AUTONATION, INC.
Form DEF 14A
March 26, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A
(Rule 14a-101)
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
Filed by the Registrant þ
Filed by a Party other than the Registrant ¨
Check the appropriate box:
¨ Preliminary Proxy Statement
¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
þ Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material under § 240.14a-12
AutoNation, Inc.
(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)
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(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

AutoNation, Inc.
AutoNation Headquarters
200 SW 1st Ave
Fort Lauderdale, FL 33301

NOTICE OF THE 2013 ANNUAL MEETING OF STOCKHOLDERS

To Stockholders of AutoNation, Inc.:

The 2013 Annual Meeting of Stockholders of AutoNation, Inc. will be held at the Four Seasons Hotel Atlanta, located at 75 14th Street NE, Atlanta, Georgia 30309, on Wednesday, May 8, 2013, at 8:00 a.m. Eastern Time for the following purposes as more fully described in the proxy statement:

(1) To elect the ten director nominees named in the proxy statement, each for a term expiring at the next Annual Meeting of Stockholders or until their successors are duly elected and qualified;
(2) To ratify the selection of KPMG LLP as our independent registered public accounting firm for 2013;
(3) To consider three stockholder proposals, if properly presented at the Annual Meeting; and
(4) To transact such other business as may properly come before the Annual Meeting or any adjournments or postponements of the Annual Meeting.

Only stockholders of record as of 5:00 p.m. Eastern Time on March 14, 2013, the record date, are entitled to receive notice of the Annual Meeting and to vote at the Annual Meeting or any adjournments or postponements of the Annual Meeting.

We cordially invite you to attend the Annual Meeting in person. Even if you plan to attend the Annual Meeting, we ask that you please cast your vote as soon as possible. You may revoke your proxy and reclaim your right to vote at any time prior to its use. The proxy statement includes information on what you will need to attend the Annual Meeting.

By Order of the Board of Directors,
Jonathan P. Ferrando
Executive Vice President,
General Counsel and Secretary
March 26, 2013

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INTERNET AVAILABILITY OF PROXY MATERIALS

In accordance with the rules of the Securities and Exchange Commission ("SEC"), we are furnishing our proxy materials, including this proxy statement and our annual report, to our stockholders primarily via the Internet. On March 26, 2013, we began mailing to most of our stockholders a Notice of Internet Availability of Proxy Materials (the "Notice") that contains instructions on how to access our proxy materials on the Internet. The Notice also contains instructions on how to vote via the Internet or by telephone. Other stockholders, in accordance with their prior requests, received an email with instructions on how to access our proxy materials and vote via the Internet, or have been mailed paper copies of our proxy materials and a proxy card or voting form. Stockholders may request to receive all future proxy materials in printed form by mail or electronically by email by following the instructions contained in the Notice.

Important Notice Regarding the Availability of Proxy Materials
for the Stockholder Meeting to be Held on May 8, 2013

Our 2012 Annual Report and this proxy statement are available at www.edocumentview.com/an.

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AUTONATION, INC.
AutoNation Headquarters
200 SW 1st Ave
Fort Lauderdale, FL 33301

PROXY STATEMENT

This Proxy Statement contains information relating to the solicitation of proxies by the Board of Directors (the "Board") of AutoNation, Inc. ("AutoNation" or the "Company") for use at our 2013 Annual Meeting of Stockholders or any adjournment or postponement thereof. Our Annual Meeting will be held at the Four Seasons Hotel Atlanta, located at 75 14th Street NE, Atlanta, Georgia 30309, on Wednesday, May 8, 2013, at 8:00 a.m. Eastern Time.

Only stockholders of record as of 5:00 p.m. Eastern Time on March 14, 2013 (the "record date") are entitled to receive notice of the Annual Meeting and to vote at the Annual Meeting or any adjournments or postponements of the Annual Meeting. As of the record date, there were 121,312,586 shares of AutoNation common stock issued and outstanding and entitled to vote at the Annual Meeting. We made copies of this proxy statement available to our stockholders beginning on March 26, 2013.

