-1(h)(4)(ii) of the Treasury Regulations but does not issue a certification of the specific adjusted funding target attainment percentage for the Plan by the last day of the Plan Year). For any period during which a presumption under section 436(h) of the Code and section 1.436-1(h) of the Treasury Regulations applies to the Plan, the limitations under Sections 21.1 through 21.3 above are applied to the Plan as if the adjusted funding target attainment percentage for the Plan Year were the presumed adjusted funding target attainment percentage determined under the rules of section 436(h) of the Code and section 1.436-1(h)(1), (2), or (3) of the Treasury Regulations. These presumptions are set forth in Section 21.7.1(b) through (d) below.

(b) Presumption of Continued Underfunding Beginning First Day of Plan Year. If a limitation under Section 21.1, 21.2, or 21.3 above applied to the Plan on the last day of the preceding Plan Year, then, commencing on the first day of the current Plan Year and continuing until the Plan's enrolled actuary issues a certification of the adjusted funding target attainment percentage for the Plan for the current Plan Year, or, if earlier, the date Subsection 21.7.1(c) or Subsection 21.7.1(d) below applies to the Plan:

(i) The adjusted funding target attainment percentage of the Plan for the current Plan Year is presumed to be the adjusted funding target attainment percentage in effect on the last day of the preceding Plan Year; and

(ii) The first day of the current Plan Year is a section 436 measurement date.

(c) Presumption of Underfunding Beginning First Day of 4th Month. If the Plan's enrolled actuary has not issued a certification of the adjusted funding target attainment percentage for the

Plan Year before the first day of the 4th month of the Plan Year and the Plan's adjusted funding target attainment percentage for the preceding Plan Year was either at least 60 percent but less than 70 percent or at least 80 percent but less than 90 percent, or is described in section 1.436-1(h)(2)(ii) of the Treasury Regulations, then, commencing on the first day of the 4th month of the current Plan Year and continuing until the Plan's enrolled actuary issues a certification of the adjusted funding target attainment percentage for the Plan for the current Plan Year, or, if earlier, the date Subsection 21.7.1(d) below applies to the Plan:

(i) The adjusted funding target attainment percentage of the Plan for the current Plan Year is presumed to be the Plan's adjusted funding target attainment percentage for the preceding Plan Year reduced by 10 percentage points; and

(ii) The first day of the 4th month of the current Plan Year is a section 436 measurement date.

(d) Presumption of Underfunding On and After First Day of 10th Month. If the Plan's enrolled actuary has not issued a certification of the adjusted funding target attainment percentage for the Plan Year before the first day of the 10th month of the Plan Year (or if the Plan's enrolled actuary has issued a range certification for the Plan Year pursuant to section 1.436-1(h)(4)(ii) of the Treasury Regulations but has not issued a certification of the specific adjusted funding target attainment percentage for the Plan by the last day of the Plan Year), then, commencing on the first day of the 10th month of the current Plan Year and continuing through the end of the Plan Year:

(i) The adjusted funding target attainment percentage of the Plan for the current Plan Year is presumed to be less than 60 percent; and

(ii) The first day of the 10th month of the current Plan Year is a section 436 measurement date.

21.7.2 New Plans, Plan Termination, Certain Frozen Plans, and Other Special Rules.

(a) First 5 Plan Years. The limitations in Subsection 21.1.2, 21.2.2, and 21.2.3 above do not apply to a new Plan for the first 5 Plan Years of the Plan, determined under the rules of section 436(i) of the Code and section 1.436-1(a)(3)(i) of the Treasury Regulations.

(b) Plan Termination. The limitations on prohibited payments in Subsection 21.1.1, 21.2.1, and 21.3 above do not apply to prohibited payments that are made to carry out the termination of the Plan in accordance with applicable law. Any other limitations under this Section 18 do not cease to apply as a result of termination of the Plan.

(c) Exception to Limitations on Prohibited Payments Under Certain Frozen Plans. The limitations on prohibited payments set forth in Subsection 21.1.1, 21.2.1, and 21.3 above do not apply for a Plan Year if the terms of the Plan, as in effect for the period beginning on September 1, 2005, and continuing through the end of the Plan Year, provide for no benefit accruals with respect

to any Participants. This Subsection 21.7.2(c) shall cease to apply as of the date any benefits accrue under the Plan or the date on which a Plan amendment that increases benefits takes effect.

(d) Special Rules Relating to Unpredictable Contingent Event Benefits and Plan Amendments Increasing Benefit Liability. During any period in which none of the presumptions under Subsection 21.7.1 above apply to the Plan and the Plan's enrolled actuary has not yet issued a certification

of the Plan's adjusted funding target attainment percentage for the Plan Year, the limitations under Subsection 21.1.2 and 21.2.2 above shall be based on the inclusive presumed adjusted funding target attainment percentage for the Plan, calculated in accordance with the rules of section 1.436-1(g)(2)(iii) of the Treasury Regulations.

21.7.3 Special Rules Under PRA 2010.

(a) Payments Under Social Security Leveling Options. For purposes of determining whether the limitations under Subsection 21.1.1 or 21.2.1 above apply to payments under a social security leveling option, within the meaning of section 436(j)(3)(C)(i) of the Code, the adjusted funding target attainment percentage for a Plan Year shall be determined in accordance with the "Special Rule for Certain Years" under section 436(j)(3) of the Code and any Treasury Regulations or other published guidance thereunder issued by the Internal Revenue Service.

(b) Limitation on Benefit Accruals. For purposes of determining whether the accrual limitation under Subsection 21.2.3 applies to the Plan, the adjusted funding target attainment percentage for a Plan Year shall be determined in accordance with the "Special Rule for Certain Years" under section 436(j)(3) of the Code (except as provided under section 203(b) of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, if applicable).

21.7.4 Interpretation of Provisions. The limitations imposed by this Article 21 shall be interpreted and administered in accordance with section 436 of the Code and section 1.436-1 of the Treasury Regulations.

21.8 Definitions. The definitions in the following Treasury Regulations apply for purposes of Sections 21.1 through 21.7 above: section 1.436-1(j)(1) defining adjusted funding target attainment percentage; section 1.436-1(j)(2) defining annuity starting date; section 1.436-1(j)(6) defining prohibited payment; section 1.436-1(j)(8) defining section 436 measurement date; and section 1.436-1(j)(9) defining an unpredictable contingent event and an unpredictable contingent event benefit.

21.9 Effective Date. The rules in Sections 21.1 through 21.8 above are effective for Plan Years beginning after December 31, 2007.

ARTICLE 22

NON-QUALIFIED EXCESS PLAN

This Article 22 shall provide benefits separate from the benefits provided by the Tax-Qualified Plan and is being set forth in this document only for the convenience of using the Tax-Qualified Plan's provisions in determining the terms and benefits of this Article 22. In fact, notwithstanding any other provisions of the Tax-Qualified Plan, this Article 22 shall be deemed to be separate from the Tax-Qualified Plan (as set forth in the other Articles of this document) and shall be named the Cincinnati Bell Management Excess Plan (for purposes of this Article 22, the "Excess Plan"). All benefits provided under this Article 22 shall be deemed to be provided not by the Tax-Qualified Plan but instead by the Excess Plan.

The provisions of this Article 22 are effective as of January 1, 2005. For any period prior to such date, the provisions of the Plan as in effect during such period, without regard to this amendment and restatement, apply to benefits designated under the Plan as non-qualified excess benefits.

22.1 **Purpose of Excess Plan.** The Excess Plan is intended to provide certain management and highly compensated Participants with supplemental retirement benefits to replace certain benefits not provided to them under the Tax-Qualified Plan due to certain legal and other limits that apply under the Tax-Qualified Plan. The Excess Plan is intended to be an unfunded deferred compensation plan for a select group of management and highly compensated employees (within the meaning of title I of ERISA) of the Participating Companies and is not intended to be a plan subject to section 401(a) of the Code.

22.2 **Definitions.** For purposes of the Excess Plan, the "Tax-Qualified Plan" means the plan as set forth in the remainder of this document (other than this Article 22), which plan is intended to be a plan that qualifies as a plan under section 401(a) of the Code. Except where the context otherwise requires, any reference in the Tax-Qualified Plan to a benefit or a payment shall not be deemed to be referring to a benefit or payment made under the Excess Plan. Further, all capitalized terms that are used in this Article 22 and that are defined in Article 2 of the Tax-Qualified Plan shall have the same meanings as they do in such Article 2.

22.3 **Benefits.**

22.3.1 Subject to the provisions of Section 22.2 below, to the extent that the benefit that would otherwise be payable to a Participant under the Tax-Qualified Plan (if it were payable in the form of a single sum payment made as of the date next following the date on which the Participant separates from service with the Participating Companies) is reduced from what it would be because of a limitation contained in Subsection 5.6.5, Section 10.1, Section 10.2, or Subsection 10.3.5 of the Tax-Qualified Plan (or any other provision of the Tax-Qualified Plan that carries into effect the requirements of Code section 401(a)(17) or Code section 415), then the single sum amount by which such benefit is so limited (for purposes of this Article 22, the "Excess Plan Benefit") shall be payable in fifteen annual installments (or, if less, a number of installments equal to the result, rounded up to the nearest whole number, obtained by dividing the Excess Plan Benefit by \$25,000) that commence as of the date determined in accordance with the provisions of Subsections 22.3.3 and 22.3.4 below (and under which each installment other than the first installment shall be paid as of an annual anniversary of the benefit's initial commencement date and shall be credited with assumed interest,

at the rate called for under Subsection 5.4.2 or 5.4.3 of the Tax-Qualified Plan, as the case may be, for the period from the initial commencement date of the Excess Plan Benefit to the applicable installment's payment date).

22.3.2 Notwithstanding the provisions of Subsection 22.3.1 above, if a Participant's Excess Plan Benefit is in excess of \$25,000, the amount of the first installment of such benefit shall be increased, and the amount of the last installment of such benefit shall be decreased, by the Federal Insurance Contributions Act tax imposed under Code sections 3101, 3121(a), and 3121(v)(2) with respect to the Participant's Excess Plan Benefit (or, if less, by the amount by which the Excess Plan Benefit exceeds \$25,000).

22.3.3 Prior to January 1, 2009, a Participant's Excess Plan Benefit shall commence to be paid as of the earlier of (a) the date as of which his retirement benefit under the Tax-Qualified Plan begins to be paid (or, if later, the date next following the date on which the Participant separates from service with the Participating Companies) or (b) the date next following the date of the Participant's death. Effective January 1, 2009, in the event that a Participant's Excess Plan Benefit has not commenced to be paid as of any date prior to January 1, 2009, the Participant's Excess Plan Benefit shall commence to be paid as of the first day of the first month that begins after the date on which the Participant separates from service with the Participating Companies (or, if later, as of January 1, 2009).

22.3.4 Notwithstanding the provisions of Subsection 22.3.3 above, if a Participant is a specified employee on the date he is deemed to have separated from service from the Participating Companies, then the date as of which the initial installment payment of the Participant's Excess Plan Benefit shall be paid shall be deferred until, and shall be paid as of, the date immediately following the date which is six months after the date he so separates from service.

(a) For purposes of the provisions of this Subsection 22.3.4, a Participant shall be deemed to be a "specified employee" on each and any day that occurs during any twelve month period that begins on an April 1 and ends on the next following March 31 (for purposes of this paragraph (a), the "subject period") if, and only if, (i) on any day that occurs in the twelve month period (for purposes of this paragraph (a), the "identification period") that ends on the latest identification date that precedes the start of the subject period any corporation or organization that is then an Affiliated Employer has stock which is publicly traded on an established securities market (within the meaning of Treasury Regulations section 1.897-1(m)) or otherwise and (ii) the Participant is a key employee for the identification period (as determined under the provisions of Subsection 17.1.3 of the Tax-Qualified Plan and as if the identification period were a plan year of the Tax-Qualified Plan).

(b) Also for purposes of the provisions of this Subsection 22.3.4, the "identification date" means December 31. In this regard, the Company has elected that December 31 serve as the identification date for purposes of determining specified employees in accordance with the provisions of Treasury Regulations section 1.409A-1(i).

22.3.5 All installment payments of a Participant's Excess Plan Benefit shall be paid to the Participant if he is still living at the time of the payment. If the Participant is not living at the time of any installment payment of his Excess Plan Benefit, it shall be paid to any beneficiary whom he designates in a writing to the Committee prior to his death (or, if none, to his estate).

22.3.6 Notwithstanding any other provision of the Excess Plan, a Participating Company shall have the right (without notice to or approval by a Participant, his beneficiary, or any other person) to withhold from any amounts otherwise payable by the Participating Company to or on account of the Participant, or from any payment otherwise then being made by the Participating Company to the Participant, his beneficiary, or any other person by reason of the Excess Plan, an amount which the Participating Company determines is sufficient to satisfy all Federal, state, local, and foreign tax withholding requirements that may apply with respect to such benefit payment made under the Excess Plan. To the extent such tax withholding requirements are satisfied from any payment otherwise then being made by the Participating Company to the Participant, his beneficiary, or any other person by reason of the Excess Plan, the amount so withheld shall be deemed a distribution to the Participant, his beneficiary, or such other person, as the case may be.

22.3.7 The other provisions of this Section 22.3 indicate that any payment that is made under the Excess Plan shall occur “as of” a specific date. However, in accordance with the provisions of Treasury Regulations section 1.409A-3(d) and in order to permit a reasonable administrative period for the Participating Companies to make payments required under the Excess Plan, and notwithstanding any other provision of this Section 22.3 or any other provision of the Excess Plan, any payment that is made under the Excess Plan to or with respect to a Participant shall be deemed to have been made as of the specific date as of which it is to be paid under the other provisions of the Excess Plan as long as it is made on such date or a later date within the same tax year of the Participant (or, if later, by the 15th day of the third calendar month following such specified date).

22.4 Funding Method.

22.4.1 Except as is otherwise provided in the Excess Plan, all payments of any benefit provided under the Excess Plan to or on account of a Participant shall be made from the general assets of the Participating Company which last employed the Participant as an Employee. Notwithstanding any other provision of the Excess Plan, neither the Participant, his beneficiary, nor any other person claiming through the Participant shall have any right or claim to any payment of the benefit to be provided pursuant to the Excess Plan which in any manner whatsoever is superior to or different from the right or claim of a general and unsecured creditor of such Participating Company.

22.4.2 Notwithstanding the provisions of Subsection 22.4.1 above, the Company may, in its sole and absolute discretion, establish a trust (for purposes of this Subsection 22.4.2, the “Excess Plan Trust”) to which contributions may be made by a Participating Company in order to fund the Participating Company’s obligations under the Excess Plan. If, and only if, the Company exercises its discretion to establish an Excess Plan Trust, the following paragraphs of this Subsection 22.4.2 shall apply (notwithstanding any other provision of the Excess Plan).

(a) The part of the Excess Plan Trust attributable to any Participating Company’s contributions to such trust (for purposes of this Subsection 22.4.2, such Participating Company’s “Excess Plan Trust account”) shall be a “grantor” trust under the Code, in that such Participating Company shall be treated as the grantor of such Participating Company’s Excess Plan Trust account within the meaning of subpart E, part I, subchapter J, chapter 1, subtitle A of the Code.

(b) Any Participating Company’s Excess Plan Trust account shall be subject to the claims of such Participating Company’s creditors in the event of such Participating Company’s insolvency. For purposes hereof, a Participating Company shall be considered “insolvent” if either (i) such Participating

Company is unable to pay its debts as they become due or (ii) such Participating Company is subject to a pending proceeding as a debtor under the United States Bankruptcy Code.

(c) Except as may otherwise be required by the terms of the Excess Plan Trust itself, a Participating Company may make contributions to its Excess Plan Trust account for the purposes of meeting its obligations under the Excess Plan at any time, and in such amounts, as such Participating Company determines in its discretion.

(d) Any payment otherwise required to be made by a Participating Company under the Excess Plan shall be made by such Participating Company's Excess Plan Trust account instead of such Participating Company in the event that such Participating Company fails to make such payment directly and such Participating Company's Excess Plan Trust account then has sufficient assets to make such payment, provided that such Participating Company is not then insolvent. If such Participating Company becomes insolvent, however, then all assets of such Participating Company's Excess Plan Trust account shall be held for the benefit of such Participating Company's creditors and payments from such Participating Company's Excess Plan Trust account shall cease or not begin, as the case may be.

(e) Unless and except to the extent any payment required to be made pursuant to the Excess Plan by a Participating Company is made by such Participating Company's Excess Plan Trust account, the obligation to make such payment remains exclusively that of such Participating Company.

(f) The terms of the Excess Plan Trust are hereby incorporated by reference into the Excess Plan. To the extent the terms of the Excess Plan conflict with the terms of the Excess Plan Trust, the terms of the Excess Plan Trust shall control.

22.5 Administration of and Claims Procedures under Excess Plan. The provisions of Article 13 of the Tax-Qualified Plan, which Article concerns plan administrative matters, shall apply to the Excess Plan (as if, for this purpose, the Excess Plan were the Tax-Qualified Plan), except that any provisions of such Article 13 that involve the Trust, the Trust Fund, or funding of the Plan shall not apply in any manner to the Excess Plan. In addition, the provisions of Article 14 of the Tax-Qualified Plan, which Article concerns claims and appeal procedures, shall apply to the Excess Plan (as if, for this purpose, the Excess Plan were the Tax-Qualified Plan).

22.6 Amendment and Termination of Excess Plan. The Company may amend the Excess Plan at any time and from time to time in any respect or terminate part or all of the Excess Plan at any time; provided that no such amendment or termination shall affect the payment (in accordance with the provisions of the Excess Plan) of each Participant's accrued benefit under the Excess Plan as determined as of the later of the effective date of the Excess Plan's amendment or termination or the date the amendment or termination is adopted. For purposes of this Section 22.6, a Participant's "accrued benefit under the Excess Plan" means, as of any date, the Excess Plan Benefit that would have applied under the Excess Plan to the Participant if he had permanently ceased to be an Employee no later than such date. The procedure for the Company to amend or terminate the Excess Plan shall be the same procedures for amending or terminating the Tax-Qualified Plan that are set forth in Section 15.6 of the Tax-Qualified Plan (as if, for this purpose, the Excess Plan were the Tax-Qualified Plan).

22.7 Miscellaneous.

22.7.1 Except to the extent required by applicable law, no Participant (or beneficiary of his) may alienate, commute, anticipate, assign, pledge, encumber, transfer, or dispose of the right to receive the payments required to be made under the Excess Plan, which payments and the right to receive them are expressly declared to be nonassignable and nontransferable. In the event of any attempt to alienate, commute, anticipate, assign, pledge, encumber, transfer, or dispose of the right to receive the payments required to be made under the Excess Plan, no Participating Company shall have any further obligation to make any payments otherwise required of it under the Excess Plan (except to the extent required by applicable law).

22.7.2 Notwithstanding the provisions of Subsection 22.7.1 above, any benefit payment otherwise due to a Participant under the Excess Plan shall be made to a person other than the Participant to the extent necessary to fulfill a domestic relations order (as defined in Code section 414(p)(1)(B)).

22.7.3 Nothing contained in the Excess Plan shall give any spouse or former spouse of a Participant any right to benefits under the Plan of the types described in Code sections 401(a)(11) and 417 (relating to qualified preretirement survivor annuities and qualified joint and survivor annuities).

22.7.4 For all purposes of the Excess Plan, a Participant shall be deemed to have separated from service with the Participating Companies on the date he dies, retires, or otherwise has a separation from service with the Participating Companies' controlled group. The following paragraphs of this Subsection 22.7.4 shall apply in determining when a Participant has incurred a separation from service with the Participating Companies' controlled group.

(a) The Participant's service with the Participating Companies' controlled group shall be treated as continuing intact while the Participant is on military leave, sick leave, or other bona fide leave of absence where there is a reasonable expectation that the Participant will return to perform services for the Participating Companies' controlled group (but not beyond the later of the date on which the leave has lasted for six months or the date on which the Participant no longer retains a right of reemployment with the Participating Companies' controlled group under an applicable statute or by contract).

(b) For purposes of the Excess Plan, a separation from service of the Participant with the Participating Companies' controlled group as of any date shall be determined to have occurred when, under all facts and circumstances, the Participating Companies and the Participant reasonably anticipate that either (i) no further services will be performed by the Participant for the Participating Companies' controlled group after such date or (ii) the level of bona fide services the Participant will perform for the Participating Companies' controlled group after such date (whether as an employee or as an independent contractor) will permanently decrease to no more than 20% of the average level of bona fide services performed (whether as an employee or as an independent contractor) by the Participant for the Participating Companies' controlled group over the immediately preceding 36-month period (or the full period of the Participant's service for the Participating Companies' controlled group if such period has been less than 36 months).

(c) For purposes of this Subsection 22.7.4, the "Participating Companies' controlled group" means, collectively, (i) each Participating Company and (ii) each other corporation or other organization that is deemed to be a single employer with a Participating Company under section 414(b) or (c) of the Code (i.e., as part of a controlled group of corporations that includes a Participating Company or under common control with a Participating Company), provided that such Code sections will be applied and

interpreted by substituting “atleast 50 percent” for each reference to “at least 80 percent” that is contained in Code section 1563(a)(1), (2), and (3) and in Treasury Regulations section 1.414(c)-2.

22.7.5 The provisions of (a) Section 2.2 of the Tax-Qualified Plan (which section provides that words used in any gender include all other genders, and that the singular shall include the plural and vice versa, as the context may require), (b) Section 18.5 of the Tax-Qualified Plan (which section concerns the party or parties that have authority to act for the Company), (c) Section 18.6 of the Tax-Qualified Plan (which section concerns the effect of the Tax-Qualified Plan on employment rights), (d) Section 18.7 of the Tax-Qualified Plan (which section concerns applicable law), (e) Section 18.8 of the Tax-Qualified Plan (which section concerns the separability of Tax-Qualified Plan provisions), (f) Section 18.9 of the Tax-Qualified Plan (which section concerns the effect of counterparts of the Tax-Qualified Plan), (g) Section 18.10 of the Tax-Qualified Plan (which section concerns the effect of Tax-Qualified Plan headings), and (h) Section 18.12 of the Tax-Qualified Plan (which section concerns the administrator and sponsor of the Tax-Qualified Plan) shall all apply to the Excess Plan (as if, for these purposes, the Excess Plan were the Tax-Qualified Plan).

22.7.6 The Excess Plan is intended to satisfy and comply with all of the requirements of section 409A of the Code and any Treasury regulations issued thereunder. The provisions of the Excess Plan shall be interpreted and administered in accordance with such intent.

SIGNATURE PAGE

IN WITNESS WHEREOF, Cincinnati Bell Inc., the sponsor of the Plan, has hereunto caused its name to be subscribed to this complete amendment and restatement of the Plan, effective for all purposes as of January 1, 2016 (or as otherwise provided herein).

CINCINNATI BELL INC.

By /s/ Christopher J. Wilson

Title VP & General Counsel

Date December 22, 2016

TABLE 1
SINGLE SUM PAYMENT FACTORS

Payment Age	Single Sum Payment Factor*
20	1.660625
21	1.727050
22	1.796132
23	1.867977
24	1.942696
25	2.020404
26	2.101220
27	2.185269
28	2.272679
29	2.363587
30	2.458130
31	2.556455
32	2.658713
33	2.765062
34	2.875664
35	2.990691
36	3.110319
37	3.234731
38	3.364121
39	3.498686
40	3.638633
41	3.784178
42	3.935545
43	4.092967
44	4.256686
45	4.426953
46	4.604032
47	4.788193
48	4.979720
49	5.178909
50	5.386066
51	5.601508
52	5.825569
53	6.058591
54	6.300935
55	6.552972
56	6.815091
57	7.087695
58	7.371203
59	7.666051
60	7.972693
61	8.291601
62	8.623265
63	8.968195
64	9.326923
65 and over	9.700000

* The above table shows payment ages only in whole years. If, however, the applicable payment age of a Participant (in whole years and months) is not an age equal to a whole number of years shown in the table with zero remaining whole months, then the single sum payment factor applicable to such payment age shall be determined by interpolating between the factors applicable to the next higher and next lower ages set forth in the table.

TABLE 2
EARLY COMMENCEMENT REDUCTION FACTORS

Payment Age	Early Commencement Reduction Factor*
20	0.102508
21	0.107604
22	0.112964
23	0.118602
24	0.124532
25	0.130770
26	0.137335
27	0.144242
28	0.151512
29	0.159164
30	0.167220
31	0.175701
32	0.184633
33	0.194039
34	0.203948
35	0.214386
36	0.225385
37	0.236977
38	0.249194
39	0.262074
40	0.275654
41	0.289975
42	0.305081
43	0.321017
44	0.337832
45	0.355579
46	0.374312
47	0.394090
48	0.414977
49	0.437039
50	0.460347
51	0.484979
52	0.511015
53	0.538541
54	0.567652
55	0.598445
56	0.631027
57	0.665511
58	0.702019
59	0.744277
60	0.789376
61	0.837535
62	0.888996
63	0.924556
64	0.961538
65	1.000000

*The above table shows payment ages only in whole years. If, however, the applicable payment age of a Participant (in whole years and months) is not an age equal to a whole number of years shown in the table with zero remaining whole months, then the early commencement reduction factor applicable to such payment age shall be determined by interpolating between the factors applicable to the next higher and next lower ages set forth in the table. 0127868.0611578 4818-3808-5955v1

CINCINNATI BELL PENSION PLAN

(As amended and restated effective as of January 1, 2016)

CINCINNATI BELL PENSION PLAN

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CINCINNATI BELL PENSION PLAN
(As amended and restated effective as of January 1, 2016)

ARTICLE 1

NAME, PURPOSE, AND EFFECTIVE DATE

1.1 Name of Plan. The plan set forth herein shall be known as the “Cincinnati Bell Pension Plan.” It shall hereinafter be referred to in this document as the “Plan.”

1.2 Purpose of Plan. The purpose of the Plan is to provide additional retirement income to persons who participate in the Plan. Except as is otherwise provided in Article 22 below, it is intended that the Plan (together with the Trust used in conjunction with the Plan) qualify as a tax-favored plan and trust under sections 401(a) and 501(a) of the Code and shall be interpreted in a manner consistent with sections 401(a) and 501(a) of the Code.

1.3 Effective Date.

1.3.1 This document amends and restates the Plan effective as of January 1, 2016 (except as is otherwise provided herein) within its Cycle E remedial amendment period in order (a) to conform the Plan to the statutory provisions and related guidance described in the Internal Revenue Service’s 2014 Cumulative List of Changes in Plan Qualified Requirements that reflect tax-qualification requirements applicable to the Plan, including but not limited to the provisions of the Pension Protection Act of 2006, the Heroes Earnings Assistance and Relief Tax Act of 2008, and the Worker, Retiree, and Employer Recovery Act of 2008; (b) to reflect amendments adopted prior to January 1, 2016; and (c) to make certain other changes in the Plan.

1.3.2 This Plan document amends and restates, effective as of January 1, 2016 (except to the extent that certain provisions of this restatement specifically provide that they apply to the Plan for a Plan Year or Period that begins before such general effective date), the Plan as it was in existence on December 31, 2015 and supersedes all amendments to the Plan that were made prior to the date on which this Plan document is signed.

1.3.3 Wherever the context permits, any reference to the Plan includes a reference to the provisions of the Plan as it was in effect for periods prior to January 1, 2016.

ARTICLE 2

GENERAL DEFINITIONS AND GENDER AND NUMBER

2.1 **General Definitions.** For purposes of the Plan, the following terms shall have the meanings hereinafter set forth, unless a different meaning is plainly required by the context.

2.1.1 “Accrued Benefit” means, when applied to any Participant and his interest as of any specified date under this Plan, under the Prior Pension Plan, or under a plan which merges into this Plan or has its assets and liabilities attributable to the Participant transferred to this Plan (for purposes of this Subsection 2.1.1, a “merged plan”), the monthly amount of the benefit to which the Participant would be entitled under the Plan, under the Prior Pension Plan, or under the merged plan, as the case may be: (i) if the Participant permanently ceased to be an Employee as of the specified date (if he has not already done so); (ii) if the Participant was fully vested in (i.e., had a nonforfeitable right to) his benefit under the Plan, under the Prior Pension Plan, or under the merged plan, as the case may be, as of the specified date (even if he is not yet fully vested in such benefit); and (iii) if the Participant’s benefit under the Plan, under the Prior Pension Plan, or under the merged plan, as the case may be, is paid in the form of a Single Life Annuity commencing as of the Participant’s Normal Retirement Date (or, if the specified date is later than the Participant’s Normal Retirement Date, commencing as of the specified date).

(a) For purposes of the Plan, when a Participant’s “Accrued Benefit” as of any specified date is to be determined under the other provisions of this Plan based on the amount credited to the Participant’s Cash Balance Account, then the Participant’s “Accrued Benefit” as of the specified date is determined:

(i) first, by determining the amount that as of the specified date is credited to the Participant’s Cash Balance Account;

(ii) second, in the event (and only in the event) the specified date occurs before the Participant’s Normal Retirement Date, by projecting the amount determined under subparagraph (i) immediately above from the specified date to the Participant’s Normal Retirement Date at an interest rate of 4% per annum (which is the interest rate used under the Plan to determine interest rate credits to the Participant’s Cash Balance Account after the Participant has ceased to be an Employee, assuming, prior to March 1, 2012, that the Participant did not elect to reduce that rate in return for a pre-retirement death benefit that otherwise could be provided under the Plan); and

(iii) third and last, by dividing the amount determined under subparagraph (i) above, as projected to the Participant’s Normal Retirement Date under the provisions of subparagraph (ii) immediately above in the event the specified date occurs before the Participant’s Normal Retirement Date, by both (A) 9.7 (which is the annuity conversion rate used by the Plan pursuant to Table 2 to this Plan to convert, at a Participant’s Normal Retirement Date or a later date, the Participant’s Cash Balance Account balance to an actuarially equivalent Single Life Annuity annual amount) and (B) twelve (which is the divisor needed to convert a Single Life Annuity annual amount into a monthly amount). The calculations called for under this subparagraph (iii) convert the amount determined under subparagraph (i) above, as projected to the Participant’s Normal Retirement Date under the provisions of subparagraph (ii) immediately above in the event the specified date occurs before the Participant’s Normal Retirement Date, into an actuarially equivalent Single Life Annuity monthly amount.

(b) Further, when (and only when) both a Participant's "Accrued Benefit" as of any specified date is to be determined under the other provisions of this Plan based on the amount credited to the Participant's Cash Balance Account and the Participant's Normal Retirement Date is the first day after the Participant's 65th birthday, then the Participant's "Accrued Benefit" as of the specified date can also, for convenience and simplicity and in lieu of the method of determining such "Accrued Benefit" under the provisions of paragraph (a) immediately above, be determined by dividing (i) one-twelfth of the amount that as of the specified date is credited to the Participant's Cash Balance Account by (ii) the factor identified in Table 2 to this Plan as applicable to a payment age that is the Participant's attained age (in whole years and months) as of the specified date. The determination of a Participant's "Accrued Benefit" as of any specified date under the method described in the immediately preceding sentence produces the same result for such Accrued Benefit as is produced by the method described in paragraph (a) immediately above as long as the Participant's Normal Retirement Date is the first day after the Participant's 65th birthday.

(c) For purposes of the Plan, when a Participant's "Accrued Benefit" as of any specified date is not to be determined under the other provisions of this Plan based on the amount credited to the Participant's Cash Balance Account but instead is based on a non-cash balance formula under the Prior Pension Plan (including any modifications to such formula that are provided under this Plan) or under a merged plan's benefit formula, then the Participant's "Accrued Benefit" as of the specified date is determined pursuant to the terms of the Prior Pension Plan that provide for such non-cash balance formula (as such benefit formula terms may be modified under this Plan) or pursuant to the terms of the merged plan that provide for its benefit formula, as appropriate.

2.1.2 "Accumulated Benefit" means, when applied to any Participant and his or her interest under this Plan as of any specified date that occurs on or after January 1, 2008: (i) to the extent that his Cash Balance Account is used in any manner to determine such interest, the amount that as of such specified date is credited to the Participant's Cash Balance Account; or (ii) to the extent that such interest is not subject to clause (i) of this sentence, the Participant's Accrued Benefit that applies as of such specified date to such interest. A Participant's Accumulated Benefit as of any specified date that occurs on or after January 1, 2008, as such benefit is expressed under the terms of the immediately preceding sentence, refers to the Participant's benefit under the Plan that has accrued to that specified date and that is used to determine that the Plan satisfies the requirements of section 411(b)(1)(H)(i) and (b)(5)(A) of the Code and section 204(b)(1)(H)(i) and (b)(5)(A) of ERISA.

2.1.3 "Affiliated Employer" means each of: the Company; each corporation which is (and only during the period it is) a member of a controlled group of corporations (within the meaning of section 414(b) of the Code as modified when applicable by section 415(h) of the Code) which includes the Company; each trade or business (whether or not incorporated) which is (and only during the period it is) under common control (as defined in section 414(c) of the Code as modified when applicable by section 415(h) of the Code) with the Company; each member (and only during the period it is such a member) of an affiliated service group (within the meaning of section 414(m) of the Code) which includes the Company; and each other entity required to be aggregated with the Company under section 414(o) of the Code (and only during the period it is required to be so aggregated).

2.1.4 "Board" means the Board of Directors of the Company.

2.1.5 "Cash Balance Account" means, with respect to any Participant, the bookkeeping account established with respect to the Participant under Article 5 below.

2.1.6 "Code" means the Internal Revenue Code of 1986 and the sections thereof, as it and they exist as of the Effective Amendment Date or may thereafter be amended or renumbered.

2.1.7 “Committee” means the Employees’ Benefit Committee which is appointed by the Company to administer the Plan (and to perform certain other duties with respect to the Plan) in accordance with the provisions of Article 13 below and the other provisions of the Plan.

2.1.8 “Company” means Cincinnati Bell Inc, or any corporate successor thereto. The Company is the sponsor of the Plan.

2.1.9 “Covered Employee” generally refers to an individual who is eligible to be a Participant in the Plan if and after he meets all of the participation requirements set forth in Article 4 below (including certain minimum age and minimum service requirements set forth in Article 4 below). In addition, service while a “Covered Employee” was often required in order to accrue certain benefit amounts under the Plan. For these and all other purposes of the Plan, a “Covered Employee” means an individual who meets the criteria set forth in the following paragraphs of this Subsection 2.1.9.

(a) Subject to the other provisions of this Subsection 2.1.9, a person shall be considered a “Covered Employee” for any period during which he is or was an eligible bargained-for or hourly employee. For purposes of the Plan, a person is or was considered an “eligible bargained-for or hourly employee” for any period if, and only if, he is or was during such period either: (i) an Employee of a Participating Company who in such period is or was a collectively bargained employee (within the meaning of Treasury Regulations section 1.410(b)-6(d)(2)), unless his participation in the Plan is or was not approved for such period under a collective bargaining agreement entered into between the Participating Company and the representatives of the applicable collective bargaining unit that is in effect for such period; or (ii) an Employee of a Participating Company who is or was not a collectively bargained employee (within the meaning of Treasury Regulations section 1.410(b)-6(d)(2)) but whose position is or was an hourly paid position either that is or at any prior time had been subject to automatic wage progression or that at any prior time had been a position the holder of which would be eligible to participate in the Plan upon the meeting of any applicable minimum age and/or service requirements of the Plan. In addition, for purposes of the Plan, a person shall still be considered an “eligible bargained-for or hourly employee” for any period during which he is or was temporarily promoted from an eligible bargained-for or hourly employee position to another position for one year or less.

(b) Notwithstanding the provisions of paragraph (a) above, a person shall not in any event be considered a “Covered Employee” for any period during which he is not or was not on the employee payroll of a Participating Company or during which he is or was a Leased Employee. In particular, it is expressly intended that any person not treated as an employee by a Participating Company on its employee payroll records shall not be considered a Covered Employee for purposes of this Plan even if a court or administrative agency determines that such individual is a common law employee of a Participating Company.

(c) Notwithstanding the provisions of paragraph (a) above, a person shall not in any event be considered a “Covered Employee” for any period during which he is or was classified by a Participating Company as a contingency employee or a job bank employee. However, it is also provided that: (i) if and once such a contingency employee became a Covered Employee on or after January 1, 1989, his prior service as a contingency employee shall be deemed to have been service as a Covered Employee; and (ii) if and once such a job bank employee became a Covered Employee on or after January 1, 1991, his prior service as a job bank employee shall be deemed to have been service as a Covered Employee.

(d) Notwithstanding the provisions of paragraph (a) above, a person shall not in any event be considered a “Covered Employee” for any period during which he is or was a co-op or intern first hired by an Affiliated Employer after April 30, 1994; provided that if an Employee who is or was a co-op or intern later became a Covered Employee, his prior service as a co-op or intern Employee shall be deemed to have been service as a Covered Employee.

(e) Notwithstanding the provisions of paragraph (a) above, a person shall not in any event be considered a “Covered Employee”: (i) for any period prior to April 1, 1987 during which he was on the Participating Company payroll known as the Cellular Business Systems - Chicago Payroll; (ii) for any period prior to January 1, 1988 during which he was classified as an employee of the CMS Department of Cincinnati Bell Information Systems Inc., or (iii) for any period prior to July 1, 1988 during which he was classified as an employee of the Comptech Department of the CBS Division of Cincinnati Bell Information Systems Inc.

(f) Notwithstanding the provisions of paragraph (a) above, a person shall not in any event be considered a “Covered Employee” for any period prior to January 1, 1988 during which he was classified as an employee of Auxton Computer Enterprises, Inc.; provided however, that, in the case of an Employee who performs or performed an Hour of Service for an Affiliated Employer on or after November 1, 1991 other than as a salaried employee, his prior service with Auxton Computer Enterprises, Inc. shall be deemed to have been service as a Covered Employee.

(g) Notwithstanding the provisions of paragraph (a) above, a person shall not in any event be considered a “Covered Employee” for any period after December 31, 1991 during which either (i) he was classified as an employee of a CBIS Company but not a member of a collective bargaining unit (unless either he was during such period employed other than as a salaried employee and first performed an Hour of Service for a CBIS Company or CBIS Federal Inc. prior to January 1, 1992 or he was in a class of Employees eligible to participate in the Plan on the day preceding the date on which he first performed an Hour of Service for a CBIS Company) or (ii) he was classified as an employee of CBIS Federal Inc. but not a transferred employee. It is provided, however, that if a person is not considered a Covered Employee during any period after December 31, 1991 solely by reason of the provisions of the immediately preceding sentence but he later became a Covered Employee, his service when he would have been considered a Covered Employee but for the provisions of the immediately preceding sentence shall be considered to be service as a Covered Employee. For purposes of this paragraph (g), a “CBIS Company” shall mean any of Cincinnati Bell Information Systems Inc., CBIS International Inc., and CBIS International Services Inc. Also for purposes of this paragraph (g), a “transferred employee” means an Employee who was transferred to CBIS Federal Inc. from the employee payroll of another Participating Company after December 31, 1990 and prior to November 1, 1994 and who was in a class of Employees eligible to participate in the Plan immediately prior to transferring to CBIS Federal Inc.

(h) Notwithstanding the provisions of paragraph (a) above, a person shall not in any event be considered a “Covered Employee” for any period on or after January 1, 1994 during which he is or was considered a substantial service employee (within the meaning of Treasury Regulations section 1.414(r)-11(b)(2)) with respect to MATRIXX Marketing Inc. or any direct or indirect subsidiary of MATRIXX Marketing Inc.

(i) Notwithstanding the provisions of paragraph (a) above, a person shall not in any event be considered a “Covered Employee” for any period that occurs after December 31, 2006 and prior to January 1, 2010 and during which his job title is or was Premise Technician Position-OOT (the “OOT” label indicating an out-of-territory position, which refers to a position in an area of operation for which no Affiliated Employer is the incumbent local exchange carrier).

(j) Notwithstanding the provisions of paragraph (a) above or any of the other foregoing paragraphs of this Subsection 2.1.9, if on any date on or after February 1, 2008 (for purposes of the portion of this paragraph (j) that precedes subparagraphs (i) and (ii) below, the “subject date”) a person would in the absence of this paragraph (j) be considered a Covered Employee (whether as a result of a new hire, a rehire, a transfer in employment status, or any other event or for any other reason) after not having been a Covered Employee on the immediately preceding date, then, unless he is a no-break retransferred collectively bargained employee as of the subject date, he shall not in any event be considered a “Covered Employee” at any time on or after the subject date, even if he would be deemed to have become a Covered Employee as of the subject date or any later date were the provisions of this paragraph (j) ignored.

(i) For purposes of this paragraph (j), a “no-break retransferred collectively bargained employee” means, with respect to any date that occurs on or after February 1, 2008 (for purposes of this paragraph (j), the “subject collective bargaining retransfer date”), a person: (A) who had prior to February 1, 2008 been a collectively bargained covered employee and has had no break at all in his employment as an Employee with the Affiliated Employers during the period from the latest date prior to February 1, 2008 on which he was a collectively bargained covered employee to the subject collective bargaining retransfer date (for purposes of this subparagraph (i), the “continuous employment period”); and (B) who transferred or was reclassified on any date in the continuous employment period (but prior to the subject collective bargaining retransfer date) from being a collectively bargained covered employee to being an Employee who was not a Covered Employee and then on the subject collective bargaining retransfer date retransferred or was reclassified to being again a collectively bargained covered employee. For purposes of determining whether a person is a no-break retransferred collectively bargained employee under the preceding sentence (and for no other purposes), a person who as a collectively bargained employee incurs a break in his employment as an Employee with the Affiliated Employers but who still then has recall rights pursuant to the collective bargaining agreement that covers such person shall be deemed not to have incurred such a break in employment as an Employee during the period while such recall rights continue to apply to him.

(ii) Also for purposes of this paragraph (j), a “collectively bargained covered employee” means, with respect to any date, a person who on such date was or is both a Covered Employee and a collectively bargained employee (within the meaning of Treasury Regulations section 1.410(b)-6(d)(2)).

2.1.10 “Effective Amendment Date” refers to the general effective date of the amendment and restatement of the Plan that is reflected in this document and means January 1, 2016.

2.1.11 “Employee” means any person who either (a) is employed as a common law employee of an Affiliated Employer (in general terms, a person whose work procedures are subject to control by an Affiliated Employer), including any such person who is absent from active service with an Affiliated Employer by reason of an absence from service that is approved by the Affiliated Employer that employs such person, or (b) is a Leased Employee. A person who is an Employee shall no longer be considered an Employee when he both: (a) is no longer providing services to any Affiliated Employer; and (b) is not then on a temporary leave of absence approved by an Affiliated Employer (or, for any period prior to January 1, 2010, is no longer treated as an Employee by an Affiliated Employer) or in a position where applicable law requires him to be treated as an employee of an Affiliated Employer.

2.1.12 “ERISA” means the Employee Retirement Income Security Act of 1974 and the sections thereof, as it and they exist as of the Effective Amendment Date or may thereafter be amended or renumbered.

2.1.13 “Leased Employee” means any person who is a leased employee (within the meaning of section 414(n) of the Code) of an Affiliated Employer. Under the provisions of Code section 414(n), as in effect on the Effective Amendment Date but subject to any subsequent changes to such Code section, a leased employee is an individual who provides services to an Affiliated Employer, in a capacity other than as a common law employee of the Affiliated Employer, in accordance with each of the following three requirements: (a) the services are provided pursuant to an agreement between the Affiliated Employer and one or more leasing organizations; (b) the individual has performed such services for the Affiliated Employer on a substantially full-time basis for a period of at least one year; and (c) such services are performed under the primary direction or control by the Affiliated Employer. The determination of who is a Leased Employee shall be consistent with any regulations issued under section 414(n) of the Code (except to the extent such regulations fail to reflect changes made in Code section 414(n) after the issuance of such regulations).

2.1.14 “Mandatory Portability Agreement” means that agreement, which was originally effective January 1, 1985, between and among Cincinnati Bell Telephone Company and certain other companies to comply with the mandatory portability provisions of the Deficit Reduction Act of 1984 and which provides for the portability of benefits with respect to certain employees who terminate employment with one company subject to the agreement and subsequently commence employment with another company subject to the agreement.

2.1.15 “Normal Retirement Age” means: (a) in the case of an Employee who first became a Participant in the Plan prior to January 1, 1988, the Employee’s 65th birthday; and (b) in the case of an Employee who first became a Participant in the Plan on or after January 1, 1988, the later of (i) the Employee’s 65th birthday or (ii) the fifth anniversary of the date the Employee first became a Participant in the Plan.

2.1.16 “Normal Retirement Date” means, with respect to any Participant, the date on which the Participant first attains his Normal Retirement Age.

2.1.17 “Participant” means a person who becomes a Participant in the Plan in accordance with the provisions of Article 4 below, so long as he remains a Participant under the provisions of Article 4 below.

2.1.18 “Participating Company” refers to each employer that participates in the Plan, as determined under the following paragraphs of this Subsection 2.1.18.

(a) Subject to the provisions of paragraph (b) below, each of the following organizations shall be considered a “Participating Company”: (i) the Company; (ii) each corporation which is (and only during the period it is) a member of a controlled group of corporations (within the meaning of section 414(b) of the Code) which includes the Company and that, were it to be considered a Participating Company, would directly employ a Covered Employee; and (iii) each other trade or business (whether or not incorporated) which is (and only during the period it is) under common control (as defined in section 414(c) of the Code) with the Company and that, were it to be considered a Participating Company, would directly employ a Covered Employee.

(b) For any period prior to January 1, 2002, a Participating Company shall be deemed to refer to each organization that was identified as a participating company in the Plan as in effect during such period.

(c) Notwithstanding the provisions of paragraph (a) of this Subsection 2.1.18, any of the employers identified as a “Participating Company” under paragraph (a) of this Subsection 2.1.18 shall no longer be a “Participating Company” for purposes of this Plan once it no longer is an Affiliated Employer.

2.1.19 “Plan Year” refers to the annual period on which Plan records are kept and means a calendar year.

2.1.20 “Prior Pension Plan” means the part of the Plan as in effect on December 31, 1996 (or, to the extent indicated in the other provisions of this Plan, at any earlier date) which dealt with service, disability, and deferred vested pensions. Where the context requires, any reference to the Plan that concerns benefits accrued for periods prior to January 1, 1997 shall be deemed to include a reference to the Prior Pension Plan.

2.1.21 “Qualified Joint and Survivor Annuity” means an annuity (i.e., a form of benefit without life insurance which provides for equal payments at regular installments over more than a one year period) payable in the manner described in the following paragraphs of this Subsection 2.1.21.

(a) Under a Qualified Joint and Survivor Annuity, monthly payments are made to a Participant for his life, and after his death monthly survivor payments continue to the person who is the spouse of the Participant on the date as of which the annuity commences to be paid to the Participant (for purposes of this paragraph (a), the “spouse”), provided that the spouse survives the Participant, for the spouse’s life. Payments under the Qualified Joint and Survivor Annuity shall end with the payment due for the calendar month in which the date of death of the survivor of the Participant and the spouse occurs.

(b) Under a Qualified Joint and Survivor Annuity, each monthly survivor payment to the person who is the spouse of the Participant on the date as of which the annuity commences to be paid to the Participant shall be equal in amount to 50% (or, when both the annuity begins being paid as of a commencement date that occurs after December 31, 2007 and the Participant otherwise chooses when he elects the form of his retirement benefit under the subsequent provisions of the Plan, either 75% or 100%) of the monthly payment amount made during the life of the Participant under the same annuity.

(c) Any reference in the other provisions of the Plan to a “50% Qualified Joint and Survivor Annuity,” a “75% Qualified Joint and Survivor Annuity,” or a “100% Qualified Joint and Survivor Annuity” refers to a Qualified Joint and Survivor Annuity that has each of its monthly survivor payments based on the specified percent (50%, 75%, or 100%) of the monthly payment amount made during the life of the Participant under the same annuity. (The 75% Qualified Joint and Survivor Annuity constitutes the qualified optional survivor annuity that is required to be offered under the Plan by reason of section 1004 of the Pension Protection Act of 2006.)

(d) The monthly amount of a Qualified Joint and Survivor Annuity that is paid while the Participant is living is determined under the provisions of Subsection 7.2.2 below and certain other provisions of the Plan.

2.1.22 “Required Beginning Date” means, with respect to any Participant, a date determined by the Committee for administrative reasons to be the date as of which the Participant’s nonforfeitable benefit (if any such benefit would then exist and not yet have begun to be paid) is to commence in order to meet the requirements of section 401(a)(9) of the Code (or, for any Participant who attains age 70-1/2 prior to January 1, 2002, in order to meet the requirements of Code section 401(a)(9) as in effect before the effect of the Small Business Job Protection Act of 1996 is taken into account), which date shall be subject to the parameters set forth in the following paragraphs of this Subsection 2.1.22.

