

WINDSTREAM HOLDINGS, INC.

Form 8-K

February 09, 2018

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

FORM 8-K

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

Date of Report (Date of earliest event reported): February 9, 2018 (February 6, 2018)

| Exact name of registrant as specified in its charter | State or other jurisdiction of incorporation or organization | Commission File Number | I.R.S. Employer Identification No. |
|---|--|---------------------------|------------------------------------|
| Windstream Holdings, Inc. | Delaware | 001-32422 | 46-2847717 |
| Windstream Services, LLC | Delaware | 001-36093 | 20-0792300 |

4001
Rodney
Parham
Road
Little
Rock, 72212
Arkansas
(Address
of
principal
executive
offices)
(501) 748-7000
(Registrants'
telephone number,
including area
code)

N/A
(Former Name or
Former Address, if
Changed Since Last
Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

--Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

--Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

..
Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

..
Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ..

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act."

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) On February 6, 2018, the Compensation Committee (the “Compensation Committee”) of the Board of Directors of Windstream Holdings, Inc. (the “Company”) adopted new form Nonqualified Stock Option Grant Agreements under the Windstream 2006 Equity Incentive Plan, as amended and restated effective February 12, 2014 and subsequently amended on May 4, 2015 (the “Windstream Plan”), and the EarthLink Holdings Corp. 2016 Equity and Cash Incentive Plan (the “EarthLink Plan”), which was assumed by the Company in connection with its acquisition of EarthLink Holdings Corp. on February 27, 2017. The Nonqualified Stock Option Grant Agreements are collectively referred to herein as the “Grant Agreements.”

Pursuant to the Grant Agreements, the Company will award nonqualified stock options to purchase shares of the Company’s common stock to certain of the Company’s employees, including its executive officers, under the Windstream Plan and the EarthLink Plan. The stock options will vest ratably on March 1 of each year following the year of grant until fully vested, with the vesting period to be determined by the Compensation Committee in its discretion. The Grant Agreements provide for accelerated vesting of unvested stock options if the optionee dies or becomes permanently Disabled (as defined in the Grant Agreements) or, if during the two-year period following a Change in Control (as defined in the Windstream Plan or EarthLink Plan, as applicable), the optionee’s employment with the Company or any of its subsidiaries is terminated without Cause (as defined in the Grant Agreements) or the optionee terminates his or her employment with the Company or any of its subsidiaries for Good Reason (as defined in the Grant Agreements). The foregoing descriptions of the Grant Agreements do not purport to be complete and are subject to, and are qualified in their entirety by, the full text of the Grant Agreements that are attached hereto as Exhibit 10.1 and Exhibit 10.2 and are incorporated herein by reference.

The Company maintains an equity-based compensation program to provide long-term incentives to executive officers to better align the interests of executives with stockholders and to provide a retention incentive. To date, all equity compensation awards granted by the Company have been issued as either time- or performance-based restricted stock or restricted stock units. In 2018, however, the Compensation Committee has elected to structure the annual equity incentive awards in the form of stock options, and on February 6, 2018, the Compensation Committee granted options to each of the Company’s executive officers. The options vest ratably over a three-year period subject to continuous employment through March 1, 2021. The table below sets forth the number of options granted to Mr. Thomas, our President and Chief Executive Officer, Mr. Gunderman, our Chief Financial Officer and Treasurer, and Mr. Eichler, our Senior Vice President - Controller:

| | |
|--|-----------|
| Tony Thomas President and Chief Executive Officer | 1,625,000 |
| Robert E. Gunderman Chief Financial Officer and Treasurer | 594,000 |
| John C. Eichler Senior Vice President - Controller | 125,000 |

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are filed with this report:

| Exhibit Number | Description |
|-------------------|-------------|
|-------------------|-------------|

- 10.1 Form of Nonqualified Stock Option Grant Agreement (Windstream 2006 Equity Incentive Plan)
 - 10.2 Form of Nonqualified Stock Option Grant Agreement (EarthLink Holdings Corp. 2016 Equity and Cash Incentive Plan)
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

WINDSTREAM HOLDINGS, INC.

WINDSTREAM SERVICES, LLC

By: /s/ Kristi M. Moody

By: /s/ Kristi M. Moody

Name: Kristi M. Moody

Name: Kristi M. Moody

Title: Senior Vice President - General Counsel and
Corporate Secretary

Title: Senior Vice President - General Counsel and
Corporate Secretary

February 9, 2018