INFORMATION ABOUT THE ANNUAL MEETING

Agenda

- To elect the ten director nominees named in this proxy statement, each for a term expiring at the next Annual Meeting of Stockholders or until their successors are duly elected and qualified
- To ratify the selection of KPMG LLP as our independent registered public accounting firm for 2013
- To consider three stockholder proposals, if properly presented at the Annual Meeting
- To transact such other business as may properly come before the Annual Meeting or any adjournments or postponements of the Annual Meeting

Vote Recommendations

Proposal	Matter	Board Vote Recommendation
1	Election of Directors	FOR EACH NOMINEE
2	Ratification of the Selection of KPMG LLP as Independent Auditor for 2013	FOR
3	Stockholder Proposal Regarding Special Meetings	AGAINST
4	Stockholder Proposal Regarding Equity Awards	AGAINST
5	Stockholder Proposal Regarding Political Contributions	AGAINST

Voting Matters

Quorum. The holders of at least 60,656,294 shares (a majority of shares outstanding on the record date) must be present in person or represented by proxy to conduct business at the Annual Meeting. Both abstentions and broker non-votes will be counted for the purpose of determining the presence of a quorum.

Voting by Stockholders of Record. If you are a stockholder of record (your shares are registered directly in your name with our transfer agent), you may vote by proxy via the Internet by following the instructions provided in the Notice of Internet Availability of Proxy Materials. If you receive printed copies of the proxy materials by mail, you may also vote by proxy via the Internet, by telephone, or by mail by following the instructions provided on the proxy card.

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Stockholders of record who attend the Annual Meeting may vote in person by obtaining a ballot from the inspector of elections.

Voting by Beneficial Owners. If you are a beneficial owner of shares (your shares are held in the name of a brokerage firm, bank, or other nominee), you may vote by proxy by following the instructions provided in the Notice of Internet Availability of Proxy Materials, vote instruction form, or other materials provided to you by the brokerage firm, bank, or other nominee that holds your shares. If you do not provide specific voting instructions to the nominee that holds your shares, such nominee will have the authority to vote your shares only with respect to the ratification of the selection of KPMG LLP as our independent registered accounting firm (such proposal is considered a "routine" matter under NYSE rules), and your shares will not be voted and will be considered "broker non-votes" with respect to the other proposals (such proposals are considered "non-routine" matters under NYSE rules). To vote in person at the Annual Meeting, you must obtain a legal proxy from the brokerage firm, bank, or other nominee that holds your shares.

Changing Your Vote. You may revoke your proxy and change your vote at any time before the final vote at the Annual Meeting. You may vote again on a later date via the Internet or by telephone (only your latest Internet or telephone proxy submitted prior to the meeting will be counted), by signing and returning a new proxy card with a later date, or by attending the Annual Meeting and voting in person. Your attendance at the Annual Meeting will not automatically revoke your proxy unless you vote again at the Annual Meeting or specifically request in writing that your prior proxy be revoked.

Votes Required to Adopt Proposals. Each share of our common stock outstanding on the record date is entitled to one vote on each of the ten director nominees and one vote on each other matter. To be elected, directors must receive a majority of the votes cast (the number of shares voted "for" a director nominee must exceed the number of votes cast "against" that nominee). Approval of each of the other matters on the agenda requires the affirmative vote of a majority of the shares of common stock present in person or represented by proxy and entitled to vote on the proposal.

Effect of Abstentions and Broker Non-Votes. For the election of directors, broker non-votes (shares held by brokers that do not have discretionary authority to vote on a proposal and have not received voting instructions from their clients) and abstentions will not be counted as having been voted. For Proposals 2, 3, 4, and 5, abstentions will be counted as having been voted and will have the same effect as negative votes. For Proposals 3, 4, and 5, broker non-votes will not be counted as having been voted. Brokers will have discretionary authority to vote on Proposal 2 since it is considered a routine matter under NYSE rules. Since they are not counted as "for" votes, broker non-votes could prevent the election of our directors and/or approval of Proposals 3, 4, and 5, so we urge you to provide voting instructions.

Voting Instructions. If you complete and submit a proxy with voting instructions, the persons named as proxies will follow your instructions. If you are a stockholder of record and submit a proxy without voting instructions, or if your instructions are unclear, the persons named as proxies will vote as the Board recommends on each proposal. With respect to any other matters properly presented at the Annual Meeting, the persons named as proxies will vote as recommended by our Board of Directors, or if no recommendation is given, in their own discretion. If you hold shares through the AutoNation 401(k) Plan and you do not provide clear voting instructions, Wells Fargo Bank, N.A., as Trustee for the 401(k) Plan, will vote the shares in your 401(k) account in the same proportion that it votes shares for which it received valid and timely instructions.