(a) Subject to paragraph (e) below, for a Participant who attained age 70-1/2 on or after January 1, 1987 and prior to January 1, 2002, his Required Beginning Date must be no later than, and no earlier than six months prior to, the April 1 of the calendar year next following the calendar year in which he attained age 70-1/2.

(b) Subject to paragraph (e) below, for a Participant who both attained or attains age 70-1/2 prior to January 1, 1987 or on or after January 1, 2002 and is not a 5% owner of an Affiliated Employer, his Required Beginning Date must be no later than, and no earlier than six months prior to, the April 1 of the calendar year next following the later of: (i) the calendar year in which he attained or attains age 70-1/2; or (ii) the calendar year in which he ceased or ceases to be an Employee.

(c) Subject to paragraph (e) below, for a Participant who both attained or attains age 70-1/2 prior to January 1, 1987 or on or after January 1, 2002 and is a 5% owner of an Affiliated Employer, his Required Beginning Date must be no later than, and no earlier than six months prior to, the April 1 of the calendar year next following the later of: (i) the calendar year in which he attained or attains age 70-1/2; or (ii) the earlier of the calendar year with or within which ends the Plan Year in which he became or becomes a 5% owner of an Affiliated Employer or the calendar year in which he ceased or ceases to be an Employee.

(d) A Participant is deemed to be a 5% owner of an Affiliated Employer for purposes hereof if he was or is a 5% owner of the Affiliated Employer (as determined under section 416(i)(1)(B) of the Code) at any time during the Plan Year ending with or within the calendar year in which he attained or attains age 66-1/2 or any subsequent Plan Year. Once a Participant meets this criteria, he shall be deemed a 5% owner of the Affiliated Employer even if he ceased or ceases to own 5% of the Affiliated Employer in a later Plan Year.

(e) Notwithstanding the foregoing provisions of this Subsection 2.1.22, if a Participant first earned or earns a nonforfeitable retirement benefit under the Plan after the date which would otherwise be his Required Beginning Date under the foregoing provisions of this Subsection 2.1.22, then his Required Beginning Date shall not be determined under such foregoing provisions but rather must be a date within the calendar year next following the calendar year in which he first earned or earns a nonforfeitable retirement benefit under the Plan.

2.1.23 "Single Life Annuity" means an annuity (i.e., a form of benefit without life insurance which provides for equal payments at regular installments over more than a one year period) payable as follows. Monthly payments are made to a Participant for his life and end with the last payment due for the calendar month in which the date of the Participant's death occurs. The monthly amount of a Single Life Annuity is determined under the provisions of Subsection 7.2.1 below and certain other provisions of the Plan.

2.1.24 "Trust" means the Cincinnati Bell Pension Plans Trust, which trust was created by the Company to serve as the funding media for the Plan, as such trust exists as of the Effective Amendment Date or is subsequently amended. The Trust is hereby incorporated by reference and made a part of the Plan. The Trust is not part of and does not serve as the funding media for the separate Excess Plan described in Article 22 below.

2.1.25 "Trustee" means the person or entity serving at any time as trustee of the Trust.

2.1.26 “Vested Participant” means a Participant who is (or, if he ceased to be an Employee immediately, would be) entitled under the provisions of the Plan to some nonforfeitable benefit under the Plan.

2.2 Gender and Number. For purposes of this Plan, words used in any gender shall include all other genders, words used in the singular form shall include the plural form, and words used in the plural form shall include the singular form, as the context may require.

ARTICLE 3

SERVICE

3.1 **Hour of Service.** An Employee's "Hours of Service" to be counted for purposes of the Plan shall be computed as set forth in the following subsections of this Section 3.1, subject to the rules contained in U.S. Department of Labor Regulations section 2530.200b-2(b) and (c) (which is incorporated herein by reference).

3.1.1 One Hour of Service shall be credited for each hour for which the Employee is paid, or entitled to payment, by an Affiliated Employer for the performance of duties. Hours of Service credited under this Subsection 3.1.1 shall be allocated to the computation period or periods during which the duties are performed.

3.1.2 One Hour of Service shall be credited for each hour for which the Employee is paid, or entitled to payment, by an Affiliated Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, or leave of absence. Hours of Service credited under this Subsection 3.1.2 shall be allocated to computation periods in accordance with the rules of U.S. Department of Labor Regulations section 2530.200b-2(b) and (c). Notwithstanding the foregoing provisions of this Subsection 3.1.2:

(a) no more than 501 Hours of Service shall be credited under this Subsection 3.1.2 to the Employee on account of any single continuous period during which the Employee performs no duties (whether or not such period occurs in a single computation period);

(b) an hour for which the Employee is directly or indirectly paid, or entitled to payment, on account of a period during which no duties are performed is not required to be credited to the Employee if such payment is made or due under a plan maintained solely for the purpose of complying with applicable workers' compensation, unemployment compensation, or disability insurance laws; and

(c) Hours of Service shall not be credited for a payment which solely reimburses the Employee for medical or medically related expenses incurred by the Employee.

For purposes of this Subsection 3.1.2, a payment shall be deemed to be made by or due from an Affiliated Employer regardless of whether such payment is made by or due from the Affiliated Employer directly or indirectly through, among others, a trust fund or insurer to which the Affiliated Employer contributes or pays premiums, and regardless of whether contributions made or due to the trust fund, insurer, or other entity are for the benefit of particular Employees or are on behalf of a group of Employees in the aggregate.

3.1.3 One Hour of Service shall be credited for each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by an Affiliated Employer with respect to the Employee. Hours of Service credited under this Subsection 3.1.3 shall be allocated to the computation period or periods to which the agreement or award relates. The same Hours of Service shall not be credited both under Subsection 3.1.1 or 3.1.2, as the case may be, and under this Subsection 3.1.3. Crediting of Hours of Service for back pay awarded or agreed to with respect to periods described in Subsection 3.1.2 above shall be subject to the limitations set forth in that provision.

3.1.4 To the extent required by applicable Federal law, Hours of Service shall be credited for any leave taken pursuant to the requirements of the Federal Family and Medical Leave Act of 1993, as amended.

3.1.5 For purposes only of determining whether the Employee has incurred a Break in Service, if the Employee is absent from active service with an Affiliated Employer (1) by reason of the pregnancy of the Employee, (2) by reason of the birth of a child of the Employee, (3) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee, or (4) for purposes of caring for such a child for a period beginning immediately following such a birth or placement, and the Employee is not paid or entitled to be paid for such absence, the Employee shall be credited with one Hour of Service for each hour which the Employee would normally have been scheduled for work but for such absence (or, if the Employee does not have a regular work schedule, with eight Hours of Service for each day of such absence). Notwithstanding the immediately preceding sentence, the following paragraphs of this Subsection 3.1.5 shall apply to the crediting of Hours of Service under this Subsection 3.1.5.

(a) No more than 501 Hours of Service shall be credited under this Subsection 3.1.5 to the Employee on account of any single continuous period of such an absence.

(b) Any Hours of Service which are to be credited to the Employee under this Subsection 3.1.5 by reason of a single continuous period of absence shall be credited for the calendar year in which such absence begins if the Employee would be prevented from incurring a Break in Service with respect to such calendar year solely because of such crediting. Otherwise, such Hours of Service shall be credited for the calendar year next following the calendar year in which such absence begins.

(c) No Hours of Service shall be credited under this Subsection 3.1.5 to the Employee unless the Employee furnishes to the Committee such timely information as the Committee may reasonably require to establish that the applicable absence from work is for reasons referred to in the first sentence of this Subsection 3.1.5 and the number of days for which there was such an absence.

3.1.6 For purposes of the Plan, the Employee shall be deemed to have completed 45 Hours of Service for each week in which he would otherwise be credited with one or more Hours of Service under the foregoing provisions of this Section 3.1; except that, in the case of (a) any Employee who is classified by the Affiliated Employer which employs him as a part-time Employee or (b) any Employee who is hired for a period not exceeding three consecutive weeks and who is not employed for more than 30 days in a year, such Employee shall be deemed to have completed 10 Hours of Service for each day in which he would otherwise be credited with one or more Hours of Service under the foregoing provisions of this Section 3.1. However, the provisions of this Subsection 3.1.6 shall not apply for purposes of Section 7.7 below.

3.2 Break in Service. An Employee shall be deemed to have incurred a "Break in Service" in any calendar year during which he is credited with not more than 500 Hours of Service.

3.3 Employment and Reemployment Commencement Dates. An Employee's "Employment Commencement Date" shall be the date on which he first performs an Hour of Service as an Employee for which he is paid, or entitled to payment, by any Affiliated Employer. Further, if the Employee incurs a Break in Service in any calendar year that commences after his Employment Commencement Date but that ends prior to his completion of at least 1,000 Hours of Service in any Eligibility Computation Period, then the first day that occurs after the end of such calendar year and on which he performs an Hour of Service as an Employee for which he is paid, or entitled to be paid, by any Affiliated Employer shall be considered his "Reemployment Commencement Date."

3.4 Eligibility Service. An Employee shall be credited with one year of “Eligibility Service” as of the last day of the first Eligibility Computation Period during which he completes at least 1,000 Hours of Service.

3.5 Eligibility Computation Period. An Employee’s “Eligibility Computation Period” shall be the twelve-month period commencing on the Employee’s Employment Commencement Date and each calendar year commencing after his Employment Commencement Date. However, notwithstanding the foregoing, if the Employee incurs a Break in Service in any calendar year that commences after his Employment Commencement Date but that ends prior to his completion of at least 1,000 Hours of Service in an Eligibility Computation Period, then his “Eligibility Computation Period” after such calendar year shall mean the twelve-month period commencing on his first Reemployment Commencement Date that occurs after the end of such calendar year and each calendar year commencing after such Reemployment Commencement Date.

3.6 Vesting Service. An Employee’s years of “Vesting Service” shall be computed as set forth in the following subsections of this Section 3.6.

3.6.1 The Employee shall be credited with years of Vesting Service equal to the number of his years of service counted for purposes of determining eligibility for a vested pension under the Prior Pension Plan as of December 31, 1996 (as calculated under the provisions of the Prior Pension Plan).

3.6.2 The Employee shall also be credited with one year of Vesting Service for each calendar year ending after December 31, 1996 and during which he is credited with at least 1,000 Hours of Service; provided that service prior to the calendar year in which the Employee attained age 18 shall not be counted for purposes of this Subsection 3.6.2.

3.7 Term of Employment. An Employee’s “Term of Employment” shall be computed as set forth in the following subsections of this Section 3.7.

3.7.1 Except as is otherwise provided herein, the Employee’s Term of Employment shall be equal to the period of his Term of Employment as of December 31, 1996 (as calculated under the provisions of the Prior Pension Plan in effect on December 31, 1996) plus his period of continuous service as a Covered Employee after December 31, 1996.

3.7.2 If the Employee is classified by a Participating Company as a part-time employee for any period which is otherwise included in the Employee’s Term of Employment under the other provisions of this Section 3.7, then the portion of such period that shall be considered part of the Employee’s Term of Employment for purposes of the Plan shall be prorated based on the proportion that the number of days during such period on which the Employee performs services as a Covered Employee bears to the number of days on which an equivalent full-time Employee in the same job title, classification, and work group would perform services as a Covered Employee during the same period.

3.7.3 Subject to the terms of the immediately following sentence, the Employee’s absence from service as a Covered Employee without pay (other than an absence during a period of disability benefit, a leave of absence, or temporary layoff) shall be considered a break in his continuous service as a Covered Employee for purposes of this Section 3.7, and, if the Employee is reemployed as a Covered Employee after such a break, his Term of Employment shall be reckoned (determined for purposes of the Plan) only from the date of such reemployment. Notwithstanding the foregoing: (a) an absence from service as a Covered Employee that does not exceed six months shall be considered a leave of absence for purposes of this Subsection 3.7.3; and (b) in the event the Employee has previously completed at least six months of service

as a Covered Employee, becomes absent from service as a Covered Employee, and subsequently resumes employment as a Covered Employee, such absence from service as a Covered Employee shall be considered a leave of absence for purposes of this Subsection 3.7.3 if after the Employee has resumed employment as a Covered Employee the Employee completes a period of continuous service as a Covered Employee that either (i) lasts for at least five consecutive years or (ii) both lasts for at least one year and ends on or after May 9, 1999.

3.7.4 The Term of Employment of the Employee shall, if he is reemployed as a Covered Employee by a Participating Company in accordance with the terms of a settlement, award, or order involving litigation, arbitration, or a grievance under an applicable collective bargaining agreement, include (a) any period of time when he was not a Covered Employee but for which back pay or a lump sum settlement is made in connection with the services he would have performed during such period as a Covered Employee, (b) any period of time from the prior termination to the date of reemployment as a Covered Employee (not in excess of 30 days) if the termination was converted to a suspension by the Participating Company from which the individual was terminated, (c) any period of time from the prior termination to the date of reemployment as a Covered Employee as is specified in a court order, court award, or arbitration award to be included in the individual's Term of Employment, and (d) all periods of service included in the individual's Term of Employment as of the date of the prior termination if the termination is converted to a suspension on the records of the Participating Company from which he was previously terminated, if the period of absence was six months or less or if the provisions of a settlement agreement or court order, court award, or arbitration award provide for such inclusion.

3.7.5 A leave of absence of the Employee shall not constitute a break in his continuous service as a Covered Employee for purposes of this Section 3.7. A leave of absence, for the purposes of this Plan, shall mean a leave formally granted in conformity with the rules of the Participating Company which employs the Employee, as adopted from time to time, and, except in the case of leave on account of continued disability following the expiration of a period of disability benefits or a leave on account of an Employee's attendance at an educational institution, such leave must be obtained at or before the time the absence begins. A leave of absence for a period not exceeding 30 days, except a leave following expiration of disability benefits, may be granted in accordance with the rules of the Participating Company which employs the Employee, without approval by the Committee, and the period of such absence shall be credited in computing his Term of Employment (and the Employee shall retain eligibility to benefits during the absence). A leave of absence for any period in excess of 30 days shall not be effective unless approved in writing by the Committee, and, in any case in which such approval is given, the Committee shall indicate, in accordance with applicable legal requirements and the rules and regulations of the Participating Company which employs the Employee, whether or not the period of absence is to be deducted in computing his Term of Employment and whether during the absence the Employee shall be eligible to benefits under this Plan. An absence following the expiration of a period of disability benefits shall be considered as a break in the Employee's continuous service as a Covered Employee for purposes of this Section 3.7 unless the Employee is granted a leave of absence by the Committee, provided, however, that, in its discretion, the Committee may consider any such absence as a leave of absence if satisfactory evidence is furnished that the disability was continuous during the entire period of absence.

3.7.6 Subject to the other provisions of this Section 3.7, a temporary layoff of the Employee on account of a reduction of force shall or shall not be considered as a break in the Employee's continuous service as a Covered Employee for purposes of this Section 3.7 in accordance with the following paragraphs of this Subsection 3.7.6.

(a) If the Employee incurs a temporary layoff on account of a reduction of force and he receives weekly continuity payments from a Participating Company on account of the layoff, then:

(i) the period of the layoff shall not be considered as a break in the Employee's continuous service as a Covered Employee for purposes of this Section 3.7 while the Employee is receiving such weekly continuity payments; but (ii) the period of the layoff that extends beyond the last week for which such weekly continuity payments are made (for purposes of this paragraph (a), the "post-weekly payments layoff period") shall be considered as a break in the Employee's continuous service as a Covered Employee for purposes of this Section 3.7, except that the Employee's continuous service completed before the start of the post-weekly payments layoff period (but not any part of the post-weekly payments layoff period) shall still be treated as part of the Employee's continuous service as a Covered Employee for purposes of this Section 3.7 if either the Employee is reemployed as a Covered Employee within two years from the commencement of the entire layoff or both the Employee is reemployed as a Covered Employee after two years have elapsed after the commencement of the entire layoff and the Employee is credited with an additional period of one year of continuous service after such reemployment (not including any period of layoff that occurs after such reemployment).

(b) If the Employee incurs a temporary layoff on account of a reduction of force and he does not receive weekly continuity payments from a Participating Company on account of the layoff, then: (i) the period of the layoff shall not be considered as a break in the Employee's continuous service as a Covered Employee for purposes of this Section 3.7 if the Employee is reemployed as a Covered Employee within six months after the commencement of the entire layoff; but (ii) in any other case the period of the layoff shall be considered as a break in the Employee's continuous service as a Covered Employee for purposes of this Section 3.7, except that the Employee's continuous service completed before the commencement of the entire layoff (but not any part of the layoff period) shall still be treated as part of the Employee's continuous service as a Covered Employee for purposes of this Section 3.7 if either the Employee is reemployed as a Covered Employee within two years from the commencement of the entire layoff or both the Employee is reemployed as a Covered Employee after two years have elapsed after the commencement of the entire layoff and the Employee is credited with an additional period of one year of continuous service after such reemployment (not including any period of layoff that occurs after such reemployment).

3.7.7 A break occurring on or after January 1, 1976 in the Employee's continuous service as a Covered Employee shall, if the Employee had already become a Participant in the Plan or had already become a Participant in the Cincinnati Bell Management Pension Plan, as such plan is in effect as of the Effective Amendment Date or is subsequently amended (for purposes of this Subsection 3.7.7, the "CBMPP"), be considered, insofar as such break would otherwise result in the exclusion of service prior to the break from his Term of Employment, to occur only when such break constitutes a Break in Service. (The CBMPP was named the Broadwing Pension Plan for a period of time prior to May 27, 2003.) Further, if the Employee is reemployed during or after a calendar year in which such Break in Service occurs, his Term of Employment for such purpose shall be reckoned (determined for purposes of this Plan) only from the date of such reemployment unless:

(a) In the case when the Employee at the time of commencement of the absence has any nonforfeitable right to an Accrued Benefit under the Plan or an accrued benefit under the CBMPP, he completes a twelve-month period of service with the Participating Companies after the date of such reemployment; or

(b) In the case when the Employee at the time of commencement of the absence does not have any nonforfeitable right to an Accrued Benefit under the Plan or an accrued benefit under the CBMPP, both (i) he completes a twelve-month period of service with the Participating Companies after the date of such reemployment and (ii) either the aggregate number of years of his service with the Participating Companies before such break exceeds the number of his consecutive Breaks in Service or the number of consecutive Breaks in Service is less than five.

Further, whether or not it is part of a Break in Service, the period of a break in the Employee's continuous service as a Covered Employee with the Participating Companies is not part of his Term of Employment. Finally, notwithstanding any other provisions of this Subsection 3.7.7, the Employee's Term of Employment shall include any continuous period of his service as a Covered Employee with the Participating Companies of six months or more prior to a break in his service with the Participating Companies if the Employee completes a period of continuous service after the break that either (i) lasts for at least five consecutive years or (ii) both lasts for at least one year and ends on or after May 9, 1999.

3.7.8 Notwithstanding any of the foregoing provisions of this Section 3.7, any period of service of the Employee with a Participating Company as an Employee, but other than as a Covered Employee, that occurs prior to the Employee becoming a Covered Employee shall, upon his becoming a Covered Employee, be included in his Term of Employment to the extent such period of service would be included in his Term of Employment under the foregoing provisions of this Section 3.7 if such period of service had been completed as a Covered Employee and if any reference to the Plan in the foregoing provisions of this Section 3.7 referred to either the Plan or the CBMPP.

3.8 Mandatory Portability Agreement. To the extent required under the Mandatory Portability Agreement, service of Employees with former Bell System companies (and their successors) shall be recognized under this Plan. In this regard, Employees of certain Participating Companies may not be subject to or affected by the Mandatory Portability Agreement while employed by any such companies, and this Section 3.8 shall not give any rights under the Mandatory Portability Agreement to such Employees while employed by any such companies.

ARTICLE 4

ELIGIBILITY AND PARTICIPATION

4.1 **Participation.** Any Employee who was a participant in the Plan on the date immediately preceding the Effective Amendment Date shall become a Participant in the Plan on the Effective Amendment Date. Each other Employee shall become a Participant in the Plan on the first date subsequent to the Effective Amendment Date on which he satisfies the following eligibility requirements: (a) is a Covered Employee, (b) has attained age 21, and (c) has been credited with at least one year of Eligibility Service. In accordance with Subsection 2.1.9 above (definition of Covered Employee) and Subsection 18.2.2 below (transfers of assets), an Employee may become a Participant in the Plan on a date subsequent to the Effective Amendment Date only in the case of a no-break retransferred collectively bargained employee whose accrued benefit under the Cincinnati Bell Management Pension Plan is transferred to the Plan. Each Employee who becomes a Participant in the Plan shall continue to be a Participant so long as he remains an Employee and until he ceases to have any nonforfeitable right to a benefit under the Plan.

4.2 **Reemployment of Former Participants.** If a former Participant is reemployed on any date on or after February 1, 2008, he shall not again become a Participant in the Plan after he is reemployed because, in accordance with Subsection 2.1.9 above, he shall not again become a Covered Employee. If, however, his prior retirement benefit has not been made or begun in any form by the time of his reemployment and can under reasonable administrative procedures be stopped by the Committee before such payment is made or begins he shall be considered a Participant in the Plan to the extent of his prior retirement benefit.

ARTICLE 5

ACCRUED BENEFIT FINAL PAYMENT AMOUNT RULES

5.1 Cash Balance Accounts for Participants. A bookkeeping account, known as a “Cash Balance Account” in this Plan, shall be established under the Plan with respect to each Participant. As is indicated in the provisions of Subsection 7.2.1 below, the Participant’s Accrued Benefit Final Payment Amount is based largely on the basis of the dollar amount credited to the Participant’s Cash Balance Account. A Participant’s Cash Balance Account does not represent an actual funded account under which the Participant has a specific right to assets under the Trust or an account which reflects a specific part of the Trust; instead, it represents only a bookkeeping account to which bookkeeping amounts are credited and which is generally used to help determine the amount of the Participant’s retirement benefit, if any, which exists under the Plan. The Cash Balance Account of a Participant is credited with (a) an initial cash balance amount to the extent provided in Section 5.2 below, (b) pension credit amounts to the extent provided in Section 5.3 below, and (c) interest credit amounts to the extent provided in Section 5.4 below. No other amounts are credited to a Participant’s Cash Balance Account.

5.2 Initial Cash Balance Amount Credited to Cash Balance Account.

5.2.1 In the case of a Participant who was a Covered Employee on January 1, 1997 and who was a Participant in the Prior Pension Plan on December 31, 1996, there shall be credited to his Cash Balance Account, as of December 31, 1996, an amount equal to the amount (for purposes of this Subsection 5.2.1, the Participant’s “December 31, 1996 credit amount”) that would make the single sum payment of such amount as of December 31, 1996 actuarially equivalent to his Accrued Benefit under the Prior Pension Plan as of December 31, 1996 (expressed as a Single Life Annuity commencing on the Participant’s 65th birthday), but disregarding the Prior Pension Plan amendments adopted effective March 31, 1995 when determining such Accrued Benefit.

(a) Except as is otherwise required by paragraph (b) of this Subsection 5.2.1, the actuarial factors used to calculate the Participant’s December 31, 1996 credit amount shall be determined under Table 1 to the Plan. The actuarial factors set forth in Table 1 to the Plan that apply to any applicable Participant shall be determined, in accordance with the factors and terms of Table 1, based on the Participant’s attained age (in whole years and months) on December 31, 1996.

(b) Notwithstanding the provisions of paragraph (a) of this Subsection 5.2.1, if both (i) the Participant was a Covered Employee (on the active payroll of a Participating Company) on May 9, 1999 and (ii) he had not yet attained age 45 by December 31, 1996, then, effective as of May 9, 1999, the Participant’s December 31, 1996 credit amount shall be redetermined to be the amount that would be determined under the provisions of the foregoing provisions of this Subsection 5.2.1 if the actuarial factors used to calculate the Participant’s December 31, 1996 credit amount were determined by Table 1a to the Plan instead of Table 1 to the Plan. The actuarial factors set forth in Table 1a to the Plan that apply to any applicable Participant shall be determined, in accordance with the factors and terms of Table 1a, based on the Participant’s attained age (in whole years and months) on December 31, 1996 and his Term of Employment (in completed whole years and months) on December 31, 1996.

5.2.2 In the case of a Participant who was a Participant in the Prior Pension Plan on December 31, 1996, who was not a Covered Employee on January 1, 1997, and who thereafter became Covered Employee, there shall be credited to his Cash Balance Account, as of the first date after January 1, 1997 on which he so became Covered Employee (for purposes of this Subsection 5.2.2, the Participant's "rehire date"), an amount equal to the amount (for purposes of this Subsection 5.2.2, the Participant's "rehire credit amount") that would make the single sum payment of such amount as of the Participant's rehire date actuarially equivalent to his Accrued Benefit under the Plan on his rehire date (expressed as a Single Life Annuity commencing on the Participant's 65th birthday), but disregarding the Prior Pension Plan amendments adopted effective March 31, 1995 when determining such Accrued Benefit.

(a) Except as is otherwise required by paragraph (b) of this Subsection 5.2.2, the actuarial factors used to calculate the Participant's rehire credit amount shall be determined under Table 1 to the Plan.

(b) Notwithstanding the provisions of paragraph (a) of this Subsection 5.2.2, if (i) the Participant's rehire date occurred on or before May 9, 1999, (ii) the Participant was a Covered Employee (on the active payroll of a Participating Company) on May 9, 1999, and (iii) the Participant had not yet attained age 45 by December 31, 1996, then the actuarial factors used to calculate the Participant's rehire credit amount shall be determined under Table 1a to the Plan (instead of under Table 1 to the Plan).

(c) Subject to the immediately following sentence, the actuarial factors set forth in Table 1 to the Plan or in Table 1a to the Plan that apply to any applicable Participant shall be determined, in accordance with the factors and terms of the appropriate table (Table 1 or Table 1a), based on the Participant's attained age (in whole years and months) on the Participant's rehire date and, if Table 1a applies to the Participant, also on his Term of Employment (in completed whole years and months) on the Participant's rehire date. Notwithstanding the immediately preceding sentence, if such Participant completes at least one year of continuous service as a Covered Employee after his rehire date, then the amount credited to the Participant's Cash Balance Account as of his rehire date shall not in any event be deemed to be less than the amount that would be allocated to his Cash Balance Account as of such date under the foregoing provisions of this Subsection 5.2.2 if the actuarial factors set forth in Table 1 to the Plan or in Table 1a to the Plan, whichever table applies to the Participant under the foregoing provisions of this Subsection 5.2.2, were determined, in accordance with the factors and terms of the appropriate table (Table 1 or Table 1a), based on the Participant's attained age (in whole years and months) on the latest date prior to January 1, 1997 on which the Participant had been a Covered Employee and, if Table 1a applies to the Participant, also on his Term of Employment (in completed whole years and months) on the latest date prior to January 1, 1997 on which the Participant had been a Covered Employee.

5.2.3 In the case of a Participant who first became a Participant on or after January 1, 1997, there shall be credited to his Cash Balance Account, as of the date on which he first became a Participant, an amount equal to the amount which would have been credited to his Cash Balance Account on such date if the Plan did not require attainment of age 21 and completion of one year of Eligibility Service as conditions of becoming a Participant. Notwithstanding the foregoing, the provisions of this Subsection 5.2.3 do not provide for an amount to be credited to the Cash Balance Account of any Participant prior to the date on which the Participant first became a Covered Employee and met any other conditions (not related to the Plan's minimum age and service conditions) for becoming a Participant in the Plan.

5.2.4 In the case of a Participant for whom an Accrued Benefit is transferred to the Plan from a Related Plan on or after January 1, 1997, there shall be credited to his Cash Balance Account, as of the date on which such Accrued Benefit is transferred to the Plan (for purposes of this Subsection 5.2.4, the “transfer date”), an amount equal to: (a) in the case of a transfer on or after January 1, 1997 from the Cincinnati Bell Management Pension Plan (which plan was named the Broadwing Pension Plan for a period of time prior to May 27, 2003, as such plan existed as of January 1, 1997 or was or is subsequently amended or renamed), the amount credited to his cash balance account under that plan as of the transfer date; or (b) in the case of any other transfer from a Related Plan, the amount (for purposes of this Subsection 5.2.4, the Participant’s “transfer credit amount”) that would make the single sum payment of such amount as of the transfer date actuarially equivalent to such Accrued Benefit (expressed as a Single Life Annuity commencing on the Participant’s 65th birthday), based upon his attained age, in whole years and months, on the transfer date and with the actuarial factors used to calculate the Participant’s transfer credit amount being determined in accordance with the factors and terms of Table 1 to the Plan (or, if (i) the transfer date occurred on or before May 9, 1999, (ii) the Participant was a Covered Employee (on the active payroll of a Participating Company) on May 9, 1999, and (iii) the Participant had not yet attained age 45 by December 31, 1996, in accordance with the factors and terms of Table 1a to the Plan). For purposes of the Plan, a “Related Plan” means the Cincinnati Bell Management Pension Plan (which plan was named the Broadwing Pension Plan for a period of time prior to May 27, 2003) and each Former Affiliate Plan (within the meaning of the Mandatory Portability Agreement).

5.3 Pension Credit Amounts Credited to Cash Balance Account.

5.3.1 As of the last day of each calendar year subsequent to 1996 and prior to 2000 (or, in the case of a Participant who ceased to be an Employee during any such calendar year, as of the date on which he was last employed as an Employee), there shall (for such calendar year) be credited to the Cash Balance Account of each Participant who was employed as a Covered Employee during the calendar year a Pension Band credit determined from Table 4 to the Plan (based upon the Participant’s Pension Band, which is assigned to the Participant by the Participating Companies generally according to the Participant’s job title and classification, and the completed whole years of his Term of Employment as of the date on which the credit under this Subsection 5.3.1 is to be made to his Cash Balance Account for such calendar year) plus, in the case of a Participant who received at least \$100 of Shift Differential Pay during such calendar year, a Shift Differential Pay credit determined from Table 4 to the Plan based upon the Participant’s Shift Differential Pay for the year (rounded, if his Shift Differential Pay for the year is not an even multiple of \$100, to the next higher \$100); provided, however, that if the Participant was not employed as a Covered Employee throughout the year, the amount of the credit under this Subsection 5.3.1 for such year that is based in part on his Pension Band (and not at all on his Shift Differential Pay) shall be reduced on a pro rata basis to reflect the portion of the year during which he was not employed as a Covered Employee.

5.3.2 For purposes of Subsection 5.3.1 above, “Shift Differential Pay” means: in charge allowances; extra payments for temporary assignments or temporary promotions to higher graded or supervisor positions; evening and night differential payments to all Participants, including operator services central office employees, whose work tours fall wholly or partly within the stated differential period; and job differentials. Notwithstanding the foregoing, job differential payments which have been included for purposes of a Participant’s assignment of a Pension Band number in accordance with Table 2 to the Prior Pension Plan or which were eliminated and included as part of base wages either in accordance with or as a result of collective bargaining agreements with the applicable union shall not be included in determining the Participant’s Shift Differential Pay.

5.3.3 As of May 1, 1999, there shall (for the period commencing on January 1, 1997 and ending on May 1, 1999) be credited to the Cash Balance Account of each Participant who was employed as an Employee on such date an amount determined from Table 5 to the Plan (based upon the Participant's assigned Pension Band and completed whole years of his Term of Employment as of May 1, 1999); provided, however, that if the Participant was not employed as a Covered Employee throughout the period commencing on January 1, 1997 and ending on May 1, 1999, the amount of the credit under this Subsection 5.3.3 for such period shall be reduced on a pro rata basis to reflect the portion of such period during which he was not employed as a Covered Employee.

5.3.4 As of the last day of each calendar year subsequent to 1999 and prior to 2003 (or, in the case of a Participant who ceased to be an Employee during any such calendar year, as of the date on which he was last employed as an Employee), there shall be credited to the Cash Balance Account of each Participant who was employed as a Covered Employee during the calendar year a Pension Band credit determined from Table 6 to the Plan (based upon the Participant's assigned Pension Band and completed whole years of his Term of Employment as of the date on which the credit under this Subsection 5.3.4 is to be made to his Cash Balance Account for such calendar year); provided, however, that if the Participant was not employed as a Covered Employee throughout the year, the amount of the credit under this Subsection 5.3.4 for such year shall be reduced on a pro rata basis to reflect the portion of the year during which he was not employed as a Covered Employee.

5.3.5 As of December 31, 1999, there shall be credited to the Cash Balance Account of each Participant who was employed as a Covered Employee (on the active payroll of a Participating Company) on such date an amount equal to \$1,500.

5.3.6 As of the last day of each calendar year subsequent to 2002 and prior to 2006 (or, in the case of a Participant who ceased to be an Employee during any such calendar year, as of the date on which he was last employed as an Employee), there shall be credited to the Cash Balance Account of each Participant who was employed as a Covered Employee during the calendar year a Pension Band credit determined from Table 8 to the Plan (based upon the Participant's assigned Pension Band and completed whole years of his Term of Employment as of the date on which the credit under this Subsection 5.3.6 was to be made to his Cash Balance Account for such calendar year); provided, however, that if the Participant was not employed as a Covered Employee throughout the year, the amount of the credit under this Subsection 5.3.6 for such year shall be reduced on a pro rata basis to reflect the portion of the year during which he was not employed as a Covered Employee.

5.3.7 As of the last day of each calendar year subsequent to 2005 and prior to 2009 (or, in the case of a Participant who ceased to be an Employee during any such calendar year, as of the date on which he was last employed as an Employee), there shall be credited to the Cash Balance Account of each Participant who was employed as a Covered Employee during the calendar year a Pension Band credit determined from Table 10 to the Plan (based upon the Participant's assigned Pension Band and completed whole years of his Term of Employment as of the date on which the credit under this Subsection 5.3.7 is to be made to his Cash Balance Account for such calendar year); provided, however, that if the Participant is not employed as a Covered Employee throughout such year, the amount of the credit under this Subsection 5.3.7 for such year shall be reduced on a pro rata basis to reflect the portion of such year during which he was not employed as a Covered Employee.

5.3.8 Subject to the provisions of Subsection 5.3.10 and 5.3.12 below, as of the last day of each calendar year subsequent to 2008 (or, in the case of a Participant who ceased to be an Employee during any such calendar year, as of the date on which he was last employed as an Employee), there shall be credited to the Cash Balance Account of each Participant who was employed as a Covered Employee during the calendar year a Pension Band credit determined from Table 12 to the Plan (based upon the Participant's assigned Pension Band and completed whole years of his Term of Employment as of the date on which the credit under this Subsection 5.3.8 is to be made to his Cash Balance Account for such calendar year); provided, however, that if the Participant was not employed as a Covered Employee throughout such year, the amount of the credit under this Subsection 5.3.8 for such year shall be reduced on a pro rata basis to reflect the portion of such year during which he was not employed as a Covered Employee.

5.3.9 Subject to the provisions of Subsection 5.3.10 and 5.3.12 below, if a Participant was at any time on or after May 9, 1999 promoted by a Participating Company to a Covered Employee job to which is assigned a higher-numbered Pension Band than the Pension Band assigned to his prior Covered Employee job and if he was employed as a Covered Employee (on the active payroll of a Participating Company) for the 18 consecutive month period beginning on the date immediately following the date of such promotion, then, as of the date which is 18 months after the date of such promotion, there shall be credited to the Cash Balance Account of such Participant an amount determined by multiplying (a) the amount by which (i) the Pension Band credit that would have been credited for him under Subsection 5.3.1 above, Subsection 5.3.4 above, Subsection 5.3.6 above, Subsection 5.3.7 above, or Subsection 5.3.8 above for the calendar year in which such promotion occurs (for purposes of this Subsection 5.3.9, the "promotion year") if his Pension Band as of the date which is 18 months after the date of such promotion had been in effect for the promotion year exceeds (ii) the Pension Band credit that would have been credited for him under Subsection 5.3.1 above, Subsection 5.3.4 above, Subsection 5.3.6 above, Subsection 5.3.7 above, or Subsection 5.4.8 above for the promotion year if his Pension Band as of the date immediately prior to the date of such promotion had been in effect for the promotion year by (b) the number of whole years of his Term of Employment completed to the date of such promotion. For purposes of the immediately preceding sentence, the Pension Band credit that would have been credited for the Participant under Subsection 5.3.1 above, Subsection 5.3.4 above, Subsection 5.3.6 above, Subsection 5.3.7 above, or Subsection 5.3.8 above for the promotion year if either his Pension Band as of the date which is 18 months after the date of his promotion or his Pension Band as of the date immediately prior to the date of his promotion had been in effect for the promotion year shall be determined without regard to any provision of Subsection 5.3.1 above, Subsection 5.3.4 above, Subsection 5.3.6 above, Subsection 5.3.7, or Subsection 5.3.8 above that would otherwise reduce such Pension Band credit to reflect any portion of the promotion year during which he may not have been employed as a Covered Employee.

5.3.10 Notwithstanding the foregoing subsections of this Section 5.3 or any other provision of this Plan, in no event shall any amount be credited under this Section 5.3 as of any date that occurred or occurs after December 31, 2011 to the Cash Balance Account of any Participant who is not a Grandfathered Participant (as defined in Subsection 5.3.11 below).

5.3.11 For purposes of Subsection 5.3.10 above, a "Grandfathered Participant" means a Participant who, as of January 1, 2012, either: (a) had Net Credited Service of 25 years or more; or (b) had Net Credited Service of 20 years or more and had attained at least age 55. The term "Net Credited Service" means, with respect to any Participant, the Participant's Term of Employment that would be determined under the terms of Section 3.7 above if all references to a "Covered Employee" in such Section 3.7 and in the Prior Pension Plan were deemed to be references to an "Employee."

5.3.12 For purposes of the foregoing subsections of this Section 5.3 and notwithstanding such subsections or any other provision of this Plan, each Grandfathered Participant (as defined in Subsection 5.3.11) shall be deemed to permanently cease to be an Employee no later than May 1, 2015 (even if he or she actually continued to be an Employee after such date). As a result of the immediately preceding sentence, in no event shall any amount be credited under this Section 5.3 as of any date that occurred or occurs after May 1, 2015 to the Cash Balance Account of any Participant who is a Grandfathered Participant (as defined in Subsection 5.3.11).

5.4 Interest Credit Amounts Credited to Cash Balance Account.

5.4.1 On each day subsequent to January 1, 1997 and prior to January 1, 2012, there shall be credited to the Cash Balance Account of each Participant who had a Cash Balance Account balance under the Plan on the December 31 immediately preceding such day assumed interest on such balance at an annualized rate (without compounding) of: for days occurring during calendar years 1997 through 1999, 8%; for days occurring during calendar years 2000 through 2002, 7.5%; for days occurring during calendar year 2003, 5.5%; for days occurring during calendar years 2004 and 2005, 6.0%; for days occurring during calendar years 2006, 2007, and 2008, 5.0%; and for days occurring during calendar years 2009, 2010, and 2011, 4.5%.

5.4.2 On each day subsequent to December 31, 2011, there shall be credited to the Cash Balance Account of each Participant who had or has a Cash Balance Account balance under the Plan on the December 31 immediately preceding such day assumed interest on such balance at an annualized rate (without compounding) of 4%.

5.4.3 For the calendar year in which a Participant has an amount credited to his Cash Balance Account under Section 5.2 above, on each day that occurs in such calendar year and that is subsequent to the date on which such amount is credited to his Cash Balance Account under the Plan, there also shall be credited to his Cash Balance Account the product obtained by multiplying such amount times the applicable assumed interest rate that is determined for such day under Subsection 5.4.1 above or Subsection 5.4.2 above, as the case may be.

5.4.4 Notwithstanding any of the foregoing provisions of this Section 5.4 but subject to the final sentence of this Subsection 5.4.4, the assumed annualized interest rate to be applied on any day subsequent to January 1, 1997 and prior to March 1, 2012 under Subsection 5.4.1, 5.4.2, or 5.4.3 above, as the case may be, shall be 3.5% (instead of the assumed interest rate otherwise provided under Subsection 5.4.1, 5.4.2, or 5.4.3 above) unless the Participant is employed as an Employee (other than a leased, contingency, or job bank employee) on such day. However, the assumed annualized interest rate to be applied under the immediately preceding sentence on any day subsequent to January 1, 1997 and prior to March 1, 2012 shall be deemed to be 4.0% for any such day on which both (a) such assumed annualized interest rate would otherwise be 3.5% under the immediately preceding sentence on such day and (b) a waiver by the Participant to the death benefit otherwise applicable to him under Section 8.1 or 8.2 below is in effect for him pursuant to the provisions of Section 8.3 below. However, the provision of this Subsection 5.4.4 shall not apply in determining the assumed annualized interest rate to be applied on any day after February 29, 2012 under Subsection 5.4.2 or 5.4.3 above, as the case may be.

5.5 Preservation of Capital. In no event shall the value of a Participant's Cash Balance Account (when used to determine his interest in the Plan), be less than the sum of the amounts credited to his Cash Balance Account under (i) Sections 5.2 and 5.3 above and (ii) Section 5.4 above, but only to the extent, if any, that the interest credit amounts credited to the Participant's Cash Balance Account under Section 5.4 above for any day exceed the amount that would have been credited to the Cash Balance Account of the Participant for such day based on an assumed annualized interest rate of 4%.

ARTICLE 6

RETIREMENT BENEFITS

6.1 **Normal Retirement.** A Participant who ceases to be an Employee (other than by reason of his death) on the date he first attains his Normal Retirement Age (and prior to his Required Beginning Date) shall be entitled to a retirement benefit under the Plan (unless he dies before the commencement date of the benefit). The date as of which such benefit will commence, the form in which such benefit will be paid, and the monthly or single sum amount of such benefit shall all be determined under the provisions of Article 7 below.

6.2 **Late Retirement.** A Participant who continues to be an Employee following the date on which he first attains his Normal Retirement Age (or is still an Employee on his Required Beginning Date in the limited circumstances when such date occurs prior to the date he first attains his Normal Retirement Age) shall also be entitled to a retirement benefit under the Plan (unless he dies before the commencement date of the benefit). The date as of which such benefit will commence, the form in which such benefit will be paid, and the monthly or single sum amount of such benefit shall all be determined under the provisions of Article 7 below.

6.3 **Vested Retirement.** A Participant who ceases to be an Employee (other than by reason of his death) prior to becoming eligible for any normal or late retirement benefit under the foregoing provisions of this Article 6, but after completing at least three years of Vesting Service (or, if the Participant fails to complete at least one Hour of Service on or after January 1, 2009, at least five years of Vesting Service), shall also be entitled to a retirement benefit under the Plan (unless he dies before the commencement date of the benefit). The date as of which such benefit will commence, the form in which such benefit will be paid, and the monthly or single sum amount of such benefit shall all be determined under the provisions of Article 7 below.

6.4 **Other Cessation of Employment.** Except as otherwise provided in Article 8 below, if a Participant dies prior to the commencement date of any retirement benefit to which he is entitled under any of the foregoing provisions of this Article 6 or under Section 17.2 below, or if the Participant ceases to be an Employee for any reason at a time when he is not entitled to a retirement benefit under one of the foregoing provisions of this Article 6 or under Section 17.2 below, neither he nor any person claiming by or through him shall be entitled to receive a benefit under the Plan. In such case, his prior interest under this Plan (including his prior interest in his Accrued Benefit) shall be forfeited pursuant to the provisions of Section 11.7 below.

ARTICLE 7

PAYMENT OF RETIREMENT BENEFITS

7.1 **Commencement Date of Retirement Benefit.** If a Participant is entitled to a retirement benefit under the Plan pursuant to any of the provisions of Article 6 above, then, subject to the provisions of Section 7.5 below, he may, as a part of his filing with a Plan representative of a claim for his retirement benefit under and in accordance with the provisions of Section 7.4 below, elect the specific commencement date as of which his retirement benefit under the Plan will commence to be paid, provided that the elected commencement date meets each and every of the requirements set forth in Subsections 7.1.1 through 7.1.5 below (to the extent such requirements apply to the elected commencement date under the terms of such subsections).

7.1.1 Such commencement date must occur both: (i) no later than the Participant's Required Commencement Date; and (ii) if the date on which the Participant ceases to be an Employee occurs before the Participant's Required Commencement Date, after the date on which the Participant ceases to be an Employee.

7.1.2 Such commencement date may not occur more than 180 days after the date (for purposes of this Section 7.1, the "written explanation date") on which the latest written explanation as to the Participant's benefit form options and other benefit payment rules that is described in Subsection 7.4.4 below (for purposes of this Section 7.1, the "written explanation") is provided to the Participant.

7.1.3 Such commencement date may not occur before 30 days have expired after the written explanation date unless all of the following conditions are met:

(a) the written explanation clearly indicates that the Participant has a right to at least 30 days to consider the form in which his retirement benefit will be paid and elect a permitted form of benefit;

(b) the Participant affirmatively elects the form in which he wants his retirement benefit to be paid prior to the expiration of the 30-day period beginning on the date that immediately follows the written explanation date;

(c) the Participant is permitted to amend or revoke an affirmative election he makes for payment of his retirement benefit in any form at least until the later of the date as of which the Participant's retirement benefit under the Plan will commence based on such election or the expiration of the seven-day period that begins on the date that immediately follows the written explanation date; and

(d) the actual distribution of the retirement benefit in accordance with the Participant's affirmative election does not begin before the expiration of the seven-day period that begins on the date that immediately follows the written explanation date.

7.1.4 Such commencement date may occur prior to the date on which the Participant makes a claim for his retirement benefit only if (a) the actual payment of the Participant's retirement benefit begins to be paid within 180 days after the written explanation date or (b) the actual payment of the Participant's retirement benefit begins to be paid after the end of such 180-day period solely due to administrative reasons.

7.1.5 Such commencement date may occur prior to the written explanation date (in which case such commencement date shall be considered a "retroactive commencement date" under this Subsection 7.1.5) only if all of the following conditions are met:

(a) such commencement date does not occur before the date that is twelve months before the date on which the Participant's retirement benefit actually begins to be paid;

(b) the Participant affirmatively elects the commencement date of his retirement benefit and the form in which he wants his retirement benefit to be paid no later than 180 days after the date on which the earliest written explanation as to the Participant's benefit form options and other benefit payment rules that is described in Subsection 7.4.4 below is provided to the Participant;

(c) the Participant's retirement benefit is paid in the form of an annuity and not in the form of a single sum cash payment pursuant to the Participant's election of the benefit form for his retirement benefit (and the other provisions of this Plan);

(d) the Participant's spouse as of the date the retirement benefit actually begins to be paid (if any) is treated as the Participant's spouse as of the retroactive commencement date for all purposes of the rules of Article 7 of the Plan (and, if the Participant actually had a different spouse as of his retroactive commencement date, such former spouse is not treated for such purposes as the Participant's spouse as of such date except to the extent otherwise required by a qualified domestic relations order as defined in section 206(d)(3) of ERISA and section 414(p) of the Code);

(e) the Participant's spouse as of the date the benefit actually begins to be paid (if any) consents to the form of the retirement benefit and the retroactive commencement date (even if the form is a Qualified Joint and Survivor Annuity when the spouse's consent would not be required but for the retroactive commencement date applying) in a manner that would satisfy the requirements of Subsection 7.4.2 below;

(f) the Participant receives a make-up payment to reflect any missed payments from the retroactive commencement date to the date of the actual make-up payment, with an appropriate adjustment for interest from the dates the missed payments would have been made to the date of the actual make-up payment, which interest adjustment will be based on the annual interest rate on 30-year Treasury securities for the fifth calendar month which precedes the first calendar month included in the Plan Year in which the date of the actual make-up payment occurs (as such interest rate is specified for purposes of Code section 417(e)(3) by the Secretary of the Treasury or his delegate in revenue rulings, notices, or other guidance);

(g) the actual payment of the Participant's retirement benefit begins to be paid within 180 days after the written explanation date or the actual payment of the Participant's retirement benefit begins to be paid after the end of such 180-day period solely due to administrative reasons; and

(h) the date of the first actual payment of the retirement benefit is substituted for the retroactive commencement date for purposes of Subsections 7.1.1 through 7.1.4 above.

If the Participant makes a claim for his retirement benefit under the Plan but fails to elect the specific commencement date of such benefit, then such commencement date shall be set by the Committee (i) to be relatively close to the date on which the Participant files such claim (but not in any event later than the Participant's Required Commencement Date), (ii) to meet all of the requirements of Subsections 7.1.1 through 7.1.4 above, and (iii) to occur in any event after the written explanation date.