Proxy Solicitation

We will pay for the cost of soliciting proxies. Our directors, officers, and other employees, without additional compensation, may solicit proxies personally or in writing, by telephone, email, or otherwise. As is customary, we will reimburse brokerage firms, banks, and other nominees for forwarding our proxy materials to each beneficial owner of common stock held of record by them.

Attending the Annual Meeting

You are entitled to attend the Annual Meeting only if you were an AutoNation stockholder as of the record date or you hold a valid proxy for the Annual Meeting. You may be asked to present valid photo identification and proof of stock ownership as of the record date to be admitted to the Annual Meeting. Directions to the Annual Meeting are provided

on page 51 of this proxy statement.

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BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Directors

Our Board currently consists of 11 members. Except for G. Mike Mikan, each of our current directors was elected by our stockholders at our 2012 Annual Meeting of Stockholders. Upon the recommendation of the Corporate Governance and Nominating Committee, the Board appointed Mr. Mikan as a member of the Board effective March 7, 2013. ESL Investments, Inc., our largest stockholder, and Mike Jackson, our Chairman of the Board and Chief Executive Officer, suggested Mr. Mikan as a prospective Board candidate. On March 1, 2013, William C. Crowley, who has served as one of our directors since January 2002, informed the Company that he will not stand for re-election to the Board at the 2013 Annual Meeting. Mr. Crowley will continue to serve on our Board, the Corporate Governance and Nominating Committee, and the Compensation Committee until the completion of the Annual Meeting.

Upon the recommendation of the Corporate Governance and Nominating Committee, the Board has nominated the ten persons listed below to stand for election for a new term expiring at the 2014 Annual Meeting of Stockholders or until their successors are duly elected and qualified. See “Items To Be Voted On - Proposal 1: Election of Directors.”

Our Board consists of a diverse group of leaders. Many of our directors have experience serving as executive officers or on boards and board committees of major companies. Many of our directors also have extensive corporate finance and investment banking experience as well as a broad understanding of capital markets. Our directors have a strong owner orientation - approximately 58% of our common stock is held by our directors or entities or persons related to our directors (as of March 14, 2013).

We have set forth below information regarding each director nominated to stand for election, including the specific experience, qualifications, attributes, or skills that led the Board to conclude that such person should serve as a director. Our Corporate Governance and Nominating Committee and the Board believe that the experience, qualifications, attributes, and skills of our directors provide the Company with the ability to address the evolving needs of the Company and represent the best interests of our stockholders.

Nominee	Current Position with AutoNation	Age	Director Since
Mike Jackson	Chairman of the Board and Chief Executive Officer	64	1999
Robert J. Brown	Director	78	2010
Rick L. Burdick	Director	61	1991
David B. Edelson	Director	53	2008
Robert R. Grusky	Director	55	2006
Michael Larson	Director	53	2010
Michael E. Maroone	Director, President and Chief Operating Officer	59	2005
Carlos A. Migoya	Director	62	2006
G. Mike Mikan	Director	41	2013
Alison H. Rosenthal	Director	36	2011

Mike Jackson has served as our Chairman of the Board since January 2003 and as our Chief Executive Officer and Director since September 1999. From October 1998 until September 1999, Mr. Jackson served as Chief Executive Officer of Mercedes-Benz USA, LLC, a North American operating unit of DaimlerChrysler AG, a multinational automotive manufacturing company. From April 1997 until September 1999, Mr. Jackson also served as President of Mercedes-Benz USA. From July 1990 until March 1997, Mr. Jackson served in various capacities at Mercedes-Benz USA, including as Executive Vice President immediately prior to his appointment as President of Mercedes-Benz USA. Mr. Jackson was also the managing partner from March 1979 to July 1990 of Euro Motorcars of Bethesda, Maryland, a regional group that owned and operated eleven automotive dealership franchises, including Mercedes-Benz and other brands of automobiles. In January 2011, Mr. Jackson was appointed to the Board of Directors of the Federal Reserve Bank of Atlanta’s Miami Branch. Mr. Jackson’s automotive experience, his position as our Chief Executive Officer, and his broad knowledge of our Company and the automotive industry led the Board to conclude that he should serve as one of our directors.

Robert J. Brown has served as one of our directors since February 2010 and also previously served as one of our directors from May 1997 until May 2008. Mr. Brown has served as Chairman and Chief Executive Officer of B&C

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Associates, Inc., a management consulting, marketing research, and public relations firm, since 1973. Mr. Brown served as a director of Wachovia Corporation, a commercial and retail bank from April 1993 until April 2007, Sonoco Products Company, a manufacturer of industrial and consumer packaging products, from April 1993 until February 2007, and Duke Energy Corporation, an electric power company, from April 1994 until May 2005. Mr. Brown's experience operating B&C Associates, Inc. and his prior public company board experience led the Board to conclude that he should serve as one of our directors.

Rick L. Burdick has served as one of our directors since May 1991. Since 1988, Mr. Burdick has been a partner in Akin, Gump, Strauss, Hauer & Feld, L.L.P., a global full service law firm. Mr. Burdick is managing partner (international) and chair of the international corporate transactions practice of the firm. He also serves as Lead Director of CBIZ, Inc. (formerly, Century Business Services, Inc.), a provider of outsourced business services to small and medium-sized companies in the United States. Mr. Burdick's experience as a senior partner at a large law firm advising large companies on a broad range of corporate transactions and on securities law and corporate governance matters led the Board to conclude that he should serve as one of our directors.

David B. Edelson has served as one of our directors since July 2008. Mr. Edelson is Senior Vice President of Loews Corporation, a diversified holding company with subsidiaries in the property-casualty insurance, offshore drilling, natural gas transmission and storage, natural gas exploration and production, and lodging industries. He joined Loews in May 2005. Prior to joining Loews, Mr. Edelson was Executive Vice President & Corporate Treasurer of JPMorgan Chase & Co. He was named Corporate Treasurer in April 2001 and promoted to Executive Vice President in February 2003. Mr. Edelson spent the first 15 years of his career as an investment banker, first with Goldman, Sachs & Co. and subsequently with JPMorgan Chase & Co. From February 2007 until June 2011, he served as a director of CNA Surety Corporation, and from January 2009 until June 2011, as Chairman of the Board of CNA Surety Corporation. Mr. Edelson's experience as a senior executive officer of a large holding company owning a wide range of businesses, as well as his prior experience as an investment banker and corporate treasurer, led the Board to conclude that he should serve as one of our directors.

Robert R. Grusky has served as one of our directors since June 2006. In 2000, Mr. Grusky founded Hope Capital Management, LLC, an investment management firm for which he serves as Managing Member. He co-founded New Mountain Capital, LLC, a private equity and public equity investment management firm, in 2000 and was a Principal, Managing Director and Member of New Mountain Capital from 2000 to 2005 and has been a Senior Advisor since then. From 1998 to 2000, Mr. Grusky served as President of RSL Investments Corporation, the primary investment vehicle for the Hon. Ronald S. Lauder. Prior thereto, Mr. Grusky served in a variety of capacities at Goldman, Sachs & Co. in its Mergers & Acquisitions Department and Principal Investment Area. Mr. Grusky is a director of Strayer Education, Inc., an education services company. From August 2008 until December 2012, he served as a director of AutoZone, Inc. Mr. Grusky's board experience and experience in investment management, private equity, and investment banking led the Board to conclude that he should serve as one of our directors.

Michael Larson has served as one of our directors since February 2010. Mr. Larson serves as chief investment officer for William H. Gates III, a position he has held since 1994. He is responsible for Mr. Gates' non-Microsoft investments as well as the investments of the Bill & Melinda Gates Foundation Trust. He serves as a director of Republic Services, Inc., Ecolab Inc., Fomento Economico Mexicano, S.A.B. de C.V., and Grupo Televisa, S.A.B. In addition, he is Chairman of the Board of Trustees for Western Asset/Claymore Inflation-Linked Securities & Income Fund and Western Asset/Claymore Inflation-Linked Opportunities & Income Fund. From November 1999 until December 2010, Mr. Larson served as a director of Pan American Silver Corp. Mr. Larson's investment and business experience and broad understanding of the capital markets, business cycles, and capital investment and allocation led the Board to conclude that he should serve as one of our directors.