7.2 Normal Form of Benefit.

7.2.1 Subject to the other terms of the Plan, if a Participant is not married as of the date a retirement benefit under the Plan commences to be paid to him, such retirement benefit shall be paid in the form of a Single Life Annuity. The monthly amount of such annuity shall be referred to in the other provisions of the Plan as the Participant's "Accrued Benefit Final Payment Amount" and shall be equal to the result obtained:

(a) first, by multiplying the Participant's Accrued Benefit determined as of the commencement date of such retirement benefit by the Participant's vested percentage determined as of such commencement date;

(b) second, in the event (and only in the event) such commencement date occurs before the Participant's 65th birthday, by multiplying the amount determined under paragraph (a) immediately above by the factor identified in Table 3 to this Plan as applicable to a payment age that is the Participant's attained age (in whole years and months) as of such commencement date. The calculation called for under this paragraph (b) reduces the Participant's vested Accrued Benefit amount determined under paragraph (a) above by an actuarial factor to reflect the early (pre-age 65) commencement of the Participant's actual retirement benefit to be paid under the Plan; and

(c) third and last, in the event (and only in the event) such commencement date occurs after the Participant's Normal Retirement Date (for purposes of this paragraph (c), his "post-NRD commencement date"), by increasing the amount determined under paragraph (a) above by the amount, if any, that is needed so that the Participant's retirement benefit when paid in the form of a Single Life Annuity that begins to be paid as of his post-NRD commencement date is at least actuarially equivalent (using the actuarial assumptions referred to in the immediately following sentence) to the Participant's retirement benefit that would have applied if it had been paid in the form of a Single Life Annuity that commenced as of the later of the Participant's Normal Retirement Date or the first day of the Plan Year in which his post-NRD commencement date falls and if his retirement benefit as of his Normal Retirement Date or the first day of each Plan Year beginning after his Normal Retirement Date and on or before his post-NRD commencement date had been deemed to be the amount that would have been determined under paragraph (a) above and this paragraph (c) had the Participant permanently ceased to be a Covered Employee no later than such date or day. The actuarial assumptions referred to in the immediately preceding sentence shall be the applicable interest rate and, for purposes of post-commencement mortality, the applicable mortality assumption that apply under Section 11.5 below as of the Participant's post-NRD commencement date.

7.2.2 Subject to the other terms of the Plan, if a Participant is married as of the date a retirement benefit under the Plan commences to be paid to him, such retirement benefit shall be paid in the form of a Qualified Joint and Survivor Annuity. The following paragraphs of this Subsection 7.2.2 shall determine the monthly amount of such annuity while the Participant is living.

(a) If the commencement date of the Participant's retirement benefit occurs on or after January 1, 2008 (in which case the Qualified Joint and Survivor Annuity may be a 50%, 75%, or 100% Qualified Joint and Survivor Annuity), then, subject to the provisions of subparagraphs (i) and (ii) below, the monthly amount of the Qualified Joint and Survivor Annuity that is payable to the Participant during the joint lives of the Participant and the person who is his spouse on the date as of which the annuity commences to be paid to the Participant shall be equal to the monthly amount that makes such annuity actuarially equivalent (using the actuarial assumptions referred to in the immediately following sentence) to the Participant's retirement benefit if it was paid in the form of a Single Life Annuity that commences as of the same commencement date as applies to such Qualified Joint and Survivor Annuity. The actuarial assumptions

referred to in the immediately preceding sentence shall be: (1) an interest rate assumption of 6% per annum; and (2) the mortality rates specified in the 2008 Applicable Mortality Table as published by the Internal Revenue Service in the appendix to Revenue Ruling 2007-67.

(i) Notwithstanding the foregoing provisions of this paragraph (a) and pursuant to the provisions of the first sentence of Subsection 11.5.4 below, if the commencement date of the Participant's retirement benefit occurs on or after January 1, 2008, if the Participant had been a Participant in the Plan prior to January 1, 2008, and if the Participant's retirement benefit is paid in the form of a 50% Qualified Joint and Survivor Annuity, then the monthly amount of such 50% Qualified Joint and Survivor Annuity (that is payable to the Participant during the joint lives of the Participant and the person who is his spouse on the date as of which the annuity commences to be paid to the Participant) shall not in any event be less than the monthly amount that would be determined for such 50% Qualified Joint and Survivor Annuity had: (A) the Participant permanently ceased to be an Employee no later than as of December 31, 2007 (and thus as if no service or compensation of the Participant were completed or received by him after such date); and (B) instead of and in substitution for the Plan's actuarial assumptions or factors referred to in the second sentence of this paragraph (a), the actuarial assumptions or factors used in the Plan with respect to the determination of the monthly amount of such benefit had been the Plan's actuarial assumptions or factors which were in effect as of December 31, 2007 (and which actuarial assumptions and factors are noted in paragraph (b) below).

(ii) Also notwithstanding the foregoing provisions of this paragraph (a), if the commencement date of the Participant's retirement benefit occurs on or after January 1, 2008, if the Participant had been a Participant in the Plan prior to January 1, 2008, and if the Participant's retirement benefit is paid in the form of a 75% Qualified Joint and Survivor Annuity or a 100% Qualified Joint and Survivor Annuity, then the monthly amount of such 75% Qualified Joint and Survivor Annuity or 100% Qualified Joint and Survivor Annuity (that is payable to the Participant during the joint lives of the Participant and the person who is his spouse on the date as of which the annuity commences to be paid to the Participant) shall not in any event be less than the monthly amount that makes such annuity actuarially equivalent (using the actuarial assumptions referred to in the second sentence of this paragraph (a)) to the Participant's retirement benefit if it was paid in the form of a 50% Qualified Joint and Survivor Annuity that commences as of the same commencement date as applies to such 75% Qualified Joint and Survivor Annuity or 100% Qualified Joint and Survivor Annuity.

(b) If the commencement date of the Participant's retirement benefit occurred prior to January 1, 2008 (in which case the Qualified Joint and Survivor Annuity is a 50% Qualified Joint and Survivor Annuity, since that was the only type of Qualified Joint and Survivor Annuity then permitted under the Plan), then the monthly amount of the Qualified Joint and Survivor Annuity that is payable to the Participant during the joint lives of the Participant and the person who was his spouse on the date as of which the annuity commenced to be paid to the Participant shall be equal to 90% of the monthly amount that would otherwise have applied to the retirement benefit if it was paid in the form of a Single Life Annuity that commenced as of the same commencement date as applied to such Qualified Joint and Survivor Annuity. Such "90%" factor shall for all purposes of the Plan (including the provisions of Section 11.5 below) be considered an actuarial assumption that is used to make the Participant's retirement benefit when payable in the form of a 50% Qualified Joint and Survivor Annuity that commenced as of any date prior to January 1, 2008 actuarially equivalent to such retirement benefit when payable in the form of a Single Life Annuity that commenced as of the same pre-January 1, 2008 date.

(c) Further, if the person who is the Participant's spouse on the date as of which the Qualified Joint and Survivor Annuity commences to be paid to the Participant (for purposes of this paragraph (c), the Participant's "spouse") predeceases the Participant, the monthly amount of the Qualified

Joint and Survivor Annuity that is payable to the Participant after the death of his spouse shall be equal to the same monthly amount that would otherwise have applied to the Participant's retirement benefit if it had been paid in the form of a Single Life Annuity beginning as of the same commencement date as applies to such Qualified Joint and Survivor Annuity.

7.3 Optional Forms of Benefit. A Participant entitled to any retirement benefit under the Plan may elect to receive such benefit, in lieu of the normal form of benefit otherwise payable under Section 7.2 above and provided all of the election provisions of Section 7.4 below are met, in either of the following forms: (a) a Single Life Annuity (which is an optional form only for a Participant who is married as of the date as of which his retirement benefit commences); or (b) a single sum cash payment.

7.3.1 If the Participant elects to receive such retirement benefit in the optional form of a Single Life Annuity, then the monthly amount of such annuity shall be equal to the Participant's Accrued Benefit Final Payment Amount determined as of the commencement date of such retirement benefit.

7.3.2 If the Participant elects to receive such retirement benefit in the optional form of a single sum payment, then the single sum amount of such optional form shall be equal to the greater of:

(a) the amount that would make the optional single sum payment form actuarially equivalent to the Participant's retirement benefit if such benefit were paid in a Single Life Annuity form which commences as of the later of the Participant's Normal Retirement Date or the same date as of which the optional single sum form is paid and which has a monthly amount equal to the Participant's Accrued Benefit determined as of the date as of which the optional single sum form is paid, with the actuarial assumptions to be used in determining such amount being the applicable interest rate and applicable mortality assumption that apply under Section 11.5 below as of the date as of which the optional single sum form is paid; or

(b) the amount credited to the Participant's Cash Balance Account as of the date as of which the optional single sum form is paid.

7.4 Claim for Benefit.

7.4.1 A Participant entitled to a retirement benefit under the Plan may, in a writing filed with a Plan representative (on a form prepared or accepted by the Committee), file a claim that such benefit commence and elect to receive his retirement benefit in the normal form that otherwise applies to him under Section 7.2 above or to waive such normal form and instead to have such benefit paid in any optional form permitted him under Section 7.3 above, provided that such claim and election is made: (a) after the date (for purposes of this Section 7.4, the "written explanation date") on which the latest written explanation as to the Participant's benefit form options and other benefit payment rules and that is described in Subsection 7.4.4 below (for purposes of this Section 7.4, the "written explanation") is provided to the Participant; (b) no more than 180 days before the date that becomes the commencement date of his retirement benefit under Section 7.1 above; and (c) no later than the date that becomes the commencement date of his retirement benefit under Section 7.1 above (except that his claim for a benefit may be made after the date that becomes the commencement date of his retirement benefit under Section 7.1 above if the provisions of Subsection 7.1.4 above are met).

7.4.2 Notwithstanding the provisions of Subsection 7.4.1 above but subject to the last sentence of this Subsection 7.4.2 and to the provisions of Subsection 7.1.5 above, if a Participant is married on the date as of which his retirement benefit commences, his election of any optional form permitted him under Section 7.3 above is not effective unless the person who is the spouse of the Participant as of the

commencement date of the retirement benefit consents, in a writing filed with a Plan representative (on a form prepared or accepted by the Committee), to such election of the named optional form within the same period in which the Participant has to make his election, with the spouse's consent acknowledging the effect of such consent and being witnessed by a notary public or a Plan representative. Any such spouse's consent shall be irrevocable once received by a Plan representative. However, any consent of the Participant's spouse otherwise required under this Subsection 7.4.2 shall not be required if it is established to the satisfaction of a Plan representative that the consent cannot be obtained because no spouse exists, because the spouse cannot reasonably be located, or because of such other circumstances as the Secretary of the Treasury or his delegate allows in regulations.

7.4.3 If a Participant elects a form of payment different than his normal form under Section 7.2 above, he may amend or revoke that election by a written notice filed with a Plan representative (on a form prepared or accepted by the Committee) before the commencement date of his retirement benefit under the Plan (or, if the Participant elects a commencement date for such benefit that is before, or in any event less than 30 days after, the date on which the written explanation is provided to the Participant, he may amend or revoke his election of a form of payment different than his normal form under Section 7.2 above until the later of the commencement date of his retirement benefit as based on his election or the expiration of the seven-day period that begins on the date that immediately follows the written explanation date); provided that if the Participant desires to elect another form of payment different than the normal form applicable to him, the conditions of Subsections 7.4.1 and 7.4.2 above must be satisfied as if that amendment were a new election.

7.4.4 The Committee shall provide each Participant who is entitled to a retirement benefit under the Plan a written explanation of:

- (a) a description of each available form of benefit in which the Participant's retirement benefit can be paid;
- (b) a description of the eligibility conditions and any other material features of each such form of benefit; and

(c) any other items that are required to be contained in the written explanation by Treasury regulations and/or Internal Revenue Service notices or other guidance, including, when and to the extent required by such Treasury regulations or other guidance and to the extent applicable to the Participant's benefit, a description of the financial effect of electing any available form of benefit, the relative value of each optional form of benefit compared to the normal form in which the Participant's benefit will be paid in the absence of the Participant electing out of such form (or, to the extent permitted by such Treasury regulations or other guidance, compared to a different form of benefit), and the right of the Participant to defer receipt of the Participant's benefit and of the consequences of failing to defer such receipt.

7.4.5 The Committee or a Plan representative shall provide the written explanation to a Participant at any time deemed appropriate by the Committee and in any event within a reasonable administrative period after the Participant notifies the Committee that he desires to commence payment of his benefit (if he is then eligible, or if it is anticipated that he will soon be eligible, to commence such benefit) and/or within a reasonable administrative period prior to the latest date that such benefit must commence under the other provisions of the Plan. The written explanation shall be deemed to have been provided the Participant for purposes of the other provisions of the Plan on the date it either is personally delivered to the Participant, is addressed to the Participant and deposited in the mail (first class or certified mail, postage prepaid) by the Committee or a Plan representative, or is provided in such other manner as is permitted by Treasury regulations.

7.5 Automatic Single Sum Payment. The provisions of this Section 7.5 will apply to any retirement benefit of a Participant notwithstanding any other provision of the Plan to the contrary.

7.5.1 If any retirement benefit payable under the Plan to a Participant has a present value of \$1,000 or less as of such benefit's distribution date then such retirement benefit will be converted to and paid as a single sum cash payment as of such benefit's distribution date (with the amount of such payment equal to the present value of such benefit as of such date) instead of being paid in any other form or as of any other date.

7.5.2 For purposes of this Section 7.5, the "distribution date" of any Participant's retirement benefit under the Plan means the date as of which the single sum payment amount of such benefit is determined by a Plan representative under the Plan's administrative processes, which date (a) shall occur on or after the date on which the Participant ceases to be an Employee and no more than 90 days before the first date on which the Plan representative is in a position administratively to have the Plan actually distribute such benefit to the Participant (after calculating the single sum payment amount of such benefit, confirming the Participant's ceasing of Employee status, and meeting all requirements set forth in the other provisions of the Plan as to providing the Participant the opportunity to elect a direct rollover of such benefit to the extent a direct rollover of such benefit is permitted under the Code) and (b) shall in no event occur later than the Participant's Required Commencement Date.

7.5.3 For purposes of this Section 7.5, the present value as of any date (for purposes of this Subsection 7.5.3, the "subject date") of a Participant's retirement benefit shall be equal to the greater of:

(a) the amount that would make the single sum payment of such amount as of the subject date actuarially equivalent to the Participant's retirement benefit if such benefit were paid in a Single Life Annuity form which commences as of the later of the Participant's Normal Retirement Date or the subject date and which has a monthly amount equal to the Participant's Accrued Benefit determined as of the subject date, with the actuarial assumptions to be used in determining such amount being the applicable interest rate and applicable mortality assumption that apply under Section 11.5 below as of the date as of which the optional single sum form is paid; or

(b) the amount credited to the Participant's Cash Balance Account as of the subject date.

7.6 Reemployment of Participant Prior to Required Beginning Date. Except as provided in Subsection 7.6.4 below, if a Participant ceases to be an Employee, thereby becomes entitled to the distribution of a retirement benefit under the Plan that is attributable to his service prior to such termination of employment (for purposes of this Section 7.6, the Participant's "prior retirement benefit"), and later resumes employment as an Employee, then Subsections 7.6.1 through 7.6.3 below shall apply to such situation.

7.6.1 If payment of the Participant's prior retirement benefit has not been made or begun in any form by the time of the Participant's reemployment and can under reasonable administrative procedures be stopped by the Committee before such payment is made or begins, no payment of his prior retirement benefit shall be made and neither he nor anyone claiming by or through him shall be entitled to receive any Plan benefit solely by reason of his earlier ceasing to be an Employee.

7.6.2 If payment of the Participant's prior retirement benefit has been made or begun in any form by the time of the Participant's reemployment or cannot in any event be stopped from being made or

beginning by the Committee, then the payment of his prior retirement benefit shall not be suspended or changed in any manner or at any time in any other case.

7.6.3 The Participant shall be entitled to a new retirement benefit (for purposes of this Subsection 7.6.3, the Participant's "new retirement benefit") after the earlier of the first date after his reemployment on which the Participant next ceases to be an Employee or his Required Beginning Date. The form and commencement date of the Participant's new retirement benefit shall be determined under the provisions of the foregoing sections of this Article 7 without regard to whether his prior retirement benefit had ever actually been paid or started being paid before the commencement date of his new retirement benefit; except that the monthly or single sum amount of the Participant's new retirement benefit, when it is paid or begins to be paid, shall be determined to be the amount that would apply to the Participant's retirement benefit under the Plan if his prior retirement benefit never had been paid or begun to be paid before the commencement date of his new retirement benefit and if he had never elected under the provisions of Section 8.3 below to waive the death benefit otherwise applicable to him under Section 8.1 or 8.2 below (with such amount being referred to as the "initially determined amount" in this Subsection 7.6.3), subject to the adjustments set forth in the following paragraphs of this Subsection 7.6.3.

(a) If the payment of the Participant's prior retirement benefit was paid in the form of a single sum payment, then the initially determined amount shall be reduced by the sum of each payment actually made to the Participant of his prior retirement benefit before the commencement date of the Participant's new retirement benefit, together with interest on such payment. When the commencement date of the Participant's new retirement benefit occurs prior to October 1, 2003, such interest shall be determined (without compounding) from the original date as of which such payment was made to the date the Participant is reemployed as an Employee at the rate or rates of interest determined for purposes of section 411(c)(2)(C) of the Code for such initial period and from such reemployment date to the commencement date of the Participant's new retirement benefit at the rate or rates that would have been used under Section 5.4 above for determining interest credit amounts to a Cash Balance Account of the Participant if the Participant had had a Cash Balance Account throughout such latter period. When the commencement date of the Participant's new retirement benefit occurs on or after October 1, 2003, such interest shall be determined (without compounding) from the original date as of which such payment was made to the commencement date of the Participant's new retirement benefit at the rate or rates that would have been used under Section 5.4 above for determining interest credit amounts to a Cash Balance Account of the Participant if the Participant had had a Cash Balance Account throughout such period.

(b) If the Participant's prior retirement benefit was paid in the form of an annuity, then the initially determined amount shall be reduced by an amount equal to the monthly or single sum amount that would apply to the Participant's new retirement benefit if he had performed no services and received no Compensation as a Covered Employee after his reemployment (and if such new retirement benefit commenced as of the commencement date that applies to such new retirement benefit without regard to this paragraph (b)).

(c) Notwithstanding the provisions of paragraph (a) above, no reduction shall be made in the initially determined amount by reason of the provisions of paragraph (a) above if (i) the Participant had received his prior retirement benefit in the form of a single sum payment prior to the commencement date of the Participant's new retirement benefit, (ii) the Participant is a Covered Employee after his reemployment, and (iii) the Participant repays, before the earlier of (A) five years after the first date on which he is reemployed as a Covered Employee or (B) the date he incurs five consecutive Breaks in Service following the original date as of which the single sum payment of his prior retirement benefit was made, the full amount of such single sum payment plus interest thereon. When such repayment is made prior to October 1, 2003, such interest shall be determined (without compounding) from the original date as of which such payment was

s made to the date the Participant is reemployed as an Employee at the rate or rates of interest determined for purposes of section 411(c)(2)(C) of the Code for such initial period and from such reemployment date to the repayment date of such payment at the rate or rates that would have been used under Section 5.4 above for determining interest credit amounts to a Cash Balance Account of the Participant if the Participant had had a Cash Balance Account throughout such latter period. When such repayment is made on or after October 1, 2003, such interest shall be determined (without compounding) from the original date as of which such payment was made to the repayment date of such payment at the rate or rates that would have been used under Section 5.4 above for determining interest credit amounts to a Cash Balance Account of the Participant if the Participant had had a Cash Balance Account throughout such period.

7.6.4 If a former Participant (a) is or was reemployed on or after February 1, 2008 (and, therefore, in accordance with Subsection 2.1.9 above never becomes a Covered Employee on or after his reemployment date) and (b) his prior retirement has been made or begun in any form by the time of the his reemployment (and, therefore, in accordance with Subsection 7.6.2 above, is not suspended or changed in any manner or at any time merely by reason of such reemployment), then, because he will have accrued no benefit under the Plan on or after his reemployment date, neither the Participant nor any person claiming by or through him shall be entitled to receive any additional or adjusted benefit when he later ceases to be an Employee (or reaches his Required Beginning Date).

7.6.5 For purposes of this Section 7.6 and Section 7.8 below, if, under the terms of Subsection 21.1.1 below, a Participant's prior retirement benefit has been bifurcated into a restricted portion and an unrestricted portion and the Participant elected to commence payment of the unrestricted portion and delay payment of the restricted portion, the provisions of this Section 7.6 and Section 7.8 below shall be applied separately to the restricted portion and unrestricted portion of the Participant's prior retirement benefit.

7.7 Employment After Age 65.

7.7.1 Notwithstanding any other provision hereof to the contrary, if a Participant who has attained age 65 remains an Employee but completes less than 40 Hours of Service in any calendar month that begins after he has attained age 65 (and prior to his Required Beginning Date) and in which he is employed as an Employee, he shall be entitled to elect under this Subsection 7.7.1 to commence, as of the first day of any calendar month beginning after such less-than-40 Hour of Service month, the payment of the retirement benefit (if any) he has then accrued and become vested in under the Plan, with such election to be made in accordance with (and subject to) the other provisions of this Plan in the same manner as such provisions would be applied if the Participant had ceased to be an Employee at the end of such less-than-40 Hour of Service month. However, such retirement benefit shall, if it is being paid in the form of an annuity, cease to be paid beginning with the first calendar month subsequent to such less-than-40 Hour of Service month in which the Participant completes 40 or more Hours of Service, unless the Participant's Required Beginning Date occurs in such subsequent month.

7.7.2 In the event a Participant's retirement benefit under the Plan is paid or begins to be paid by reason of the provisions of Subsection 7.7.1 above, then the provisions of Section 7.6 above and Section 7.8 below shall both be applied in the same manner as if the Participant had ceased to be an Employee, but had then been reemployed as an Employee immediately thereafter, at the end of the latest calendar month which precedes the calendar month in which the Participant's retirement benefit under the Plan commences pursuant to the provisions of Subsection 7.7.1 above.

7.8 Requirements of Code Section 401(a)(9) and Additional Accruals After Required Beginning Date.

7.8.1 Notwithstanding any other provisions of the Plan to the contrary, the requirements of section 401(a)(9) of the Code (as modified to the extent provided in Subsection 2.1.22 above) shall apply to the Plan, and such Code section is hereby incorporated into the Plan. Such Code section (as modified to the extent provided in Subsection 2.1.22 above) requires, among other things, that any Participant's retirement benefit under the Plan must begin to be paid no later than the Participant's Required Beginning Date. The Plan shall apply the requirements of section 401(a)(9) of the Code to any distribution made under the Plan in accordance with any final regulations issued under Code section 401(a)(9) that by their terms apply to such distribution. In this regard, the Plan shall apply the requirements of section 401(a)(9) of the Code, including the incidental benefit requirements of Code section 401(a)(9)(G), in accordance with the requirements of Treasury Regulations section 1.401(a)(9)-2 through 1.409(a)(9)-9.

7.8.2 Subject to the other provisions of this Section 7.8 and the provisions of Subsection 7.6.5 above, if a Participant continues to be employed or is reemployed as an Employee after his Required Beginning Date, any prior distribution of the Participant's retirement benefit under the Plan shall not be suspended (or adjusted in amount or form) merely by reason of such continued employment or reemployment except to the extent provided in this Subsection 7.8.2.

(a) If the Participant has not accrued any benefit under the Plan after the prior payment of his retirement benefit was made (in a single sum payment) or begun (in an annuity form), then the payment of his retirement benefit shall not be suspended or adjusted (in amount or form) in any manner or at any time merely by reason of such continued employment or reemployment and neither the Participant nor any person claiming by or through him shall be entitled to receive any additional or adjusted benefit when he later ceases to be an Employee.

(b) If the Participant accrued a benefit under the Plan after the prior payment of his retirement benefit was made (in a single sum payment) or begun (in an annuity form), then the payment of his retirement benefit shall not be suspended or adjusted (in amount or form) merely by reason of such continued employment or reemployment until the Participant next ceases to be an Employee. In such a case, upon the first date after the Participant's Required Beginning Date on which the Participant ceases to be an Employee, his latest retirement benefit under the Plan that began being paid prior to his Required Beginning Date shall be redetermined.

(i) Any such redetermined retirement benefit shall be paid in the same form as the form in which his latest retirement benefit under the Plan was made to the Participant prior to the applicable redetermination date if such form of prior Plan benefit payments was an annuity form, and any such redetermined retirement benefit shall commence as of the first date after the Participant ceases to be an Employee (following his Required Beginning Date). If the form of his latest retirement benefit under the Plan was not an annuity form, then the form and commencement date of such redetermined retirement benefit shall be determined under the provisions of the foregoing sections of this Article 7 as if no Plan benefit payments prior to the applicable redetermination date had occurred.

(ii) The monthly or single sum amount of his redetermined retirement benefit, when it is paid or begins to be paid as of such redetermination date, shall be the amount that would apply to the Participant's retirement benefit under the Plan if such retirement benefit never had been paid or begun to be paid before the redetermination date but was reduced by the sum of each payment made of such retirement benefit, together with interest on such payment, compounded annually, from the original date as of which such payment was made to such redetermination date at the rate or rates used for determining interest credit amounts to Cash Balance Accounts for Employees under Section 5.4 above for such period (or, for any portion of such period in which the Participant is not an Employee, at the rate or rates determined under section 411(c)(2)(C) of the Code for such portion); except that, if the form of the Participant's latest retirement benefit under the Plan as of such redetermination date had been an annuity form, the monthly amount of the Participant's redetermined retirement benefit as of such redetermination date shall not be less than the monthly amount of such annuity as in effect immediately prior to such redetermination date.

ARTICLE 8

DEATH BENEFITS

8.1 Unmarried Participants. If an unmarried Vested Participant dies while an Employee or after ceasing to be an Employee but prior to his benefit commencement date, then, unless waived under the provisions of Section 8.3 below, a death benefit shall be paid to his estate. Such death benefit shall be paid in the form of a single sum cash payment that is made as of such benefit's distribution date.

(a) The amount of such single sum payment shall be equal to the amount credited to the Participant's Cash Balance Account on such benefit's distribution date.

(b) For purposes of this Section 8.1, the "distribution date" of an unmarried Vested Participant's estate's death benefit under the Plan means: (i) when the Participant's death occurs prior to March 28, 2005, the first date after the Participant's death that the Plan is administratively able to determine the amount of such benefit in preparation for its distribution; or (ii) when the Participant's death occurs on or after March 28, 2005, on a date chosen by the Committee that occurs after the Participant's death and no more than 90 days before the first date after such death on which the Plan is in a position administratively to actually distribute such benefit to the estate (after calculating the single sum payment amount of such benefit and confirming the Participant's death).

8.2 Married Participants. If a married Vested Participant dies while an Employee or after ceasing to be an Employee but prior to his benefit commencement date, then, unless waived under the provisions of Section 8.3 below and subject to the following provisions of this Section 8.2, the Participant's surviving spouse shall be entitled to a death benefit that is described in and payable under the following subsections of this Section 8.2.

8.2.1 The Participant's surviving spouse may, after the Participant's death and in accordance with reasonable administrative procedures adopted by the Committee, elect to receive such death benefit in the form of a single sum cash payment that is paid: (1) when the Participant's death occurs prior to March 28, 2005, as of the first date after such spouse's election on which the Plan is administratively able to determine the amount of such benefit in preparation for its distribution; or (2) when the Participant's death occurs on or after March 28, 2005, as of a date chosen by the Committee under its administrative processes that occurs after such spouse's election and no more than 90 days before the first date after such death on which the Plan is in a position administratively to distribute such benefit to the surviving spouse (after calculating the single sum payment amount of such benefit, confirming the Participant's death, and meeting all requirements set forth in the other provisions of the Plan as to providing the spouse an opportunity to elect a direct rollover of such benefit in the event a direct rollover of such benefit is permitted under the Code). The amount of such single sum payment shall be equal to the amount credited to the Participant's Cash Balance Account as of such date.

(a) It is provided, however, that if the Participant's surviving spouse fails to elect in writing to have such death benefit paid in one single sum under the foregoing provisions of this Subsection 8.2.1, such death benefit shall be paid to the Participant's spouse in the form of a monthly annuity that is payable for the life of the Participant's spouse and that commences as of the later of the date which would be the Participant's Normal Retirement Date if he had not died or the first date following the Participant's death on which the Plan is administratively able to determine the amount of such benefit in preparation for its distribution. Notwithstanding the foregoing, if the Participant dies before his Normal Retirement Date, the Participant's surviving spouse may elect, after the Participant's death and prior to the date which would have been the Participant's Normal Retirement Date if he had not died and in accordance with reasonable administrative procedures adopted by the Committee, to commence such monthly annuity prior to the date which would have been the Participant's Normal Retirement Date if he had not died. If such election is made, such annuity shall commence as of a date (set by the Committee) that is within a reasonable administrative period after such spouse's election and prior to the date which would have been the Participant's Normal Retirement Date if he had not died.

(b) The monthly amount of any annuity described in paragraph (a) above shall be the amount that makes such annuity actuarially equivalent to such death benefit if such benefit had been paid in the form of a single sum payment that is made as of the date as of which the annuity commences to be paid and that has an amount equal to the amount credited to the Participant's Cash Balance Account as of the date as of which the annuity commences to be paid. The actuarial assumptions to be used in determining such monthly amount shall be the applicable interest rate and applicable mortality assumption that apply under Section 11.5 below as of the commencement date of such annuity.

8.2.2 Notwithstanding the provisions of Subsection 8.2.1 above, if (1) the death benefit payable under this Section 8.2 to the surviving spouse of a Vested Participant has a present value of \$5,000 or less as of such benefit's distribution date and (2) such benefit has not begun to be paid to the Participant's surviving Spouse prior to such benefit's distribution date, then such death benefit shall be converted to and paid as a single sum cash payment as of such benefit's distribution date (with the amount of such payment equal to the present value of such benefit as of such date).

(a) For purposes of this Subsection 8.2.2, the present value as of the distribution date of such spouse's death benefit shall be equal to the amount credited to the Participant's Cash Balance Account as of such benefit's distribution date.

(b) Also for purposes of this Subsection 8.2.2, the "distribution date" of a Participant's surviving spouse's death benefit under the Plan means the date as of which the single sum payment amount of such benefit is: (i) when the Participant's death occurs prior to March 28, 2005, the first date after the Participant's death that the Plan is administratively able to determine the amount of such benefit in preparation for its distribution; or (ii) when the Participant's death occurs after March 28, 2005, a date chosen by the Committee that occurs after the Participant's death and no more than 90 days before the first date after such death on which the Plan is in a position administratively to actually distribute such benefit to the surviving spouse, (after calculating the single sum payment amount of such benefit, confirming the Participant's death, and meeting all requirements set forth in the other provisions of the Plan as to providing the spouse an opportunity to elect a direct rollover of such benefit to the extent a direct rollover of such benefit is permitted under the Code).

8.2.3 Notwithstanding the provisions of Subsections 8.2.1 and 8.2.2 above, in no event shall the monthly amount or single sum amount of the death benefit payable to the married Vested Participant's surviving spouse under Subsection 8.2.1 or 8.2.2 above be less than the monthly or single sum amount (as appropriate) that makes such benefit actuarially equivalent to the survivor benefit that would otherwise have

been paid to such spouse if such Participant had ceased to be an Employee prior to his death (if he had not already done so) and had begun the payment of the retirement benefit to which he was entitled in the form of a 50% Qualified Joint and Survivor Annuity commencing immediately prior to the date as of which the death benefit payable to his surviving spouse under this Section 8.2 commences or is paid. The actuarial assumptions to be used in determining such monthly or single sum amount shall be the applicable interest rate and the applicable mortality assumption that apply under Section 11.5 below as of the commencement date of such benefit.

8.2.4 Further, notwithstanding the foregoing provisions of this Section 8.2, if the surviving spouse of a Vested Participant is entitled to a death benefit under the foregoing provisions of this Section 8.2 but the spouse dies before the date as of which such death benefit is to be paid or begin to be paid under the foregoing provisions of this Section 8.2, then such death benefit shall be paid to the estate of the spouse in the form of a single sum cash payment that is equal to the amount credited to the Participant's Cash Balance Account as of the date of the spouse's death and is paid as of the day next following the date of the spouse's death.

8.3 Waiver of Death Benefit. If during any period occurring prior to March 1, 2012 a Participant would otherwise have interest rate credits to his Cash Balance Account determined under the provisions of Subsection 5.4.4 above, he may elect prior to March 1, 2012 to waive the death benefit otherwise applicable to him under Section 8.1 or 8.2 above. In the event of such a waiver, then, notwithstanding any of the provisions of Subsection 5.4.4 above to the contrary, the assumed annualized interest rate applicable to his Cash Balance Account under Subsection 5.4.4 above on any date prior to March 1, 2012 shall be 4% (instead of 3.5%) while the waiver is in effect. Prior to March 1, 2012, any waiver referred to in this Section 8.3 shall also be subject to the following subsections of this Section 8.3.

8.3.1 In the case of an unmarried Participant: (a) such waiver may be elected (and put into effect) or revoked in a writing filed with a Plan representative (on a form prepared or accepted by the Committee) at any time prior to his death; and (b) such waiver shall be automatically revoked if the Participant marries and fails to make the election called for under Subsection 8.3.2 below.

8.3.2 In the case of a married Participant: (a) such waiver may be elected (and put into effect) or revoked in a writing filed with a Plan representative (on a form prepared or accepted by the Committee) at any time prior to his death; (b) the Participant's spouse must consent in a writing filed with a Plan representative (on a form prepared or accepted by the Committee) to the election of the waiver (with such consent acknowledging the effect of the election and being witnessed by a Plan representative or notary public); (c) in the case of a waiver made before the Plan Year in which the Participant attains age 35, such waiver shall be automatically revoked on the first day of the Plan Year in which the Participant attains age 35 (and must be reelected on or after such date in order to become again effective); and (d) within the applicable period, the Participant shall be provided a written explanation of the death benefit under Section 8.2 above in a manner comparable to the explanation that is provided under Subsection 7.4.4 above. The "applicable period" for giving the written explanation under clause (d) of the immediately preceding sentence shall be whichever of the following periods ends later: (a) the first day of the three-year period ending on the last day of the Plan Year in which the Participant attains age 35; or (b) the two-year period ending one year after the date on which the Participant becomes a Participant. Notwithstanding the foregoing, in the case of a Participant who ceases to be an Employee prior to the Plan Year in which he attains age 35, such explanation also must be provided within the three-year period ending on the first anniversary of the date on which he ceases to be an Employee.

Notwithstanding any of the foregoing provisions of this Section 8.3, the provisions of this Section 8.3 shall not apply on any day after February 29, 2012 (and thus no waiver of the death benefit otherwise applicable under Section 8.1 or 8.2 above to any Participant shall be valid on any day after February 29, 2012).

ARTICLE 9

SPECIAL MINIMUM, EARLY RETIREMENT WINDOW, AND TRANSITION BENEFITS

9.1 **Minimum Benefit.** Notwithstanding any other provision hereof to the contrary, if a Participant has his Cash Balance Account include an amount (for purposes of this Section 9.1, the “prior plan amount”) that derives from an Accrued Benefit under the Prior Pension Plan (or an accrued benefit under another plan) by reason of the provisions of Section 5.2 above, then, when determined as of any date (for purposes of this Section 9.1, the “subject date”):

9.1.1 his Accrued Benefit Final Payment Amount (as otherwise is generally calculated under the provisions of Subsection 7.2.1 above) shall not be less than the product produced by multiplying (a) the monthly amount that would have applied to the Participant’s retirement benefit under the terms of the plan from which the prior plan amount derives (as determined as of the date that immediately precedes the date as of which the prior plan amount is credited to the Participant’s Cash Balance Account and as if the Participant had ceased accruing any further benefits under such plan as of such date) if such benefit were paid in the form of a Single Life Annuity that commences as of the later of the Participant’s 65th birthday or the subject date by (b) a factor derived from Table 1 under the Prior Pension Plan (or, if the prior plan amount derives from a plan other than the Prior Pension Plan, the corresponding early commencement table of such other plan) that applies to non-cash balance benefits and a payment age that is the Participant’s attained age (in whole years and months) as of the subject date; and

9.1.2 his Accrued Benefit (as otherwise is generally calculated under the provisions of Subsection 2.1.1 above) shall not be less than the monthly amount that would have applied to the Participant’s retirement benefit under the terms of the plan from which the prior plan amount derives (as determined as of the date that immediately precedes the date as of which the prior plan amount is credited to the Participant’s Cash Balance Account and as if the Participant had ceased accruing any further benefits under such plan as of such date) if such benefit were paid in the form of a Single Life Annuity that commences as of the later of the Participant’s 65th birthday or the subject date.

9.2 **Transition Retirement Benefits.** The provisions of this Section 9.2 shall apply notwithstanding any other provision of the Plan.

9.2.1 When determined as of any date (for purposes of this Subsection 9.2.1, the “subject date”), the Accrued Benefit Final Payment Amount (as is otherwise generally calculated under the provisions of Subsection 7.2.1 above) of a Transition Group Participant (as defined in Subsection 9.2.5(e) below) shall not be less than: (a) if the subject date occurs on or after the Transition Group Participant’s Normal Retirement Date or in any event is a date as of which a retirement benefit could have commenced to the Transition Group Participant under the terms of the Prior Pension Plan had the Prior Pension Plan continued in effect unamended, the Transition Group Participant’s Prior Pension Plan Amount determined as of the subject date under the provisions of Subsection 9.2.5(b) below; or (b) if the subject date occurs prior to the Transition Group Participant’s Normal Retirement Date and is not a date as of which a retirement benefit could have commenced to the Transition Group Participant under the terms of the Prior Pension Plan had the Prior Pension Plan continued in effect unamended, the product produced by multiplying (i) the Transition Group Participant’s Prior Pension Plan Amount determined as of his 65th birthday under the provisions of Subsection 9.2.5(b) below by (ii) the factor derived from Table 1 to the Prior Pension Plan that applies to non-cash balance benefits and a payment age that is the Participant’s attained age (in whole years and months) as of the subject date. In addition, when determined as of the subject date, the Transition Group Participant’s Accrued Benefit (as is otherwise generally calculated under the provisions of Subsection 2.1.1 above) shall not be less than

the Transition Group Participant's Prior Pension Plan Amount determined as of the later of his 65th birthday or the subject date under the provisions of Subsection 9.2.5(b) below.

9.2.2 In no event shall the monthly amount of any death benefit provided under Article 8 above to a surviving spouse of a Transition Group Participant (as defined in Subsection 9.2.5(e) below), determined as if such benefit were paid in the form of a monthly annuity for the life of the surviving spouse that commences as of the date as of which such death benefit commences to be paid, be less than the surviving spouse's Prior Pension Plan Survivor Amount (as defined in Subsection 9.2.5(c) below) when determined as of the applicable determination date.

9.2.3 In no event shall the amount of the Cash Balance Account on or after January 1, 1997 (prior to any payments called for under the Plan) of a Transition Group Participant (as defined in Subsection 9.2.5(e) below) who was a Special Eligibility Participant (as defined in the Prior Pension Plan and reflecting a Participant who was eligible for an early retirement "window" benefit that was offered in 1995 under the Plan) be less than the sum of (a) the amount of his Cash Balance Account under the Plan on January 1, 1997, (b) 20% of the Transition Group Participant's Frozen Benefit Premium (as defined in Subsection 9.2.5(a) below), and (c) an amount equal to, for each full month from January 1, 1997 through December 31, 2000 (or, if earlier, through the last day of the month preceding the month in which the Transition Group Participant ceased to be an Employee), 1.67% of such Frozen Benefit Premium.

9.2.4 If a Transition Group Participant (as defined in Subsection 9.2.5(e) below) whose Term of Employment (as defined in the Prior Pension Plan) at the time he ceases to be an Employee is 15 or more years and who is not a Service Pension Eligible Participant (as defined in Subsection 9.2.5(d) below) becomes totally disabled (i.e., unable to perform the requirements of his job with the Participating Companies) as a result of sickness or injury (other than by accidental injury arising out of and in the course of employment as an Employee) and, as a consequence of such disability, ceases to be an Employee, he shall be entitled to receive a monthly disability benefit that commences on the day next following the date he ceases to be an Employee by reason of his total disability and is payable until the earliest of (1) the date on which he is no longer disabled, (2) the date on which he attains age 65, (3) the date as of which his retirement benefit under the Plan is paid or begins to be paid, or (4) the date of his death. The monthly amount of the disability benefit provided under this Subsection 9.2.4 to the Transition Group Participant shall be equal to the monthly amount of the retirement benefit that he accrues under the Plan to the date he ceases to be an Employee (determined as if such retirement benefit were paid in the form of a Single Life Annuity that commences as of the Participant's 65th birthday).

9.2.5 For purposes of this Section 9.2, the following terms shall have the meanings set forth below:

(a) "Frozen Benefit Premium" means, with respect to any Transition Group Participant who was a Special Eligibility Participant (as defined in the Prior Pension Plan and reflecting a Participant who was eligible for an early retirement "window" benefit that was offered in 1995 under the Plan), the result obtained by subtracting the amount of the Transition Group Participant's Cash Balance Account under the Plan on January 1, 1997 from the then present value of the retirement benefit that the Transition Group Participant would have been entitled to receive under the Prior Pension Plan (determined as if such benefit were paid in the form of a Single Life Annuity that commences as of January 1, 1997) if (i) he had permanently ceased to be an Employee on April 1, 1995, (ii) the amendments to the Prior Pension Plan that were adopted effective March 31, 1995 were disregarded, and (iii) the monthly Pension Band dollar amounts applicable to retirements occurring on and after October 1, 1995 under Table 3 of the Prior Pension Plan (as in effect on April 1, 1995) also applied to retirements occurring on April 1, 1995.

(b) “Prior Pension Plan Amount” means, with respect to any Transition Group Participant and as of any date (for purposes of this paragraph (b), the “subject date”), the monthly amount of the pension benefit to which the Transition Group Participant would have been entitled under the Prior Pension Plan, determined as if such benefit were paid in the form of a Single Life Annuity that commences as of the subject date, if, subject to the adjustments set forth below, he had permanently ceased to be an Employee on (and received no compensation and completed no service after) the earlier of the latest date he ceased to be an Employee before the subject date or December 31, 1999 and the Prior Pension Plan had continued in effect unamended except that the amendments to such plan adopted effective March 31, 1995 shall be disregarded. Notwithstanding the foregoing, the adjustments set forth in the following subparagraphs of this paragraph (b) shall apply in determining the Transition Group Participant’s Prior Pension Plan Amount.

(i) If the Transition Group Participant ceases to be an Employee on or after October 1, 1999, then his Prior Pension Plan Amount shall be determined under the foregoing provisions of this paragraph (b) except that the dollar amount that otherwise would apply to each Pension Band number under the terms of Table 3 to the Prior Pension Plan shall be determined under Table 7 to this Plan (instead of under such Table 3 to the Prior Pension Plan).

(ii) If the Transition Group Participant ceases to be an Employee on or after January 1, 2000, then his Prior Pension Plan Amount shall in no event be deemed to be less than if it had been determined under the foregoing provisions of this paragraph (b) but for the following changes: (A) the Transition Group Participant is treated as permanently ceasing to be an Employee on the latest date he ceases to be an Employee before the subject date and is not treated as having permanently ceased to be an Employee on December 31, 1999; (B) the provisions of the Prior Pension Plan are deemed not to provide at all for any supplemental monthly pension amount based on the Transition Group Participant’s Shift Differential Pay (as defined in Subsection 5.3.2 above); (C) in the event the date on which the Transition Group Participant ceases to be an Employee is on or after October 1, 2002 and prior to January 1, 2006 (but not otherwise), the dollar amount that otherwise would apply to each Pension Band number under the terms of Table 7 to this Plan shall be determined under Table 9 to this Plan (instead of under such Table 7); and (D) in the event the date on which the Transition Group Participant ceases to be an Employee is on or after January 1, 2006 (but not otherwise), the dollar amount that otherwise would apply to each Pension Band number under the terms of Table 7 to this Plan shall be determined under Table 11 to this Plan (instead of under such Table 7).

(iii) If the Transition Group Participant was a Special Eligibility Participant (as defined in the Prior Pension Plan and reflecting a Participant who was eligible for an early retirement “window” benefit that was offered in 1995 under the Plan), then his Prior Pension Plan Amount shall not in any event be deemed to be less than if it had been determined under the foregoing provisions of this paragraph (b) but modified to the extent provided under the terms of the Prior Pension Plan by reason of the Participant being such a Special Eligibility Participant.

(c) “Prior Pension Plan Survivor Amount” means, with respect to a surviving spouse of any Transition Group Participant and as of any date (for purposes of this paragraph (c), the “subject date”), the monthly amount of the survivor pension benefit to which the surviving spouse would have been entitled under the Prior Pension Plan, determined as if such benefit were paid in the form of a monthly annuity for the life of the surviving spouse that commences as of the subject date, if: (i) the Transition Group Participant had died before the commencement date of the Transition Group Participant’s pension benefit that had accrued under the Prior Pension Plan; and (ii) the monthly amount of the Transition Group Participant’s pension benefit that had accrued under the Prior Pension Plan immediately prior to the date of his death, determined as if such benefit were paid in the form of a Single Life Annuity that commenced immediately prior to the subject date, had been equal to his Prior Pension Plan Amount (determined as of the subject date).

(d) “Service Pension Eligible Participant” means a Transition Group Participant who either (i) has attained at least age 65 and has a Term of Employment of at least 10 years, (ii) has attained at least age 55 and has a Term of Employment of at least 20 years, (iii) has attained at least age 50 and has a Term of Employment of at least 25 years, or (iv) has a Term of Employment of at least 30 years (regardless of his age).

(e) “Transition Group Participant” means a Participant who meets either the conditions of subparagraph (i) below or the conditions of subparagraph (ii) below:

(i) A Participant meets the conditions of this subparagraph (i) if he, on December 31, 1996, was a Covered Employee and had a Term of Employment of at least 15 full years.

(ii) A Participant meets the conditions of this subparagraph (ii) if (A) he on December 31, 1996 was an Employee and was then a participant in the defined benefit pension plan sponsored by the Company that was then named the Cincinnati Bell Management Pension Plan and (B) his Term of Employment on December 31, 1996 was at least 15 full years.

9.2.6 Notwithstanding any of the foregoing subsections of this Subsection 9.2 or any other provision of this Plan, a Transition Group Participant’s Prior Pension Plan Amount shall be determined as if the Transition Group Participant permanently ceased to be an Employee no later than May 1, 2015 (even if he or she actually continued to be an Employee after such date). In accordance with the immediately preceding sentence, the foregoing provisions of this Section 9.2 when used to determine a Transition Group Participant’s Prior Pension Plan Amount as of any date (for purposes of this subsection 9.2.6, the “subject date”), shall be applied as if the latest date on or prior to the subject date on which the Participant is an Employee were the earlier of (1) the date on which the Transition Group Participant actually ceased to be an Employee or (2) May 1, 2015 (the latest possible date the Participant will be deemed to have ceased to be an Employee under the provisions of the immediately preceding sentence). As a result of the provisions of this Subsection 9.2.6, no Transition Group Participant shall accrue any benefit under this Section 9.2 for any period after May 1, 2015.

9.3 Transition Death Benefits.

9.3.1 Subject to the terms of the following subsections of this Section 9.3, in the event of the death of a Participant who was a Participant in the Prior Death Benefit Plan on December 31, 1996, such Participant’s beneficiaries shall be entitled to receive the same death benefit, and in the same form and amount, which they would have been entitled to receive if the Prior Death Benefit Plan had continued in effect unamended, except that (a) no burial expenses or other expenses incident to the death of the Participant shall be paid and (b) the payment of such death benefit shall only be made in the form of a single sum cash payment.

9.3.2 For purposes of this Section 9.3, except as provided below, the “Prior Death Benefit Plan” means, subject to the immediately following sentence, those provisions of the Prior Pension Plan which dealt with the death benefits provided under section 5 of the Prior Pension Plan (including but not limited to the provisions of section 5 of the Prior Pension Plan that required a Participant, in order to be eligible for the pensioner death benefit referred to in such section 5, having either met any of the age and service conditions set forth in such section 5 that were needed to qualify the Participant for a service pension under such section 5 or met the service and disability conditions set forth in such section 5 that were needed to qualify the Participant for a disability pension under such section 5). However, for purposes of determining the amount of death benefit payable under the Prior Death Benefit Plan, a Participant’s “Wages” shall be deemed to be:

(a) if the Participant was on an active payroll of a Participating Company on December 31, 1993, his rate of base pay plus differentials from the Participating Companies as in effect on such date (or, if the Participant on such date was on a disability or other leave of absence, the rate of base pay plus differentials which would have been in effect for him on such date if he had returned from such leave on such date), but excluding any overtime, commissions, or bonuses of the Participant; or

(b) if the Participant was not on an active payroll of a Participating Company on December 31, 1993, his rate of base pay plus differentials from the Participating Companies as in effect on the latest date prior to December 31, 1993 on which he was on such an active payroll (or, if the Participant on such pre-December 31, 1993 date was on a disability or other leave of absence, the rate of base pay plus differentials which would have been in effect for him on such pre-December 31, 1993 date if he had returned from such leave on such date), but excluding any overtime, commissions or bonuses of the Participant.

9.3.3 Notwithstanding the forgoing, no death benefit shall be payable under this Section 9.3 with respect to any Participant who dies on or after July 1, 1999 unless the Participant not only is eligible for a death benefit under the foregoing provisions of this Section 9.3 but also dies after he has begun to receive a retirement benefit under the Plan in the form of a monthly benefit under the other provisions of the Plan.

9.3.4 Notwithstanding any other provision of the Plan (or the Prior Death Benefit Plan), the amount of any death benefit that becomes payable under the foregoing subsections of this Section 9.3 (and under the Prior Death Benefit Plan) with respect to any person who (a) had his employment with the Affiliated Employers end on or after January 1, 1992 and (b) dies (i) on or after January 1, 2008, (ii) after he has ceased to be an Employee, and (iii) after the expiration of the latest collective bargaining agreement on which his participation in the Plan derived and that was in effect as of the date he ceased to be an Employee shall not in any event exceed \$15,000 (or, if less, the amount of such death benefit that would apply in the absence of the provisions of this Subsection 9.3.4).

ARTICLE 10

MAXIMUM RETIREMENT BENEFIT LIMITATIONS

10.1 Maximum Plan Benefit.

10.1.1 **General Rules.** Subject to the other provisions of this Section 10.1 but notwithstanding any other provision of this Plan to the contrary, in no event, during any limitation year, shall the annual amount of a Participant's retirement benefit accrued or payable at any time under this Plan, when expressed in the form of a Single Life Annuity and in accordance with the adjustments described in the following provisions of this Section 10.1, exceed the maximum permissible benefit. For purposes of this Section 10.1 and subject to the adjustments described in the following provisions of this Section 10.1, the "maximum permissible benefit" is the lesser of the defined benefit dollar limitation, as defined in paragraph (a) of this Subsection 10.1.1, or the defined benefit compensation limitation, as defined in paragraph (b) of this Subsection 10.1.1.

(a) **Defined Benefit Dollar Limitation.** For purposes of this Section 10.1, the "defined benefit dollar limitation" is \$160,000, as adjusted, effective January 1 of each calendar year, under section 415(d) of the Code in such manner as the Secretary of the Treasury or his delegate shall prescribe. A limitation as adjusted under Code section 415(d) as of the January 1 of any calendar year shall apply to the limitation year ending with or within such calendar year.

(b) **Defined Benefit Compensation Limitation.** For purposes of this Section 10.1 and subject to subparagraphs (i) and (ii) of this paragraph (b), the "defined benefit compensation limitation" is 100% of the Participant's average annual compensation received during the three consecutive calendar years which produce the highest dollar result (or, for any limitation year prior to the limitation year that commences as of January 1, 2006, 100% of the Participant's average annual compensation received during the three consecutive calendar years both during which he is a Participant in the Plan and which produce the highest dollar result).

(i) Notwithstanding the foregoing provisions of this paragraph (b), if the Participant is an Employee for less than three consecutive calendar years (or, for any limitation year prior to the limitation year that commences as of January 1, 2006, if the Participant is both an Employee and a Participant for less than three consecutive calendar years), the Participant's "defined benefit compensation limitation" shall for purposes of this Section 10.1 be deemed to be the quotient obtained by dividing (1) the Participant's compensation received during the Participant's longest consecutive period of service as an Employee (or, for any limitation year prior to the limitation year that commences as of January 1, 2006, the Participant's compensation received during the Participant's longest consecutive period of service as both an Employee and a Participant) by (2) the number of years in that period (including fractions of years, but not less than one year).

(ii) For purposes of the foregoing provisions of this paragraph (b), if the Participant ceases to be an Employee and is subsequently rehired as an Employee, all years for which the Participant performs no services as an Employee and receives no compensation for his services as an Employee (for purposes of this subparagraph (ii), the "break period") shall be ignored in determining the Participant's defined benefit compensation limitation and the year of service immediately prior to and the year of service immediately after the break period shall be treated as if they were consecutive.

10.1.2 **Necessary Terms.** For purposes of the restrictions and rules set forth in this Section 10.1, the terms set forth in the following paragraphs of this Subsection 10.1.2 shall apply.

(a) A Participant's "compensation" shall refer to his Compensation as defined in Section 10.3 below.

(b) The "limitation year" for purposes of the restrictions under this Section 10.1 shall be the Plan Year.

10.1.3 Procedures for Applying Limitation. This Subsection 10.1.3 describes the adjustments that are made in a Participant's retirement benefit accrued or payable under the Plan, in the defined benefit dollar limitation, and in the defined benefit compensation limitation when determining whether such retirement benefit meets the requirements of Subsection 10.1.1 above. For any limitation year, the Participant's retirement benefit accrued or payable at any time under the Plan shall be limited to the extent necessary so that, if such limit would be deemed to have applied under the provisions of the Plan that do not include the provisions of this Section 10.1, the annual amount of the actual equivalent benefit-form Single Life Annuity determined in Step 1 below cannot and shall not exceed the lesser of the annual amount of the maximum equivalent age-adjusted Single Life Annuity determined in Step 2 below or the annual amount of the maximum equivalent compensation-adjusted Single Life Annuity determined in Step 3 below.

(a) Step 1: This Step 1 determines the annual amount of a hypothetical Single Life Annuity that, if it were paid to the Participant and commenced as of the commencement date of the Participant's actual retirement benefit under the Plan (for purposes of this Subsection 10.1.3, the "actual commencement date"), would have an annual amount calculated in accordance with subparagraphs (i) and (ii) of this paragraph (a). Such hypothetical Single Life Annuity is referred to in this Section 10.1 as the Participant's "actual equivalent benefit-form Single Life Annuity."

(i) When the form of the Participant's actual retirement benefit under the Plan is a Single Life Annuity or a Qualified Joint and Survivor Annuity that commences as of the actual commencement date, then the annual amount of the actual equivalent benefit-form Single Life Annuity shall be equal to the annual amount that would apply to the Participant's actual retirement benefit under the Plan (that is paid in the form of a Single Life Annuity or a Qualified Joint and Survivor Annuity that commences as of the actual commencement date) if the provisions of this Section 10.1 were disregarded.

(ii) When the form of the Participant's actual retirement benefit under the Plan is a single sum payment (which is the only form of benefit other than a Single Life Annuity or a Qualified Joint and Survivor Annuity available under the Plan) that is made as of the actual commencement date, then the annual amount of the actual equivalent benefit-form Single Life Annuity shall be equal to the greatest of:

(A) the annual amount that would make the actual equivalent benefit-form Single Life Annuity actuarially equivalent to the Participant's actual retirement benefit under the Plan (that is paid in the form of a single sum payment that is made as of the actual commencement date) if the provisions of this Section 10.1 did not apply and if the actuarial assumptions used to determine such actuarial equivalence were the combination of the interest rate assumption and the mortality assumption that is specified and would be used under the other provisions of the Plan for determining the actuarial equivalence of two benefits whose only difference is one is paid in the form of an Annuity and the other is paid in the form of a single sum payment;

(B) the annual amount that would make the actual equivalent benefit-form Single Life Annuity actuarially equivalent to the Participant's actual retirement benefit under the Plan (that is paid in the form of a single sum payment that is made as of the actual commencement date) if the provisions of this Section 10.1 did not apply and if the actuarial assumptions used to determine such

actuarial equivalence were the applicable interest rate and the applicable mortality assumption (as such terms are defined in Subsection 10.1.4 below). Notwithstanding the foregoing, the reference to “the applicable interest rate” in the immediately preceding sentence shall be deemed to be a reference to “an interest rate of 5.5% per annum” if the Participant’s actual retirement benefit under the Plan is paid in the form of a single sum payment as of any date that occurs during a Plan Year that begins on or after January 1, 2004; or

(C) if and only if the Participant’s actual retirement benefit under the Plan is paid in the form of a single sum payment as of any date that occurs during a Plan Year that begins on or after January 1, 2006, the quotient produced by dividing (1) the annual amount that would make the actual equivalent benefit-form Single Life Annuity actuarially equivalent to the Participant’s actual retirement benefit under the Plan (that is paid in the form of a single sum payment that is made as of the actual commencement date) if the provisions of this Section 10.1 did not apply and if the actuarial assumptions used to determine such actuarial equivalence were the applicable interest rate and the applicable mortality assumption (as such terms are defined in Subsection 10.1.4 below) by (2) 1.05.

(b) Step 2: This Step 2 determines the annual amount of a hypothetical Single Life Annuity that, if it were paid to the Participant and commenced as of the actual commencement date, would have an annual amount calculated in accordance with subparagraphs (i), (ii), and (iii) of this paragraph (b). Such hypothetical Single Life Annuity is referred to in this Section 10.1 as the Participant’s “maximum equivalent age-adjusted Single Life Annuity.”

(i) If the actual commencement date occurs before the date the Participant first attains age 65 and on or after the date on which the Participant first attains age 62, then the annual amount of the maximum equivalent age-adjusted Single Life Annuity shall be equal to the defined benefit dollar limitation set forth in Subsection 10.1.1(a) above (as adjusted for the limitation year that includes the actual commencement date).

(ii) If the actual commencement date occurs before the date on which the Participant first attains age 62, then the annual amount of the maximum equivalent age-adjusted Single Life Annuity shall be equal to the lesser of:

(A) the product obtained by multiplying (1) the defined benefit dollar limitation set forth in Subsection 10.1.1(a) above (as adjusted for the limitation year that includes the actual commencement date) by (2) a fraction that has a numerator equal to the annual amount of the Participant’s actual retirement benefit under the Plan that would apply if it was paid in the form of a Single Life Annuity that commences as of the actual commencement date and if the provisions of this Section 10.1 were disregarded and a denominator equal to the annual amount of the Participant’s actual retirement benefit under the Plan that would apply if it was paid in the form of a Single Life Annuity that commences as of the date on which the Participant first attains age 62 and if the provisions of this Section 10.1 were disregarded; or

(B) the annual amount that would make the maximum equivalent age-adjusted Single Life Annuity actuarially equivalent to a hypothetical retirement benefit that would apply to the Participant under the Plan if it was paid in the form of a Single Life Annuity that commences as of the date on which the Participant first attains age 62, if its annual amount were the defined benefit dollar limitation set forth in Subsection 10.1.1(a) above (as adjusted for the limitation year that includes the actual commencement date), and if the actuarial assumptions used to determine such actuarial equivalence were an interest rate of 5% per annum and the applicable mortality assumption (as such term is defined in Subsection 10.1.4 below and applied by expressing the Participant’s age based on completed months as of the actual commencement date). Notwithstanding the foregoing provisions of this clause (B), the actuarial assumptions

referred to in the immediately preceding sentence shall not reflect the probability of the Participant's death between the actual commencement date and the date on which the Participant first attains age 62 to the extent that the Participant's retirement benefit under the Plan will not be forfeited upon the death of the Participant.

(iii) If the actual commencement date occurs after the date on which the Participant first attains age 65, then the annual amount of the maximum equivalent age-adjusted Single Life Annuity shall be equal to the lesser of:

(A) the product obtained by multiplying (1) the defined benefit dollar limitation set forth in Subsection 10.1.1(a) above (as adjusted for the limitation year that includes the actual commencement date) by (2) a fraction that has a numerator equal to the annual amount of the Participant's actual retirement benefit under the Plan that would apply if the Participant permanently ceased to be an Employee when he first attained age 65, if it was paid in the form of a Single Life Annuity that commences as of the actual commencement date, and if the provisions of this Section 10.1 were disregarded and a denominator equal to the annual amount of the Participant's actual retirement benefit under the Plan that would apply if the Participant permanently ceased to be an Employee when he first attained age 65, if it was paid in the form of a Single Life Annuity that commences as of the date on which the Participant first attains age 65, and if the provisions of this Section 10.1 were disregarded; or

(B) the annual amount that would make the maximum equivalent age-adjusted Single Life Annuity actuarially equivalent to a hypothetical retirement benefit that would apply to the Participant under the Plan if it was paid in the form of a Single Life Annuity that commences as of the date on which the Participant first attains age 65, if its annual amount were the defined benefit dollar limitation set forth in Subsection 10.1.1(a) above (as adjusted for the limitation year that includes the actual commencement date), and if the actuarial assumptions used to determine such actuarial equivalence were an interest rate of 5% per annum and the applicable mortality assumption (as such term is defined in Subsection 10.1.4 below and applied by expressing the Participant's age based on completed months as of the actual commencement date). Notwithstanding the foregoing provisions of this clause (B), the actuarial assumptions referred to in the immediately preceding sentence shall not reflect the probability of the Participant's death between the date on which the Participant first attains age 65 and the actual commencement date to the extent that the Participant's retirement benefit under the Plan will not be forfeited upon the death of the Participant between the date on which the Participant first attains age 65 and the actual commencement date.

(c) Step 3: This Step 3 determines the annual amount of a hypothetical Single Life Annuity that, if it were paid to the Participant and commenced as of the actual commencement date, would have an annual amount calculated in accordance with the last sentence of this paragraph (c). Such hypothetical Single Life Annuity is referred to in this Section 10.1 as the Participant's "maximum equivalent compensation-adjusted Single Life Annuity." In all cases, the annual amount of the maximum equivalent compensation-adjusted Single Life Annuity shall be equal to the defined benefit compensation limitation set forth in Subsection 10.1.1(b) above that applies to the Participant.

10.1.4 Applicable Interest Rate and Applicable Mortality Assumption.

(a) For purposes of this Section 10.1, the "applicable interest rate" means, with respect to adjusting any benefit or limitation applicable to any single sum form of benefit, an interest rate determined as follows.

(i) When the commencement date of the benefit occurs during any limitation year that begins prior to January 1, 2008, the applicable interest rate shall be the annual interest rate on 30-year Treasury securities for the fifth calendar month which precedes the first calendar month included in the Plan Year in which falls such commencement date and as such rate is published (in a revenue ruling, notice, or other written form) by the Internal Revenue Service under Code section 417(e)(3) for such month.

(ii) When the commencement date of the benefit occurs during any limitation year that begins on or after January 1, 2008, the applicable interest rate shall be the adjusted first, second, and third segment rates (as such terms are defined in Code section 417(e)(3)(D)) applied under rules similar to the rules of Code section 430(h)(2)(C) for the fifth calendar month which precedes the first calendar month included in the Plan Year in which falls such commencement date and as such rate is published (in a revenue ruling, notice, or other written form) by the Internal Revenue Service under Code section 417(e)(3) for such month.

(b) Also for purposes of this Section 10.1, the “applicable mortality assumption” means, with respect to adjusting any benefit or limitation of a retirement benefit, a mortality assumption determined as follows.

(i) When the commencement date of the benefit occurs during any limitation year that begins prior to January 1, 2009, the applicable mortality assumption shall be based on the mortality table prescribed by the Secretary of the Treasury or his delegate as the applicable mortality table under section 415(b) of the Code as of the date as of which the applicable benefit is paid (determined without regard to any change in the mortality table prescribed in Code section 415(b) that is made under the Worker, Retiree, and Employer Recovery Act of 2008). Such table is based on the prevailing commissioners’ standard table, described in section 807(d)(5)(A) of the Code, used to determine reserves for group annuity contracts, without regard to any other subparagraph of section 807(d)(5) of the Code. In accordance with the immediately preceding two sentences:

(A) for Plan benefits with commencement dates prior to January 1, 2009 and on or after December 31, 2002, the mortality table referred to in such preceding sentences shall be deemed to be the mortality table prescribed in Revenue Ruling 2001-62; and

(B) for Plan benefits with commencement dates prior to December 31, 2002, the mortality table referred to in such preceding sentences shall be deemed to be the mortality table prescribed in Revenue Ruling 95-6.

(ii) When the commencement date of the benefit occurs during any limitation year that begins on or after January 1, 2009, the applicable mortality assumption shall be determined under the mortality table published by the Internal Revenue Service under Code section 417(e)(3) for such limitation year. In accordance with the immediately preceding sentence:

(A) the applicable mortality assumption for any applicable Plan benefit with a commencement date that occurs in the limitation year beginning in 2009, 2010, 2011, 2012, or 2013 (but no later limitation year) shall be determined under the column labeled “Unisex” of the applicable mortality tables that apply to the specific limitation year (the limitation year beginning in 2009, 2010, 2011, 2012, or 2013) in which such commencement date occurs as such tables are published in the appendix to the Internal Revenue Service’s Notice 2008-85; and

(B) the applicable mortality assumption for any applicable Plan benefit with a commencement date that occurs in a limitation year beginning in 2014 or 2015 (but no later limitation year) shall be determined under the column labeled “Unisex” of the applicable mortality tables that apply to the specific limitation year (the limitation year beginning in 2014 or 2015) in which such commencement date occurs as such tables are published in the appendix to the Internal Revenue Service’s Notice 2013-49;

(C) the applicable mortality assumption for any applicable Plan benefit with a commencement date that occurs in a limitation year beginning in 2016 (but no later limitation year) shall be determined under the column labeled “Unisex” of the mortality table that is published in the appendix to the Internal Revenue Service’s Notice 2015-53; and

(D) the applicable mortality assumption for any applicable Plan benefit with a commencement date that occurs in a limitation year later than the limitation year beginning in 2016 shall be determined under the applicable mortality table published (in a revenue ruling, notice, or other written form) by the Internal Revenue Service under Code section 417(e)(3) for such later limitation year.

10.1.5 Reduction for Participation or Service of Less Than Ten Years.

(a) In the case of a Participant who has less than ten years of participation in this Plan when his retirement benefit under the Plan commences, the defined benefit dollar limitation shall be adjusted for all purposes of this Section 10.1 (including for purposes of determining the maximum equivalent age-adjusted Single Life Annuity described in Step 2 of Subsection 10.1.3 above) so as to be equal to the defined benefit dollar limitation (determined without regard to this Subsection 10.1.5) multiplied by a fraction. The numerator of such fraction is the Participant’s years (and any fraction thereof) of participation in the Plan at the time his benefit commences (or 1, if greater), and its denominator is ten.

(b) Further, in the case of a Participant who has less than ten years of Vesting Service as of the date on which his retirement benefit under the Plan commences, the defined benefit compensation limitation shall be adjusted for all purposes of this Section 10.1 (including for purposes of determining the maximum equivalent compensation-adjusted Single Life Annuity described in Step 3 of Subsection 10.1.3 above) so as to be equal to such limitation (determined without regard to this Subsection 10.1.5) multiplied by a fraction. The numerator of such fraction is the Participant’s years of Vesting Service as of the date his benefit commences (or 1, if greater), and its denominator is ten.

10.1.6 Preservation of Prior Plan Benefits. Notwithstanding any of the foregoing provisions of this Section 10.1, in no event shall the foregoing provisions of this Section 10.1 cause by themselves a Participant’s Accrued Benefit (or the annual or lump sum amount of a Participant’s actual retirement benefit under the Plan) to be less than his Accrued Benefit determined as of (or the annual or lump sum amount that would apply to his actual retirement benefit if the Participant had earned no additional benefit amount after and in fact had ceased to be a Covered Employee no later than) December 31, 2007, to the extent such Accrued Benefit (or such annual or lump sum amount of his actual retirement benefit) is determined solely on the basis of the provisions of the Plan that were both adopted and in effect before April 5, 2007 (including the provisions of the Plan that then reflected the requirements of section 415 of the Code).

10.1.7 Combining of Plans. If any other defined benefit plans (as defined in section 414(j) of the Code) in addition to this Plan are maintained by one or more Affiliated Employers, then the limitations set forth in this Section 10.1 shall be applied as if this Plan and such other defined benefit plans are a single plan. If any reduction or adjustment in a Participant's retirement benefit is required by this Section 10.1, such reduction or adjustment shall when necessary be made to the extent possible under any of such other defined benefit plan or plans in which the Participant actively participated (i.e., performed service which is taken into consideration in determining the amount of his benefit under the benefit formulas of the other plan or plans) at a later point in time (that occurs by the end of the applicable limitation year) than the latest point in time (that occurs by the end of the applicable limitation year) at which he actively participated in this Plan (provided such other plan or plans provide for such adjustment in such situation). To the extent still necessary, such adjustment shall be made under this Plan.

10.1.8 IRS Regulations Issued Under Code Section 415. For any limitation year that begins on or after January 1, 2008, the provisions of the final regulations issued by the Internal Revenue Service under Code section 415 shall, to the extent and only to the extent they provide details as to the manner in which any of the requirements set forth in the foregoing provisions of this Section 10.1 are to be applied (such as details as to the application of such requirements when benefits are transferred to this Plan from another plan, when multiple commencement dates of a Participant's Plan benefit are involved, or when an Affiliated Employer that maintains another defined benefit plan loses its status as an Affiliated Employer), be deemed to be incorporated into this Section 10.1.

10.2 Restrictions on Benefits Payable to Certain Highly Compensated Participants. The provisions set forth in this Section 10.2 shall apply notwithstanding any other provisions of this Plan.

10.2.1 Subject to the provisions of Subsection 10.2.6 below, in the event of the termination of the Plan, the benefit otherwise payable under the Plan to any Participant who is a Highly Compensated Employee (or a Former Highly Compensated Employee) with respect to the Plan Year in which such Plan termination occurs shall be limited to a benefit which is nondiscriminatory under section 401(a)(4) of the Code. To the extent necessary and permitted under the provisions of Subsection 16.4.2(d) below, any assets otherwise allocable upon the Plan's termination under Section 16.4 below to a Participant who is a Highly Compensated Employee (or Former Highly Compensated Employee) for the Plan Year in which the Plan's termination occurs shall be reallocated to other Participants so that this provision is not violated.

10.2.2 Subject to the provisions of Subsections 10.2.3, 10.2.4, and 10.2.6 below, prior to the complete termination of the Plan and distribution of all Plan assets, the payments made during any Plan Year to a Participant who is a Restricted Participant (as defined in Subsection 10.2.5 below) for such Plan Year shall be restricted to the extent necessary so that such payments do not exceed the payments that would be made for such Plan Year if the Participant's remaining Accrued Benefit under the Plan was being paid in the form of a Single Life Annuity.

10.2.3 Subject to the provisions of Subsections 10.2.4 and 10.2.6 below but notwithstanding the provisions of Subsection 10.2.2 above, prior to the complete termination of the Plan and distribution of all Plan assets, the retirement benefit payments made during any Plan Year to a Participant who is a Restricted Participant (as defined in Subsection 10.2.5 below) for such Plan Year may exceed the limit set forth in Subsection 10.2.2 above to the extent the method under which the Participant's retirement benefit is being paid calls for such payments, provided that the Plan and the Participant establish an agreement which meets the following provisions of this Subsection 10.2.3 in order to secure repayment to the Plan of any amount necessary for the distribution of assets upon the Plan's termination required to satisfy section 401(a)(4) of the Code.

(a) During any such Plan Year, the amount that may be required to be repaid to the Plan by the Participant is the restricted amount. For this purpose, the “restricted amount” means the excess of the accumulated amount of the retirement benefit payments made to the Participant under the Plan over the accumulated amount of the Participant’s nonrestricted limit. The Participant’s “nonrestricted limit” for this purpose means the retirement benefit payments that could have been made to the Participant under the Plan, commencing when retirement benefit payments initially commenced to the Participant under the Plan, had the Participant received his retirement benefit in the form of a Single Life Annuity. Further, an “accumulated amount” means, with respect to any payment, the amount of such payment plus interest thereon from the date of such payment (or the date such payment would have been made) to the date of the determination of the restricted amount, compounded annually from the date of such payment (or the date such payment would have been made), at the rate determined under section 411(c)(2)(C) of the Code in effect on the date of the determination of the restricted amount.

(b) In order to secure the Participant’s repayment obligation to the Plan of the restricted amount, prior to receipt of a distribution from the Plan the Participant must agree that upon distribution the Participant shall promptly deposit in escrow with an acceptable depository property having a fair market value equal to at least 125% of the restricted amount. The obligation of the Participant under the repayment agreement alternatively can be secured or collateralized by posting a bond equal to at least 100% of the restricted amount. For this purpose, the bond must be furnished by an insurance company, bonding company, or other surety approved by the U.S. Treasury Department as an acceptable surety for federal bonds. As another alternative, the Participant’s obligation under the repayment agreement can be secured by a bank letter of credit in an amount equal to at least 100% of the restricted amount.

(c) Amounts in the escrow account in excess of 125% of the restricted amount may be withdrawn for the Participant. Similar rules apply to the release of any liability in excess of 100% of the restricted amount where the repayment obligation has been secured by a bond or a letter of credit. If, however, the market value of the property in the escrow account falls below 110% of the restricted amount, the Participant is obligated to deposit additional property to bring the value of the property held by the depository up to 125% of the restricted amount. In addition, the Participant may be given the right to receive any income from the property placed in escrow, subject to the obligation to maintain the value of the property as described.

(d) A depository may not redeliver to the Participant (or any other party claiming through the Participant) any property held under such an agreement, other than amounts in excess of 125% of the restricted amount, and a surety or bank may not release any liability on such a bond or letter of credit, unless the Committee certifies to the depository, surety, or bank that the Participant (or the Participant’s estate) is no longer obligated to repay to the Plan any amount under the agreement. The Committee shall make such a certification if at any time after the distribution commences either that any of the conditions of Subsection 10.2.4 below are met or that the Plan has terminated and the benefit received by the Participant is nondiscriminatory under section 401(a)(4) of the Code. Such a certification by the Committee terminates the agreement between the Participant and the Plan. Further, a depository will deliver any property held under such an agreement, and a surety or bank will deliver any portion of such a bond or letter of credit, to the Plan if the Committee certifies to the depository, surety, or bank that the Participant (or the Participant’s estate) is required to repay any amount under the agreement. The complete delivery of all property held under such an agreement, or the complete release or delivery of all portions of such a bond or letter of credit, to the Participant (or the Participant’s estate) and/or the Plan shall terminate the agreement between the Participant and the Plan.

10.2.4 The restrictions set forth in Subsections 10.2.2 and 10.2.3 above shall not apply to any Participant if either: (a) after payment to such Participant of all benefits payable to him under the Plan, the present value of all assets of the Plan equals or exceeds 110% of the then present value of the Plan's current liabilities; (b) the present value of such Participant's retirement benefit under the Plan is less than 1% of the then value of the Plan's current liabilities before the distribution; or (c) the present value of such Participant's retirement benefit under the Plan is \$5,000 or less. For purposes of the immediately preceding sentence, the Plan's "current liabilities" will be deemed to be: (i) as of any date that occurs on or after January 1, 2008, all benefits accrued or earned under the Plan as determined for purposes of Code section 430(d)(1) of the Code (as created under the Pension Protection Act of 2006 (for purposes of this Section 10.2.4, the "PPA")); or (ii) as of any date that occurs prior to January 1, 2008, the Plan's current liabilities as defined in Code section 412(1)(7) (as in effect before the adoption of the PPA).

10.2.5 For purposes of Subsections 10.2.2 through 10.2.4 above, a Participant shall be considered a "Restricted Participant" for any Plan Year if he is one of the 25 Highly Compensated and Former Highly Compensated Employees for such Plan Year with the greatest compensation (as defined in Section 10.3 below). In determining which of the Highly Compensated and Former Highly Compensated Employees for any Plan Year have the 25 greatest compensations, the compensation to be considered for any such Highly Compensated or Former Highly Compensated Employee shall be the highest compensation he received in such Plan Year or any other Plan Year under which his compensation and/or ownership in an Affiliated Employer made him a Highly Compensated or Former Highly Compensated Employee for the subject Plan Year.

10.2.6 Notwithstanding any of the foregoing provisions of this Section 10.2, none of the foregoing provisions of this Section 10.2 shall apply or restrict in any manner a Participant's benefits accrued under the Plan to the extent such benefits accrued by reason of the Participant's service as a Collectively Bargained Employee.

(a) For purposes of this Subsection 10.2.6, a "Collectively Bargained Employee" means an Employee who is included in a unit of employees covered by an agreement that the U.S. Secretary of Labor or his delegate finds to be a collective bargaining agreement between a Participating Company and the employee representatives of such unit, provided that the Employee shall not in any event be considered a Collectively Bargained Employee for any Plan Year if more than 2% of the unit of employees which includes the Employee are Professionals for such Plan Year.

(b) Also for purposes of this Subsection 10.2.6, a "Professional" means, with respect to any Plan Year, any Highly Compensated Employee who on any day in such Plan Year performs professional services for an Affiliated Employer as an actuary, architect, attorney, chiropractist, chiropractor, dentist, executive, investment banker, medical doctor, optometrist, osteopath, podiatrist, psychologist, certified or other public accountant, stockbroker, or veterinarian, or in any other professional capacity determined by the Secretary of the Treasury or his delegate in a notice or other document of general applicability to constitute the performance of services as a professional.

10.3 Compensation. The "Compensation" of an Employee, as defined in this Section 10.3, refers to the Employee's compensation as used throughout the provisions of this Article 10, and to the Employee's compensation or remuneration as referred to in any other provision of this Plan (or any other plan that is merged into this Plan or transfers assets and liabilities to this Plan) that otherwise fails to define such term. For such purposes, an Employee's "Compensation" means, for any specified period, the amount determined in accordance with the following subsections of this Section 10.3.

10.3.1 Subject to Subsections 10.3.2, 10.3.3, 10.3.4, and 10.3.5 below, the Employee's "Compensation" for any specified period shall mean his wages, salaries, fees for professional services, and other amounts paid (without regard to whether or not an amount is paid in cash), during such specified period, for personal services actually rendered in the course of employment with the Affiliated Employers, to the extent that the amounts are includible in gross income for Federal income tax purposes. These amounts include, but are not limited to, commissions paid to salespersons, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan as described in Treasury Regulations section 1.62-2(c).

10.3.2 Notwithstanding the provisions of Subsection 10.3.1 above, in no event shall the Employee's "Compensation" for any specified period include any of the items described in the following paragraphs of this Subsection 10.3.2:

(a) contributions (other than elective contributions described in Code section 402(e)(3), Code section 408(k)(6), Code section 408(p)(2)(A)(i), or Code section 457(b)) made by an Affiliated Employer to a plan of deferred compensation (including a simplified employee pension described in Code section 408(k) or a simple retirement account described in Code section 408(p), and whether or not qualified) to the extent that the contributions are not includible in the gross income of the Employee for Federal income tax purposes and with respect to the taxable year in which contributed. In addition, any distributions from a plan of deferred compensation (whether or not qualified) are not considered as the Employee's "Compensation" for any specified period, regardless of whether such amounts are includible in the gross income of the Employee for Federal income tax purposes when distributed. However, any amounts received by the Employee pursuant to a nonqualified unfunded deferred compensation plan shall be considered as his "Compensation" in the year the amounts are actually received, but only to the extent such amounts are includible in the Employee's gross income for Federal income tax purposes;

(b) amounts realized from the exercise of a nonstatutory option (which is an option other than a statutory option as defined in Code section 1.421-1(b)), or when restricted stock or other property held by the Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture (pursuant to Code section 83 and Treasury Regulations promulgated under section 83 of the Code);

(c) amounts realized from the sale, exchange, or other disposition of stock acquired under a statutory stock option (as defined in Code section 1.421-1(b));

(d) other amounts that receive special tax benefits, such as premiums for group-term life insurance (but only to the extent that the premiums are not includible in the gross income of the Employee for Federal income tax purposes and are not salary reduction amounts that are described in section 125 of the Code); and

(e) other items of remuneration that are similar to any of the items listed in paragraphs (a) through (d) above.

10.3.3 Also notwithstanding the provisions of Subsection 10.3.1 above, the Employee's "Compensation" for any specified period that begins on or after January 1, 2008 shall not in any event include any wages or other compensation paid after he has ceased to be an Employee, unless such wages or other compensation is paid within 2-1/2 months after (or, if later, by the end of the Plan Year in which) he has ceased to be an Employee and reflects either:

(a) a payment that, absent his severance from employment with the Affiliated Employers, would have been paid to him while he was an Employee and would have been regular compensation for services during his regular working hours, compensation for services outside his regular working hours (such as overtime or shift differentials), commissions, bonuses, or similar compensation;

(b) a payment under a nonqualified unfunded deferred compensation plan, but only if the payment would have been made on its actual date of payment even if the Employee had not ceased to be an Employee and only to the extent that the payment is includible in his gross income for Federal income tax purposes; or

(c) a payment for accrued bona fide sick, vacation, or other leave, but only if he would have been able to use the leave if he had not ceased to be an Employee.

In no event, even if paid within 2-1/2 months after (or, if later, by the end of the Plan Year in which) he has ceased to be an Employee, shall any payment of severance pay, or any nonqualified unfunded deferred compensation plan payment (unless explicitly described in the immediately preceding sentence), that is made after the Employee ceases to be an Employee be treated as part of the Employee's "Compensation" for any period that begins on or after January 1, 2008 under the provisions of this Subsection 10.3.3.

10.3.4 In addition to the amounts included in the Employee's "Compensation" for any specified period under Subsections 10.3.1 through 10.3.3 above, and notwithstanding such paragraphs, the Employee's "Compensation" for any period shall also include any amounts which are not treated as the Employee's "Compensation" for such specified period under Subsections 10.3.1 through 10.3.3 above solely because such amounts are considered elective contributions that are made by an Affiliated Employer on behalf of the Employee and are not includable in the Employee's gross income for Federal income tax purposes by reason of section 125, 402(e)(3), 402(h), and/or 132(f)(4) of the Code (i.e., elective contributions under a cafeteria plan, a cash or deferred arrangement in a profit sharing plan, a simplified employee pension plan, or an arrangement under which qualified transportation fringes can be chosen) or any other types of deferred compensation or contributions described in Code section 414(s)(2) or Treasury Regulations section 1.414(s)-1(c)(4); except that the treating of elective contributions that are not includable in gross income under Code section 132(f)(4) as part of the Employee's Compensation shall only apply when the specified period begins on or after January 1, 2000.

10.3.5 Finally, notwithstanding any of the foregoing subsections of this Section 10.3, the "Compensation" of the Employee for any twelve consecutive month period which is taken into account under any other provision of the Plan will not exceed: (a) for any such twelve consecutive month period that begins in 2002 or a later calendar year, the dollar amount set forth in section 401(a)(17)(A) of the Code, as such amount is adjusted under section 401(a)(17)(B) of the Code by the Secretary of the Treasury or his delegate for the calendar year in which such twelve consecutive month period begins; (b) for any such twelve consecutive month period that begins in 2000 or 2001, \$170,000; (c) for any such twelve consecutive month period that begins in 1997, 1998, or 1999, \$160,000; or (d) for any such twelve consecutive month period that begins in 1996 or an earlier calendar year, \$150,000.

10.4 Former Highly Compensated Employee. For purposes of this Article 10 (and any other provision of the Plan that expressly refers to a Former Highly Compensated Employee), a “Former Highly Compensated Employee” means, with respect to any Plan Year (for purposes of this Section 10.4, the “subject Plan Year”), any person (a) who is a former Employee at the start of the subject Plan Year (or who, while an Employee at the start of such year, performs no services for any Affiliated Employer during such year by reason of being on a leave of absence or for some other reason), (b) who had a separation year prior to the subject Plan Year, and (c) who was a Highly Compensated Employee for the person’s separation year or any other Plan Year which ended on or after the person’s 55th birthday. Except as otherwise provided in final regulations issued under section 414(q) of the Code, a person’s separation year refers to the Plan Year in which the person ceased to be an Employee. For purposes of this rule, an Employee who performs no services for the Affiliated Employers during the subject Plan Year shall be treated as having ceased to be an Employee in the Plan Year in which such Employee last performed services for the Affiliated Employers.

10.5 Highly Compensated Employee. For purposes of this Article 10 (and any other provision of the Plan that expressly refers to a Highly Compensated Employee), a “Highly Compensated Employee” means, with respect to any Plan Year (for purposes of this Section 10.5, the “subject Plan Year”), any person who is an Employee during at least part of the subject Plan Year and (a) was at any time a 5% owner (as defined in section 416(i)(1) of the Code) of any Affiliated Employer during the subject Plan Year or the immediately preceding Plan Year (for purposes of this Section 10.5, the “look-back Plan Year”) or (b) received Compensation in excess of \$85,000 in the look-back Plan Year. The \$85,000 amount set forth above shall be adjusted for each Plan Year that begins after December 31, 2001 in accordance with the adjustment to such amount made by the Secretary of the Treasury or his delegate under section 414(q)(1) of the Code.

ARTICLE 11

ADDITIONAL RETIREMENT AND DEATH BENEFIT PAYMENT PROVISIONS

11.1 **Incompetency.** Every person receiving or claiming benefits under the Plan shall be conclusively presumed to be mentally or legally competent and of age until the date on which the Committee receives written notice that such person is incompetent or a minor for whom a guardian or other person legally vested with the care of his person or estate has been appointed. If the Committee finds that any person to whom a benefit is payable under the Plan is unable to care for his affairs because he is incompetent or is a minor, any payment due (unless a prior claim therefor has been made by a duly appointed legal representative) may be paid to the spouse, a child, a parent, a brother, or a sister of such person or to any person or institution deemed by the Committee to have incurred expense for such person. If a guardian of the estate of any person receiving or claiming benefits under the Plan is appointed by a court of competent jurisdiction, benefit payments may be made to such guardian provided that proper proof of appointment and continuing qualification is furnished in a form and manner acceptable to the Committee. Any payment made pursuant to this Section 11.1 shall be a complete discharge of liability therefor under the Plan.

11.2 **Commercial Annuity Contracts.** Notwithstanding any other provision of the Plan to the contrary, in its sole discretion, the Committee may elect to distribute a retirement or death benefit by the purchase and delivery to the applicable Participant (or beneficiary) of a commercial annuity contract from an insurance company. In such an event, delivery to and acceptance by such Participant (or beneficiary) of such contract shall be in complete satisfaction of any claim the Participant (or beneficiary) or any person claiming by or through such Participant (or beneficiary) may have for benefits under this Plan. The use of an annuity contract shall not itself cause any optional benefit form otherwise available to the Participant (or, if a death benefit is involved, his beneficiary) under the Plan to be eliminated, however.

11.3 Timing of Benefit Distributions.

11.3.1 For purposes of the Plan, each benefit payment under the Plan shall be made “as of” a certain date specified in an appropriate section of the Plan, which means that the amount of the payment shall be determined as of such date (or, if determined to be appropriate for administrative purposes by the Committee, as of the first day of the first month that begins on or after such date) and the actual payment shall be made on or as soon as practical after such date (to allow the Plan time to ascertain the applicable person’s entitlement to a benefit and the amount of such benefit and to process and payout such benefit). Further, the date “as of” which a benefit commences to be paid to a person under the Plan may sometimes be called such benefit’s “commencement date,” “benefit commencement date,” or “payment date” in the other provisions of this Plan. Any of such terms refer to the date as of which the applicable benefit commences (or, when the benefit is paid in a single sum, is paid).

11.3.2 Notwithstanding any other provision of the Plan to the contrary, the commencement date of any benefit that is payable to a Participant (or his beneficiary under the Plan) shall be set by the Committee pursuant to the terms of the other provisions of the Plan so that such commencement date represents:

(a) when the benefit is paid in the form of an annuity, the first day of the first period for which an amount is paid under the annuity form; or

(b) when the benefit is paid in the form of a single sum payment, the first day on which all events have occurred (including, if applicable, the Participant's or beneficiary's election of such benefit form, the end of any period in which he is given under the Plan's administrative processes to revoke such election, and the Participant's severance from employment when the Participant has not yet reached his Required Commencement Date) which entitle the Participant (or, if applicable, his beneficiary) to such benefit.

In no event may any date be determined under paragraph (b) above to be the commencement date of a Participant's benefit when such benefit is paid in the form of a single sum payment unless such date could have been the commencement date of the Participant's benefit had it been paid in the form of a Qualified Joint and Survivor Annuity (or, if the Participant is not married as of such date, a Single Life Annuity) had all Participant elections and spousal consents, when applicable, been made on a timely basis.

11.3.3 If a person entitled to a benefit hereunder dies subsequent to the date as of which such payment was to have been made but, because of administrative reasons, prior to the actual payment thereof, such benefit shall be paid to the person's beneficiary who is appropriate to such benefit under the provisions of the Plan (or, if no such beneficiary exists, to his estate).

11.3.4 If, notwithstanding any of the foregoing provisions of this Section 11.3, a Participant (or person claiming through him) who is entitled to a benefit hereunder cannot reasonably be located, then such benefit shall thereupon be deemed forfeited. If, however, the lost Participant (or person claiming through him) thereafter makes a claim for the amount previously forfeited hereunder, such benefit shall be paid or commence, with any unpaid installments thereof which otherwise would have previously been paid also being paid (but without any interest credited on such unpaid installments), as soon as administratively possible.

11.4 Nonalienation of Benefits. To the extent permitted by law and except as provided in the immediately following sentence or in Treasury Regulations section 1.401(a)-13, no benefit payable under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, whether voluntary or involuntary, nor shall any such benefit be in any manner liable for or subject to the debts, contracts, liabilities, engagements, or torts of the person entitled to such benefit. The Committee shall, however, adopt procedures as necessary so as to allow benefits to be assigned in connection with qualified domestic relations orders (as defined in and in accordance with the provisions of section 206(d)(3) of ERISA and section 414(p) of the Code).

11.5 Actuarial Assumptions. This Section 11.5 provides certain rules that involve actuarial assumptions or factors used under other provisions of the Plan.

11.5.1 Under this Plan, except as is otherwise provided in this Plan, any reference to actuarial equivalent, actuarially equivalent, or actuarial equivalence means equality in value of the aggregate amounts of a benefit when determined to be received under different forms at the same time, the same form at different times, or different forms at different times, as the case may be, in accordance with actuarial assumptions or factors set forth in the Plan.

11.5.2 When the commencement date of any benefit under the Plan occurs prior to January 1, 2008, the "applicable interest rate" and the "applicable mortality assumption" that apply to such benefit (and that may be referred to in any other provision of the Plan) shall be deemed to be the GATT applicable interest rate and the GATT applicable mortality assumption that apply to such benefit under the following paragraphs of this Subsection 11.5.2.

(a) For purposes hereof, the “GATT applicable interest rate” that applies to such benefit shall be deemed to mean the annual interest rate on 30-year Treasury securities for the fifth calendar month which precedes the first calendar month included in the Plan Year in which the applicable benefit’s commencement date occurs and as such rate is published (in a Revenue Ruling, Notice, or other written form) by the Internal Revenue Service under section 417(e)(3) of the Code.

(b) For purposes hereof, the “GATT applicable mortality assumption” that applies to such benefit shall be deemed to mean an appropriate mortality assumption based on the mortality table prescribed by the Internal Revenue Service under Code section 417(e)(3) to apply as of the commencement date of the applicable benefit (which table shall be based on the prevailing commissioners’ standard table described in Code section 807(d)(5)(A) and used to determine reserves for group annuity contracts, without regard to any other subparagraph of section 807(d)(5) of the Code). In accordance with the immediately preceding sentence: (i) the GATT applicable mortality assumption for any applicable Plan benefit with a commencement date that occurs on or after December 31, 2002 and prior to January 1, 2008 shall be determined under the mortality table prescribed by the Internal Revenue Service in Revenue Ruling 2001-62; and (ii) the GATT applicable mortality assumption for any applicable Plan benefit with a commencement date that occurs prior to December 31, 2002 shall be determined under the mortality table prescribed by the Internal Revenue Service in Revenue Ruling 95-6.

11.5.3 When the commencement date of any benefit under the Plan occurs on or after January 1, 2008, the “applicable interest rate” and the “applicable mortality assumption” that apply to such benefit (and that may be referred to in any other provision of the Plan) shall be deemed to be the PPA applicable interest rate and the PPA applicable mortality assumption that apply to such benefit under the following paragraphs of this Subsection 11.5.3.

(a) For purposes hereof, the “PPA applicable interest rate” that applies to such benefit shall be deemed to mean the adjusted first, second, and third segment rates (as such terms are defined in Code section 417(e)(3)(D)) applied under rules similar to the rules of Code section 430(h)(2)(C) for the fifth calendar month which precedes the first calendar month included in the Plan Year in which the applicable benefit’s commencement date occurs and as such rate is published (in a Revenue Ruling, Notice, or other written form) by the Internal Revenue Service under section 417(e)(3) of the Code.

(b) For purposes hereof, the “PPA applicable mortality assumption” that applies to such benefit shall be deemed to mean an appropriate mortality assumption determined under the mortality table published by the Internal Revenue Service under Code section 417(e)(3) for the Plan Year in which occurs the date as of which the applicable benefit is paid. In accordance with the immediately preceding sentence:

(i) the applicable mortality assumption for any applicable Plan benefit with a commencement date that occurs in the Plan Year beginning in 2008 (but no later Plan Year) shall be determined under the 2008 Applicable Mortality Table as published by the Internal Revenue Service in the appendix to Revenue Ruling 2007-67;

(ii) the applicable mortality assumption for any applicable Plan benefit with a commencement date that occurs in the Plan Year beginning in 2009, 2010, 2011, 2012, or 2013 (but no later Plan Year) shall be determined under the column labeled “Unisex” of the applicable mortality tables that apply to the specific Plan Year (the Plan Year beginning in 2009, 2010, 2011, 2012, or 2013) in which such commencement date occurs as such tables are published in the appendix to the Internal Revenue Service’s Notice 2008-85;

(iii) the applicable mortality assumption for any applicable Plan benefit with a commencement date that occurs in a Plan Year beginning in 2014 or 2015 (but no later Plan Year) shall be determined under the column labeled “Unisex” of the applicable mortality tables that apply to the specific Plan Year (the Plan Year beginning in 2014 or 2015) in which such commencement date occurs as such tables are published in the appendix to the Internal Revenue Service’s Notice 2013-49;

(iv) the applicable mortality assumption for any applicable Plan benefit with a commencement date that occurs in a Plan Year beginning in 2016 (but no later Plan Year) shall be determined under the column labeled “Unisex” of the mortality table that is published in the appendix to the Internal Revenue Service’s Notice 2015-53; and

(v) the applicable mortality assumption for any applicable Plan benefit with a commencement date that occurs in a Plan Year later than the Plan Year beginning in 2016 shall be determined under the applicable mortality table published (in a revenue ruling, notice, or other written form) by the Internal Revenue Service under Code section 417(e)(3) for such later Plan Year.

11.5.4 Except to the extent otherwise permitted by applicable law, Treasury regulations, or Revenue Rulings, Notices, or other written guidance of the Internal Revenue Service, if the Plan is amended to change any of the actuarial assumptions or factors used in the Plan to determine actuarial equivalence, then the monthly or lump sum amount or value of any Plan benefit (that is payable in any form, and commences as of any date, permitted under the Plan) which is applicable to a Participant who is a Participant in the Plan on the effective date of the amendment and the monthly or lump sum amount or value of which is determined in part by using the Plan’s actuarial assumptions or factors shall be determined in accordance with the provisions of the Plan in effect as of the date the benefit is to commence or be paid; except that the monthly or lump sum amount or value of such benefit shall not in any event be deemed to be less than would apply if both: (a) such benefit were determined as if the applicable Participant had permanently ceased to be an Employee no later than as of the day next preceding the effective date of the amendment (and thus as if no service or compensation of the Participant were completed or received by him after such date); and (b) instead of and in substitution for the Plan’s actuarial assumptions or factors in effect as of the date the benefit is to commence or be paid, the actuarial assumptions or factors used in the Plan with respect to the determination of the monthly or lump sum amount or value of such benefit were the Plan’s actuarial assumptions or factors which were in effect as of the day next preceding the effective date of the amendment. In accordance with Internal Revenue Service guidance (including guidance set forth in Treasury Regulations section 1.417(e)-1(d)(10) and Revenue Ruling 2007-67), however, the provisions of this Subsection 11.5.4 shall not apply to any changes that are made by the provisions of Subsections 11.5.2 and 11.5.3 above with respect to the actuarial assumptions used to determine the “applicable interest rate” and the “applicable mortality assumption” that apply to any Plan benefit based on the commencement date of such benefit.