Michael E. Maroone has served as one of our directors since July 2005 and as our President and Chief Operating Officer since August 1999. Following our acquisition of the Maroone Automotive Group in January 1997, Mr. Maroone served as President of our New Vehicle Dealer Division. In January 1998, Mr. Maroone was named President of our Automotive Retail Group with responsibility for our new and used vehicle operations. Prior to joining

AutoNation, Mr. Maroone was President and Chief Executive Officer of the Maroone Automotive Group, one of the country's largest privately-held automotive retail groups prior to its acquisition by us. Mr. Maroone's position as our President and his broad knowledge of our Company and the automotive retail industry led the Board to conclude that he should serve as one of our directors.

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Carlos A. Migoya has served as one of our directors since June 2006. In May 2011, Mr. Migoya was named Chief Executive Officer of Jackson Health System in Miami, Florida. From February 2010 until December 2010, Mr. Migoya served as City Manager for the City of Miami. He previously served as Regional President - North Carolina of Wachovia Corporation, a Wells Fargo Company, from December 2007 until May 2009. From June 2006 until December 2007, Mr. Migoya served as State CEO for the Atlantic Region of Wachovia Corporation. In this position, Mr. Migoya was responsible for Wachovia's general banking businesses in New Jersey, Connecticut, and New York. From 1987 until 2006, Mr. Migoya served as Regional President - Dade and Monroe Counties of Wachovia Corporation, with responsibility for Wachovia's general banking businesses in the region. Mr. Migoya has more than 35 years of experience in banking. Mr. Migoya's management and banking experience led the Board to conclude that he should serve as one of our directors.

G. Mike Mikan has served as one of our directors since March 2013. He has served as President of ESL Investments, Inc. since January 1, 2013. Mr. Mikan served as the Interim Chief Executive Officer of Best Buy Co., Inc. from April 2012 until September 2012. From November 1998 through February 2012, he served in various executive positions at UnitedHealth Group Incorporated ("UnitedHealth"), including as Executive Vice President and Chief Financial Officer of UnitedHealth from November 2006 until January 2011. From June 2011 until February 2012, he served as Executive Vice President of UnitedHealth and provided transitional duties for his role as Chief Executive Officer of UnitedHealth's Optum subsidiary, a diversified health services business, which he was appointed to in January 2011. He served as a director of Best Buy from April 2008 until December 2012. Mr. Mikan's operational and public company leadership experience and his position as President of ESL Investments, Inc. led the Board to conclude that he should serve as one of our directors.

Alison H. Rosenthal has served as one of our directors since March 2011. Since December 2011, Ms. Rosenthal has served as Executive in Residence of Greylock Partners, a leading venture capital firm. From February 2006 until January 2011, Ms. Rosenthal led various initiatives in the Business Development Department at Facebook, Inc., where she served as Senior Manager from February 2006 until July 2008 and as Head of the Global Operator Program, Mobile from July 2008 until January 2011. Ms. Rosenthal served as an associate at General Atlantic Partners, LLC, a global private equity fund focused on IT, from February 2001 until June 2003 and as an analyst at Goldman, Sachs & Co., a leading global investment banking and securities firm, from July 1998 until July 2000. Ms. Rosenthal's technology experience, including in the areas of mobile applications and social media, and investment and finance experience led the Board to conclude that she should serve as one of our directors.

Corporate Governance Guidelines and Codes of Ethics

Our Board is committed to sound corporate governance principles and practices. Our Board's core principles of corporate governance are set forth in the AutoNation, Inc. Corporate Governance Guidelines (the "Guidelines"), which were adopted by the Board in March 2003 and most recently amended as of October 20, 2011. The Guidelines serve as a framework within which our Board conducts its operations. The Corporate Governance and Nominating Committee of our Board is charged with reviewing annually, or more frequently as appropriate, the Guidelines and recommending to our Board appropriate changes in light of applicable laws and regulations, the governance standards identified by leading governance authorities, and our Company's evolving needs.