11.6 Applicable Benefit Provisions.

11.6.1 Subject to Sections 7.6 through 7.8 above, any retirement benefit to which a Participant becomes entitled (or any death benefit to which such Participant’s spouse or other beneficiary becomes entitled) shall be determined on the basis of the provisions of the Plan in effect as of the earlier of the date the Participant last ceases to be an Employee or his Required Beginning Date notwithstanding any amendment to the Plan adopted subsequent to such date, except for subsequent amendments which are by their specific terms made applicable to such Participant (or his spouse or other beneficiary).

11.6.2 In addition, except as is otherwise specifically provided in this Plan, the provisions of this Plan only apply to persons who become Participants in this Plan under Article 4 above on or after the Effective Amendment Date and to benefits which have not begun to be paid prior to the Effective Amendment Date. However, any person who was a participant in the Plan prior to the Effective Amendment Date and, while never becoming a Participant in this Plan under Article 4 above on or after the Effective Amendment Date, still had a nonforfeitable right to an unpaid benefit under the Plan as of the date immediately preceding the Effective Amendment Date shall be considered a participant in this Plan to the extent of his interest in such benefit. The amount of such benefit, the form in which such benefit is to be paid, and the conditions (if any) which may cause such benefit not to be paid shall, except as is otherwise specifically provided by the provisions of this Plan, be determined solely by the provisions of the Plan in effect at the time he ceased to be an Employee and any subsequent Plan amendments that both became effective before the Effective Amendment Date and applied by their terms to him.

11.7 Forfeitures.

11.7.1 A Participant who ceases to be an Employee when he is not yet a Vested Participant shall be deemed to have received a complete distribution of the portion of his Plan benefit which he is entitled to receive as a retirement benefit under the Plan (which portion is zero dollars) and hence, under the principles of Code section 411 and regulations issued thereunder, shall forfeit his Plan benefit as of the date he ceases to be an Employee.

11.7.2 If a Participant who forfeits the entire portion of his Plan benefit under Subsection 11.7.1 above is rehired by an Affiliated Employer as an Employee by the end of the date he incurs five consecutive Breaks in Service commencing after his prior ceasing to be an Employee, then his previously forfeited nonvested benefit shall be restored to his credit under the Plan.

11.8 Direct Rollover Distributions. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section 11.8, a distributee may elect, at the time and in the manner prescribed by the Committee, to have any portion of an eligible rollover distribution otherwise payable to him paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

11.8.1 For purposes of this Section 11.8, the following terms shall have the meanings indicated in the following paragraphs of this Subsection 11.8.1.

(a) An "eligible rollover distribution" means, with respect to any distributee, any distribution of all or any portion of the entire benefit otherwise payable under the Plan to the distributee, except that an eligible rollover distribution does not include: (i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; (ii) any distribution to the extent such distribution is required to be made under section 401(a)(9) of the Code; or (iii) any other distribution that is not permitted to be directly rolled over to an eligible retirement plan under regulations of the Secretary of the Treasury or his delegate. For purposes of this paragraph (a), a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income; however, such portion may be paid only to: an eligible retirement plan that is described in clause (i), (ii), or (iii) of paragraph (b) below; or in a direct rollover to an eligible retirement plan that is described in clause (v) or clause (vii) of paragraph (b) below that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(b) An “eligible retirement plan” means, with respect to any distributee’s eligible rollover distribution, any of the following accounts, annuities, plans, or contracts that accepts the distributee’s eligible rollover distribution: (i) an individual retirement account described in section 408(a) of the Code; (ii) an individual retirement annuity described in section 408(b) of the Code; (iii) a Roth IRA (as defined in Code section 408A); (iv) an annuity plan described in section 403(a) of the Code; (v) an annuity contract described in section 403(b) of the Code; (vi) an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan; or (vii) a qualified trust described in section 401(a) of the Code. This definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in section 206(d)(3) of ERISA and section 414(p) of the Code.

(c) A “distributee” means a Participant. In addition, a Participant’s surviving spouse, or a Participant’s spouse or former spouse who is the alternate payee under a qualified domestic relations order (as defined in section 206(d)(3) of ERISA and section 414(p) of the Code), is a distributee with regard to any interest of the Participant which becomes payable under the Plan to such spouse or former spouse.

(d) A “direct rollover” means, with respect to any distributee, a payment by the Plan to an eligible retirement plan specified by the distributee.

11.8.2 As a special rule and notwithstanding any other provision of this Section 11.8 to the contrary, if a person who is a designated beneficiary (as defined in Code section 401(a)(9)(E) and including, to the extent provided in rules prescribed by the Secretary of the Treasury or his delegate, a trust established for the benefit of one or more designated beneficiaries) of a deceased Participant and who is not the Participant’s surviving spouse is entitled under the Plan to receive a Plan distribution that would be an eligible rollover distribution were such person a distributee, such person may elect to have all or a part of the distribution directly rolled over by the Plan to an inherited individual retirement account or annuity (within the meaning of Code section 408(d)(3)(C)(ii) and any related provisions of the Code) to the extent permitted by and subject to the provisions of section 402(c)(11) of the Code.

11.8.3 The Committee may prescribe reasonable rules in order to provide for the Plan to meet the provisions of this Section 11.8 and all rules of the Code that apply to direct rollovers of eligible rollover distributions. Any such rules shall comply with the provisions of Code section 401(a)(31) and any applicable Treasury regulations which are issued with respect to the direct rollover requirements. For example, subject to meeting the provisions of Code section 401(a)(31) and applicable Treasury regulations, the Committee may: (a) prescribe the specific manner in which a direct rollover shall be made by the Plan, whether by wire transfer to the eligible retirement plan, by mailing a check to the eligible retirement plan, by providing the distributee a check made payable to the eligible retirement plan and directing the distributee to deliver the check to the eligible retirement plan, and/or by some other method; (b) prohibit any direct rollover of any eligible rollover distributions payable during a calendar year to a distributee when the total of such distributions is less than \$200; and/or (c) refuse to make a direct rollover of an eligible rollover distribution to more than one eligible retirement plan.

ARTICLE 12
CONTRIBUTIONS

12.1 Contributions.

12.1.1 The Company has established a trust, referred to herein as the “Trust,” to serve as the funding media for the Plan, and the Trust is hereby incorporated by reference into and made a part of the Plan.

12.1.2 Subject to any applicable collective bargaining requirements under applicable law, any contribution to provide the benefits under the Plan shall be made by the Participating Companies at such times and in such amounts as the Participating Companies may determine and be paid to the Trust. In general, the Participating Companies intend to meet at least minimum funding requirements of section 412 of the Code, but, except to the extent otherwise required by applicable law or any collective bargaining requirements under applicable law, in no manner are the Participating Companies obligated to make further contributions to the Plan after the termination of the Plan or at any particular time during the period the Plan is in existence.

12.1.3 Further, subject to the minimum funding requirements of section 412 of the Code or any collective bargaining requirements under applicable law, contributions of the Participating Companies shall be conditioned on their deductibility under section 404(a)(1) of the Code for the tax year in which they are paid to the Trust (or are deemed to be paid to the Trust pursuant to the provisions of section 404(a)(6) of the Code).

12.1.4 No contributions shall be required or permitted of Participants. (Notwithstanding the foregoing, any bequest to the Plan made under the last will and testament or a trust of a Participant, a former Participant, or any other individual shall not constitute a “contribution” for any purposes of the Plan and thus may be accepted by the Plan, provided (a) that none of the Affiliated Employers, the Committee, or any agents of or parties related to any of them have pressured, coerced, or solicited such bequest, (b) that there is no obligation whatsoever imposed on the Plan, the Affiliated Employers, the Committee, or any agents of or parties related to any of them by reason of such bequest, and (c) that such bequest does not constitute a prohibited transaction under Code section 4975 or section 406 of ERISA.)

12.1.5 Forfeitures arising under the Plan shall only be used to reduce Participating Company contributions otherwise payable hereunder.

12.2 Mistake of Fact. Participating Company contributions made upon the basis of a mistaken factual assumption shall be repaid by the Trustee of the Trust to the appropriate Participating Companies, upon receipt by such Trustee, within one year from the date of such contributions, of a certificate of the Participating Companies describing such mistaken factual assumption and requesting the return of such contributions.

12.3 Disallowance of Deductions. Unless not permitted by reason of the minimum funding requirements of section 412 of the Code or any applicable collective bargaining requirements under applicable law, any Participating Company contributions which are determined by the Internal Revenue Service or by final judgment of a court of competent jurisdiction not to be deductible expenses under section 404(a)(1) of the Code for the tax year in which they are paid to the Trust (or are deemed to be paid to the Trust pursuant to the provisions of section 404(a)(6) of the Code) shall be repaid by the Trustee of the Trust to the appropriate Participating Companies, upon receipt by such Trustee of evidence of such determination, and a request of the Participating Companies requesting such repayment, within one year from the date of such determination or final judgment, as the case may be.

ARTICLE 13

ADMINISTRATION OF THE PLAN

13.1 **Plan Administration.** The Company shall be the Plan's administrator (as that term is defined in ERISA), but, except as is otherwise noted elsewhere in this Article 13, the general administration of the Plan and the responsibility for carrying out its provisions shall be placed by the Company in a committee of not less than three persons who are appointed by and serve at the pleasure of the Company and which committee is named the Employees' Benefit Committee of the Company, referred to herein as the "Committee."

13.2 **Committee Procedures.** The Committee may elect such officers as it deems necessary. The Committee shall hold meetings upon such notice, at such place or places, and at such time or times as its members may from time to time determine. The Committee may adopt such bylaws and regulations as it deems desirable for the conduct of its affairs, and the provisions of any such bylaws or regulations shall apply under this Plan to the extent they are not inconsistent with the terms of this Plan.

13.3 **Authority of Committee.** The Committee shall be a named fiduciary of the Plan, and, except as is otherwise noted elsewhere in this Article 13, shall have authority to control and manage the operation and administration of the Plan.

13.3.1 The Committee shall have all powers and discretion necessary to exercise its authority and discharge its responsibilities, including, but not by way of limitation, the full power and discretion:

- (a) to construe and interpret the Plan and determine all questions relating to the eligibility of Employees to become Participants;
- (b) to maintain all necessary records for the administration of the Plan other than those maintained by the Trustee of the Trust;
- (c) to compute and certify to the Trustee of the Trust the amount and kind of benefits payable to Participants and their beneficiaries;
- (d) to authorize all disbursements by the Trustee from the Trust;
- (e) to make and publish rules for the administration of the Plan and the transaction of its business;
- (f) to employ one or more persons to render advice with regard to any responsibility to be discharged by any person under the Plan;
- (g) to prescribe procedures to be followed by Participants or their beneficiaries in obtaining benefits;
- (h) to receive from the Participating Companies and from Employees such information and prescribe the use of such forms as shall be necessary for the proper administration of the Plan;
- (i) to prepare and distribute, in such manner as the Committee determines to be appropriate, information explaining the Plan;

(j) to delegate to one or more of the members of the Committee the right to act in its behalf in any or all matters connected with the administration of the Plan;

(k) to receive and review reports of the financial condition and of the receipts and disbursements of the Trust from the Trustee;

(l) to delegate any duty or power assigned to the Committee under the provisions of the Plan or the Trust (except duties provided in the Trust for the management or control of the assets of the Plan) to such person or persons as the Committee may choose, and to designate one or more of such persons as a named fiduciary (as such term is defined in ERISA) for purposes of the Plan. To the extent any such duty or power is so delegated, the person or persons to whom such duty or power is delegated may take actions that are within his or their scope of authority with the same force and effect as if the Committee had acted directly;

(m) to appoint or employ for the Plan agents it deems advisable, including, but not limited to, legal and actuarial counsel, to assist the Committee in discharging its duties hereunder, and to dismiss any such agents and engage another at any time; and

(n) to correct, by any reasonable method determined by the Committee, any errors in the administration or application of the Plan (or any delays in distributing benefits beyond a reasonable period) which it discovers, however arising and notwithstanding any other provision of the Plan to the contrary, and, as far as possible, adjust any benefit payments accordingly, provided only that the correction methods used by the Committee are not inconsistent with any revenue procedures or other guidance issued by the Internal Revenue Service or the U.S. Department of Labor as to the manner in which corrections of errors under employee benefit plans may be made. For example, the Committee may, when any single sum payment of a benefit is made after the date which is such benefit's payment date under the other provisions of the Plan, add interest to the amount of such benefit payment (in order to reflect any administrative delay in making the payment) at a rate of 3-1/2% per annum (or such other rate as is determined by the Committee). Because of the much lesser percentage of a benefit that is encompassed by a monthly annuity payment, no interest will be credited for an administrative delay in making a monthly annuity payment (unless otherwise determined by the Committee based on special facts and circumstances).

13.3.2 Notwithstanding the foregoing provisions of this Section 13.3, if the Committee cannot reasonably and economically determine or verify, with respect to any Employee or a class of Employees, service, compensation, date of hire, date of termination, or any other pertinent factor in the administration of the Plan, the Committee shall adopt, with respect to such Employee or class of Employees, reasonable and uniform assumptions regarding the determination of such factor or factors, provided that no such assumption shall (a) discriminate in favor of Highly Compensated Employees, (b) reduce or eliminate a protected benefit (within the meaning of Treasury Regulations section 1.411(d)-4), or (c) operate to the disadvantage of such Employee or class of Employees.

13.3.3 Unless otherwise provided in the Trust, the Committee may also establish guidelines with respect to the investment of all funds held by the Trustee under the Trust, direct investments of all or part of such funds, and/or appoint investment managers to direct investments of all or part of such funds.

13.3.4 For purposes hereof, any party which has been authorized by the Plan or under a procedure authorized under the Plan to perform fiduciary and/or nonfiduciary administrative duties hereunder, whether such party is the Committee, the Company, an agent appointed or permitted by the Committee to carry out its duties, or otherwise, shall, when properly acting within the scope of his authority, sometimes be referred to in the Plan as a "Plan representative."

13.4 Reliance on Information and Effect of Decisions. When making a determination or calculation with respect to the Plan, the Committee shall be entitled to rely upon information furnished by any Participant, any beneficiary, any Participating Company, legal counsel of any Participating Company, an enrolled actuary appointed or employed by the Company or the Committee, the Trustee of the Trust, or an investment manager appointed under the Trust. The determination of the Committee as to the interpretation of the provisions of the Plan or any disputed questions shall be conclusive, subject only to applicable law and the provisions of Article 14 below for review of a decision denying a claim.

13.5 Appointment of Actuary. The Company or the Committee shall appoint an actuary to make all actuarial computations required in the operation and administration of the Plan and may dismiss the actuary and engage another at any time.

13.6 Funding Policy and Method. Pursuant to ERISA, the Committee from time to time shall establish a funding policy and method for carrying out the objectives of the Plan which is consistent with the requirements of the Plan and applicable law. In this connection, the Committee shall consider the Plan's short and long term financial needs. In addition, the Committee shall allocate the contributions and other costs of this Plan that are required to be paid by the Participating Companies under the other provisions of this Plan among each Participating Company using any reasonable allocation methods adopted by the Committee. In general, such allocation methods shall be designed so that each Participating Company pays to the extent practical the contributions and other Plan costs that are attributable to its own Employees.

13.7 Participant Information Forms. At the discretion of the Committee, at any time an Employee may be furnished with a form or forms which shall be executed by him and returned to the Committee setting forth such information as the Committee deems necessary to the administration of the Plan. In addition, a Participant must keep current with the Plan his address and the address of his spouse or other beneficiary, if any, and any spouse or other beneficiary entitled to a future benefit under this Plan must continue to keep current the spouse's or beneficiary's address after the Participant's death. All benefits payable under this Plan may be based on the latest address and information provided to the Committee by the Participant or his spouse or beneficiary.

13.8 Disbursement of Funds. The Committee shall determine the manner in which the funds of the Plan shall be disbursed, including the form of any voucher or warrant to be used in making disbursements, and the due qualification of persons authorized to approve and sign the same, but subject to the provisions of the Trust.

13.9 Insurance. The Participating Companies (but not the Plan) may, in their discretion, obtain, pay for, and keep current a policy or policies of insurance insuring the Committee members, the members of the Board, the members of the Review Committee (as described in Section 13.12 below), and other persons to whom any fiduciary responsibility with respect to the administration of the Plan is delegated, against any and all liabilities, costs, and expenses incurred by such persons as a result of any act, or omission to act, in connection with the performance of their duties, responsibilities, and obligations under the Plan and any applicable Federal or state law.

13.10 Compensation of Committee and Payment of Plan Administrative and Investment Charges. Unless otherwise determined by the Company, the members of the Committee (and the members of the Review Committee, as described in Section 13.12 below) shall serve without compensation for their services as such. All expenses of the administration and investment of the Plan (excluding brokerage fees, expenses related to securities transactions, and any taxes on the assets held in the Trust Fund, which expenses shall only be payable out of the Trust Fund), including, without limitation, premiums due the Pension Benefit Guaranty Corporation and the fees and charges of the Trustee, any investment manager or other financial advisor, any actuary, any attorney, any accountant, any specialist, or any other person employed by the Committee or the Company in the administration of the Plan, shall be paid out of the Trust Fund (or, if the Participating Companies so elect, by the Participating Companies directly). In this regard, the Plan administrative and investment expenses which shall be paid out of the Trust Fund (unless the Participating Companies elect to pay them directly) shall also include compensation payable to any employees of the Affiliated Employers who perform administrative or investment services for the Plan to the extent such compensation would not have been sustained had such services not been provided, to the extent such compensation can be fairly allocated to such services, to the extent such compensation does not represent an allocable portion of overhead costs or compensation for performing “settlor” functions (such as services incurred in establishing or designing the Plan), and to the extent such compensation does not fail for some other reason to constitute a “direct expense” within the meaning of U.S. Department of Labor Regulations section 2550.408c-2(b)(3).

13.11 Indemnification. The Participating Companies shall indemnify each member of the Committee, the Review Committee (as described in Section 13.12 below), and the Board for all expenses and liabilities (including reasonable attorneys’ fees) arising out of the administration of the Plan, other than any expenses or liabilities resulting from the member’s own willful misconduct or lack of good faith.

13.12 Employees’ Benefit Claim Review Committee. While the Committee generally handles all administrative matters involving the Plan, it shall not review or decide any appeal claims made by Participants whose initial claims for benefits or other relief have been denied, in whole or in part, by the Committee (or any delegate of the Committee). Instead, the Company shall appoint an Employees’ Benefit Claim Review Committee (for purposes of this Section 13.12 and Article 14 below, the “Review Committee”), consisting of one or more persons who are not members of the Committee. The Review Committee shall serve as the final review committee, under the Plan and ERISA, for the review of all appeal claims by Participants whose initial claims for benefits have been denied, in whole or part, by the Committee (or any delegate of the Committee). Such appeal review duties are described in Article 14 below. Further, the provisions of Section 13.2 above shall apply to the Review Committee in the same manner as if the Review Committee were the Committee.

ARTICLE 14

CLAIM AND APPEAL PROCEDURES

14.1 **Initial Claim.** In general, benefits due under this Plan shall be paid only if the applicable Participant or beneficiary of a deceased Participant files a notice with the Committee electing to receive such benefits, except to the extent otherwise required under the Plan. Further, if a Participant (or a person claiming through a Participant) has a dispute as to the failure of the Plan to pay or provide a benefit, as to the amount of benefit paid, or as to any other matter involving the Plan, the Participant (or such person) may file a claim for the benefit or relief believed by the Participant (or such person) to be due. Such claim must be provided by written notice to the Committee or any other person designated by the Committee for this purpose. Any claim made pursuant to this Section 14.1 shall be decided by the Committee (or any other person or committee designated by the Committee to perform this review on behalf of the Committee).

14.2 **Actions in Event Initial Claim is Denied.**

14.2.1 If a claim made pursuant to Section 14.1 above is denied, in whole or in part, notice of the denial in writing shall be furnished by the Committee (or any other person or committee designated by the Committee to decide the claim on behalf of the Committee) to the claimant within 90 days (or, if a Participant's disability is material to the claim, 45 days) after receipt of the claim by the Committee (or such other designated person or committee); except that if special circumstances require an extension of time for processing the claim, the period in which the Committee (or such other designated person or committee) is to furnish the claimant written notice of the denial shall be extended for up to an additional 90 days (or, if a Participant's disability is material to the claim, 30 days) and the Committee (or such other designated person or committee) shall provide the claimant within the initial 90-day period (or, if applicable, 45-day period) a written notice indicating the reasons for the extension and the date by which the Committee (or such other designated person or committee) expects to render the final decision).

14.2.2 The final notice of denial shall be written in a manner designed to be understood by the claimant and set forth: (a) the specific reasons for the denial, (b) specific reference to pertinent Plan provisions on which the denial is based, (c) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary, and (d) information as to the steps to be taken if the claimant wishes to appeal such denial of his claim (including the time limits applicable to making a request for an appeal and, if the claim involves a claim for benefits, a statement of the claimant's right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on appeal).

14.3 **Appeal of Denial of Initial Claim.** Any claimant who has a claim denied under Sections 14.1 and 14.2 above may appeal the denied claim to the Review Committee (as defined in Section 13.12 above) or any other person or committee designated by the Review Committee to perform this review on behalf of the Review Committee. But, if a Participant's disability is material to the denied claim, the Review Committee shall make sure that the persons reviewing and deciding the appeal of the denied claim may not include any person who made the decision on the initial claim or his subordinate.

14.3.1 An appeal must, in order to be considered, be filed by written notice to the Review Committee (or such other designated person or committee) within 60 days (or, if a Participant's disability is material to the claim, 180 days) of the receipt by the claimant of a written notice of the denial of his initial claim, unless it was not reasonably possible for the claimant to make such appeal within such period, in which case the claimant must file his appeal within 60 days (or, if a Participant's disability is material to the claim, 180 days) after the time it becomes reasonable for him so to file an appeal.

14.3.2 If any appeal is filed in accordance with such rules, the claimant (a) shall be given, upon request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to the claim and (b) shall be provided the opportunity to submit written comments, documents, records, and other information relating to the claim. A formal hearing may be allowed in its discretion by the Review Committee (or such other person or committee) but is not required.

14.4 Decision on Appeal. Upon any appeal of a denied claim made pursuant to Section 14.3 above, the Review Committee (or such other person or committee with authority to decide the appeal) shall provide a full and fair review of the subject claim, taking into account all comments, documents, records, and other information submitted by the claimant (without regard to whether such information was submitted or considered in the initial benefit determination of the claim), and decide the appeal within 60 days (or, if a Participant's disability is material to the claim, 45 days) after the filing of the appeal; except that if special circumstances require an extension of time for processing the appeal, the period in which the appeal is to be decided shall be extended for up to an additional 60 days (or, if a Participant's disability is material to the claim, 45 days) and the party deciding the appeal shall provide the claimant written notice of the extension prior to the end of the initial 60-day period (or, if applicable, 45-day period). However, if the decision on the appeal is extended due to the claimant's failure to submit information necessary to decide the appeal, the period for making the decision on the appeal shall be tolled from the date on which the notification of the extension is sent until the date on which the claimant responds to the request for additional information.

14.4.1 The decision on appeal shall be set forth in a writing designed to be understood by the claimant, specify the reasons for the decision and references to pertinent Plan provisions on which the decision is based, and contain statements that the claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to the claim and, if the claim involves a claim for benefits, of the claimant's right to bring a civil action under section 502(a) of ERISA.

14.4.2 The decision on appeal shall be furnished to the claimant by the Review Committee (or such other person or committee with authority to decide the appeal) within the period described above that the Review Committee (or such other party) has to decide the appeal.

14.5 Additional Rules. A claimant may appoint a representative to act on his behalf in making or pursuing a claim or an appeal of a claim. Unless otherwise required by applicable law, a claimant must exhaust his claim and appeal rights provided under this Article 14 in order to be entitled to file a civil suit under section 502(a) of ERISA as to his claim. In addition, the Committee may prescribe additional rules which are consistent with the other provisions of this Article 14 in order to carry out the Plan's claim and appeal procedures.

ARTICLE 15

CERTAIN RIGHTS AND OBLIGATIONS OF COMPANY RELATING TO AMENDMENTS, PLAN TERMINATIONS, AND CONTRIBUTIONS

15.1 Authority to Amend Plan. Subject to any collective bargaining requirements under applicable law, the Company reserves the right, at any time, to modify and amend, in whole or in part, any or all of the provisions of the Plan.

15.1.1 It is provided, however, that no modification or amendment of the Plan shall decrease any Participant's Accrued Benefit. In addition, except as otherwise provided in regulations issued under section 411(d)(6) of the Code or allowed by the Internal Revenue Service in any submission made to it, no amendment to the Plan which eliminates or reduces, or otherwise imposes greater restrictions or conditions on the Participant's rights to, an early retirement benefit, retirement-type subsidy, or optional form of benefit shall be permitted with respect to any Participant who meets (either before or after the amendment) the pre-amendment conditions for such early retirement benefit, retirement-type subsidy, or optional form of benefit, to the extent such early retirement benefit, retirement-type subsidy, or optional form of benefit is based and calculated on the basis of the Participant's Plan benefit accrued to the date of such amendment (as if he had ceased to be an Employee no later than such date).

15.1.2 It is provided, further, that no modification or amendment of the Plan shall make it possible, at any time prior to the satisfaction of all liabilities with respect to the Participants, for any part of the assets of the Plan to be used for, or diverted to, purposes other than for the exclusive benefit of such Participants (or their beneficiaries) or the payment of the costs or expenses of the Plan and the Trust.

15.1.3 Notwithstanding the foregoing restrictions on modifications or amendments of the Plan, however, any modification or amendment may be made to the Plan, even if retroactive in effect, if such modification or amendment is necessary to continue the qualification of the Plan under section 401(a) of the Code.

15.2 Amendment to Vesting Schedule.

15.2.1 Notwithstanding any other provision that applies to a Participant's benefits under the Plan hereof to the contrary, no Plan amendment may be adopted changing any vesting schedule that applies to a Participant's benefit under the Plan or affecting the computation of the nonforfeitable percentage of the Participant's benefits under the Plan unless the nonforfeitable percentage of the Participant's Plan benefits, as such benefits are determined as of the later of the date such amendment is adopted or the date such amendment becomes effective, will at all times not be less than such nonforfeitable percentage computed under the Plan without regard to such amendment.

15.2.2 In addition and also notwithstanding any other provision of the Plan to the contrary, if a Plan amendment is adopted which changes any vesting schedule that applies to a Participant's benefits under the Plan or if the Plan is amended in any way which directly or indirectly affects the computation of the nonforfeitable percentage of the Participant's Plan benefits, and if the Participant has completed at least three years of Vesting Service, then he may elect, within the election period, to have his nonforfeitable percentage computed under the Plan without regard to such amendment. For purposes hereof, the "election period" is a period which begins on the date the Plan amendment is adopted and ends on the date which is 60 days after the latest of the following days: (a) the day the Plan amendment is adopted; (b) the day the Plan amendment becomes effective; or (c) the day the Participant is issued a written notice of the Plan amendment by an Affiliated Employer or the Committee.

15.3 Authority to Terminate Plan. Subject to any collective bargaining requirements under applicable law, the Company shall have the right to partially or completely terminate the Plan at any time, subject to the provisions of Article 16 below.

15.4 Modification or Termination of Contributions. It is the intention of the Participating Companies to continue making contributions to the Plan regularly, but, subject to any collective bargaining requirements under applicable law, the Participating Companies may for any reason discontinue, suspend, or reduce below those deemed sufficient by the Committee its contributions to the Plan.

15.5 Benefits Not Guaranteed. All contributions by the Participating Companies to the Plan are voluntary except to the extent required under this Plan or any collective bargaining requirements under applicable law. The Participating Companies do not guarantee any of the benefits of the Plan.

15.6 Procedure for Amending or Terminating Plan.

15.6.1 Section 15.3 above authorizes the Company to terminate the Plan (subject to any collective bargaining requirements under applicable law). The procedure for the Company to terminate this Plan is as follows. In order to terminate the Plan, the Board (or its Executive Committee) shall adopt resolutions, pursuant and subject to the regulations of the Company and any applicable law, and either at a duly called meeting of the Board (or its Executive Committee) or by a written consent in lieu of a meeting, to terminate the Plan. Such resolutions shall set forth therein the effective date of the Plan's termination. Such Board (or Executive Committee) resolutions shall be incorporated herein by reference and considered a part of the Plan.

15.6.2 Further, Section 15.1 above authorizes the Company to amend the Plan, subject to certain limitations set forth in Sections 15.1 and 15.2 above (and subject to any collective bargaining requirements under applicable law). The procedure for the Company to amend the Plan is as follows. Subject to Subsections 15.6.3 and 15.6.4 below, in order to amend the Plan, the Board (or its Executive Committee) shall adopt resolutions, pursuant and subject to the regulations of the Company and any applicable law, and either at a duly called meeting of the Board (or, if applicable, its Executive Committee) or by written consent in lieu of a meeting, to amend this Plan. Such resolutions shall either (a) set forth the express terms of the Plan amendment or (b) simply set forth the nature of the amendment and direct an officer of the Company to have prepared and to sign on behalf of the Company the formal amendment to the Plan. In the latter case, such officer shall have prepared and shall sign on behalf of the Company an amendment to the Plan which is in accordance with such resolutions.

15.6.3 In addition to the procedure for amending the Plan set forth in Subsection 15.6.2 above, the Board (or its Executive Committee) may also adopt resolutions, pursuant and subject to the regulations of the Company and any applicable law, and either at a duly called meeting of the Board (or, if applicable, its Executive Committee) or by a written consent in lieu of a meeting, to delegate to any officer of the Company authority to amend the Plan. Such Board (or, if applicable, Executive Committee) resolutions shall be incorporated herein by reference and considered a part of the Plan. Such resolutions may either grant to such designated party broad authority to amend the Plan in any manner such designated party deems necessary or advisable, but subject to the limitations set forth in Sections 15.1 and 15.2 above, or may limit the scope of amendments such designated party may adopt, such as by limiting such amendments to matters related to the administration of the Plan or to changes requested by the Internal Revenue Service. In the event of any such delegation to amend the Plan, the party to whom authority is delegated may amend the Plan by having prepared and signing on behalf of the Company in accordance with such resolutions an amendment to the Plan which is within the scope of amendments which such party has authority to adopt.

Also, any such delegation to amend the Plan may be terminated at any time by later resolution adopted by the Board (or its Executive Committee).

15.6.4 Further, and in addition to the procedures for amending the Plan set forth in Subsections 15.6.2 and 15.6.3 above, the Committee shall, for and on behalf of the Company in connection with the Company's position as the sponsor of the Plan, have the power to recommend to the Company any amendment to the Plan which the Committee believes is advisable, including but not limited to any amendment that is intended to improve the administration of the Plan, any amendment that is intended to further the purposes or understanding of the Plan, and any amendment that the Committee determines is necessary to maintain the tax-favored status of the Plan, but subject to the limitations set forth in Sections 15.1 and 15.2 above. When recommending any such amendment, the Committee shall not be acting in any fiduciary capacity with respect to the Plan but instead shall be acting solely as an agent and representative of the Company in its position as the sponsor of the Plan. Any amendment to the Plan that is recommended by the Committee shall become effective when (and shall not be effective unless and until) (a) it is consented to in writing by the Chief Executive Officer of the Company (or such other Company officer who is permitted to consent to such amendment by resolutions of the Board or the Board's Executive Committee) and (b) it is approved by resolutions adopted by the Board or the Board's Executive Committee (except that the approval by the Board or the Board's Executive Committee shall not be required in the case of any amendment that the Committee has determined is necessary to maintain the tax-qualified status of the Plan under section 401(a) of the Code or any amendment that the Committee determines will not have a material cost impact on the Participating Companies).

15.6.5 Finally, in the event of any right of parties other than the Board or its Executive Committee to amend the Plan that is delegated or provided them under Subsection 15.6.3 or 15.6.4 above, and even while such right remains in effect, the Board (and its Executive Committee) shall continue to retain its own right to amend the Plan pursuant to the procedure set forth in Subsection 15.6.2 above.

15.7 Preservation of Pre-January 1, 2016 Protected Benefits. This January 1, 2016 amendment and restatement of the Plan shall not, except to the extent permitted in regulations issued under section 411(d)(6) of the Code, reduce or eliminate any benefit of a Participant that as of December 31, 2015 was protected under Code section 411(d)(6), including the Participant's Accrued Benefit as in effect as of December 31, 2015 or any early retirement benefit, retirement-type subsidy, or optional form of benefit provided that the Participant met or meets (either before, on, or after January 1, 2016) the December 31, 2015 conditions for such benefit or subsidy and to the extent such benefit or subsidy is solely based and calculated on the basis of the Participant's Accrued Benefit, determined as of the end of December 31, 2015.

ARTICLE 16

TERMINATION OF PLAN

16.1 Vesting on Plan Termination.

16.1.1 Upon a complete or partial termination of the Plan, all interests of each Participant affected by the complete or partial termination in the benefits he has accrued under the Plan, as determined as of the date of complete or partial termination and to (and only to) the extent funded as of such date, shall become nonforfeitable. Notwithstanding any other provision herein to the contrary, no Participant (or person claiming through him) shall have any recourse towards satisfaction of his Plan benefits, if any, other than from the assets of the Plan (or the Pension Benefit Guaranty Corporation).

16.1.2 Any Participant who would not be entitled to any retirement benefit under the provisions of Article 6 above but for the provisions of Subsection 16.1.1 above, but who becomes entitled to a benefit because of such provisions, shall be entitled to a retirement benefit under the Plan (unless he dies before the commencement date of the benefit). The provisions of Article 7 above (concerning, e.g., the commencement date, form, and amount of payment), Article 8 above (concerning certain death benefits), Article 9 above (concerning certain “transition” and other benefits), Article 10 above (concerning maximum benefit limits and restrictions on benefits for highly paid participants), and Article 11 above (concerning certain miscellaneous benefit matters) shall apply to the payment of any retirement benefit payable under this Section 16.1 as if such retirement benefit was described in Article 6 above.

16.2 **Special Rules as to Interest Rate and Mortality Table on Complete Plan Termination.** If the Plan is completely terminated on or after January 1, 2008, then, notwithstanding any other provision of the Plan to the contrary, the subsections of this Section 16.2 shall apply to the Plan.

16.2.1 To the extent a Participant’s Plan benefit is determined in relation to the Participant’s Cash Balance Account, the interest rate and mortality table used on and after the date of the Plan’s termination for purposes of determining the amount of any Plan benefit of the Participant that is payable in the form of an annuity commencing at or after the Participant’s Normal Retirement Age shall be the interest rate and mortality table specified under the Plan for that purpose as of the Plan’s termination date; except to the extent required by Treasury Regulations section 1.411(b)(5)-1(e)(2)(iii). In that regard, if the Participant’s Accrued Benefit is to be determined under the other provisions of the Plan based on the amount credited to the Participant’s Cash Balance Account and the interest rate used for the purpose of calculating the Participant’s Accrued Benefit Final Payment Amount is a variable rate, then the interest rate for that purpose shall be equal to the average interest rate that applied for that purpose during the five-year period ending on the Plan’s termination date, determined in accordance with Treasury Regulations section 1.411(b)(5)-1(e)(2)(iii).

16.2.2 If the interest crediting rate used under Section 5.4 above to determine a Participant’s Cash Balance Account has been a variable rate during the interest crediting periods in the five-year period ending on the date of the Plan’s termination (including any case in which the interest crediting rate was not the same fixed rate during all such periods), then the interest crediting rate used under Section 5.4 above to determine the Participant’s Cash Balance Account after the date of the Plan’s termination shall be equal to the average of the interest crediting rates applied under Section 5.4 above during each interest crediting period for which the interest crediting date is within the five-year period ending on the Plan’s termination date (with each rate adjusted to reflect the length of the interest crediting period and the average rate expressed as an annual rate and determined in accordance with Treasury Regulations section 1.411(b)(5)-1(e)(2)(ii)).

16.3 Distribution Method on Termination. Upon a complete termination of the Plan, the Committee shall determine, and direct the appropriate parties accordingly, from among the following methods, the method of discharging and satisfying all obligations under the Plan on behalf of Participants affected by the complete termination: (a) by the purchase of a group or individual retirement annuity or annuities from any insurance company selected by the Committee; (b) by the liquidation and distribution of the assets of the Plan; or (c) by any combination of such methods. Any distribution made by reason of the termination of the Plan shall continue to meet the provisions of the Plan concerning the form in which distributions from the Plan must be made, however.

16.4 Allocation of Assets on Termination. Under whatever method is chosen by the Committee to discharge and satisfy the obligations on behalf of affected Participants, upon the termination of the Plan the assets of the Plan shall be allocated among the Participants in the Plan on the basis of their then Plan benefits, in accordance with the following provisions.

16.4.1 Subject to Subsections 16.4.2 through 16.4.4 below, the assets of the Plan shall, in the event of the termination of the Plan, be allocated among the Participants in the Plan on the basis of their then Plan benefits, in the following order of priority classes until such assets are exhausted.

(a) Priority Class 1: First, equally to all benefits described in subparagraphs (i) and (ii) immediately below:

(i) in the case of all benefits which are in pay status three years or more prior to the date of termination, to each such benefit as determined under the provisions of the Plan in effect during the five-year period ending on the date of termination under which such benefit would be the least in amount; and

(ii) in the case of all benefits which would have been in pay status three years prior to the date of termination had the applicable Participants been retired or terminated in employment prior to the three-year period ending on the date of termination, to each such benefit as determined under the provisions of the Plan in effect during the five-year period ending on the date of termination under which such benefit would be the least in amount.

(b) Priority Class 2: Second, equally to the benefits described in subparagraphs (i) and (ii) immediately below:

(i) to all other benefits guaranteed by the Pension Benefit Guaranty Corporation under title IV of ERISA, determined without regard to section 4022B(a) of ERISA; and

(ii) to the additional benefits, if any, which would be guaranteed by the Pension Benefit Guaranty Corporation under title IV of ERISA if section 4022(b)(5) of ERISA did not apply.

For purposes of this Priority Class 2, section 4021 of ERISA shall be applied without regard to subparagraph (c) thereof.

(c) Priority Class 3: Third, to all other vested and nonforfeitable benefits (determined without regard to such benefits which become vested and nonforfeitable solely because of the termination of the Plan).

(d) Priority Class 4: Fourth, to all other benefits.

16.4.2 For purposes of the order of priority classes described in Subsection 16.4.1 above, the following provisions shall apply.

(a) The amount allocated under any priority class in Subsection 16.4.1 above with respect to any benefit shall be properly adjusted for any allocation of assets with respect to that benefit under a prior priority class in such subsection.

(b) If the assets available for allocation under either Priority Class 1, 2, or 4 above are insufficient to satisfy in full the Plan benefits described in such priority class, then such assets shall be allocated pro rata on the basis of the present value of the benefits described in such priority class (such present value being determined as of the date of termination).

(c) This paragraph (c) applies if the assets available for allocation under Priority Class 3 above are insufficient to satisfy in full the Plan benefits described in Priority Class 3. In such event, the following provisions apply.

(i) Such assets shall be allocated, except as provided in subparagraph (ii) immediately below, on a pro rata basis to the benefits which would have been described in Priority Class 3 if the provisions of the Plan as in effect at the beginning of the five-year period ending on the date of termination had never been changed.

(ii) If the assets available for allocation under Priority Class 3 are sufficient to satisfy in full the benefits described in subparagraph (i) immediately above, then such assets shall be allocated to the benefits which would have been described in Priority Class 3 if the provisions of the Plan as in effect at the latest point in time during the five-year period ending on the date of termination that such assets available for allocation are sufficient to satisfy in full such benefits had never been changed, with any such assets remaining to be allocated being allocated pro rata to the additional benefits which would have been described in Priority Class 3 if the provisions of the Plan as in effect under the next succeeding Plan amendment which modified any benefits had never been changed.

(d) If the allocations made pursuant to this Section 16.4 (without regard to this paragraph (d)) result in discrimination prohibited by section 401(a)(4) of the Code, then, to the extent required to prevent the disqualification of the Plan under section 401(a)(4) of the Code: (i) the assets allocated under paragraph (b) of Priority Class 2, Priority Class 3, and Priority Class 4 shall be reallocated to the extent necessary to avoid such discrimination, and, if still necessary to avoid such discrimination after such reallocation, (ii) the assets otherwise allocable to benefits which are limited or restricted under Section 10.2 above (and which are not otherwise allocated to paragraph (b) of Priority Class 2, to Priority Class 3, or to Priority Class 4 under clause (i) immediately above) shall also be reallocated to the extent necessary to avoid such discrimination.

16.4.3 Any allocations, determinations, distributions, or other actions taken pursuant to this Section 16.4 shall be subject to all required approvals and authorizations of the Pension Benefit Guaranty Corporation and the Internal Revenue Service.

16.4.4 Finally, in the case of a complete termination, any assets of the Plan remaining after all foregoing liabilities in the priority classes set forth in Subsection 16.4.1 above have been satisfied shall be paid to the Participating Companies, provided such payment does not violate any applicable Federal law.

ARTICLE 17

TOP HEAVY PROVISIONS

17.1 Determination of Whether Plan Is Top Heavy. For purposes of this Article 17, this Plan shall be considered a “Top Heavy Plan” for any Plan Year (for purposes of the first two sentences of this Section 17.1, the “subject Plan Year”) if, and only if, (a) this Plan is an Aggregation Group Plan during at least part of the subject Plan Year, and (b) the ratio of the total Present Value of all accrued benefits of Key Employees under all Aggregation Group Plans to the total Present Value of all accrued benefits of both Key Employees and Non-Key Employees under all Aggregation Group Plans equals or exceeds 0.6. All calculations called for in clauses (a) and (b) above with respect to this Plan and with respect to the subject Plan Year shall be made as of this Plan’s Determination Date which is applicable to the subject Plan Year, and all calculations called for under clause (b) above with respect to any Aggregation Group Plan other than this Plan and with respect to the subject Plan Year shall be made as of that plan’s Determination Date which is applicable to such plan’s plan year that has its Determination Date fall within the same calendar year as the Determination Date being used by this Plan for the subject Plan Year. For the purpose of this Article 17, the following terms shall have the meanings hereinafter set forth.

17.1.1 Aggregation Group Plan. “Aggregation Group Plan” refers, with respect to any plan year of such plan, to a plan (a) which qualifies under Code section 401(a), (b) which is maintained by an Affiliated Employer, and (c) which either includes a Key Employee as a participant (determined as of the Determination Date applicable to such plan year) or allows another plan qualified under Code section 401(a), maintained by an Affiliated Employer, and including at least one Key Employee as a participant to meet the requirements of section 401(a)(4) or section 410(b) of the Code. In addition, if the Company so decides, any plan which meets clauses (a) and (b) but not (c) of the immediately preceding sentence shall be treated as an “Aggregation Group Plan” with respect to any plan year of such plan if the group of such plan and all other Aggregation Group Plans will meet the requirements of sections 401(a)(4) and 410(b) of the Code with such plan being taken into account.

17.1.2 Determination Date. The “Determination Date” which is applicable to any plan year of an Aggregation Group Plan refers to the last day of the immediately preceding plan year (except that, for the first plan year of such a plan, the “Determination Date” applicable to such plan year shall be the last day of such first plan year).

17.1.3 Key Employee. With respect to any Aggregation Group Plan and as of any Determination Date that applies to a plan year of such plan, a “Key Employee” refers to a person who at any time during the plan year ending on the subject Determination Date is:

(a) an officer of an Affiliated Employer, provided such person receives compensation from the Affiliated Employers of an amount greater than \$130,000 (as adjusted under section 416(i) of the Code for plan years beginning after December 31, 2002) for the applicable plan year. For this purpose, no more than 50 employees (or, if less, the greater of three or 10% of the employees of the Affiliated Employers) shall be treated as officers;

(b) a 5% or more owner of any Affiliated Employer; or

(c) a 1% or more owner of any Affiliated Employer who receives compensation of \$150,000 or more from the Affiliated Employers for the applicable plan year.

For purposes of paragraphs (b) and (c) above, a person is considered to own 5% or 1%, as the case may be, of an Affiliated Employer if he owns (or is considered as owning within the meaning of Code section 318, except that subparagraph (C) of Code section 318(a) (2) shall be applied by substituting “5%” for “50%”) at least 5% or 1%, as the case may be, of either the outstanding stock or the voting power of all stock of the Affiliated Employer (or, if the Affiliated Employer is not a corporation, at least 5% or 1%, as the case may be, of the capital or profits interest in the Affiliated Employer). Further, for purposes of this entire Subsection 17.1.3, the term “Key Employee” includes any person who is deceased as of the subject Determination Date but who when alive had been a Key Employee at any time during the plan year ending on the subject Determination Date, and any accrued benefit payable to his beneficiary shall be deemed to be the accrued benefit of such person.

17.1.4 Non-Key Employee. With respect to any Aggregation Group Plan and as of any Determination Date that applies to a plan year of such plan, a “Non-Key Employee” refers to a person who at any time during the plan year ending on the subject Determination Date is an employee of an Affiliated Employer and who has never been considered a Key Employee as of such or any earlier Determination Date. Further, for purposes of this Subsection 17.1.4, the term “Non-Key Employee” includes any person who is deceased as of the subject Determination Date and who when alive had been an employee of an Affiliated Employer at any time during the plan year ending on the subject Determination Date but had not been a Key Employee as of the subject or any earlier Determination Date, and any accrued benefit payable to his beneficiary shall be deemed to be the accrued benefit of such person.

17.1.5 Present Value of Accrued Benefits.

(a) For any Aggregation Group Plan which is a defined benefit plan (as defined in Code section 414(j)), including such a plan which has been terminated, the “Present Value” of a participant’s accrued benefit, as determined as of any Determination Date, refers to the single sum value (calculated as of the latest Valuation Date which coincides with or precedes such Determination Date and in accordance with the actuarial assumptions adopted under such defined benefit plan for valuing single sum forms of benefits which are in effect as of such Valuation Date) of the monthly retirement or termination benefit which the participant had accrued under such plan to such Valuation Date. For this purpose, such accrued monthly retirement or termination benefit is calculated as if it was to first commence as of the first day of the month next following the month the participant first attains his normal retirement age under such plan (or, if such normal retirement age had already been attained, as of the first day of the month next following the month in which occurs such Valuation Date) and as if it was to be paid in the form of a single life annuity. Further, the accrued benefit of any participant under such plan (other than a participant who is a Key Employee) shall be determined under the method which is used for accrual purposes for all defined benefit plans of the Affiliated Employers (or, if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rates permitted under the fractional rule of section 411(b)(1)(C) of the Code). In addition, the dollar amount of any distributions made from the plan (including the value of any annuity contract distributed from the plan) actually paid to such participant prior to the subject Valuation Date but still within the plan year ending on the subject Determination Date (or, when the distribution is made other than by reason of the participant’s severance from employment from the Affiliated Employers, his death, or his disability, the five consecutive plan years ending on the subject Determination Date) shall be added in calculating such “Present Value” of the participant’s accrued benefit.

(b) For any Aggregation Group Plan which is a defined contribution plan (as defined in Code section 414(i)), including such a plan which has been terminated, the “Present Value” of a participant’s accrued benefit, as determined as of any Determination Date, refers to the sum of (i) the total of the participant’s account balances under the plan (valued as of the latest Valuation Date which coincides with or precedes such Determination Date), and (ii) an adjustment for contributions due as of such

Determination Date. In the case of a profit sharing or stock bonus plan, the adjustment in clause (ii) above shall be the amount of the contributions, if any, actually made after the subject Valuation Date but on or before such Determination Date (and, in the case of the first plan year, any amounts contributed to the plan after such Determination Date which are allocated as of a date in such first plan year). In the case of a money purchase pension or target benefit plan, the adjustment in clause (ii) above shall be the amount of the contributions, if any, which are either actually made or due to be made after the subject Valuation Date but before the expiration of the period allowed for meeting minimum funding requirements under Code section 412 for the plan year which includes the subject Determination Date. In addition, the value of any distributions made from the plan (including the value of any annuity contract distributed from the plan) actually paid to such participant prior to the subject Valuation Date but still within the plan year ending on the subject Determination Date (or, when the distribution is made other than by reason of the participant's severance from employment from the Affiliated Employers, his death, or his disability, the five consecutive plan years ending on the subject Determination Date) shall be added in calculating such "Present Value" of the participant's accrued benefit.

(c) In the case of any rollover (as defined in the appropriate provisions of the Code), or a direct plan-to-plan transfer, to or from a subject Aggregation Group Plan, which rollover or transfer is both initiated by a participant and made between a plan maintained by an Affiliated Employer and a plan maintained by an employer other than an Affiliated Employer, (i) the Aggregation Group Plan, if it is the plan from which the rollover or transfer is made, shall count the amount of the rollover or transfer as a distribution made as of the date such amount is distributed by such plan in determining the "Present Value" of the participant's accrued benefit under paragraph (a) or (b) above, as applicable, and (ii) the Aggregation Group Plan, if it is the plan to which the rollover or transfer is made, shall not so consider the amount of the rollover or transfer as part of the participant's accrued benefit in determining such "Present Value" if such rollover or transfer was or is accepted after December 31, 1983 and shall so consider such amount if such rollover or transfer was accepted prior to January 1, 1984.

(d) In the case of any rollover (as defined in the appropriate provisions of the Code), or a direct plan-to-plan transfer, to or from a subject Aggregation Group Plan, which rollover or transfer is not described in paragraph (c) above, (i) the subject Aggregation Group Plan, if it is the plan from which the rollover or transfer is made, shall not consider the amount of the rollover or transfer as part of the participant's accrued benefit in determining the "Present Value" thereof under paragraph (a) or (b) above, as applicable, and (ii) the subject Aggregation Group Plan, if it is the plan to which the rollover or transfer is made, shall consider the amount of the rollover or transfer when made as part of the participant's accrued benefit in determining such "Present Value."

(e) As is noted in paragraphs (a) and (b) above, the "Present Value" of any participant's accrued benefit under any Aggregation Group Plan (that is either a defined benefit plan or a defined contribution plan) as of any Determination Date includes the value of any distribution from such a plan actually paid to such participant prior to the last Valuation Date which coincides with or precedes such Determination Date but still within the plan year ending on the subject Determination Date (or, in some cases, within the five year period ending on the subject Determination Date). This rule shall also apply to any distribution under any terminated defined benefit or defined contribution plan which, if it had not been terminated, would have been required to be included as an Aggregation Group Plan.

(f) Notwithstanding the foregoing provisions, the "Present Value" of a participant's accrued benefit under any Aggregation Group Plan (that is either a defined benefit plan or a defined contribution plan) as of any Determination Date shall be deemed to be zero if the participant has not performed services for any Affiliated Employer at any time during the plan year ending on the subject Determination Date.

17.1.6 Valuation Date. A “Valuation Date” refers to: (a) in the case of an Aggregation Group Plan that is a defined benefit plan (as defined in Code section 414(j)), the date as of which the plan actuary computes plan costs for minimum funding requirements under Code section 412 (except that, for an Aggregation Group Plan that is a defined benefit plan which has terminated, a “Valuation Date” shall be deemed to be the same as a Determination Date); and (b) in the case of an Aggregation Group Plan that is a defined contribution plan (as defined in Code section 414(i)), the date as of which plan income, gains, and/or contributions are allocated to plan accounts of participants.

17.1.7 Compensation. For purposes hereof, a participant’s “compensation” shall refer to his Compensation as defined in Section 10.3 above.

17.2 Effect of Top Heavy Status on Vesting. If for any Plan Year this Plan is a Top Heavy Plan, then, notwithstanding any other provision of the Plan to the contrary, any Participant who is a Participant at some time during such Plan Year and who ceases to be an Employee during such or any later Plan Year prior to being entitled to any other retirement benefit under the Plan, but after completing at least three years of Vesting Service (not including any years of Vesting Service completed after the last Plan Year in which this Plan is considered a Top Heavy Plan), shall still be entitled to a retirement benefit under the Plan (unless he dies before the commencement date of the benefit). The provisions of Article 7 above (concerning, e.g., the commencement date, form, and amount of payment), Article 8 above (concerning certain death benefits), Article 9 above (concerning certain “transition” and other benefits), Article 10 above (concerning maximum benefit limits and restrictions on benefits for highly paid participants), and Article 11 above (concerning certain miscellaneous benefit matters) shall apply to the payment of any retirement benefit payable under this Section 17.2 as if such retirement benefit was described in Article 6 above.

17.3 Effect of Top Heavy Status on Benefit Amounts.

17.3.1 For any Plan Year in which this Plan is considered a Top Heavy Plan, then, notwithstanding any other provision of the Plan to the contrary, the annual amount (if paid in the form of an annuity) or the single sum amount (if paid in the form of a single sum payment) of any retirement benefit to which a Participant becomes entitled under the Plan shall not: (a) if paid in the form of a Single Life Annuity that commences as of the later of the Participant’s Normal Retirement Date or the date as of which the Participant’s retirement benefit under the Plan commences (for purposes of this Subsection 17.3.1, the Participant’s “normal commencing Single Life Annuity”), be less than the product obtained by multiplying (i) 2% of the Participant’s average annual compensation (as defined below) by (ii) the Participant’s years of service (as defined below), up to but not exceeding ten such years; and (b) if paid in any form of benefit and/or as of any commencement date other than the form of benefit and commencement date that apply under a normal commencing Single Life Annuity, be less than the annual amount or single sum amount (as appropriate) that makes the Participant’s retirement benefit that is paid in such other form and/or as of such other commencement date actuarially equivalent to the minimum retirement benefit that is described in clause (a) immediately above when such retirement benefit is paid in the form of a normal commencing Single Life Annuity.

17.3.2 For purposes of this Section 17.3, a Participant’s “average annual compensation” refers to the annual average of his compensation received from the Affiliated Employers for the five consecutive calendar years which produce the highest result (excluding from consideration, however, compensation received in any Plan Year which began prior to January 1, 1984, in any calendar year which begins after the end of the last Plan Year in which the Plan is considered a Top Heavy Plan, and in any calendar year which does not end during a year of service).

17.3.3 For purposes of this Section 17.3, except as provided below, a Participant's "years of service" shall include each period for which the Participant is credited with a year of Vesting Service, regardless of the Participant's level of compensation during such period and regardless of whether the Participant is employed on any particular date during such period (such as the last day of such period). Notwithstanding the foregoing, a Participant's "years of service" for purposes of this Section 17.3 shall not include any period which began prior to January 1, 1984, any period which is not included at least in part in a Plan Year as of which the Plan is considered a Top Heavy Plan, or any period which occurs during a Plan Year when the Plan benefits (within the meaning of section 410(b) of the Code) no Key Employee or former Key Employee.

17.3.4 For purposes of the foregoing provisions of this Section 17.3, a Participant's benefit accruals under any other defined benefit plan (as defined in Section 414(j) of the Code) maintained by any Affiliated Employer and which is an Aggregation Group Plan for the subject Plan Year, other than benefit accruals made by reason of any top heavy provisions of such other plan, shall be considered as benefit accruals under this Plan.

17.3.5 Notwithstanding the foregoing provisions of this Section 17.3, such provisions shall not apply so as to cause any additional benefit to be provided a Participant for a Plan Year under this Plan if (i) such Participant actively participates in an Aggregation Group Plan maintained by an Affiliated Employer at any time in such Plan Year which is later than any date in such year on which he or she actively participates in this Plan and (ii) such other plan provides for the same benefit as would otherwise be required under the foregoing provisions of this Section 17.3 for such Plan Year.

ARTICLE 18

MISCELLANEOUS

18.1 Exclusive Benefit of Participants. All assets of the Plan shall be held in the Trust for the benefit of the Participants. In no event shall it be possible, at any time prior to the satisfaction of all liabilities with respect to the Participants, for any part of the assets of the Plan to be used for, or diverted to, purposes other than for the exclusive benefit of the Participants or their beneficiaries (except as may be otherwise provided in Sections 12.2 and 12.3 above) or for payment of proper administrative costs and expenses of the Plan and the Trust. No person shall have any interest in or right to any part of the Trust, or any rights in, to, or under the Trust, except as and to the extent expressly provided in the Plan.

18.2 Mergers, Consolidations, and Transfers of Assets.

18.2.1 Notwithstanding any other provision hereof to the contrary, in no event shall this Plan be merged or consolidated with any other plan and trust, nor shall any of the assets or liabilities of this Plan be transferred to any other plan or trust or vice versa, unless: (1) either the Plan is amended to provide for such action or the Committee determines that such action furthers the purposes of this Plan; (2) each Participant and beneficiary would (if this Plan then terminated) receive a benefit immediately after the merger, consolidation, or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation, or transfer (if this Plan had then terminated); and (3) such merger, consolidation, or transfer of assets does not cause any accrued benefit, early retirement benefit, retirement-type subsidy, or optional form of benefit of a person under this Plan or the applicable other plan, or the person's rights to any such benefits, to be eliminated or reduced except to the extent such elimination or reduction is permitted under section 411(d)(6) of the Code or in Treasury regulations issued thereunder. In the event of any such merger, consolidation, or transfer, the requirements of clause (2) set forth in the immediately preceding sentence shall be deemed to be satisfied if the merger, consolidation, or transfer conforms to and is in accordance with regulations issued under section 414(1) of the Code.

(a) In addition, in the case of any spin-off to this Plan from another plan which is maintained by an Affiliated Employer or of any spin-off from this Plan to another plan which is maintained by an Affiliated Employer, a percentage of the excess assets (as determined under section 414(l)(2) of the Code) held in the plan from which the spin-off is made (if any) shall be allocated to each of such plans to the extent required by section 414(l)(2) of the Code.

(b) Subject to the provisions of this Subsection 18.2.1, the Committee may take action to merge or consolidate this Plan and the Trust with any other plan and trust or permit the transfer of any assets and liabilities of this Plan and the Trust to any other plan and trust or vice versa.

18.2.2 If an Employee who is participating in the Cincinnati Bell Management Pension Plan (which plan was named the Broadwing Pension Plan for a period of time prior to May 27, 2003), as such plan exists as of the Effective Amendment Date or is subsequently amended or renamed (for purposes of this Subsection 18.2.2, the "CBMPP"), becomes a Participant in this Plan, his accrued benefit under the CBMPP (and the assets related thereto) shall be transferred to and assumed by this Plan. Further, if a Participant in this Plan becomes a Participant in the CBMPP, his accrued benefit under the Plan (and the assets related thereto) shall be transferred to and assumed by the CBMPP. Any transfer of benefits and assets provided under this Subsection 18.2.2 shall be subject to the provisions of Subsection 18.2.1 above.

18.2.3 To the extent required under the Mandatory Portability Agreement, accrued benefits (and related assets) shall be transferred to and from Former Affiliate Plans (as such term is defined in the Mandatory Portability Agreement), provided that no accrued benefit shall be transferred to and assumed by this Plan unless assets at least equal to such accrued benefits also are transferred to this Plan. Any transfer of benefits and assets provided under this Subsection 18.2.3 shall be subject to the provisions of Subsection 18.2.1 above.

18.3 Benefits and Service for Military Service. Notwithstanding any provision of the Plan to the contrary and in order to satisfy the requirements of sections 401(a)(37) and 414(u) of the Code with respect to a Participant's qualified military service, the following provisions of this Section 18.3 shall apply.

18.3.1 An individual reemployed as an Employee by an Affiliated Employer under chapter 43 of title 38 of the United States Code (as such chapter is in effect on December 12, 1994 and without regard to any subsequent amendment) shall be treated as not having incurred a Break in Service for purposes of the Plan by reason of such individual's qualified military service.

18.3.2 Each period of qualified military service served by an individual shall, upon reemployment as an Employee by an Affiliated Employer under chapter 43 of title 38 of the United States Code (as such chapter is in effect on December 12, 1994 and without regard to any subsequent amendment), be deemed to constitute Vesting Service for purposes of the Plan.

18.3.3 For purposes of Article 10 above, a Participant who is in qualified military service shall be treated as receiving Compensation during the period of qualified military service equal to the Compensation the Participant would have received during such period were he not in qualified military service, determined based on the rate of pay the Participant would have received from the Affiliated Employers but for his absence during the period of qualified military service; except that, if the compensation the Participant would receive during the period of qualified military service is not reasonably certain, then the Participant shall be treated as receiving compensation from the Affiliated Employers during the period of qualified military service equal to the Participant's average compensation from the Affiliated Employers during the shorter of (a) the twelve month period immediately preceding the period of the qualified military service or (b) the Participant's entire period of employment by the Affiliated Employers.

18.3.4 If a Participant dies on or after January 1, 2007 and while performing qualified military service, the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the Participant resumed and then terminated employment on account of death. By reason of the immediately preceding sentence and among other things, credit for Vesting Service shall be provided for the period of qualified military service of a Participant who dies while performing qualified military service for purposes of determining whether any death benefit is provided under the Plan with respect to the Participant (but the amount of such death benefit is not determined as if the Participant received benefit accruals during such qualified military service).

18.3.5 An individual receiving, in a Plan Year that begins after December 31, 2008, a differential wage payment from an Affiliated Employer shall be treated as an Employee of such Affiliated Employer and the differential wage payment shall be treated as part of the Participant's compensation solely for purposes of applying Articles 10 and 17 above and applying any other requirement imposed by the Code on the Plan (but shall not be used for any other purposes of the Plan). For purposes hereof, a "differential wage payment" means any payment that is made by an Affiliated Employer to an individual with respect to any period during which the individual is performing service in the uniformed services (as defined in chapter 43 of title 38 of the United States Code) while on active duty for a period of more than 30 days and represents all or a portion of the wages that the individual would have received from such Affiliated Employer if the individual were performing service for such Affiliated Employer.

18.3.6 For all purposes of this Section 18.3, "qualified military service" means, with respect to any individual, any service of his in the uniformed services (as defined in chapter 43 of title 38 of the United States Code, as such chapter is in effect on December 12, 1994 and without regard to any subsequent amendment) if he is entitled to reemployment rights with the Employer under such chapter with respect to such service.

18.4 Actions Required by Mandatory Portability Agreement. This Plan shall comply with any requirements of the Mandatory Portability Agreement that apply to it. Thus, to the extent not addressed elsewhere in this Plan, any action shall be taken under or in connection with the Plan if it is required to comply with the Mandatory Portability Agreement. However, as is indicated in Section 3.8 above, Employees of certain Participating Companies are not subject to or affected by the Mandatory Portability Agreement while employed by any such companies, and this Section 18.4 shall not give any rights under the Mandatory Portability Agreement to such Employees while employed by any such company.

18.5 Authority to Act for Company. Except as is otherwise expressly provided elsewhere in this Plan, any matter or thing to be done by the Company shall be done by the Board or the Board's Executive Committee, except that the Board or the Board's Executive Committee may, by resolution, delegate in writing to any officer of any Affiliated Employer any or all of its rights or duties hereunder (and any such delegation shall be deemed incorporated into and made a part of this Plan). Any such delegation shall be valid and binding upon all persons, and the person or persons to whom authority is delegated shall have full power to act in all matters so delegated until the authority expires by its terms or is revoked by resolution of the Board or the Board's Executive Committee.

18.6 Relationship of Plan to Employment Rights. The adoption and maintenance of the Plan is purely voluntary on the part of the Participating Companies and neither the adoption nor the maintenance of the Plan shall be construed as conferring any legal or equitable rights to employment on any person.

18.7 Applicable Law. The provisions of the Plan shall be administered and enforced according to applicable Federal law and, only to the extent not preempted by Federal law, to the laws of the State of Ohio. The Company may at any time initiate any legal action or proceedings for the determination of any question of construction which arises or for instructions. Except as required by law, in any application to, or proceeding or action in, any court with regard to the Plan, only the Company shall be a necessary party, and no Participant, beneficiary, or other person having or claiming any interest in the Plan shall be entitled to any notice or service of process. The Company may include as parties defendant any other person or persons. Any judgment entered into in such a proceeding or action shall be conclusive upon all persons claiming under the Plan.

18.8 Separability of Provisions. If any provision of the Plan is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, and the Plan shall be construed and enforced as if such provision had not been included.

18.9 Counterparts. The Plan may be executed in any number of counterparts, each of which shall be deemed an original. The counterparts shall constitute one and the same instrument, which shall be sufficiently evidenced by any one thereof.

18.10 Headings. Headings used throughout the Plan are for convenience only and shall not be given legal significance.

18.11 Special Definitions and Tables. Any terms which are defined by use of a parenthetical contained in any provision of the Plan shall apply only to the provision in which such parenthetical is contained, except where otherwise indicated in such parenthetical or the context otherwise requires. In addition, any tables attached to this Plan shall constitute a part of this Plan. Such tables are not necessarily numbered consecutively (since they are numbered in some cases to match or affect similarly numbered tables contained in the Prior Pension Plan).

18.12 Plan Administrator and Sponsor. The Company shall be the Plan's administrator and sponsor as those terms are used in ERISA.

18.13 Accumulated Benefit Used To Satisfy Applicable Age Discrimination Rules. As is indicated in Subsection 2.1.2 above, a Participant's Accumulated Benefit as of any specified date that occurs on or after January 1, 2008 shall be the Participant's benefit that is used for purposes of determining whether the requirements of section 411(b)(1)(H)(i) and (b)(5)(A) of the Code and section 204(b)(1)(H)(i) and (b)(5)(A) of ERISA, and Treasury Regulations section 1.411(b)(5)-1(b), are met for the Plan with respect to the Participant's Plan benefit as of such specified date. In that regard and by virtue of the fact that the accrued benefits of all Participants under the Plan have been frozen prior to the Effective Amendment Date, the requirements of the safe harbor accumulated benefit test under Treasury Regulations section 1.411(b)(5)-1(b)(1), including the definition of lump sum-based formula under Treasury Regulations section 1.411(a)(13)-1(d)(3), shall be applied to the Plan without regard to the requirements under such Treasury Regulations section that are effective only for Plan Years beginning on or after the later of (i) January 1, 2017 and (ii) the earlier of January 1, 2019; and the date on which the collective bargaining agreements between Cincinnati Bell Telephone Company and the Communications Workers of America that were entered into on August 10, 2014 expire.

ARTICLE 19

2004 EARLY RETIREMENT OFFER

19.1 **Overview.** This Article 19 is effective as of August 19, 2004 and provides for special benefits to be provided certain Participants who accepted an offer of the Participating Employers of a special benefit program, all as is provided for in the following provisions of this Article 19.

19.2 **Special Definitions.** For purposes of this Article 19 only, the following terms shall have the meanings hereinafter set forth:

19.2.1 The term “Eligible Participant” means any person who was eligible under Section 19.3 below to be offered the special benefit program described in this Article 19.

19.2.2 The term “Extra Lump Sum Formula Amount” means, with respect to any Eligible Participant who accepted the special benefit program offer provided under this Article 19, an amount equal to the product obtained by multiplying (a) a dollar amount equal to two weeks value of the Eligible Participant’s basic wage rate as determined on October 1, 2004 by (b) the number of whole years included in the Eligible Participant’s Net Credited Service as determined on October 1, 2004. Notwithstanding the immediately preceding sentence, such Eligible Participant’s “Extra Lump Sum Formula Amount” shall in no event be deemed to exceed an amount equal to one year’s value of the Eligible Participant’s basic wage rate as determined on October 1, 2004. For purposes of this Subsection 19.2.2, the Eligible Participant’s basic wage rate refers to the full-time wage rate for the Eligible Participant’s job title that was indicated on the wage schedules of the Participating Employers (and does not include night differentials, overtime pay, or other awards, bonuses or incentive pay). Notwithstanding the foregoing, for an Eligible Participant who is described in Subsection 19.4.4 below, each reference to “October 1, 2004” in the foregoing provisions of this Subsection 19.2.2 shall be deemed to be a reference to the Eligible Participant’s last day of employment with the Affiliated Employers.

19.2.3 The term “Normal Retirement Extra Single Life Annuity Benefit” means, with respect to any Eligible Participant who accepted the special benefit program offer provided under this Article 19 and when determined as of any date (for purposes of this Subsection 19.2.3, the “subject date”), a hypothetical Single Life Annuity payable to the Eligible Participant that both (a) commences to be paid as of the later of the Eligible Participant’s Normal Retirement Date or the Eligible Participant’s Offer Retirement Date and (b) has a monthly amount that is actuarially equivalent to a hypothetical single sum payment that both is made as of the subject date and is equal to the Eligible Participant’s Extra Lump Sum Formula Amount. The actuarial assumptions to be used in making such actuarially equivalent calculation shall be solely the applicable interest rate and applicable mortality assumption that are in effect under Section 11.5 above for a benefit for which the subject date is the benefit’s commencement date.

19.2.4 The term “Offer Retirement Date” means, with respect to any Eligible Participant who accepted the special benefit program offer provided under this Article 19, the date the Participant ceased to be an Employee pursuant to such offer.

19.2.5 The term “Net Credited Service” means, with respect to any Participant, the Eligible Participant’s Term of Employment that would be determined under the terms of Section 3.7 above if all references to a “Covered Employee” in such Section 3.7 and in the Prior Pension Plan were deemed to be references to an “Employee.”

19.3 Eligible Participants. Any person was eligible to be offered the special benefit program described in this Article 19 if, and only if, he met the following conditions:

19.3.1 he was on August 19, 2004 both a Covered Employee and a Participant in the Plan; and

19.3.2 he would by December 31, 2006, if he had remained an Employee from August 19, 2004 to December 31, 2006, either (a) have had Net Credited Service of 30 or more years, (b) both been age 50 and have had Net Credited Service of 25 or more years, (c) both been age 55 and have had Net Credited Service of 20 or more years, or (d) both been age 65 and have had Net Credited Service of 10 or more years; and

19.3.3 he was not prevented by the Participating Employers from accepting the special benefit program offer provided under this Article 19 because of business needs of the Participating Employers. In this regard, the Participating Employers may have excluded employees performing certain jobs from being eligible for such offer and/or limited the number of employees in the Participating Employers in the aggregate, or in any department, job, or other unit, who were permitted to accept such offer.

19.4 Offer.

19.4.1 The Participating Employers, on or about November 11, 2004, delivered or mailed written material to each Eligible Participant setting forth the special benefit program offer described in this Article 19 (with such written material being referred to in this Article 19 as an “offer package”).

19.4.2 Such special benefit program offer provided that an Eligible Participant shall receive the benefits described in Sections 19.5 and 19.6 below if, and only if, the Eligible Participant:

(a) voluntarily terminated his employment with the Affiliated Employers on such date as was requested or agreed to by the Participating Employers (which date was not earlier than the date on which he received the offer package or later than December 31, 2006);

(b) accepted the special benefit program offered to him under this Article 19 by, and only by, signing a form prepared by the Participating Employers for this purpose (which form set forth the Eligible Participant’s agreement to accept the offer and to retire in accordance with the rules of paragraph (a) of this Subsection 19.4.2) and filing such signed form with the Participating Employers on or prior to the latest date as of which the latest offer package received by him indicated he could accept such offer (which date was not in any event after December 1, 2004); and

(c) met all other conditions imposed by the Participating Employers for accepting such offer.

19.4.3 If an Eligible Participant did not accept the special benefit program offer provided to him under this Article 19 or failed to meet all of the conditions set forth in Subsection 19.4.2 above, he shall not at any time be entitled to the benefits described in Sections 19.5 and 19.6 below.

19.4.4 Notwithstanding the provisions of Subsections 19.4.1 through 19.4.3 above, any person who qualifies as an Eligible Participant but who voluntarily terminated his employment with the Affiliated Employers between August 19, 2004 and November 10, 2004 shall be deemed for all of the provisions of this Article 19 to have been offered the special program benefit offer described in this Article 19, to have accepted and complied with all of the conditions of such offer, and to have voluntarily terminated his employment with the Affiliated Employers under and pursuant to such offer.

19.5 Special Extra Retirement Benefit. If an Eligible Participant accepted the special benefit program offer provided under this Article 19 and complied with all of the conditions of such offer, he shall be entitled to a special retirement benefit not otherwise provided under the foregoing Articles of this Plan. Such special retirement benefit is described in the following provisions of this Section 19.5 and is referred to in such provisions and in Section 19.6 below as the “extra retirement benefit.” The monthly or single sum amount of the Eligible Participant’s extra retirement benefit shall be determined under the provisions of Subsection 19.5.1 below, and all other details of the extra retirement benefit (including such benefit’s form of payment and commencement date) shall be determined under the provisions of Subsections 19.5.2 and 19.5.3 below.

19.5.1 The monthly or single sum amount of the Eligible Participant’s extra retirement benefit shall be determined as follows.

(a) If the Eligible Participant’s extra retirement benefit is paid to the Eligible Participant in the form of a Single Life Annuity that commences as of any certain date (for purposes of this paragraph (a), the “subject commencement date”), then the monthly amount of such benefit shall be equal to the greater of (i) the amount that would make such Single Life Annuity actuarially equivalent to a hypothetical single sum payment that both is made as of the subject commencement date and is equal to the Eligible Participant’s Extra Lump Sum Formula Amount or (ii) the amount that would make such Single Life Annuity actuarially equivalent to the Eligible Participant’s Normal Retirement Extra Single Life Annuity Benefit determined as of the subject commencement date. The actuarial assumptions to be used in making any of the actuarially equivalent calculations required under this paragraph (a) shall be solely the applicable interest rate and applicable mortality assumption that are in effect under Section 11.5 above for a benefit for which the subject commencement date is the benefit’s commencement date.

(b) If the Eligible Participant’s extra retirement benefit is paid to the Eligible Participant in the form of a Qualified Joint and Survivor Annuity that commences as of any certain date, then the monthly amount of such benefit shall be the amount that would be determined under Subsection 7.2.2 above if the extra retirement benefit were the Eligible Participant’s sole retirement benefit under the Plan.

(c) If the Eligible Participant’s extra retirement benefit is paid to the Eligible Participant in the form of a single sum payment that is made as of any certain date (for purposes of this paragraph (c), the “subject payment date”), then the single sum amount of such benefit shall be an amount equal to the greater of (i) the Eligible Participant’s Extra Lump Sum Formula Amount or (ii) the amount that would make such single sum payment actuarially equivalent to the Eligible Participant’s Normal Retirement Extra Single Life Annuity Benefit determined as of the subject payment date. The actuarial assumptions to be used in making the actuarially equivalent calculation required under this paragraph (c) shall be solely the applicable interest rate and applicable mortality assumption that are in effect under Section 11.5 above for a benefit for which the subject payment date is the benefit’s commencement date.

19.5.2 Except to the extent otherwise provided or modified in Subsection 19.5.3 below or to the extent the context of this Article 19 otherwise requires, all of the provisions of this Plan (other than Articles 3, 4, 5, and 9 above) shall apply as if the Eligible Participant’s extra retirement benefit were added to and were a part of the Eligible Participant’s retirement benefit accrued under the Articles of this Plan that precede this Article 19 as of his Offer Retirement Date and as such benefit may be modified under the provisions of Section 19.6 below (for purposes of this Section 19.5 and Section 19.6 below, his “regular retirement benefit”). In particular, except to the extent otherwise provided or modified in Subsection 19.5.3 below, the Eligible Participant’s extra retirement benefit and regular retirement benefit shall be deemed to be one retirement benefit for purposes of determining the form of and commencement date of such benefits

and applying the provisions of Articles 10 and 17 above (which provide for benefit limits and top heavy plan rules).

19.5.3 Notwithstanding the provisions of Subsection 19.5.2 above, as a special option and not in any event limiting the forms of benefit in which the Eligible Participant's extra retirement benefit and regular retirement benefit can be paid, the Eligible Participant may elect to receive his extra retirement benefit and regular retirement benefit, in lieu of the normal form of benefit otherwise payable under Section 7.2 above or any other optional form of benefit described in Section 7.3 above and provided all of the election provisions of Section 7.4 above are met, in the following forms:

(a) a Single Life Annuity for his regular retirement benefit and a single sum payment for his extra retirement benefit; or

(b) if the Eligible Participant is married as of the commencement date of his retirement benefits under the Plan, a Qualified Joint and Survivor Annuity for his regular retirement benefit and a single sum payment for his extra retirement benefit.

The commencement date of the payment of each of his regular retirement benefit and his extra retirement benefit must in such case still be the same date and determined as if the Eligible Participant's extra retirement benefit and regular retirement benefit were one benefit.

19.6 Special Early Retirement Discount Factors for Regular Retirement Benefit. If an Eligible Participant accepted the special benefit program offer provided under this Article 19 and complied with all of the conditions of such offer, then, in addition to the extra retirement benefit under Section 19.5 above, he shall have his regular retirement benefit under the Plan determined in accordance with the other provisions of the Plan but with the following adjustment in the event the commencement date of his regular retirement benefit occurred prior to December 31, 2006: his Prior Pension Plan Amount (as is otherwise defined in Subsection 9.2.5(b) above) as of the commencement date of his regular retirement benefit (which Prior Pension Plan Amount is sometimes used to help determine his regular retirement benefit) shall be determined under the provisions of Subsection 9.2.5(b) above but with any early retirement discount reduction factors set forth in the provisions of the Prior Pension Plan that are used in such determination (to the extent the provisions of Subsection 9.2.5(b) above would require that such Prior Pension Plan early retirement discount factors are used in determining the Prior Pension Plan Amount) being applied in such determination of the Prior Pension Plan Amount based on the age and service with the Affiliated Employers that the Eligible Participant would have had on December 31, 2006 if he had continued in the employment of the Affiliated Employers from his actual date of termination with the Affiliated Employers (pursuant to his acceptance of the special benefit program offer provided under this Article 19) to December 31, 2006.

ARTICLE 20

2008 SPECIAL EARLY RETIREMENT BENEFITS

20.1 Overview. This Article 20 is effective as of January 1, 2008 and provides for special benefits to be provided certain Participants who accepted an early retirement offer of the Participating Employers, all as is provided for in the following provisions of this Article 20.

20.2 Special Definitions. For purposes of this Article 20 only, the following terms shall have the meanings hereinafter set forth.

20.2.1 The term “Eligible Participant” means any person who was eligible under Section 20.3 below to be provided the early retirement offer described in this Article 20.

20.2.2 The term “Extra Lump Sum Formula Amount” means, with respect to any Eligible Participant who accepted the early retirement offer provided under this Article 20, an amount equal to the sum of: (a) the product obtained by multiplying (i) a dollar amount equal to two weeks value of the Eligible Participant’s base rate of pay as determined on October 1, 2007 by (ii) the number of the whole years included in the Eligible Participant’s Net Credited Service as determined on October 1, 2007, up to but not in excess of 17 such years; and (b) the product obtained by multiplying (i) a dollar amount equal to four weeks value of the Eligible Participant’s base rate of pay as determined on October 1, 2007 by (ii) the number of the whole years included in the Eligible Participant’s Net Credited Service as determined on October 1, 2007 in excess of 17 such years. Notwithstanding the provisions of the immediately preceding sentence, an Eligible Participant’s “Extra Lump Sum Formula Amount” shall in no event be deemed to exceed an amount equal to 78 weeks value of the Eligible Participant’s base rate of pay as determined on October 1, 2007.

20.2.3 The term “Normal Retirement Extra Single Life Annuity Benefit” means, with respect to any Eligible Participant who accepted the early retirement offer described in this Article 20 and when determined as of any date (for purposes of this Subsection 20.2.3, the “subject date”), a hypothetical Single Life Annuity payable to the Eligible Participant that both (a) commences to be paid as of the later of the Eligible Participant’s Normal Retirement Date or the Eligible Participant’s Offer Retirement Date and (b) has a monthly amount that is actuarially equivalent to a hypothetical single sum payment that both is made as of the subject date and is equal to the Eligible Participant’s Extra Lump Sum Formula Amount. The actuarial assumptions to be used in making such actuarially equivalent calculation shall be solely the applicable interest rate and applicable mortality assumption that are in effect under Section 11.5 above for a benefit for which the subject date is the benefit’s commencement date.

20.2.4 The term “Offer Retirement Date” means, with respect to any Eligible Participant who accepted the early retirement offer described in this Article 20, the date the Participant ceased to be an Employee pursuant to such offer.

20.2.5 The term “Net Credited Service” means, with respect to any Eligible Participant, the Eligible Participant’s Term of Employment that would be determined under the terms of Section 3.7 above if all references to a “Covered Employee” in such Section 3.7 and in the Prior Pension Plan were deemed to be references to an “Employee.”

20.3 Eligible Participants. Any person was eligible to be offered the early retirement offer described in this Article 20 if, and only if, he met the following conditions:

20.3.1 he was on October 1, 2007 both a Covered Employee and a Participant in the Plan; and

20.3.2 he would by December 31, 2009, if he had remained an Employee from October 1, 2007 to December 31, 2009, either (a) have had Net Credited Service of 30 or more years, (b) both been age 50 and have had Net Credited Service of 25 or more years, (c) both been age 55 and have had Net Credited Service of 20 or more years, or (d) both been age 65 and have had Net Credited Service of 10 or more years; and

20.3.3 he was not prevented by the Participating Employers from accepting the early retirement offer provided under this Article 20 because of business needs of the Participating Employers. In this regard, the Participating Employers may have excluded employees performing certain jobs from being eligible for such offer and/or limited the number of employees in the Participating Employers in the aggregate, or in any department, job, or other unit, who were permitted to accept such offer.

20.4 Offer.

20.4.1 The Participating Employers delivered or mailed written material to each Eligible Participant setting forth the early retirement offer described in this Article 20 on or about February 29, 2008 (or December 7, 2007 for any Eligible Participant who was then not a collectively bargained employee within the meaning of Treasury Regulations section 1.410(b)-6(d)(2)).

20.4.2 Such early retirement offer provided that an Eligible Participant shall receive the benefits described in Sections 20.5 and 20.6 below if, and only if, the Eligible Participant satisfied all of the conditions set forth in the following paragraphs of this Subsection 20.4.2.

(a) He voluntarily terminated his employment with the Affiliated Employers on such date as was requested or agreed to by the Participating Employers, which date was, except as is indicated in the immediately following sentence, not be earlier than February 29, 2008 (or December 7, 2007 if he was not on October 1, 2007 a collectively bargained employee within the meaning of Treasury Regulations section 1.410(b)-6(d)(2)) or later than December 31, 2010. However, if the Eligible Participant terminated his employment with the Affiliated Employers between October 1, 2007 and February 29, 2008 (or between October 1, 2007 and December 7, 2007 if he was not on October 1, 2007 a collectively bargained employee within the meaning of Treasury Regulations section 1.410(b)-6(d)(2)), he shall be deemed for all purposes of this Article 20 to have voluntarily terminated his employment with the Affiliated Employers on a date that was requested or agreed to by the Participating Employers and to have met the condition set forth in this paragraph (a).

(b) He accepted the early retirement offer described in this Article 20 by, and only by, signing a form prepared by the Participating Employers for this purpose (which form set forth the Eligible Participant's agreement to accept the offer and, if applicable, to retire in accordance with the rules of the first sentence of paragraph (a) of this Subsection 20.4.2) and filing such signed form with the Participating Employers on or prior to March 28, 2008 (or December 31, 2007 if he was not on October 1, 2007 a collectively bargained employee within the meaning of Treasury Regulations section 1.410(b)-6(d)(2)).

(c) If he was on October 1, 2007 a collectively bargained employee within the meaning of Treasury Regulations section 1.410(b)-6(d)(2), he released and waived any claims that he may have against the Affiliated Employers and all of the Affiliated Employers' related parties that were requested to be released by the Participating Employers in connection with the early retirement offer described in this Article 20 by, and only by, signing a form prepared by the Participating Employers for this purpose and filing such signed form with the Participating Employers on his Offer Retirement Date or on any of the three immediately following business days (or, if he terminated his employment with the Affiliated Employers between October 1, 2007 and December 7, 2007, by, and only by, signing a form prepared by the Participating Employers for this purpose and filing such signed form with the Participating Employers within such time, after he was notified as to the early retirement offer described in this Article 20, as was provided him by the Participating Employers).

(d) He met all other conditions imposed by the Participating Employers for accepting such offer.

20.4.3 If an Eligible Participant did not accept the early retirement offer described in this Article 20 failed to meet all of the conditions set forth in Subsection 20.4.2 above, he shall not at any time be entitled to the benefits described in Sections 20.5 and 20.6 below.

20.5 Special Extra Retirement Benefit. If an Eligible Participant accepted the early retirement offer described in this Article 20 and complied with all of the conditions of such offer, he shall be entitled to a special retirement benefit not otherwise provided under the foregoing Articles of this Plan. Such special retirement benefit is described in the following provisions of this Section 20.5 and is referred to in such provisions and in Section 20.6 below as the "extra retirement benefit." The monthly or single sum amount of the Eligible Participant's extra retirement benefit shall be determined under the provisions of Subsection 20.5.1 below, and all other details of the extra retirement benefit (including such benefit's form of payment and commencement date) shall be determined under the provisions of Subsections 20.5.2, 20.5.3, and 20.5.4 below.

20.5.1 The monthly or single sum amount of the Eligible Participant's extra retirement benefit shall be determined in accordance with the following paragraphs of this Subsection 20.5.1.

(a) If the Eligible Participant's extra retirement benefit is paid to the Eligible Participant in the form of a Single Life Annuity that commences as of any certain date (for purposes of this paragraph (a), the "subject commencement date"), then the monthly amount of such benefit shall be equal to the greater of (i) the amount that would make such Single Life Annuity actuarially equivalent to a hypothetical single sum payment that both is made as of the subject commencement date and is equal to the Eligible Participant's Extra Lump Sum Formula Amount or (ii) the amount that would make such Single Life Annuity actuarially equivalent to the Eligible Participant's Normal Retirement Extra Single Life Annuity Benefit determined as of the subject commencement date. The actuarial assumptions to be used in making any of the actuarially equivalent calculations required under this paragraph (a) shall be solely the applicable interest rate and applicable mortality assumption that apply under Section 11.5 above to a benefit for which the subject commencement date is the benefit's commencement date.

(b) If the Eligible Participant's extra retirement benefit is paid to the Eligible Participant in the form of a Qualified Joint and Survivor Annuity that commences as of any certain date, then the monthly amount of such benefit shall be the amount that would be determined under Subsection 7.2.2 above if the extra retirement benefit were the Eligible Participant's sole retirement benefit under the Plan.

(c) If the Eligible Participant's extra retirement benefit is paid to the Eligible Participant in the form of a single sum payment that is made as of any certain date (for purposes of this paragraph (c), the "subject payment date"), then the single sum amount of such benefit shall be an amount equal to the greater of (i) the Eligible Participant's Extra Lump Sum Formula Amount or (ii) the amount that would make such single sum payment actuarially equivalent to the Eligible Participant's Normal Retirement Extra Single Life Annuity Benefit determined as of the subject payment date. The actuarial assumptions to be used in making any of the actuarially equivalent calculations required under this paragraph (c) shall be solely the applicable interest rate and applicable mortality assumption that apply under Section 11.5 above to a benefit for which the subject payment date is the benefit's commencement date.

20.5.2 Except to the extent otherwise provided or modified in Subsection 20.5.3 below or Subsection 20.5.4 below or to the extent the context of this Article 20 otherwise requires, all of the provisions of this Plan (other than Articles 3, 4, 5, and 9 above) shall apply as if the Eligible Participant's extra retirement benefit were added to and were a part of the Eligible Participant's retirement benefit accrued under the Articles of this Plan that precede this Article 20 as of his Offer Retirement Date and as such benefit may be modified under the provisions of Section 20.6 below (for purposes of this Section 20.5 and Section 20.6 below, his "regular retirement benefit"). In particular, except to the extent otherwise provided or modified in Subsection 20.5.3 below or Subsection 20.5.4 below, the Eligible Participant's extra retirement benefit and regular retirement benefit shall be deemed to be one retirement benefit for purposes of determining the form of and commencement date of such benefits and applying the provisions of Articles 10 and 17 above (which provide for benefit limits and top heavy plan rules).

20.5.3 Notwithstanding the provisions of Subsection 20.5.2 above but subject to the provisions of Subsection 20.5.4 below, as a special option and not in any event limiting the forms of benefit in which the Eligible Participant's extra retirement benefit and regular retirement benefit can be paid, the Eligible Participant may elect to receive his extra retirement benefit and regular retirement benefit, in lieu of the normal form of benefit otherwise payable under Section 7.2 above or any other optional form of benefit described in Section 7.3 above and provided all of the election provisions of Section 7.4 above are met, in the following forms:

(a) a Single Life Annuity for his regular retirement benefit and a single sum payment for his extra retirement benefit; or

(b) if the Eligible Participant is married as of the commencement date of his retirement benefits under the Plan, a Qualified Joint and Survivor Annuity for his regular retirement benefit and a single sum payment for his extra retirement benefit.

The commencement date of the payment of each of his regular retirement benefit and his extra retirement benefit must in such case still be the same date and determined as if the Eligible Participant's extra retirement benefit and regular retirement benefit were one benefit.

20.5.4 Notwithstanding the provisions of Subsections 20.5.2 and 20.5.3 above, if the Eligible Participant voluntarily terminated his employment with the Affiliated Employers and commenced the payment of his regular retirement benefit as of any date before March 1, 2008 (or before January 1, 2008 if he was not on October 1, 2007 a collectively bargained employee within the meaning of Treasury Regulations section 1.410(b)-6(d)(2)), then (a) the Eligible Participant's extra retirement benefit shall not be added to or treated as a part of the Eligible Participant's regular retirement benefit, (b) the commencement date of the Eligible Participant's extra retirement benefit may not occur prior to March 1, 2008 (or prior to January 1, 2008 if he was not on October 1, 2007 a collectively bargained employee within the meaning of Treasury Regulations section 1.410(b)-6(d)(2)), and (c) the form and commencement date of the Eligible Participant's extra retirement benefit shall be determined as if such benefit were the sole retirement benefit under the Plan (except that the provisions of Section 7.5 above, that provide for an automatic cashout of a retirement benefit, shall apply to the Eligible Participant's extra retirement benefit only if such provisions would have applied to the combination of the Eligible Participant's extra retirement benefit and regular retirement benefit had such regular retirement benefit not previously commenced to be paid).

20.6 Special Early Retirement Discount Factors for Regular Retirement Benefit. If an Eligible Participant (a) accepted the early retirement offer described in this Article 20, (b) complied with all of the conditions of such offer, and (c) has an Offer Retirement Date that is prior to December 31, 2009, then, in addition to the extra retirement benefit under Section 20.5 above, he shall have his regular retirement benefit under the Plan determined in accordance with the other provisions of the Plan but with the following adjustment: his Prior Pension Plan Amount (as is otherwise defined in Subsection 9.2.5(b) above) as of the commencement date of his regular retirement benefit (which Prior Pension Plan Amount is sometimes used to help determine his regular retirement benefit) shall be determined under the provisions of Subsection 9.2.5(b) above but with any early retirement discount reduction factors set forth in the provisions of the Prior Pension Plan that are used in such determination (to the extent the provisions of Subsection 9.2.5(b) above would require that such Prior Pension Plan early retirement discount factors are used in determining the Prior Pension Plan Amount) being applied in such determination of the Prior Pension Plan Amount based on the age and service with the Affiliated Employers that the Eligible Participant would have had on December 31, 2009 if he had continued in the employment of the Affiliated Employers from his Offer Retirement Date to December 31, 2009 (except that his age for such purposes will be based on his actual age on the commencement date of the benefit if such commencement date occurs after December 31, 2009).

ARTICLE 21

BENEFIT LIMITATIONS REQUIRED UNDER SECTION 436 OF INTERNAL REVENUE CODE

21.1 Limitations Applicable If Plan's Adjusted Funding Target Attainment Percentage Is Less Than 80 Percent, But Not Less Than 60 Percent. Notwithstanding any other provisions of the Plan, if the Plan's adjusted funding target attainment percentage for a Plan Year is less than 80 percent (or would be less than 80 percent to the extent described in Subsection 21.1.2 below) but is not less than 60 percent, then the limitations set forth in this Section 21.1 apply.

21.1.1 50 Percent Limitation on Single Sum Payments, Other Accelerated Forms of Distribution, and Other Prohibited Payments. A Participant or beneficiary is not permitted to elect, and the Plan shall not pay, a single sum payment or other optional form of benefit that includes a prohibited payment with an annuity starting date on or after the applicable section 436 measurement date, and the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment, unless the present value of the portion of the benefit that is being paid in a prohibited payment does not exceed the lesser of:

(a) 50 percent of the present value of the benefit payable in the optional form of benefit that includes the prohibited payment; or

(b) 100 percent of the PBGC maximum benefit guarantee amount (as defined in section 1.436-1(d)(3)(iii)(C) of the Treasury Regulations).

The limitation set forth in this Subsection 21.1.1 does not apply to any payment of a benefit which under section 411(a)(11) of the Code may be immediately distributed without the consent of the Participant. If an optional form of benefit that is otherwise available under the terms of the Plan is not available to a Participant or beneficiary as of the annuity starting date because of the application of the requirements of this Subsection 21.1.1, the Participant or beneficiary is permitted to elect to bifurcate the benefit into unrestricted and restricted portions (as described in section 1.436-1(d)(3)(iii)(D) of the Treasury Regulations). The Participant or beneficiary may also elect any other optional form of benefit otherwise available under the Plan at that annuity starting date that would satisfy the 50 percent/PBGC maximum benefit guarantee amount limitation described in this Subsection 21.1.1, or may elect to defer the benefit in accordance with any general right to defer commencement of benefits under the Plan. In addition, during a period when this Subsection 21.1.1 applies to the Plan, Participants and beneficiaries are permitted to elect payment in any optional form of benefit otherwise available under the Plan that provides for the current payment of the unrestricted portion of the benefit (as described in section 1.436-1(d)(3)(iii)(D) of the Treasury Regulations), with a delayed commencement for the restricted portion of the benefit (subject to other applicable qualification requirements, such as sections 411(a)(11) and 401(a)(9) of the Code).

21.1.2 Plan Amendments Increasing Liability for Benefits. No amendment to the Plan that has the effect of increasing liabilities of the Plan by reason of increases in benefits, establishment of new benefits, changing the rate of benefit accrual, or changing the rate at which benefits become nonforfeitable shall take effect in a Plan Year if the adjusted funding target attainment percentage for the Plan Year is:

(a) Less than 80 percent; or

(b) 80 percent or more, but would be less than 80 percent if the benefits attributable to the amendment were taken into account in determining the adjusted funding target attainment percentage.

The limitation set forth in this Subsection 21.1.2 does not apply to any amendment to the Plan that provides a benefit increase under a Plan formula that is not based on compensation, provided that the rate of such increase does not exceed the contemporaneous rate of increase in the average wages of Participants covered by the amendment.

21.2 Limitations Applicable If Plan's Adjusted Funding Target Attainment Percentage Is Less Than 60 Percent. Notwithstanding any other provisions of the Plan (except for and subject to the terms of Subsections 5.3.10, 5.3.12, and 9.2.6 above, under which benefit accruals under the Plan have ceased as of the dates reflected therein), if the Plan's adjusted funding target attainment percentage for a Plan Year is less than 60 percent (or would be less than 60 percent to the extent described in Subsection 21.2.2 below), then the limitations in this Section 21.2 apply.

21.2.1 Single Sums, Other Accelerated Forms of Distribution, and Other Prohibited Payments Not Permitted. A Participant or beneficiary is not permitted to elect, and the Plan shall not pay, a single sum payment or other optional form of benefit that includes a prohibited payment with an annuity starting date on or after the applicable section 436 measurement date, and the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment. The limitation set forth in this Subsection 21.2.1 does not apply to any payment of a benefit which under section 411(a)(11) of the Code may be immediately distributed without the consent of the Participant.

21.2.2 Shutdown Benefits and Other Unpredictable Contingent Event Benefits Not Permitted to Be Paid. An unpredictable contingent event benefit with respect to an unpredictable contingent event occurring during a Plan Year shall not be paid if the adjusted funding target attainment percentage for the Plan Year is:

(a) Less than 60 percent; or

(b) 60 percent or more, but would be less than 60 percent if the adjusted funding target attainment percentage were redetermined applying an actuarial assumption that the likelihood of occurrence of the unpredictable contingent event during the Plan Year is 100 percent.

21.2.3 Benefit Accruals Frozen. Benefit accruals under the Plan shall cease as of the applicable section 436 measurement date. In addition, if the Plan is required to cease benefit accruals under this Subsection 21.2.3, then the Plan is not permitted to be amended in a manner that would increase the liabilities of the Plan by reason of an increase in benefits or establishment of new benefits. Notwithstanding the provisions of this Subsection 21.2.3, benefit accruals under the Plan have ceased in accordance with Subsections 5.3.10, 5.3.12, and 9.2.6 above (effective as of the dates reflected therein).