In order to clearly set forth our commitment to conduct our operations in accordance with our high standards of business ethics and applicable laws and regulations, we have a company-wide Business Ethics Program, which includes a Code of Business Ethics applicable to all of our employees. We also maintain a 24-hour Alert-Line for employees to report any Company policy violations under our Business Ethics Program. In addition, our Board has adopted the Code of Ethics for Senior Officers and the Code of Business Ethics for the Board of Directors. These codes comply with NYSE listing standards.

A copy of the Guidelines and the codes referenced above are available on our corporate website at investors.autonation.com. You also may obtain a printed copy of the Guidelines by sending a written request to: Investor Relations, AutoNation, Inc., 200 SW 1st Ave, Fort Lauderdale, FL 33301.

Role of the Board and Board Structure

Our business and affairs are managed under the direction of our Board, which is the Company's ultimate decision-making body, except with respect to those matters reserved to our stockholders. Our Board's mission is to maximize long-term stockholder value. Our Board establishes our overall corporate policies, selects and evaluates our senior

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management team, who is charged with the conduct of our business, and acts as an advisor and counselor to senior management. Our Board also oversees our business strategy and planning as well as the performance of management in executing our business strategy, assessing and managing risks, and managing our day-to-day operations.

Our Board's oversight of our business strategy and planning and management of our day-to-day operations includes a review of risks that could impact our goals, objectives, and financial condition. In addition, our Audit, Corporate Governance and Nominating, and Compensation committees assist the Board in overseeing our management of risk. Our Audit Committee reviews with management significant risks as well as our process for assessing and managing risks. Our Corporate Governance and Nominating Committee oversees our company-wide Business Ethics Program, which includes a Code of Business Ethics applicable to all of our employees. Our Compensation Committee, in certain cases through its Executive Compensation Subcommittee, reviews and approves our executive compensation program and also reviews the general compensation structure for our corporate and key field employees. While our Board oversees our management of risk as outlined above, management is responsible for identifying and managing risks.

The positions of Chairman of the Board and Chief Executive Officer are both currently held by Mike Jackson. The Board believes that this leadership model is currently appropriate for the following reasons:

- Our Board has adopted strong and effective corporate governance policies and procedures to promote the effective and independent governance of the Company. See "Corporate Governance Guidelines and Codes of Ethics" above.
- Our Board is stockholder-oriented and focused on the best interests of our stockholders - approximately 58% of our common stock is held by our directors or entities or persons related to our directors (as of March 14, 2013), a significant portion of our director's compensation is equity-based, and the Board has established director stock ownership guidelines.
- The combined role enables decisive leadership, ensures clear accountability, and fosters alignment on corporate strategy.
- Our independent directors meet in regularly scheduled executive sessions led by a presiding director (rotated among Committee Chairs) without management present.
- Our independent directors annually review the performance of our Chairman and Chief Executive Officer.
- The Board believes that it functions well with its current leadership structure and with Mr. Jackson as Chairman of the Board.
- At our 2009, 2010, and 2012 Annual Meetings of Stockholders, stockholder proposals to amend our by-laws to require an independent Board chairman were presented, and 86%, 85%, and 84% of the votes cast, respectively, voted against such proposals.

In addition, we believe that the current leadership structure of the Board supports its risk oversight functions by providing independent leadership at the committee level, executive sessions of the Board of Directors with rotating presiding directors, and ultimate oversight by the full Board led by our Chairman and Chief Executive Officer.

Our Board of Directors held 13 meetings and took two actions by unanimous written consent during 2012. In 2012, each person serving as a director attended at least 75% of the total number of meetings of our Board and any Board committee on which he or she served.

Our independent directors held four executive sessions without management present during 2012. Our Board has not appointed a lead independent director; instead, in accordance with our Guidelines, the presiding director for each executive session is rotated among the Chairs of our Board committees.

Our directors are expected to attend our Annual Meeting of Stockholders. Any director who is unable to attend our Annual Meeting is expected to notify the Chairman of the Board in advance of the Annual Meeting. Each person who was then serving as a director attended the 2012 Annual Meeting of Stockholders.