21.3 Limitations Applicable If Plan Sponsor Is In Bankruptcy. Notwithstanding any other provisions of the Plan, a Participant or beneficiary is not permitted to elect, and the Plan shall not pay, a single sum payment or other optional form of benefit that includes a prohibited payment with an annuity starting date that occurs during any period in which the Plan sponsor is a debtor in a case under title 11, United States Code, or similar Federal or State law, except for payments made within a Plan Year with an annuity starting date that occurs on or after the date on which the Plan's enrolled actuary certifies that the Plan's adjusted funding target attainment percentage for that Plan Year is not less than 100 percent. In addition, during such period in which the Plan sponsor is a debtor, the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment, except for payments that occur on a date within a Plan Year that is on or after the date on which the Plan's enrolled actuary certifies that the Plan's adjusted funding target attainment percentage for that Plan Year is not less than 100 percent. The limitation set forth in this Section 21.3 does not apply to any payment of a benefit which under section 411(a) (11) of the Code may be immediately distributed without the consent of the Participant.

21.4 Provisions Applicable After Limitations Cease to Apply.

21.4.1 Resumption of Prohibited Payments. If a limitation on prohibited payments under Section 21.1(a), 21.2.1, or 21.3 above applied to the Plan as of a section 436 measurement date, but that limit no longer applies to the Plan as of a later section 436 measurement date, then that limitation does not apply to benefits with annuity starting dates that are on or after that later section 436 measurement date.

21.4.2 Resumption of Benefit Accruals. If a limitation on benefit accruals under Subsection 21.2.3 above applied to the Plan as of a section 436 measurement date, but that limitation no longer applies to the Plan as of a later section 436 measurement date, then benefit accruals shall resume prospectively and that limitation does not apply to benefit accruals that are based on service on or after that later section 436 measurement date, except as otherwise provided under the Plan. The Plan shall comply with the rules relating to partial years of participation and the prohibition on double proration under Department of Labor Regulation 29 CFR section 2530.204-2(c) and (d). Notwithstanding the provisions of this Subsection 21.2.3, benefit accruals under the Plan have ceased in accordance with Subsections 5.3.10, 5.3.12, and 9.2.6 above (effective as of the dates reflected therein).

21.4.3 Shutdown and Other Unpredictable Contingent Event Benefits. If an unpredictable contingent event benefit with respect to an unpredictable contingent event that occurs during the Plan Year is not permitted to be paid after the occurrence of the event because of the limitation of Subsection 21.2.2 above, but is permitted to be paid later in the same Plan Year (as a result of additional contributions or pursuant to the enrolled actuary's certification of the adjusted funding target attainment percentage for the Plan Year that meets the requirements of section 1.436-1(g)(5)(ii)(B) of the Treasury Regulations), then that unpredictable contingent event benefit shall be paid, retroactive to the period that benefit would have been payable under the terms of the Plan (determined without regard to Subsection 21.2.2 above). If the unpredictable contingent event benefit does not become payable during the Plan Year in accordance with the preceding sentence, then the Plan is treated as if it does not provide for that benefit.

21.4.4 Treatment of Plan Amendments That Do Not Take Effect. If a Plan amendment does not take effect as of the effective date of the amendment because of the limitation of Subsection 21.1.2 or 21.2.3 above, but is permitted to take effect later in the same Plan Year (as a result of additional contributions or pursuant to the enrolled actuary's certification of the adjusted funding target attainment percentage for the Plan Year that meets the requirements of section 1.436-1(g)(5)(ii)(C) of the Treasury Regulations), then the Plan amendment must automatically take effect as of the first day of the Plan Year (or, if later, the original effective date of the amendment). If the Plan amendment cannot take effect during the same Plan Year, then it shall be treated as if it were never adopted, unless the Plan amendment provides otherwise.

21.5 Notice Requirement. See section 101(j) of ERISA for rules requiring the Plan administrator to provide a written notice to Participants and beneficiaries within 30 days after certain specified dates if the Plan has become subject to a limitation described in Subsection 21.1.1, 21.2, or 21.3 above.

21.6 Methods to Avoid or Terminate Benefit Limitations. See section 436(b)(2), (c)(2), (e)(2), and (f) of the Code and section 1.436-1(f) of the Treasury Regulations for rules relating to employer contributions and other methods to avoid or terminate the application of the limitations set forth in Sections 21.1 through 21.3 above for a Plan Year. In general, the methods a Plan sponsor may use to avoid or terminate one or more of the benefit limitations under Sections 21.1 through 21.3 above for a Plan Year include employer contributions and elections to increase the amount of Plan assets which are taken into account in determining the adjusted funding target attainment percentage, making an employer contribution that is specifically designated as a current year contribution that is made to avoid or terminate application of certain of the benefit limitations, or providing security to the Plan.

21.7 Special Rules.

21.7.1 Rules of Operation for Periods Prior To and After Certification of Plan's Adjusted Funding Target Attainment Percentage.

(a) In General. Section 436(h) of the Code and section 1.436-1(h) of the Treasury Regulations set forth a series of presumptions that apply (1) before the Plan's enrolled actuary issues a certification of the Plan's adjusted funding target attainment percentage for the Plan Year and (2) if the Plan's enrolled actuary does not issue a certification of the Plan's adjusted funding target attainment percentage for the Plan Year before the first day of the 10th month of the Plan Year (or if the Plan's enrolled actuary issues a range certification for the Plan Year pursuant to section 1.436-1(h)(4)(ii) of the Treasury Regulations but does not issue a certification of the specific adjusted funding target attainment percentage for the Plan by the last day of the Plan Year). For any period during which a presumption under section 436(h) of the Code and section 1.436-1(h) of the Treasury Regulations applies to the Plan, the limitations under Sections 21.1 through 21.3 above are applied to the Plan as if the adjusted funding target attainment percentage for the Plan Year were the presumed adjusted funding target attainment percentage determined under the rules of section 436(h) of the Code and section 1.436-1(h)(1), (2), or (3) of the Treasury Regulations. These presumptions are set forth in Section 21.7.1(b) through (d) below.

(b) Presumption of Continued Underfunding Beginning First Day of Plan Year. If a limitation under Section 21.1, 21.2, or 21.3 above applied to the Plan on the last day of the preceding Plan Year, then, commencing on the first day of the current Plan Year and continuing until the Plan's enrolled actuary issues a certification of the adjusted funding target attainment percentage for the Plan for the current Plan Year, or, if earlier, the date Subsection 21.7.1(c) or Subsection 21.7.1(d) below applies to the Plan:

(i) The adjusted funding target attainment percentage of the Plan for the current Plan Year is presumed to be the adjusted funding target attainment percentage in effect on the last day of the preceding Plan Year; and

(ii) The first day of the current Plan Year is a section 436 measurement date.

(c) Presumption of Underfunding Beginning First Day of 4th Month. If the Plan's enrolled actuary has not issued a certification of the adjusted funding target attainment percentage for the Plan Year before the first day of the 4th month of the Plan Year and the Plan's adjusted funding target attainment percentage for the preceding Plan Year was either at least 60 percent but less than 70 percent or at least 80 percent but less than 90 percent, or is described in section 1.436-1(h)(2)(ii) of the Treasury Regulations, then, commencing on the first day of the 4th month of the current Plan Year and continuing until the Plan's enrolled actuary issues a certification of the adjusted funding target attainment percentage for the Plan for the current Plan Year, or, if earlier, the date Subsection 21.7.1(d) below applies to the Plan:

(i) The adjusted funding target attainment percentage of the Plan for the current Plan Year is presumed to be the Plan's adjusted funding target attainment percentage for the preceding Plan Year reduced by 10 percentage points; and

(ii) The first day of the 4th month of the current Plan Year is a section 436 measurement date.

(d) Presumption of Underfunding On and After First Day of 10th Month. If the Plan's enrolled actuary has not issued a certification of the adjusted funding target attainment percentage for the Plan Year before the first day of the 10th month of the Plan Year (or if the Plan's enrolled actuary has issued a range certification for the Plan Year pursuant to section 1.436-1(h)(4)(ii) of the Treasury Regulations but has not issued a certification of the specific adjusted funding target attainment percentage for the Plan by the last day of the Plan Year), then, commencing on the first day of the 10th month of the current Plan Year and continuing through the end of the Plan Year:

(i) The adjusted funding target attainment percentage of the Plan for the current Plan Year is presumed to be less than 60 percent; and

(ii) The first day of the 10th month of the current Plan Year is a section 436 measurement date.

21.7.2 New Plans, Plan Termination, Certain Frozen Plans, and Other Special Rules.

(a) First 5 Plan Years. The limitations in Subsection 21.1.2, 21.2.2, and 21.2.3 above do not apply to a new Plan for the first 5 Plan Years of the Plan, determined under the rules of section 436(i) of the Code and section 1.436-1(a)(3)(i) of the Treasury Regulations.

(b) Plan Termination. The limitations on prohibited payments in Subsection 21.1.1, 21.2.1, and 21.3 above do not apply to prohibited payments that are made to carry out the termination of the Plan in accordance with applicable law. Any other limitations under this Section 18 do not cease to apply as a result of termination of the Plan.

(c) Exception to Limitations on Prohibited Payments Under Certain Frozen Plans. The limitations on prohibited payments set forth in Subsection 21.1.1, 21.2.1, and 21.3 above do not apply for a Plan Year if the terms of the Plan, as in effect for the period beginning on September 1, 2005, and continuing through the end of the Plan Year, provide for no benefit accruals with respect to any Participants. This Subsection 21.7.2(c) shall cease to apply as of the date any benefits accrue under the Plan or the date on which a Plan amendment that increases benefits takes effect.

(d) Special Rules Relating to Unpredictable Contingent Event Benefits and Plan Amendments Increasing Benefit Liability. During any period in which none of the presumptions under Subsection 21.7.1 above apply to the Plan and the Plan's enrolled actuary has not yet issued a certification of the Plan's adjusted funding target attainment percentage for the Plan Year, the limitations under Subsection 21.1.2 and 21.2.2 above shall be based on the inclusive presumed adjusted funding target attainment percentage for the Plan, calculated in accordance with the rules of section 1.436-1(g)(2)(iii) of the Treasury Regulations.

21.7.3 Special Rules Under PRA 2010.

(a) Payments Under Social Security Leveling Options. For purposes of determining whether the limitations under Subsection 21.1.1 or 21.2.1 above apply to payments under a social security leveling option, within the meaning of section 436(j)(3)(C)(i) of the Code, the adjusted funding target attainment percentage for a Plan Year shall be determined in accordance with the "Special Rule for Certain Years" under section 436(j)(3) of the Code and any Treasury Regulations or other published guidance thereunder issued by the Internal Revenue Service.

(b) Limitation on Benefit Accruals. For purposes of determining whether the accrual limitation under Subsection 21.2.3 applies to the Plan, the adjusted funding target attainment percentage for a Plan Year shall be determined in accordance with the "Special Rule for Certain Years" under section 436(j)(3) of the Code (except as provided under section 203(b) of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, if applicable).

21.7.4 Interpretation of Provisions. The limitations imposed by this Article 21 shall be interpreted and administered in accordance with section 436 of the Code and section 1.436-1 of the Treasury Regulations.

21.8 Definitions. The definitions in the following Treasury Regulations apply for purposes of Sections 21.1 through 21.7 above: section 1.436-1(j)(1) defining adjusted funding target attainment percentage; section 1.436-1(j)(2) defining annuity starting date; section 1.436-1(j)(6) defining prohibited payment; section 1.436-1(j)(8) defining section 436 measurement date; and section 1.436-1(j)(9) defining an unpredictable contingent event and an unpredictable contingent event benefit.

21.9 Effective Date. The rules in Sections 21.1 through 21.8 above are effective for Plan Years beginning after December 31, 2008.

ARTICLE 22

NON-QUALIFIED EXCESS PLAN

This Article 22 shall provide benefits separate from the benefits provided by the Tax-Qualified Plan and is being set forth in this document only for the convenience of using the Tax-Qualified Plan's provisions in determining the terms and benefits of this Article 22. In fact, notwithstanding any other provisions of the Tax-Qualified Plan, this Article 22 shall be deemed to be separate from the Tax-Qualified Plan (as set forth in the other Articles of this document) and shall be named the Cincinnati Bell Excess Plan (for purposes of this Article 22, the "Excess Plan"). All benefits provided under this Article 22 shall be deemed to be provided not by the Tax-Qualified Plan but instead by the Excess Plan.

The provisions of this Article 22 are effective as of January 1, 2005. For any period prior to such date, the provisions of the Plan as in effect during such period, without regard to this amendment and restatement, apply to benefits designated under the Plan as non-qualified excess benefits.

22.1 **Purpose of Excess Plan.** The Excess Plan is intended to provide certain highly compensated Participants with supplemental retirement benefits to replace certain benefits not provided to them under the Tax-Qualified Plan due to certain legal and other limits that apply under the Tax-Qualified Plan. The Excess Plan is intended to be an unfunded deferred compensation plan for a select group of highly compensated employees (within the meaning of title I of ERISA) of the Participating Companies and is not intended to be a plan subject to section 401(a) of the Code.

22.2 **Definitions.** For purposes of the Excess Plan, the "Tax-Qualified Plan" means the plan as set forth in the remainder of this document (other than this Article 22), which plan is intended to be a plan that qualifies as a plan under section 401(a) of the Code. Except where the context otherwise requires, any reference in the Tax-Qualified Plan to a benefit or a payment shall not be deemed to be referring to a benefit or payment made under the Excess Plan. Further, all capitalized terms that are used in this Article 22 and that are defined in Article 2 of the Tax-Qualified Plan shall have the same meanings as they do in such Article 2.

22.3 **Benefits.**

22.3.1 Subject to the provisions of Section 22.2 below, to the extent that the benefit that would otherwise be payable to a Participant under the Tax-Qualified Plan (if it were payable in the form of a single sum payment made as of the date next following the date on which the Participant separates from service with the Participating Companies) is reduced from what it would be because of a limitation contained in Section 10.1 of the Tax-Qualified Plan (or any other provision of the Tax-Qualified Plan that carries into effect the requirements of Code section 415), then the single sum amount by which such benefit is so limited (for purposes of this Article 22, the "Excess Plan Benefit") shall be payable in fifteen annual installments (or, if less, a number of installments equal to the result, rounded up to the nearest whole number, obtained by dividing the Excess Plan Benefit by \$25,000) that commence as of the date determined in accordance with the provisions of Subsections 22.3.3 and 22.3.4 below (and under which each installment other than the first installment shall be paid as of an annual anniversary of the benefit's initial commencement date and shall be credited with assumed interest, at the rate called for under Subsection 5.4.1 or 5.4.2 of the Tax-Qualified Plan, as the case may be, for the period from the initial commencement date of the Excess Plan Benefit to the applicable installment's payment date).

22.3.2 Notwithstanding the provisions of Subsection 22.3.1 above, if a Participant's Excess Plan Benefit is in excess of \$25,000, the amount of the first installment of such benefit shall be increased, and the amount of the last installment of such benefit shall be decreased, by the Federal Insurance Contributions Act tax imposed under Code sections 3101, 3121(a), and 3121(v)(2) with respect to the Participant's Excess Plan Benefit (or, if less, by the amount by which the Excess Plan Benefit exceeds \$25,000).

22.3.3 Prior to January 1, 2009, a Participant's Excess Plan Benefit shall commence to be paid as of the earlier of (a) the date as of which his retirement benefit under the Tax-Qualified Plan begins to be paid (or, if later, the date next following the date on which the Participant separates from service with the Participating Companies) or (b) the date next following the date of the Participant's death. Effective January 1, 2009, in the event that a Participant's Excess Plan Benefit has not commenced to be paid as of any date prior to January 1, 2009, the Participant's Excess Plan Benefit shall commence to be paid as of the first day of the first month that begins after the date on which the Participant separates from service with the Participating Companies (or, if later, as of January 1, 2009).

22.3.4 Notwithstanding the provisions of Subsection 22.3.3 above, if a Participant is a specified employee on the date he is deemed to have separated from service from the Participating Companies, then the date as of which the initial installment payment of the Participant's Excess Plan Benefit shall be paid shall be deferred until, and shall be paid as of, the date immediately following the date which is six months after the date he so separates from service.

(a) For purposes of the provisions of this Subsection 22.3.4, a Participant shall be deemed to be a "specified employee" on each and any day that occurs during any twelve month period that begins on an April 1 and ends on the next following March 31 (for purposes of this paragraph (a), the "subject period") if, and only if, (i) on any day that occurs in the twelve month period (for purposes of this paragraph (a), the "identification period") that ends on the latest identification date that precedes the start of the subject period any corporation or organization that is then an Affiliated Employer has stock which is publicly traded on an established securities market (within the meaning of Treasury Regulations section 1.897-1(m)) or otherwise and (ii) the Participant is a key employee for the identification period (as determined under the provisions of Subsection 17.1.3 of the Tax-Qualified Plan and as if the identification period were a plan year of the Tax-Qualified Plan).

(b) Also for purposes of the provisions of this Subsection 22.3.4, the "identification date" means December 31. In this regard, the Company has elected that December 31 serve as the identification date for purposes of determining specified employees in accordance with the provisions of Treasury Regulations section 1.409A-1(i).

22.3.5 All installment payments of a Participant's Excess Plan Benefit shall be paid to the Participant if he is still living at the time of the payment. If the Participant is not living at the time of any installment payment of his Excess Plan Benefit, it shall be paid to any beneficiary whom he designates in a writing to the Committee prior to his death (or, if none, to his estate).

22.3.6 Notwithstanding any other provision of the Excess Plan, a Participating Company shall have the right (without notice to or approval by a Participant, his beneficiary, or any other person) to withhold from any amounts otherwise payable by the Participating Company to or on account of the Participant, or from any payment otherwise then being made by the Participating Company to the Participant, his beneficiary, or any other person by reason of the Excess Plan, an amount which the Participating Company determines is sufficient to satisfy all Federal, state, local, and foreign tax withholding requirements that may apply with respect to such benefit payment made under the Excess Plan. To the extent such tax withholding requirements are satisfied from any payment otherwise then being made by the Participating Company to the Participant, his beneficiary, or any other person by reason of the Excess Plan, the amount so withheld shall be deemed a distribution to the Participant, his beneficiary, or such other person, as the case may be.

22.3.7 The other provisions of this Section 22.3 indicate that any payment that is made under the Excess Plan shall occur “as of” a specific date. However, in accordance with the provisions of Treasury Regulations section 1.409A-3(d) and in order to permit a reasonable administrative period for the Participating Companies to make payments required under the Excess Plan, and notwithstanding any other provision of this Section 22.3 or any other provision of the Excess Plan, any payment that is made under the Excess Plan to or with respect to a Participant shall be deemed to have been made as of the specific date as of which it is to be paid under the other provisions of the Excess Plan as long as it is made on such date or a later date within the same tax year of the Participant (or, if later, by the 15th day of the third calendar month following such specified date).

22.4 Funding Method.

22.4.1 Except as is otherwise provided in the Excess Plan, all payments of any benefit provided under the Excess Plan to or on account of a Participant shall be made from the general assets of the Participating Company which last employed the Participant as an Employee. Notwithstanding any other provision of the Excess Plan, neither the Participant, his beneficiary, nor any other person claiming through the Participant shall have any right or claim to any payment of the benefit to be provided pursuant to the Excess Plan which in any manner whatsoever is superior to or different from the right or claim of a general and unsecured creditor of such Participating Company.

22.4.2 Notwithstanding the provisions of Subsection 22.4.1 above, the Company may, in its sole and absolute discretion, establish a trust (for purposes of this Subsection 22.4.2, the “Excess Plan Trust”) to which contributions may be made by a Participating Company in order to fund the Participating Company’s obligations under the Excess Plan. If, and only if, the Company exercises its discretion to establish an Excess Plan Trust, the following paragraphs of this Subsection 22.4.2 shall apply (notwithstanding any other provision of the Excess Plan).

(a) The part of the Excess Plan Trust attributable to any Participating Company’s contributions to such trust (for purposes of this Subsection 22.4.2, such Participating Company’s “Excess Plan Trust account”) shall be a “grantor” trust under the Code, in that such Participating Company shall be treated as the grantor of such Participating Company’s Excess Plan Trust account within the meaning of subpart E, part I, subchapter J, chapter 1, subtitle A of the Code.

(b) Any Participating Company’s Excess Plan Trust account shall be subject to the claims of such Participating Company’s creditors in the event of such Participating Company’s insolvency. For purposes hereof, a Participating Company shall be considered “insolvent” if either (i) such Participating Company is unable to pay its debts as they become due or (ii) such Participating Company is subject to a pending proceeding as a debtor under the United States Bankruptcy Code.

(c) Except as may otherwise be required by the terms of the Excess Plan Trust itself, a Participating Company may make contributions to its Excess Plan Trust account for the purposes of meeting its obligations under the Excess Plan at any time, and in such amounts, as such Participating Company determines in its discretion.

(d) Any payment otherwise required to be made by a Participating Company under the Excess Plan shall be made by such Participating Company's Excess Plan Trust account instead of such Participating Company in the event that such Participating Company fails to make such payment directly and such Participating Company's Excess Plan Trust account then has sufficient assets to make such payment, provided that such Participating Company is not then insolvent. If such Participating Company becomes insolvent, however, then all assets of such Participating Company's Excess Plan Trust account shall be held for the benefit of such Participating Company's creditors and payments from such Participating Company's Excess Plan Trust account shall cease or not begin, as the case may be.

(e) Unless and except to the extent any payment required to be made pursuant to the Excess Plan by a Participating Company is made by such Participating Company's Excess Plan Trust account, the obligation to make such payment remains exclusively that of such Participating Company.

(f) The terms of the Excess Plan Trust are hereby incorporated by reference into the Excess Plan. To the extent the terms of the Excess Plan conflict with the terms of the Excess Plan Trust, the terms of the Excess Plan Trust shall control.

22.5 Administration of and Claims Procedures under Excess Plan. The provisions of Article 13 of the Tax-Qualified Plan, which Article concerns plan administrative matters, shall apply to the Excess Plan (as if, for this purpose, the Excess Plan were the Tax-Qualified Plan), except that any provisions of such Article 13 that involve the Trust, the Trust Fund, or funding of the Plan shall not apply in any manner to the Excess Plan. In addition, the provisions of Article 14 of the Tax-Qualified Plan, which Article concerns claims and appeal procedures, shall apply to the Excess Plan (as if, for this purpose, the Excess Plan were the Tax-Qualified Plan).

22.6 Amendment and Termination of Excess Plan. Subject to any collective bargaining requirements under applicable law, the Company may amend the Excess Plan at any time and from time to time in any respect or terminate part or all of the Excess Plan at any time; provided that no such amendment or termination shall affect the payment (in accordance with the provisions of the Excess Plan) of each Participant's accrued benefit under the Excess Plan as determined as of the later of the effective date of the Excess Plan's amendment or termination or the date the amendment or termination is adopted. For purposes of this Section 22.6, a Participant's "accrued benefit under the Excess Plan" means, as of any date, the Excess Plan Benefit that would have applied under the Excess Plan to the Participant if he had permanently ceased to be an Employee no later than such date. The procedure for the Company to amend or terminate the Excess Plan shall be the same procedures for amending or terminating the Tax-Qualified Plan that are set forth in Section 15.6 of the Tax-Qualified Plan (as if, for this purpose, the Excess Plan were the Tax-Qualified Plan).

22.7 Miscellaneous.

22.7.1 Except to the extent required by applicable law, no Participant (or beneficiary of his) may alienate, commute, anticipate, assign, pledge, encumber, transfer, or dispose of the right to receive the payments required to be made under the Excess Plan, which payments and the right to receive them are expressly declared to be nonassignable and nontransferable. In the event of any attempt to alienate, commute, anticipate, assign, pledge, encumber, transfer, or dispose of the right to receive the payments required to be made under the Excess Plan, no Participating Company shall have any further obligation to make any payments otherwise required of it under the Excess Plan (except to the extent required by applicable law).

22.7.2 Notwithstanding the provisions of Subsection 22.7.1 above, any benefit payment otherwise due to a Participant under the Excess Plan shall be made to a person other than the Participant to the extent necessary to fulfill a domestic relations order (as defined in Code section 414(p)(1)(B)).

22.7.3 Nothing contained in the Excess Plan shall give any spouse or former spouse of a Participant any right to benefits under the Plan of the types described in Code sections 401(a)(11) and 417 (relating to qualified preretirement survivor annuities and qualified joint and survivor annuities).

22.7.4 For all purposes of the Excess Plan, a Participant shall be deemed to have separated from service with the Participating Companies on the date he dies, retires, or otherwise has a separation from service with the Participating Companies' controlled group. The following paragraphs of this Subsection 22.7.4 shall apply in determining when a Participant has incurred a separation from service with the Participating Companies' controlled group.

(a) The Participant's service with the Participating Companies' controlled group shall be treated as continuing intact while the Participant is on military leave, sick leave, or other bona fide leave of absence where there is a reasonable expectation that the Participant will return to perform services for the Participating Companies' controlled group (but not beyond the later of the date on which the leave has lasted for six months or the date on which the Participant no longer retains a right of reemployment with the Participating Companies' controlled group under an applicable statute or by contract).

(b) For purposes of the Excess Plan, a separation from service of the Participant with the Participating Companies' controlled group as of any date shall be determined to have occurred when, under all facts and circumstances, the Participating Companies and the Participant reasonably anticipate that either (i) no further services will be performed by the Participant for the Participating Companies' controlled group after such date or (ii) the level of bona fide services the Participant will perform for the Participating Companies' controlled group after such date (whether as an employee or as an independent contractor) will permanently decrease to no more than 20% of the average level of bona fide services performed (whether as an employee or as an independent contractor) by the Participant for the Participating Companies' controlled group over the immediately preceding 36-month period (or the full period of the Participant's service for the Participating Companies' controlled group if such period has been less than 36 months).

(c) For purposes of this Subsection 22.7.4, the "Participating Companies' controlled group" means, collectively, (i) each Participating Company and (ii) each other corporation or other organization that is deemed to be a single employer with a Participating Company under section 414(b) or (c) of the Code (*i.e.*, as part of a controlled group of corporations that includes a Participating Company or under common control with a Participating Company), provided that such Code sections will be applied and interpreted by substituting "at least 50 percent" for each reference to "at least 80 percent" that is contained in Code section 1563(a)(1), (2), and (3) and in Treasury Regulations section 1.414(c)-2.

22.7.5 The provisions of (a) Section 2.2 of the Tax-Qualified Plan (which section provides that words used in any gender include all other genders, and that the singular shall include the plural and vice versa, as the context may require), (b) Section 18.5 of the Tax-Qualified Plan (which section concerns the party or parties that have authority to act for the Company), (c) Section 18.6 of the Tax-Qualified Plan (which section concerns the effect of the Tax-Qualified Plan on employment rights), (d) Section 18.7 of the Tax-Qualified Plan (which section concerns applicable law), (e) Section 18.8 of the Tax-Qualified Plan (which section concerns the separability of Tax-Qualified Plan provisions), (f) Section 18.9 of the Tax-Qualified Plan (which section concerns the effect of counterparts of the Tax-Qualified Plan), (g) Section 18.10 of the Tax-Qualified Plan (which section concerns the effect of Tax-Qualified Plan headings), and (h) Section 18.12 of the Tax-Qualified Plan (which section concerns the administrator and sponsor of the Tax-Qualified Plan) shall all apply to the Excess Plan (as if, for these purposes, the Excess Plan were the Tax-Qualified Plan).

22.7.6 The Excess Plan is intended to satisfy and comply with all of the requirements of section 409A of the Code and any Treasury regulations issued thereunder. The provisions of the Excess Plan shall be interpreted and administered in accordance with such intent.

SIGNATURE PAGE

IN WITNESS WHEREOF, Cincinnati Bell Inc., the sponsor of the Plan, has hereunto caused its name to be subscribed to this complete amendment and restatement of the Plan effective for all purposes as of January 1, 2016 (or as otherwise provided herein).

CINCINNATI BELL INC.

By /s/ Christopher J. Wilson

Title VP & General Counsel

Date December 22, 2016

Table 1
Annuity values before age 65 are deferred to age 65
Annuity values age 65 and over are immediate values

Whole Months												
Whole Years	0	1	2	3	4	5	6	7	8	9	10	11
20	0.891177	0.895287	0.899398	0.903508	0.907618	0.911728	0.915839	0.919949	0.924059	0.928169	0.932280	0.936390
21	0.940500	0.944833	0.949167	0.953500	0.957833	0.962167	0.966500	0.970833	0.975167	0.979500	0.983833	0.988167
22	0.992500	0.997075	1.001650	1.006225	1.010800	1.015375	1.019950	1.024525	1.029100	1.033675	1.038250	1.042825
23	1.047400	1.052233	1.057067	1.061900	1.066733	1.071567	1.076400	1.081233	1.086067	1.090900	1.093733	1.100567
24	1.105400	1.110492	1.115583	1.120675	1.125767	1.130858	1.135950	1.141042	1.146133	1.151225	1.156317	1.161408
25	1.166500	1.171883	1.177267	1.182650	1.188033	1.193417	1.198800	1.204183	1.209567	1.214950	1.220333	1.225717
26	1.231100	1.236792	1.242483	1.248175	1.253867	1.259558	1.265250	1.270942	1.276633	1.282325	1.288017	1.293708
27	1.299400	1.305400	1.311400	1.317400	1.323400	1.329400	1.335400	1.341400	1.347400	1.353400	1.359400	1.365400
28	1.371400	1.377733	1.384067	1.390400	1.396733	1.403067	1.409400	1.415733	1.422067	1.428400	1.434733	1.441067
29	1.447400	1.454092	1.460783	1.467475	1.474167	1.480858	1.487550	1.494242	1.500933	1.507625	1.514317	1.521008
30	1.527700	1.534767	1.541833	1.548900	1.555967	1.563033	1.570100	1.577167	1.584233	1.591300	1.598367	1.605433
31	1.612500	1.619958	1.627417	1.634875	1.642333	1.649792	1.657250	1.664708	1.672167	1.679625	1.687083	1.694542
32	1.702000	1.709883	1.717767	1.725650	1.733533	1.741417	1.749300	1.757183	1.765067	1.772950	1.780833	1.788717
33	1.796600	1.804925	1.813250	1.821575	1.829900	1.838225	1.846550	1.854875	1.863200	1.871525	1.879850	1.888175
34	1.896500	1.905292	1.914083	1.922875	1.931667	1.940458	1.949250	1.958042	1.966833	1.975625	1.984417	1.993208
35	2.002000	2.011300	2.020600	2.029900	2.039200	2.048500	2.057800	2.067100	2.076400	2.085700	2.095000	2.104300
36	2.113600	2.123417	2.133233	2.143050	2.152867	2.162683	2.172500	2.182317	2.192133	2.201950	2.211767	2.221583
37	2.231400	2.241775	2.252150	2.262525	2.272900	2.283275	2.293650	2.304025	2.314400	2.324775	2.335150	2.345525
38	2.355900	2.366867	2.377833	2.388800	2.399767	2.410733	2.421700	2.432667	2.443633	2.454600	2.465567	2.476533
39	2.487500	2.499092	2.510683	2.522275	2.533867	2.545458	2.557050	2.568642	2.580233	2.591825	2.603417	2.615008
40	2.626600	2.638858	2.651117	2.663375	2.675633	2.687892	2.700150	2.712408	2.724667	2.736925	2.749183	2.761442
41	2.773700	2.786667	2.799633	2.812600	2.825567	2.838533	2.851500	2.864467	2.877433	2.890400	2.903367	2.916333
42	2.929300	2.943017	2.956733	2.970450	2.984167	2.997883	3.011600	3.025317	3.039033	3.052750	3.066467	3.080183
43	3.093900	3.108433	3.122967	3.137500	3.152033	3.166567	3.181100	3.195633	3.210167	3.224700	3.239233	3.253767
44	3.268300	3.495942	3.723583	3.951225	4.178867	4.406508	4.634150	4.861792	5.089433	5.317075	5.544717	5.772358
45	6.000000	6.042500	6.085000	6.127500	6.170000	6.212500	6.255000	6.297500	6.340000	6.382500	6.425000	6.467500

Table 1
Annuity values before age 65 are deferred to age 65
Annuity values age 65 and over are immediate values

Whole Months												
Whole Years	0	1	2	3	4	5	6	7	8	9	10	11
46	6.510000	6.550000	6.590000	6.630000	6.670000	6.710000	6.750000	6.790000	6.830000	6.870000	6.910000	6.950000
47	6.990000	7.029167	7.068333	7.107500	7.146667	7.185833	7.225000	7.264167	7.303333	7.342500	7.381667	7.420833
48	7.460000	7.498333	7.536667	7.575000	7.613333	7.651667	7.690000	7.728333	7.766667	7.805000	7.843333	7.881667
49	7.920000	7.955833	7.991667	8.027500	8.063333	8.099167	8.135000	8.170833	8.206667	8.242500	8.278333	8.314167
50	8.350000	8.340000	8.330000	8.320000	8.310000	8.300000	8.290000	8.280000	8.270000	8.260000	8.250000	8.240000
51	8.230000	8.327500	8.425000	8.522500	8.620000	8.717500	8.815000	8.912500	9.010000	9.107500	9.205000	9.302500
52	9.400000	9.389167	9.378333	9.367500	9.356667	9.345833	9.335000	9.324167	9.313333	9.302500	9.291667	9.280833
53	9.270000	9.258333	9.246667	9.235000	9.223333	9.211667	9.200000	9.188333	9.176667	9.165000	9.153333	9.141667
54	9.130000	9.118333	9.106667	9.095000	9.083333	9.071667	9.060000	9.048333	9.036667	9.025000	9.013333	9.001667
55	8.990000	8.975000	8.960000	8.945000	8.930000	8.915000	8.900000	8.885000	8.870000	8.855000	8.840000	8.825000
56	8.810000	8.795000	8.780000	8.765000	8.750000	8.735000	8.720000	8.705000	8.690000	8.675000	8.660000	8.645000
57	8.630000	8.615000	8.600000	8.585000	8.570000	8.555000	8.540000	8.525000	8.510000	8.495000	8.480000	8.465000
58	8.450000	8.434167	8.418333	8.402500	8.386667	8.370833	8.355000	8.339167	8.323333	8.307500	8.291667	8.275833
59	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000
60	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000
61	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000
62	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000
63	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000
64	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000
65	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000
66	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000
67	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000
68	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000
69	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000	8.260000
70	8.260000											

Table 1a
Annuity values are deferred to age 65

		Terms of Employment (in completed whole years) at 12/31/96*																
Age (in whole years)* at 12/31/96		0-9	10	11	12	13	14	15	16	17	18	19	20	21	22	23		
32	18	0.856272	0.880279	0.912290	0.944300	0.976310	1.008320	1.040330	1.072340	1.104351	1.136361	1.168371	1.200381	1.232391	1.264401	1.296411		
	19	0.903602	0.928937	0.962716	0.996496	1.030275	1.064055	1.097834	1.131614	1.165393	1.199173	1.232952	1.266732	1.300512	1.334291	1.368071		
	20	0.953559	0.980295	1.015942	1.051589	1.087236	1.122883	1.158530	1.194177	1.229824	1.265471	1.301118	1.336766	1.372413	1.408060	1.443707		
	21	1.006335	1.034550	1.072170	1.109790	1.147410	1.185030	1.222650	1.260270	1.297890	1.335510	1.373130	1.410750	1.448370	1.485990	1.523610		
	22	1.061975	1.091750	1.131450	1.171150	1.210850	1.250550	1.290250	1.329950	1.369650	1.409350	1.449050	1.488750	1.528450	1.568150	1.607850		
	23	1.120718	1.152140	1.194036	1.235932	1.277828	1.319724	1.361620	1.403516	1.445412	1.487308	1.529204	1.571100	1.612996	1.654892	1.696788		
	24	1.182778	1.215940	1.260156	1.304372	1.348588	1.392804	1.437020	1.481236	1.525452	1.569668	1.613884	1.658100	1.702316	1.746532	1.790748		
	25	1.248155	1.283150	1.329810	1.376470	1.423130	1.469790	1.516450	1.563110	1.609770	1.656430	1.703090	1.749750	1.796410	1.843070	1.889730		
	26	1.317277	1.354210	1.403454	1.452698	1.501942	1.551186	1.600430	1.649674	1.698918	1.748162	1.797406	1.846650	1.895894	1.945138	1.994382		
	27	1.390358	1.429340	1.481316	1.533292	1.585268	1.637244	1.689220	1.741196	1.793172	1.845148	1.897124	1.949100	2.001076	2.053052	2.105028		
33	28	1.467398	1.508540	1.563396	1.618252	1.673108	1.727964	1.782820	1.837676	1.892532	1.947388	2.002244	2.057100	2.111956	2.166812	2.221668		
	29	1.548718	1.592140	1.650036	1.707932	1.765828	1.823724	1.881620	1.939516	1.997412	2.055308	2.113204	2.171100	2.228996	2.286892	2.344788		
	30	1.634639	1.680470	1.741578	1.802686	1.863794	1.924902	1.986010	2.047118	2.108226	2.169334	2.230442	2.291550	2.352658	2.413766	2.474874		
	31	1.725375	1.773750	1.838250	1.902750	1.967250	2.031750	2.096250	2.160750	2.225250	2.289750	2.354250	2.418750	2.483250	2.547750	2.612250		
	32	1.821140	1.872200	1.940280	2.008360	2.076440	2.144520	2.212600	2.280680	2.348760	2.416840	2.484920	2.553000	2.621080	2.689160	2.757240		
	33	1.922362	1.97626	2.048124	2.119988	2.191852	2.263716	2.33558	2.407444	2.479308	2.551172	2.623036	2.6949	2.766764	2.838628	2.910492		
	34	2.029255	2.086150	2.162010	2.237870	2.313730	2.389590	2.465450	2.541310	2.617170	2.693030	2.768890	2.844750	2.920610	2.996470	3.072330		
	35	2.142140	2.202200	2.282280	2.362360	2.442440	2.522520	2.602600	2.682680	2.762760	2.842840	2.922920	3.003000	3.083080	3.163160	3.243240		
	36	2.261552	2.324960	2.409504	2.494048	2.578592	2.663136	2.747680	2.832224	2.916768	3.001312	3.085856	3.170400	3.254944	3.339488	3.424032		
34	37	2.387598	2.454540	2.543796	2.633052	2.722308	2.811564	2.900820	2.990076	3.079332	3.168588	3.257844	3.347100	3.436356	3.525612	3.614868		
	38	2.520813	2.591490	2.685726	2.779962	2.874198	2.968434	3.062670	3.156906	3.251142	3.345378	3.439614	3.533850	3.628086	3.722322	3.816558		
	39	2.661625	2.736250	2.835750	2.935250	3.034750	3.134250	3.233750	3.333250	3.432750	3.532250	3.631750	3.731250	3.830750	3.930250	4.029750		
	40	2.810462	2.889260	2.994324	3.099388	3.204452	3.309516	3.414580	3.519644	3.624708	3.729772	3.834836	3.939900	4.044964	4.150028	4.255092		
	41	2.967859	3.051070	3.162018	3.272966	3.383914	3.494862	3.605810	3.716758	3.827706	3.938654	4.049602	4.160550	4.271498	4.382446	4.493394		
	42	3.134351	3.222230	3.339402	3.456574	3.573746	3.690918	3.808090	3.925262	4.042434	4.159606	4.276778	4.393950	4.511122	4.628294	4.745466		
	43	3.310473	3.403290	3.527046	3.650802	3.774558	3.898314	4.022070	4.145826	4.269582	4.393338	4.517094	4.640850	4.764606	4.888362	5.012118		
	44	3.497081	3.595130	3.725862	3.856594	3.987326	4.118058	4.248790	4.379522	4.510254	4.640986	4.771718	4.902450	5.033182	5.163914	5.294646		
	45	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000		

* The above table shows ages only in whole years and Terms of Employment only in completed whole years. If, however, the age of a Participant (in whole years and months) is not an age equal to a whole number of years shown in the table with zero remaining whole months and/or the Participant's Term of Employment (in completed whole years and months) is not equal to a completed whole number of years shown in the table with zero remaining completed whole months, then the factor applicable to the Participant's age and Term of Employment shall be determined by interpolating between the factors applicable to the next higher and next lower ages and Terms of Employment set forth in the table.

TABLE 2
SINGLE SUM PAYMENT FACTORS

Payment Age	Single Sum Payment Factor*
20	1.660625
21	1.727050
22	1.796132
23	1.867977
24	1.942696
25	2.020404
26	2.101220
27	2.185269
28	2.272679
29	2.363587
30	2.458130
31	2.556455
32	2.658713
33	2.765062
34	2.875664
35	2.990691
36	3.110319
37	3.234731
38	3.364121
39	3.498686
40	3.638633
41	3.784178
42	3.935545
43	4.092967
44	4.256686
45	4.426953
46	4.604032
47	4.788193
48	4.979720
49	5.178909
50	5.386066
51	5.601508
52	5.825569
53	6.058591
54	6.300935
55	6.552972
56	6.815091
57	7.087695
58	7.371203
59	7.666051
60	7.972693
61	8.291601
62	8.623265
63	8.968195
64	9.326923
65 and over	9.700000

*The above table shows payment ages only in whole years. If, however, the applicable payment age of a Participant (in whole years and months) is not an age equal to a whole number of years shown in the table with zero remaining whole months, then the single sum payment factor applicable to such payment age shall be determined by interpolating between the factors applicable to the next higher and next lower ages set forth in such table.

TABLE 3
EARLY COMMENCEMENT REDUCTION FACTORS

Payment Age	Early Commencement Reduction Factor*
20	0.102508
21	0.107604
22	0.112964
23	0.118602
24	0.124532
25	0.130770
26	0.137335
27	0.144242
28	0.151512
29	0.159164
30	0.167220
31	0.175701
32	0.184633
33	0.194039
34	0.203948
35	0.214386
36	0.225385
37	0.236977
38	0.249194
39	0.262074
40	0.275654
41	0.289975
42	0.305081
43	0.321017
44	0.337832
45	0.355579
46	0.374312
47	0.394090
48	0.414977
49	0.437039
50	0.460347
51	0.484979
52	0.511015
53	0.538541
54	0.567652
55	0.598445
56	0.631027
57	0.665511
58	0.702019
59	0.744277
60	0.789376
61	0.837535
62	0.888996
63	0.924556
64	0.961538
65	1.000000

*The above table shows payment ages only in whole years. If, however, the applicable payment age of a Participant (in whole years and months) is not an age equal to a whole number of years shown in the table with zero remaining whole months, then the early commencement reduction factor applicable to such payment age shall be determined by interpolating between the factors applicable to the next higher and next lower ages set forth in the table.

Table 4

Annual Band & Service Related Credits

Pension Band	Term of Employment (in Whole Years)					
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 +
101	\$565	\$620	\$735	\$905	\$1,185	\$1,470
102	600	660	780	960	1,265	1,565
103	640	700	830	1,020	1,340	1,660
104	675	745	880	1,080	1,420	1,755
105	715	785	925	1,140	1,495	1,855
106	730	800	945	1,165	1,530	1,890
107	745	815	965	1,190	1,560	1,930
108	760	835	985	1,210	1,590	1,970
109	775	850	1,005	1,235	1,620	2,010
110	790	865	1,025	1,260	1,655	2,050
111	820	900	1,065	1,310	1,720	2,130
112	850	935	1,105	1,360	1,790	2,215
113	890	980	1,160	1,425	1,875	2,320
114	955	1,050	1,245	1,530	2,010	2,485
115	1,020	1,120	1,325	1,630	2,140	2,650
116	1,070	1,180	1,390	1,715	2,250	2,785
117	1,120	1,235	1,460	1,795	2,355	2,915
118	1,175	1,290	1,525	1,875	2,465	3,050
119	1,225	1,345	1,590	1,960	2,570	3,180
120	1,275	1,405	1,660	2,040	2,680	3,315
121	1,325	1,460	1,725	2,120	2,785	3,450
122	1,375	1,515	1,790	2,205	2,890	3,580
For each \$100 of Shift Differential Pay Credit an additional:						
Bands 101 to 112	\$2.50	\$2.75	\$3.25	\$4.00	\$5.25	\$6.50
Bands 113 to 122	\$5.00	\$5.50	\$6.50	\$8.00	\$10.50	\$13.00

Table 5

One - Time May 1,1999 Credit

5/1/99 Pension Band	Credited Service at 5/1/99 (in Years)					
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 +
101	\$220	\$241	\$286	\$352	\$461	\$572
102	233	257	303	373	492	608
103	249	272	323	397	521	645
104	262	290	342	420	552	682
105	278	305	360	443	581	721
106	284	311	367	453	595	735
107	290	317	375	463	607	750
108	295	325	383	470	618	766
109	301	330	391	480	630	781
110	307	336	399	490	643	797
111	319	350	414	509	669	828
112	330	364	430	529	696	861
113	346	381	451	554	729	902
114	371	408	484	595	781	966
115	397	435	515	634	832	1,030
116	416	459	540	667	875	1,083
117	435	480	568	698	916	1,133
118	457	502	593	729	958	1,186
119	476	523	618	762	999	1,236
120	496	546	645	793	1,042	1,289
121	515	568	671	824	1,083	1,341
122	535	589	696	857	1,124	1,392

Table 6

Pension

Band Term of Employment (in completed whole years)

	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
101	650	713	845	1,041	1,363	1,691	2,016	2,341
102	690	759	897	1,104	1,455	1,800	2,146	2,492
103	736	805	955	1,173	1,541	1,909	2,276	2,643
104	776	857	1,012	1,242	1,633	2,018	2,406	2,795
105	822	903	1,064	1,311	1,719	2,133	2,543	2,954
106	840	920	1,087	1,340	1,760	2,174	2,591	3,009
107	857	937	1,110	1,369	1,794	2,220	2,646	3,073
108	874	960	1,133	1,392	1,829	2,266	2,701	3,137
109	891	978	1,156	1,420	1,863	2,312	2,756	3,201
110	909	995	1,179	1,449	1,903	2,358	2,811	3,264
111	943	1,035	1,225	1,507	1,978	2,450	2,921	3,392
112	978	1,075	1,271	1,564	2,059	2,547	3,037	3,527
113	1,024	1,127	1,334	1,639	2,156	2,668	3,181	3,694
114	1,098	1,208	1,432	1,760	2,312	2,858	3,407	3,957
115	1,173	1,288	1,524	1,875	2,461	3,048	3,634	4,220
116	1,231	1,357	1,599	1,972	2,588	3,203	3,819	4,435
117	1,288	1,420	1,679	2,064	2,708	3,352	3,997	4,642
118	1,351	1,484	1,754	2,156	2,835	3,508	4,182	4,857
119	1,409	1,547	1,829	2,254	2,956	3,657	4,360	5,064
120	1,466	1,616	1,909	2,346	3,082	3,812	4,545	5,279
121	1,524	1,679	1,984	2,438	3,203	3,968	4,730	5,493
122	1,581	1,742	2,059	2,536	3,324	4,117	4,909	5,700

Table 7

<u>Pension Band</u>	<u>Credit Amount</u>
101	\$27.64
102	28.81
103	29.98
104	31.17
105	32.30
106	33.48
107	34.67
108	35.82
109	37.01
110	38.15
111	39.35
112	40.47
113	41.68
114	42.83
115	43.96
116	45.16
117	46.31
118	47.49
119	48.66
120	49.84
121	50.98
122	52.17

Table 8Pension
Band

Term of Employment (in completed whole years)

	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
101	715	784	930	1,145	1,499	1,860	2,218	2,575
102	759	835	987	1,214	1,601	1,980	2,361	2,741
103	810	886	1,051	1,290	1,695	2,100	2,504	2,907
104	854	943	1,113	1,366	1,796	2,220	2,647	3,075
105	904	993	1,170	1,442	1,891	2,346	2,797	3,249
106	924	1,012	1,196	1,474	1,936	2,391	2,850	3,310
107	943	1,031	1,221	1,506	1,973	2,442	2,911	3,380
108	961	1,056	1,246	1,531	2,012	2,493	2,971	3,451
109	980	1,076	1,272	1,562	2,049	2,543	3,032	3,521
110	1,000	1,095	1,297	1,594	2,093	2,594	3,092	3,590
111	1,037	1,139	1,348	1,658	2,176	2,695	3,213	3,731
112	1,076	1,183	1,398	1,720	2,265	2,802	3,341	3,880
113	1,126	1,240	1,467	1,803	2,372	2,935	3,499	4,063
114	1,208	1,329	1,575	1,936	2,543	3,144	3,748	4,353
115	1,290	1,417	1,676	2,063	2,707	3,353	3,997	4,642
116	1,354	1,493	1,759	2,169	2,847	3,523	4,201	4,879
117	1,417	1,562	1,847	2,270	2,979	3,687	4,397	5,106
118	1,486	1,632	1,929	2,372	3,119	3,859	4,600	5,343
119	1,550	1,702	2,012	2,479	3,252	4,023	4,796	5,570
120	1,613	1,778	2,100	2,581	3,390	4,193	5,000	5,807
121	1,676	1,847	2,182	2,682	3,523	4,365	5,203	6,042
122	1,739	1,916	2,265	2,790	3,656	4,529	5,400	6,270

Table 9

<u>Pension Band</u>	<u>Credit Amount</u>
101	\$30.40
102	31.69
103	32.98
104	34.29
105	35.53
106	36.83
107	38.14
108	39.40
109	40.71
110	41.97
111	43.29
112	44.52
113	45.85
114	47.11
115	48.36
116	49.68
117	50.94
118	52.24
119	53.53
120	54.82
121	56.08
122	57.39

Table 10

Pension

Band Term of Employment (in completed whole years)

	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
101	787	862	1,023	1,260	1,649	2,046	2,440	2,833
102	835	919	1,086	1,335	1,761	2,178	2,597	3,015
103	891	975	1,156	1,419	1,865	2,310	2,754	3,198
104	939	1,037	1,224	1,503	1,976	2,442	2,912	3,383
105	994	1,092	1,287	1,586	2,080	2,581	3,077	3,574
106	1,016	1,113	1,316	1,621	2,130	2,630	3,135	3,641
107	1,037	1,134	1,343	1,657	2,170	2,686	3,202	3,718
108	1,057	1,162	1,371	1,684	2,213	2,742	3,268	3,796
109	1,078	1,184	1,399	1,718	2,254	2,797	3,335	3,873
110	1,100	1,205	1,427	1,753	2,302	2,853	3,401	3,949
111	1,141	1,253	1,483	1,824	2,394	2,965	3,534	4,104
112	1,184	1,301	1,538	1,892	2,492	3,082	3,675	4,268
113	1,239	1,364	1,614	1,983	2,609	3,229	3,849	4,469
114	1,329	1,462	1,733	2,130	2,797	3,458	4,123	4,788
115	1,419	1,559	1,844	2,269	2,978	3,688	4,397	5,106
116	1,489	1,642	1,935	2,386	3,132	3,875	4,621	5,367
117	1,559	1,718	2,032	2,497	3,277	4,056	4,837	5,617
118	1,635	1,795	2,122	2,609	3,431	4,245	5,060	5,877
119	1,705	1,872	2,213	2,727	3,577	4,425	5,276	6,127
120	1,774	1,956	2,310	2,839	3,729	4,612	5,500	6,388
121	1,844	2,032	2,400	2,950	3,875	4,802	5,723	6,646
122	1,913	2,108	2,492	3,069	4,022	4,982	5,940	6,897

Table 11

<u>Pension Band</u>	<u>Credit Amount</u>
101	\$33.44
102	34.86
103	36.28
104	37.72
105	39.08
106	40.51
107	41.95
108	43.34
109	44.78
110	46.17
111	47.62
112	48.97
113	50.44
114	51.82
115	53.20
116	54.65
117	56.03
118	57.46
119	58.88
120	60.30
121	61.69
122	63.13

Table 12

Pension

Band Term of Employment (in completed whole years)

	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
101	811	888	1,054	1,298	1,698	2,107	2,513	2,918
102	860	947	1,119	1,375	1,814	2,243	2,675	3,105
103	918	1,004	1,191	1,462	1,921	2,379	2,837	3,294
104	967	1,068	1,261	1,548	2,035	2,515	2,999	3,484
105	1,024	1,125	1,326	1,634	2,142	2,658	3,169	3,681
106	1,046	1,146	1,355	1,670	2,194	2,709	3,229	3,750
107	1,068	1,168	1,383	1,707	2,235	2,767	3,298	3,830
108	1,089	1,197	1,412	1,735	2,279	2,824	3,366	3,910
109	1,110	1,220	1,441	1,770	2,322	2,881	3,435	3,989
110	1,133	1,241	1,470	1,806	2,371	2,939	3,503	4,067
111	1,175	1,291	1,527	1,879	2,466	3,054	3,640	4,227
112	1,220	1,340	1,584	1,949	2,567	3,174	3,785	4,396
113	1,276	1,405	1,662	2,042	2,687	3,326	3,964	4,603
114	1,369	1,506	1,785	2,194	2,881	3,562	4,247	4,932
115	1,462	1,606	1,899	2,337	3,067	3,799	4,529	5,259
116	1,534	1,691	1,993	2,458	3,226	3,991	4,760	5,528
117	1,606	1,770	2,093	2,572	3,375	4,178	4,982	5,786
118	1,684	1,849	2,186	2,687	3,534	4,372	5,212	6,053
119	1,756	1,928	2,279	2,809	3,684	4,558	5,434	6,311
120	1,827	2,015	2,379	2,924	3,841	4,750	5,665	6,580
121	1,899	2,093	2,472	3,039	3,991	4,946	5,895	6,845
122	1,970	2,171	2,567	3,161	4,143	5,131	6,118	7,104

**AMENDMENT TO
CINCINNATI BELL MANAGEMENT PENSION PLAN**

The Cincinnati Bell Management Pension Plan, as amended and restated effective as of January 1, 2016, (the “Plan”) is hereby amended by adding an Appendix 1 to the Plan effective as of September 16, 2016 in order to (a) capture certain historical provisions of the Plan that apply to deferred vested Participants who last ceased active participation in the Plan prior to December 31, 1993 and, therefore, have no Cash Balance Account under the Plan and (b) provide for a temporary distribution window for such Participants.

The following Appendix 1 is added to the end of the Plan:

APPENDIX 1

This Appendix 1 applies to deferred vested Plan Participants who last ceased active participation in the Plan prior to December 31, 1993 and, therefore, have no Cash Balance Account under the Plan (referred to herein as “Pre-Cash Balance Participants”).

- 1.1 Deferred Vested Pension. A Pre-Cash Balance Participant shall be entitled to a deferred vested pension commencing as of the first day of the first month following attainment of Normal Retirement Age (age 65). The Single Life Annuity monthly amount of such benefit shall be determined under the terms of the Plan in effect when the Pre-Cash Balance Participant ceased to be an employee.
- 1.2 Early Commencement. A Pre-Cash Balance Participant who has not attained Normal Retirement Age and whose Term of Employment was twenty or more years may elect to have his deferred vested pension paid as of the first day of any month following attainment of age 55 (or, if the Term of Employment was twenty-five years or more, attainment of age 50). In the event of such election, the Single Life Annuity monthly amount otherwise payable under Section 1.1 above shall be reduced by multiplying such amount by the early commencement reduction factor identified in Table 2 to the Plan as applicable to a payment age that is the Pre-Cash Balance Participant’s attained age (in whole years and months) as of such commencement date.
- 1.3 Normal Form of Payment. If a Pre-Cash Balance Participant is not married as of the date a pension benefit under the Plan commences to be paid to him, such pension benefit shall be in the form of a Single Life Annuity with the monthly amount of the benefit determined in accordance with Section 1.1 or 1.2 above, as applicable. If a Pre-Cash Balance Participant is married as of the date a pension benefit under the Plan commences to be paid to him, such pension benefit shall be paid in the form of a Qualified Joint and Survivor Annuity with the survivor annuity options and monthly amount of the benefit determined in accordance with Subsection 7.2.2 of the Plan.

- 1.4 Optional Form of Payment for Married Participant. Subject to the election and spousal consent provisions of Section 7.4 of the Plan, a Pre-Cash Balance Participant who is married as of the date a pension benefit under the Plan commences to be paid to him, may elect a Single Life Annuity (with the monthly amount of the benefit determined in accordance with Section 1.1 or 1.2 above, as applicable) in lieu of a Qualified Joint and Survivor Annuity.
- 1.5 Benefit Election and Direct Rollover Distribution Provisions. The provisions of (a) Subsections 7.1.2 and 7.1.3 of the Plan, (b) Section 7.4 of the Plan and (c) to the extent applicable, Sections 7.5 and 11.8 of the Plan shall apply to a Pre-Cash Balance Participant's benefit election and payment.
- 1.6 Preretirement Survivor Annuity. If a married Pre-Cash Balance Participant who had an Hour of Service on or after August 23, 1984 dies prior to his benefit commencement date, his surviving spouse shall receive the survivor annuity that would have been payable to the surviving spouse if the Pre-Cash Balance Participant had survived to the earliest date on which the Pre-Cash Balance Participant's deferred vested pension could have commenced under Sections 1.1 or 1.2 above and if the Pre-Cash Balance Participant had elected a 50% Qualified Joint and Survivor Annuity commencing as of such date. Alternatively, the surviving spouse can elect to receive a survivor annuity that commences as of a later date that is on or prior to the first day of the first month following the date on which the Pre-Cash Balance Participant would have reached his Normal Retirement Age, with the amount of the benefit equal to the survivor annuity that would have been payable to the surviving spouse if the Pre-Cash Balance Participant's deferred vested pension commenced as of such later date and the Pre-Cash Balance Participant had elected a 50% Qualified Joint and Survivor Annuity commencing as of such later date. No other death benefit shall be made with respect to the deferred vested pension of a Pre-Cash Balance Participant who dies prior to his benefit commencement date.
- 1.7 Temporary Distribution Window. Notwithstanding the foregoing, a surviving spouse of a Pre-Cash Balance Participant (for purposes of this Appendix 1, a "Surviving Spouse") or a Pre-Cash Balance Participant who has not commenced payment of his benefit under the Plan as of September 1, 2016 and who meets the eligibility criteria set forth in Subsection 1.7.1 below and the election criteria set forth in Subsection 1.7.2 below, may make a one-time election to receive a "Temporary Distribution Window Benefit," as defined in Subsection 1.7.3 below, in lieu of the pension or survivor benefit that is otherwise payable under the Plan.
- 1.7.1 The provisions of this Section 1.7 shall apply to Pre-Cash Balance Participants and Surviving Spouses who meet the following eligibility requirements:
- (a) the Pre-Cash Balance Participant will reach (or would have reached if he had survived) his Normal Retirement Age on or after December 1, 2016;

- (b) there is no qualified domestic relations order applicable to the Pre-Cash Balance Participant's benefit; and
- (c) the Plan has a valid address on file for the Pre-Cash Balance Participant or Surviving Spouse as of September 16, 2016 (or the Surviving Spouse or Pre-Cash Balance Participant otherwise actually makes a written election in the manner and as of the deadline specified in Subsection 1.7.2 below).

No alternate payee under a qualified domestic relations order is eligible for a Temporary Distribution Window Benefit.

1.7.2 Elections shall be voluntary and made from September 16, 2016 through October 31, 2016 in writing on forms specified by the Committee that are fully and properly completed and postmarked (or hand delivered to a designated Plan representative) no later than October 31, 2016, and subject to the spousal consent requirements of Section 7.4 of the Plan.

1.7.3 A "Temporary Distribution Window Benefit" means:

- (a) With respect to a Pre-Cash Balance Participant, one of the following forms of payment:
 - (i) a single sum payment payable in December 2016 equal to the actuarial equivalent (calculated using the applicable interest rate and applicable mortality assumption provided under Subsection 11.5.4 of the Plan) of the Single Life Annuity payable under Section 1.1 above to the Pre-Cash Balance Participant commencing as of the first day of the first month following attainment of Normal Retirement Age; or
 - (ii) a monthly annuity commencing as of December 1, 2016 that is equal to the monthly annuity that is payable to the Pre-Cash Balance Participant under Section 1.3 or 1.4 or above as of December 1, 2016, or in the case of a Pre-Cash Balance Participant who is not eligible for early commencement under Section 1.2 above as of December 1, 2016, would be payable to the Pre-Cash Balance Participant under 1.3 or 1.4 above as of December 1, 2016 if such Pre-Cash Balance Participant were eligible for early commencement under Section 1.2 above as of December 31, 2016.
- (b) With respect to a Surviving Spouse, one of the following forms of payment:
 - (i) a single sum payment payable in December 2016 equal to the actuarial equivalent (calculated using the applicable interest rate and applicable mortality assumption provided under Subsection 11.5.4 of the Plan) of the survivor annuity under Section 1.6 above payable to the Surviving Spouse commencing as of the first day of the first month following the date on which the Pre-Cash Balance Participant would have reached his Normal Retirement Age; or

- (ii) a survivor annuity commencing as of December 31, 2016 that is equal to the monthly annuity that is payable to the Surviving Spouse under Section 1.6 above or, in the case of the Surviving Spouse of a Pre-Cash Balance Participant who, had he survived, would not have been eligible for early commencement under Section 1.2 above as of December 1, 2016, the survivor annuity that would have been payable to the Surviving Spouse under Section 1.6 above if the Pre-Cash Balance Participant were eligible for early commencement under Section 1.2 above as of December 31, 2016.

IN ORDER TO EFFECT THE FOREGOING PLAN CHANGE, the Plan's sponsor, Cincinnati Bell Inc., has caused its name to be subscribed to this Plan amendment.

CINCINNATI BELL INC.

By /s/ Christopher J. Wilson

Title VP & General Counsel

Date December 22, 2016

**AMENDMENT TO
CINCINNATI BELL PENSION PLAN**

The Cincinnati Bell Pension Plan, as amended and restated effective as of January 1, 2016, (the “Plan”) is hereby amended by adding an Appendix 1 to the Plan effective as of September 16, 2016 in order to (a) capture certain historical provisions of the Plan that apply to deferred vested Participants who last ceased active participation in the Plan prior to January 1, 1997 and, therefore, have no Cash Balance Account under the Plan and (b) provide for a temporary distribution window for such Participants.

The following Appendix 1 is added to the end of the Plan:

APPENDIX 1

This Appendix 1 applies to deferred vested Plan Participants who last ceased active participation in the Plan prior to January 1, 1997 and, therefore, have no Cash Balance Account under the Plan (referred to herein as “Pre-Cash Balance Participants”).

- 1.1 Deferred Vested Pension. A Pre-Cash Balance Participant shall be entitled to a deferred vested pension commencing as of the first day of the first month following attainment of Normal Retirement Age (age 65). The Single Life Annuity monthly amount of such benefit shall be determined under the terms of the Plan in effect when the Pre-Cash Balance Participant ceased to be an employee.
- 1.2 Early Commencement. A Pre-Cash Balance Participant who has not attained Normal Retirement Age and whose Term of Employment was twenty or more years may elect to have his deferred vested pension paid as of the first day of any month following attainment of age 55 (or, if the Term of Employment was twenty-five years or more, attainment of age 50). In the event of such election, the Single Life Annuity monthly amount otherwise payable under Section 1.1 above shall be reduced by multiplying such amount by the early commencement reduction factor identified in Table 3 to the Plan as applicable to a payment age that is the Pre-Cash Balance Participant’s attained age (in whole years and months) as of such commencement date.
- 1.3 Normal Form of Payment. If a Pre-Cash Balance Participant is not married as of the date a pension benefit under the Plan commences to be paid to him, such pension benefit shall be in the form of a Single Life Annuity with the monthly amount of the benefit determined in accordance with Section 1.1 or 1.2 above, as applicable. If a Pre-Cash Balance Participant is married as of the date a pension benefit under the Plan commences to be paid to him, such pension benefit shall be paid in the form of a Qualified Joint and Survivor Annuity with the survivor annuity options and monthly amount of the benefit determined in accordance with Subsection 7.2.2 of the Plan.

- 1.4 Optional Form of Payment for Married Participant. Subject to the election and spousal consent provisions of Section 7.4 of the Plan, a Pre-Cash Balance Participant who is married as of the date a pension benefit under the Plan commences to be paid to him, may elect a Single Life Annuity (with the monthly amount of the benefit determined in accordance with Section 1.1 or 1.2 above, as applicable) in lieu of a Qualified Joint and Survivor Annuity.
- 1.5 Benefit Election and Direct Rollover Distribution Provisions. The provisions of (a) Subsections 7.1.2 and 7.1.3 of the Plan, (b) Section 7.4 of the Plan and (c) to the extent applicable, Sections 7.5 and 11.8 of the Plan shall apply to a Pre-Cash Balance Participant's benefit election and payment.
- 1.6 Preretirement Survivor Annuity. If a married Pre-Cash Balance Participant who had an Hour of Service on or after August 23, 1984 dies prior to his benefit commencement date, his surviving spouse shall receive the survivor annuity that would have been payable to the surviving spouse if the Pre-Cash Balance Participant had survived to the earliest date on which the Pre-Cash Balance Participant's deferred vested pension could have commenced under Sections 1.1 or 1.2 above and if the Pre-Cash Balance Participant had elected a 50% Qualified Joint and Survivor Annuity commencing as of such date. Alternatively, the surviving spouse can elect to receive a survivor annuity that commences as of a later date that is on or prior to the first day of the first month following the date on which the Pre-Cash Balance Participant would have reached his Normal Retirement Age, with the amount of the benefit equal to the survivor annuity that would have been payable to the surviving spouse if the Pre-Cash Balance Participant's deferred vested pension commenced as of such later date and the Pre-Cash Balance Participant had elected a 50% Qualified Joint and Survivor Annuity commencing as of such later date. No other death benefit shall be made with respect to the deferred vested pension of a Pre-Cash Balance Participant who dies prior to his benefit commencement date.
- 1.7 Temporary Distribution Window. Notwithstanding the foregoing, a surviving spouse of a Pre-Cash Balance Participant (for purposes of this Appendix 1, a "Surviving Spouse") or a Pre-Cash Balance Participant who has not commenced payment of his benefit under the Plan as of September 1, 2016 and who meets the eligibility criteria set forth in Subsection 1.7.1 below and the election criteria set forth in Subsection 1.7.2 below, may make a one-time election to receive a "Temporary Distribution Window Benefit," as defined in Subsection 1.7.3 below, in lieu of the pension or survivor benefit that is otherwise payable under the Plan.
- 1.7.1 The provisions of this Section 1.7 shall apply to Pre-Cash Balance Participants and Surviving Spouses who meet the following eligibility requirements:
- (a) the Pre-Cash Balance Participant will reach (or would have reached if he had survived) his Normal Retirement Age on or after December 1, 2016;

- (b) there is no qualified domestic relations order applicable to the Pre-Cash Balance Participant's benefit; and
- (c) the Plan has a valid address on file for the Pre-Cash Balance Participant or Surviving Spouse as of September 16, 2016 (or the Surviving Spouse or Pre-Cash Balance Participant otherwise actually makes a written election in the manner and as of the deadline specified in Subsection 1.7.2 below).

No alternate payee under a qualified domestic relations order is eligible for a Temporary Distribution Window Benefit.

1.7.2 Elections shall be voluntary and made from September 16, 2016 through October 31, 2016 in writing on forms specified by the Committee that are fully and properly completed and postmarked (or hand delivered to a designated Plan representative) no later than October 31, 2016, and subject to the spousal consent requirements of Section 7.4 of the Plan.

1.7.3 A "Temporary Distribution Window Benefit" means:

- (a) With respect to a Pre-Cash Balance Participant, one of the following forms of payment:
 - (i) a single sum payment payable in December 2016 equal to the actuarial equivalent (calculated using the applicable interest rate and applicable mortality assumption provided under Subsection 11.5.3 of the Plan) of the Single Life Annuity payable under Section 1.1 above to the Pre-Cash Balance Participant commencing as of the first day of the first month following attainment of Normal Retirement Age; or
 - (ii) a monthly annuity commencing as of December 1, 2016 that is equal to the monthly annuity that is payable to the Pre-Cash Balance Participant under Section 1.3 or 1.4 or above as of December 1, 2016, or in the case of a Pre-Cash Balance Participant who is not eligible for early commencement under Section 1.2 above as of December 1, 2016, would be payable to the Pre-Cash Balance Participant under 1.3 or 1.4 above as of December 1, 2016 if such Pre-Cash Balance Participant were eligible for early commencement under Section 1.2 above as of December 31, 2016.
- (b) With respect to a Surviving Spouse, one of the following forms of payment:
 - (i) a single sum payment payable in December 2016 equal to the actuarial equivalent (calculated using the applicable interest rate and applicable mortality assumption provided under Subsection 11.5.3 of the Plan) of the survivor annuity under Section 1.6 above payable to the Surviving Spouse commencing as of the first day of the first month following the date on which the Pre-Cash Balance Participant would have reached his Normal Retirement Age; or

- (ii) a survivor annuity commencing as of December 31, 2016 that is equal to the monthly annuity that is payable to the Surviving Spouse under Section 1.6 above or, in the case of the Surviving Spouse of a Pre-Cash Balance Participant who, had he survived, would not have been eligible for early commencement under Section 1.2 above as of December 1, 2016, the survivor annuity that would have been payable to the Surviving Spouse under Section 1.6 above if the Pre-Cash Balance Participant were eligible for early commencement under Section 1.2 above as of December 31, 2016.

IN ORDER TO EFFECT THE FOREGOING PLAN CHANGE, the Plan's sponsor, Cincinnati Bell Inc., has caused its name to be subscribed to this Plan amendment

CINCINNATI BELL INC.

By /s/ Christopher J. Wilson

Title VP & General Counsel

Date December 22, 2016

CINCINNATI BELL INC.
2016-2018 SHARE-BASED PERFORMANCE UNIT AWARD AGREEMENT

This Share-based Performance Unit Award Agreement (the or this “Award”) is made between Cincinnati Bell Inc. (the “Company” and, together with all of its subsidiary corporations and organizations, the “Employer”) and PARTICIPANT NAME (the “Employee”) and is effective as of January 28, 2016. By signing this Award, the Company and the Employee each agrees to all of the terms of this Award.

Share-based Performance Unit Award

Under and pursuant to the Cincinnati Bell Inc. 2007 Long Term Incentive Plan (the “Plan”), the Compensation Committee of the Company’s Board of Directors (the “Committee”) hereby, on behalf of the Company and subject to the Employee signing this Award and thereby agreeing to all of the terms of this Award, agrees that, to the extent required by and in accordance with the terms of this Award, the Company shall distribute the value of a number of Units (in the form of common shares of the Company (“Shares”), cash, or a combination of Shares and cash) to or with respect to the Employee.

For purposes of this Award, (a) a “Unit” is a measure that is used to determine the number of Shares and/or the amount of cash that will be distributed to or with respect to the Employee under this Award and (b) the “value” of a Unit that is to be distributed under this Award shall be deemed to be equal to 100% of the fair market value (determined in accordance with the Plan’s terms for determining fair market value) of one Share on the date of the distribution.

Terms Used In This Award

The following terms are used in determining the number of Units (if any) the value of which is to be distributed to or with respect to the Employee under this Award and shall have the meanings indicated below.

1. “Disability Termination” means, with respect to the Employee, the termination of the Employee’s employment with the Employer because the Employee is unable to perform all of the duties of the Employee’s then current position with the Employer due to a physical or mental condition, provided that such inability to perform such duties is reasonably expected to be permanent.
 - a. The Committee must determine that all of the above conditions are met for the Employee to be deemed to have incurred a Disability Termination.
 - b. In order to make such a determination, the Committee may in its discretion require that the Employee’s condition of disability at the time of the Employee’s termination of employment be certified to by a physician chosen or approved by the Committee or that the Employee present evidence that the Employee has been determined by the U.S. Social Security Administration to have been disabled at the time of such termination of employment.
2. “EBITDA Result” means the quotient produced by dividing (a) the Employer’s earnings before interest, taxes, depreciation, and amortization for the Performance Period by (b)

the approved EBITDA goal for each performance period, with such quotient expressed as a percentage to the nearest one-tenth of one percent. For all purposes of this Award and section 15 of the Plan, an EBITDA Result of 100% shall be deemed the “target” EBITDA Result.

3. “EBITDA Result Percentage” means the EBITDA Result Percentage that is determined from the following table (which percentage is based on the EBITDA Result):

If EBITDA Result Is:	Then EBITDA Result Percentage Is:
Under 95%	0%
95%	50%
100% (“target” EBITDA Result)	100%
105% or greater	150%

If the EBITDA Result is between 95% and 100% or between 100% and 105% the EBITDA Result Percentage shall be interpolated from the above table (on the basis that the EBITDA Result Percentage increases from 50% to 100% and from 100% to 150% on a linear basis), to the nearest one-tenth of one percent.

4. “Invested Assets” is determined by calculating the average of the sum of PP&E (Property, Plant and Equipment) plus Intangibles plus Goodwill plus Net Working Capital
5. “NOPAT” means Net Operating Profit After Tax and is determined by subtracting depreciation and amortization from EBITDA and multiplying this result by one minus the tax rate
6. “Performance Period” means each period for which the value of Units may be calculated under this Agreement. The Performance Periods are:
- “2016 Performance Period,” which begins on January 1, 2016 and ends on December 31, 2016;
 - “2016-2017 Performance Period,” which begins on January 1, 2016 and ends on December 31, 2017; and
 - “2016-2018 Performance Period,” which begins on January 1, 2016 and ends on December 31, 2018.
7. “Relative Total Shareholder Return” means the rank (by percentile) of the Company’s total shareholder return for the Performance Period when compared to the total shareholder return for the Performance Period of all companies in the Russell 2000 Index. For all purposes of this Award and section 15 of the Plan, a Relative Total Shareholder Return of at least the 45th but not greater than the 55th percentile shall be deemed the “target” Relative Total Shareholder Return.

8. “Relative Total Shareholder Return Percentage” means the Relative Total Shareholder Return Percentage that is determined from the following table (which percentage is based on the Relative Total Shareholder Return):

If Relative Total Shareholder Return Is:	Then Relative Total Shareholder Return Percentage Is:
Less than 35 th Percentile	85%
At least 35 th but less than 40 th Percentile	90%
At least 40 th but less than 45 th Percentile	95%
At least 45 th but not greater than 55 th Percentile (“target” Relative Total Shareholder Return)	100%
Greater than 55 th but not greater than 60 th Percentile	105%
Greater than 60 th but not greater than 65 th Percentile	110%
Greater than 65 th Percentile	115%

9. “Retirement” means, with respect to the Employee, the Employee’s termination of employment with the Employer (a) after the Employee either has both attained at least age 55 and completed at least 10 years of employment with the Employer or has become eligible for retiree medical coverage under an Employer health care plan and (b) other than by reason of the Employee’s fraud, misappropriation or embezzlement, gross insubordination, failure to perform in good faith the Employee’s assigned duties, or any other reason for which a termination of employment would be deemed for “cause” under any employment agreement between the Employee and the Employer that is in effect at the time of the Employee’s termination of employment with the Employer.
10. “Return on Invested Capital Result” means the quotient produced by dividing (a) NOPAT by (b) Invested Assets for each Performance Period, with such quotient expressed as a percentage to the nearest one-tenth of one percent. For all purposes of this Award and section 15 of the Plan, a Return on Invested Capital Results of 100% shall be deemed the “target” Return on Invested Capital Result.
11. “Return on Invested Capital Result Percentage” means the Return on Invested Capital Result Percentage that is determined from the following table (which percentage is based on the Strategic Revenue Result):

If Return on Invested Capital Result Is:	Then Return on Invested Capital Result Percentage Is:
≤75%	0%
77%	75%
100% (“target” Return on Invested Capital Result)	100%
125% or greater	150%

12. “Share-based Performance Unit Percentage” means the results calculated for the 2016 Performance Period, the 2016-2017 Performance Period, or the 2016-2018 Performance Period, the Share-based Performance Unit Percentage that is determined for such Performance Period from the tables for the Strategic Revenue, EBITDA and Return On Invested Capital Results, collectively.

13. “Strategic Business” means the Employer’s Wireline segment (as identified in the Company’s reports).
14. “Strategic Revenue Result” means the quotient produced by dividing (a) the revenue for the Performance Period of the Strategic Business by (b) the approved Strategic Revenue Goal for each Performance Period, with such quotient expressed as a percentage to the nearest one-tenth of one percent. For all purposes of this Award and section 15 of the Plan, a Strategic Revenue Result of 100% shall be deemed the “target” Strategic Revenue Result.
15. “Strategic Revenue Result Percentage” means the Strategic Revenue Result Percentage that is determined from the following table (which percentage is based on the Strategic Revenue Result):

If Strategic Revenue Result Is:	Then Strategic Revenue Result Percentage Is:
Under 95%	0%
95%	50%
100% (“target” Strategic Revenue Result)	100%
105% or greater	150%

If the Strategic Revenue Result is between 95% and 100% or between 100% and 105%, the Strategic Revenue Result Percentage shall be interpolated from the above table (on the basis that the Strategic Revenue Result Percentage increases from 50% to 100% and from 100% to 150% on a linear basis), to the nearest one-tenth of one percent.

16. “Target Number of Units” means NUMBER OF AWARDS GRANTED Units.

General Rules for Payment of and Conditions for Award

For purposes of this “General Rules for Payment of and Conditions for Award” part of the Award:

1. “payment date” means March 15, 2019 (or, if earlier, any date that occurs between January 1, 2019 and March 15, 2019 and that is chosen by the Company for payment of the amount, if any, to be distributed under this part of the Award); and
2. “payment eligible” means, with respect to the Employee, either (i) that the Employee is still employed by the Employer on the payment date, (ii) that the Employee’s employment with the Employer ended after the date as of which this Award became effective and before the payment date because of the Employee’s Retirement or Disability Termination, or (iii) that the Employee’s employment with the Employer ended after December 31, 2018 and before the payment date because of the Employee’s death.

Except as is otherwise provided in the following parts of this Award, the Company shall, on the payment date and provided that the Employee is payment eligible, distribute to the Employee (or, in the event the Employee has died by the time of the payment, the Employee’s beneficiary) the value of the number of Units determined by the following steps (with the final number of Units the value of which will be distributable being the number of Units determined from the result of step 5 below):

1. first multiplying (a) 50% of the Target Number of Units by (b) the Share-based Performance Unit Percentage for the 2016 Performance Period;
2. second multiplying (a) 25% of the Target Number of Units by (b) the Share-based Performance Unit Percentage for the 2016-2017 Performance Period;
3. third multiplying (a) 25% of the Target Number of Units by (b) the Share-based Performance Unit Percentage for the 2016-2018 Performance Period;
4. fourth, by adding the results of steps 1, 2, and 3 above; and
5. fifth (and last), by multiplying (a) the result of step 4 above by (b) the Relative Total Shareholder Return Percentage (with the result of this step 5 rounded to the nearest whole number of Units).

The Committee shall verify (and report to the Company) the resulting number of Units the value of which will be distributed by the Company to the Employee pursuant to this Award within a reasonable period after the end of the Performance Period (but in no event later than the start of the first March 15 that occurs after the end of the Performance Period).

Special Rules for Payment of Award Upon Employee's Death Prior to 2019

Subject to the following parts of this Award, if the Employee dies (a) prior to January 1, 2019 and (b) while the Employee is still employed by the Employer, then the Company shall, within 60 days after the date of the Employee's death and in lieu of any other distribution being made under this Award, distribute to the Employee's beneficiary the value of a number of Units that is equal to the number of Units that would have been paid to the Employee if both (i) the Employee had survived and remained continuously employed by the Employer from the date on which this award is granted until at least March 15, 2019 and (ii) the result of each performance goal applicable to this Award was satisfied at this Award's "target" result for such goal (the result that gives a 100% percentage for applying such result under this Award).

Forfeiture of Award

Subject to the following parts of this Award, except for the value of such number of Units that the Company distributes pursuant to any of the foregoing parts of this Award, all of the Employee's rights under this Award, including the Employee's rights to receive any distribution under this Award (other than a distribution required to be made under any of the foregoing parts of this Award), automatically will be permanently forfeited upon the earliest of: (a) March 15, 2019; (b) the date that the Employee's employment with the Employer terminates for any reason; or (c) the date on which a distribution is made under any of the foregoing parts of this Award.

Special Rules for Change in Control

Notwithstanding any of the other parts of this Award, if a Change in Control (as is defined in the Plan) occurs prior either to any distribution being made or forfeiture occurring under any of the foregoing parts of this Award, then (i) the provisions of section 15 of the Plan shall be deemed incorporated into this Award and shall apply to this Award and (ii) the other parts of this Award shall be subject to the terms of section 15 of the Plan.

Employment Termination

For all purposes of this Award, the Employee's employment with the Employer shall be deemed to have terminated when the Employee's status as an employee on an active employee payroll maintained by the Employer for payment and withholding purposes ends.

Beneficiary

For all purposes of this Award, the Employee's "beneficiary" shall be the person or entity designated by the Employee, in a writing delivered prior to the Employee's death to the Company's Director of Compensation and Benefits, to be the Employee's beneficiary under this Award.

Should the Employee die prior to designating a beneficiary, then the Employee's beneficiary for purposes of this Award shall be deemed to be the Employee's surviving spouse or, if none, the Employee's estate.

Effect of Employment Agreement

Notwithstanding any of the provisions of the other parts of this Award, if the provisions of a written employment agreement between the Company and the Employee would require that the Company distribute to the Employee the value of any Units pursuant to this Award on a date that occurs on or before the date on which either the Company distributes to the Employee the value of such Units or the Employee's rights under this Award are forfeited under the provisions of the other parts of this Award, or would require that the Employee be deemed to be employed by the Employer until a date later than the actual date on which the Employee's employment with the Employer terminates for purposes of determining the extent to which and the date on which either the Company will distribute to the Employee the value of any Units pursuant to this Award or the Employee's rights under this Award will be forfeited, then such employment agreement's provisions shall control (and shall be deemed an amendment to this Award and incorporated herein by reference).

Payment in Shares or Cash

Notwithstanding any other provision of this Award to the contrary, the value of any Units that is required to be distributed under this Award on any date shall be made in Shares to the extent that there are then a sufficient number of Shares available to be issued under the Plan to make such distribution in Shares. In such situation, the number of Shares to be distributed on such date shall be equal to the number of Shares that have a fair market value (determined as of such distribution date and in accordance with the Plan's terms for determining fair market value) equal to the value of the Units required to be distributed under this Award.

Further and also notwithstanding any other provision of this Award to the contrary, any amount that is required to be distributed under this Award on any date shall be made in cash and not in Shares to the extent that there are not then a sufficient number of Shares available to be issued under the Plan to make such distribution in Shares. In such situation, the amount of cash to be paid on such date shall be equal to the difference between the value of the Units required to be distributed under this Award on such date and the fair market value (determined as of such distribution date and in accordance with the Plan's terms for determining fair market value) of the number of Shares that are able to be distributed on such date under the Plan in payment of such Units' value pursuant to the immediately preceding paragraph.

Distribution of Shares and Stock Certificates; Payment in Cash

For all purposes of this Award, the Company shall be deemed to have distributed Shares to the Employee (or the Employee's beneficiary) pursuant to this Award as of any date by transferring the ownership of such Shares on the Company's records to the Employee (or, if applicable, the Employee's beneficiary) on such date. Such transfer shall make the Employee (or, if applicable, the Employee's beneficiary) the legal owner of such Shares.

Further, on or as soon as possible after any date on which the Company transfers the ownership of any Shares on the Company's records to the Employee (or, if applicable, the Employee's beneficiary) pursuant to this Award, one or more stock certificates which evidence such Shares shall be issued by the Company to the Employee (or, if applicable, to the Employee's beneficiary).

For all purposes of this Award, the Company shall be deemed to have distributed cash to the Employee (or the Employee's beneficiary) pursuant to this Award as of any date by on such date personally delivering or depositing in the mail or with a delivery service a cash payment in any commercially acceptable form (e.g., a check) or depositing such amount into an account specifically identified by the Employee (or the Employee's beneficiary).

To the extent the Company delivers cash to the Employee (or the Employee's beneficiary) in payment of the value of any Units under this Award, the Employee (or the Employee's beneficiary) shall have no right to receive Shares in payment of such value.

Withholding Requirements

The Employer shall satisfy all federal, state, and local tax withholding requirements related to the Company's distribution of any Shares or cash pursuant to this Award. The Company shall satisfy such tax withholding requirements by, without any advance notice having to be given to the Employee (or the Employee's beneficiary), either:

1. withholding an amount sufficient to meet such requirements from any amounts payable to or with respect to the Employee by the Employer other than by reason of this Award;
2. retaining Shares having a fair market value, or cash, sufficient to meet such requirements from the Shares and cash that the Company would otherwise distribute pursuant to this Award; or
3. combining the methods described in clauses 1 and 2 above.

The Employer may choose the method by which such tax withholding requirements shall be satisfied, in its sole discretion.

Regulatory Compliance

Notwithstanding any other provision of this Award, Shares or cash may be distributed by the Company under this Award at any time only upon full compliance with all then-applicable requirements of law and, in the case of the distribution of Shares, the requirements of the exchange upon which Shares may then be traded.

Investment Representation

The Employee represents and agrees that if the Employee is distributed any Shares at a time when there is not in effect under the Securities Act of 1933 a registration statement pertaining to the Shares and there is not available for delivery a prospectus meeting the requirements of Section 10(A)(3) of such Act:

1. the Employee will accept and receive such Shares for the purpose of investment and not with a view to their resale or distribution;
2. the Employee, upon receipt of such Shares, will furnish to the Company an investment letter in form and substance satisfactory to the Company;
3. the Employee, prior to selling or offering for sale any such Shares, will furnish the Company with an opinion of counsel satisfactory to the Company to the effect that such sale may lawfully be made and will furnish the Company with such certificates as to factual matters as the Company may reasonably request; and
4. certificates representing such Shares may be marked with an appropriate legend describing such conditions precedent to sale or transfer.

Adjustments

If, after the date of this Award, the Shares are, as a result of a merger, reorganization, consolidation, recapitalization, reclassification, split-up, spin-off, separation, liquidation, stock dividend, stock split, reverse stock split, property dividend, share repurchase, share combination, share exchange, issuance of warrants, rights, or debentures, or other change in the corporate structure of the Company, increased or decreased or changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or of another organization, then:

1. there automatically shall be substituted for each Unit that is still subject to this Award a Unit that on the date on which any distribution is to be made under this Award has a value equal to 100% of the fair market value (determined in accordance with the Plan's terms for determining fair market value) of the number and kind of shares of stock or other securities into which each Share is changed or for which each Share is exchanged; and
2. the Company shall make such other adjustments to the Units subject to provisions of the Plan and this Award as may be appropriate and equitable.

Notices

Any notice to the Company relating to this Award must be in writing and delivered in person or by registered mail to the Company at the following address, Cincinnati Bell Inc., 221 East Fourth Street, Cincinnati, Ohio 45202, Attention: Secretary, Compensation Committee, or at such other address as the Company has designated by notice.

Any notice to the Employee or other person or persons succeeding to the Employee's interest must be delivered to the Employee or such other person or persons at the Employee's address on record with the Company or such other address as is specified in a notice filed with the Company.

Determinations of the Committee Final

Any dispute or disagreement which arises under, as a result of, or in any way relates to the interpretation or construction of this Award shall be determined by the Committee. The Employee hereby agrees to accept any such determination as final, binding, and conclusive for all purposes.

Successors

All rights under this Award are personal to the Employee and are not transferable except that, in the event of the Employee's death, such rights are transferable to the Employee's legal representatives, heirs, or legatees. This Award shall inure to the benefit of and be binding upon the Company and its successors and assigns and the Employee and the Employee's legal representatives, heirs, and legatees.

Obligations of the Company

The liability of the Company under the Plan and this Award is limited to the obligations set forth in the Plan and this Award. No term or provision of the Plan or this Award shall be construed to impose any liability on the Company in favor of the Employee with respect to any loss, cost, or expense which the Employee may incur in connection with or arising out of any transaction in connection therewith.

No Guarantee of Employment

The granting of this Award to the Employee does not constitute a contract of employment and does not give the Employee the legal right to be continued as an employee of the Employer. The Employer may deal with the Employee and the terms of the Employee's employment as if this Award did not exist.

Governing Law

This Award will be governed by and interpreted in accordance with the laws of the State of Ohio.

Plan

This Award is issued under the Plan, the Cincinnati Bell Inc. 2007 Long Term Incentive Plan. Except as is otherwise specifically provided herein, this Award is subject to all of the terms of the Plan and the provisions of the Plan shall control if there is any conflict between the Plan and this Award and with respect to any matters that are not addressed in this Award. The Plan is incorporated by reference and made a part of this Award.

Entire Award

Except for any written employment agreement that is subject to the provisions of the part of this Award that is entitled "Effect of Employment Agreement," (a) this Award and the Plan supersede any other agreement, whether written or oral, that may have been made or entered into by the Employer and the Employee relating to the Shares that are subject to this Award, (b) this Award and the Plan constitute the entire agreement by the parties with respect to such matters, and (c) there are no agreements or commitments except as set forth herein and in the Plan.

Captions; Counterparts

The captions in this Award are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Award. This Award may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

IN ORDER TO GRANT THIS SHARE-BASED PERFORMANCE UNIT AWARD, the Company and the Employee have caused this Award to be duly executed as of the dates noted below and, by signing below, agree to all of the terms of this Award.

EMPLOYEE: CINCINNATI BELL INC.

Phillip R. Cox
Chairman, Board of Directors

Date: ACCEPTANCE DATE Date: January 28, 2016

Calculation of Ratio of Earnings to Combined Fixed Charges and Preferred Dividends

(dollars in millions)	Year ended December 31				
	2016	2015	2014	2013	2012
Pre-tax income from continuing operations in consolidated subsidiaries plus fixed charges*	\$ 251.1	\$ 586.4	\$ 384.8	\$ 139.0	\$ 206.1
Fixed charges:					
Interest expensed and capitalized	76.4	104.2	146.7	176.6	213.9
Appropriate portions of rentals	3.2	3.4	2.5	2.3	4.3
Total fixed charges	79.6	107.6	149.2	178.9	218.2
Pre-tax income required to pay preferred dividends	16.6	16.1	17.6	11.7	6.2
Total combined fixed charges and preferred dividends	\$ 96.2	\$ 123.7	\$ 166.8	\$ 190.6	\$ 224.4
Ratio of earnings to fixed charges	3.2	5.4	2.6	—	—
Coverage deficiency**	n/a	n/a	n/a	39.9	12.1
Ratio of earnings to combined fixed charges and preferred dividends	2.6	4.7	2.3	—	—
Coverage deficiency**	n/a	n/a	n/a	\$ 51.6	\$ 18.3

* Earnings used in computing the ratio of earnings to combined fixed charges and preferred dividends consists of income from continuing operations before income taxes, adjusted to exclude loss from equity method investees and fixed charges except for capitalized interest, and adjusted to include dividends received from equity method investees.

** For the period in which a coverage deficiency is presented, earnings were inadequate to cover fixed charges or combined fixed charges and preferred dividends by the amount of the deficiency.

Subsidiaries of the Registrant
(as of February 24, 2017)

Subsidiary Name	State or Country of Incorporation or Formation
Cincinnati Bell Telephone Company LLC	Ohio
Cincinnati Bell Extended Territories LLC	Ohio
Cincinnati Bell Entertainment Inc.	Ohio
Cincinnati Bell Wireless LLC	Ohio
Cincinnati Bell Any Distance Inc.	Delaware
Cincinnati Bell Technology Solutions Inc.	Delaware
Cincinnati Bell Funding LLC	Delaware
Cincinnati Bell Shared Services LLC	Ohio
CBTS Canada Inc.	Canada
Cincinnati Bell Technology Solutions UK Limited	United Kingdom
eVolve Business Solutions LLC	Ohio
Cincinnati Bell Any Distance of Virginia LLC	Virginia
Data Center Investments Inc.	Delaware
Data Centers South Inc.	Delaware
Data Centers South Holdings LLC	Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-192225, 333-192226, 333-159160, 333-143089, 333-143088, 333-204562 and 333-211670 on Forms S-8 of Cincinnati Bell Inc. and subsidiaries (the “Company”) of our reports dated February 24, 2017, relating to the consolidated financial statements and financial statement schedule of the Company and the effectiveness of the Company’s internal control over financial reporting, appearing in this Annual Report on Form 10-K of the Company for the year ended December 31, 2016.

/s/ Deloitte & Touche LLP
Cincinnati, Ohio
February 24, 2017

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2016 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Theodore H. Torbeck, Andrew R. Kaiser and Christopher J. Wilson, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 26th day of January, 2017.

/s/ Phillip R. Cox

Phillip R. Cox

Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 26th day of January, 2017, personally appeared before me Phillip R. Cox, to me known and known to me to be the person described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 26th day of January, 2017.

/s/ Connie M. Vogt

Connie M. Vogt

Notary Public, State of Ohio

My commission expires 04-28-2020

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2016 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Theodore H. Torbeck, Andrew R. Kaiser and Christopher J. Wilson, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 26th day of January, 2017.

/s/ John W. Eck

John W. Eck

Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 26th day of January, 2017, personally appeared before me John W. Eck, to me known and known to me to be the person described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 26th day of January, 2017.

/s/ Connie M. Vogt

Connie M. Vogt

Notary Public, State of Ohio

My commission expires 04-28-2020

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2016 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Theodore H. Torbeck, Andrew R. Kaiser and Christopher J. Wilson, and each of them singly, her attorneys for her and in her name, place and stead, and in her office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as she might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set her hand this 26th day of January, 2017.

/s/ Jakki L. Haussler

Jakki L. Haussler

Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 26th day of January, 2017, personally appeared before me Jakki L. Haussler, to me known and known to me to be the person described in and who executed the foregoing instrument, and she duly acknowledged to me that she executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 26th day of January, 2017.

/s/ Joseph P. Condren

Joseph P. Condren

Notary Public, State of Ohio

My commission expires 09-26-2020

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2016 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Theodore H. Torbeck, Andrew R. Kaiser and Christopher J. Wilson, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 26th day of January, 2017.

/s/ Craig F. Maier

Craig F. Maier

Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 26th day of January, 2017, personally appeared before me Craig F. Maier, to me known and known to me to be the person described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 26th day of January, 2017.

/s/ Connie M. Vogt

Connie M. Vogt

Notary Public, State of Ohio

My commission expires 04-28-2020

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2016 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Theodore H. Torbeck, Andrew R. Kaiser and Christopher J. Wilson, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 26th day of January, 2017.

/s/ Russel P. Mayer

Russel P. Mayer

Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 26th day of January, 2017, personally appeared before me Russel P. Mayer, to me known and known to me to be the person described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 26th day of January, 2017.

/s/ Connie M. Vogt

Connie M. Vogt

Notary Public, State of Ohio

My commission expires 04-28-2020

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2016 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Theodore H. Torbeck, Andrew R. Kaiser and Christopher J. Wilson, and each of them singly, her attorneys for her and in her name, place and stead, and in her office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as she might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set her hand this 26th day of January, 2017.

/s/ Lynn A. Wentworth

Lynn A. Wentworth

Director

STATE OF OHIO)
) SS:
 COUNTY OF HAMILTON)

On the 26th day of January, 2017, personally appeared before me Lynn A. Wentworth, to me known and known to me to be the person described in and who executed the foregoing instrument, and she duly acknowledged to me that she executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 26th day of January, 2017.

/s/ Connie M. Vogt

Connie M. Vogt

Notary Public, State of Ohio

My commission expires 04-28-2020

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2016 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Theodore H. Torbeck, Andrew R. Kaiser and Christopher J. Wilson, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 26th day of January, 2017.

/s/ Martin J. Yudkovitz

Martin J. Yudkovitz

Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 26th day of January, 2017, personally appeared before me Martin J. Yudkovitz, to me known and known to me to be the person described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 26th day of January, 2017.

/s/ Connie M. Vogt

Connie M. Vogt

Notary Public, State of Ohio

My commission expires 04-28-2020

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2016 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Theodore H. Torbeck, Andrew R. Kaiser and Christopher J. Wilson, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 26th day of January, 2017.

/s/ John M. Zmo

John M. Zmo

Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 26th day of January, 2017, personally appeared before me John M. Zmo, to me known and known to me to be the person described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 26th day of January, 2017.

/s/ Connie M. Vogt

Connie M. Vogt

Notary Public, State of Ohio

My commission expires 04-28-2020

Certifications

I, Theodore H. Torbeck, Chief Executive Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Cincinnati Bell Inc;
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 under which such statements were made, not misleading with respect to the period covered by this report;
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, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure control 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 material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - 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 quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - 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 financial reporting.

Date: February 24, 2017

/s/ Theodore H. Torbeck

Theodore H. Torbeck
Chief Executive Officer

Certifications

I, Andrew R. Kaiser, Chief Financial Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Cincinnati Bell Inc;
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 under which such statements were made, not misleading with respect to the period covered by this report;
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, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure control 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 material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - 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 quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - 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 financial reporting.

Date: February 24, 2017

/s/ Andrew R. Kaiser

Andrew R. Kaiser
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Cincinnati Bell Inc. (the "Company") on Form 10-K for the period ending December 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Theodore H. Torbeck, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Theodore H. Torbeck

Theodore H. Torbeck

Chief Executive Officer

February 24, 2017

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Cincinnati Bell Inc. (the "Company") on Form 10-K for the period ending December 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Andrew R. Kaiser, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Andrew R. Kaiser

Andrew R. Kaiser

Chief Financial Officer

February 24, 2017