Board Committees

Our Board has established three separately designated standing committees to assist the Board in discharging its responsibilities: the Audit Committee, the Compensation Committee, and the Corporate Governance and Nominating Committee. In addition, our Board has established the Executive Compensation Subcommittee, which is a subcommittee

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of the Compensation Committee. The charters for our Board committees are in compliance with SEC rules and NYSE listing standards. These charters are available at investors.autonation.com. You may obtain a printed copy of any of these charters by sending a request to: Investor Relations, AutoNation, Inc., 200 SW 1st Ave, Fort Lauderdale, FL 33301.

The following table sets forth the current membership of each of our Board's committees:

Name	Audit Committee	Compensation Committee	Executive Compensation Subcommittee	Corporate Governance and Nominating Committee
Robert J. Brown	ü			
Rick L. Burdick		ü	ü	Chair
William C. Crowley		Chair		ü
David B. Edelson	ü			
Robert R. Grusky	Chair			
Michael Larson		ü	ü	
Carlos A. Migoya		ü	Chair	ü
Alison H. Rosenthal	ü			

Audit Committee

The Audit Committee primarily assists our Board in fulfilling its oversight responsibilities by reviewing our financial reporting and audit processes and our systems of internal control over financial reporting and disclosure controls. Among the Committee's core responsibilities are the following: (i) overseeing the integrity of our financial statements, for which management is responsible, and reviewing and approving the scope of the annual audit; (ii) selecting, retaining, compensating, overseeing, and evaluating our independent registered public accounting firm; (iii) reviewing the Company's critical accounting policies; (iv) reviewing the Company's quarterly and annual financial statements prior to the filing of such statements with the SEC; (v) preparing the Audit Committee report for inclusion in our proxy statement; and (vi) reviewing with management significant risks and assessing the steps management has taken to minimize, monitor, and control such risks or exposures. For a complete description of our Audit Committee's responsibilities, please refer to the Audit Committee's charter.

The Audit Committee currently consists of four directors. Our Board has determined that each Audit Committee member has the requisite independence and other qualifications for audit committee membership under SEC rules, NYSE listing standards, the Audit Committee's charter, and the independence standards set forth in the Guidelines (as discussed below under "Director Independence"). Our Board has also determined that each of Mr. Grusky and Mr. Edelson is an "audit committee financial expert" within the meaning of Item 407(d)(5) of Regulation S-K under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). See "Directors" above for a description of the business experience of each of Mr. Grusky and Mr. Edelson.

The Audit Committee held six meetings and took one action by unanimous written consent during 2012. The Audit Committee Report for fiscal 2012, which contains a description of the Audit Committee's responsibilities and its recommendation with respect to our audited consolidated financial statements for the year ended December 31, 2012, is set forth below under "Audit Committee Report."

Compensation Committee

The Compensation Committee primarily assists our Board in fulfilling its compensation and management development and succession planning oversight responsibilities by, among other things: (i) reviewing our director compensation program; (ii) reviewing and approving the compensation of our Chief Executive Officer and other senior executive officers and, except as expressly delegated to the Executive Compensation Subcommittee, setting annual and long-term performance goals for these individuals; (iii) reviewing and approving the compensation of all of our corporate officers; and (iv) reviewing the Company's program for management development and succession planning.

Please refer to “Executive Compensation Subcommittee” below for a description of the Executive Compensation Subcommittee, which is a subcommittee of the Compensation Committee. Pursuant to the Compensation Committee’s charter, the Committee may form subcommittees and may delegate to such subcommittees any or all power and authority

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of the Committee as the Committee deems appropriate, provided that no subcommittee may consist of fewer than two members, and provided further that the Committee may not delegate to a subcommittee any power or authority required by any applicable laws, regulations, or listing standards to be exercised by the Committee as a whole.

The Committee reviews executive compensation at its meetings throughout the year and sets executive compensation. The Committee also reviews director compensation annually. As part of its review of executive compensation, the Committee reviews the executive compensation arrangements at other retail companies. The Committee reviews the data at a high level in order to evaluate and confirm whether our executive compensation is within a reasonably competitive range. The Committee, however, does not set executive compensation at a set target percentile based on the data. See "Executive Compensation - Compensation Discussion and Analysis - Setting Compensation Levels of Executive Officers." The Committee did not engage a compensation consultant to advise the Committee with respect to executive or director compensation for 2012.

Our Board has determined that each Compensation Committee member has the requisite independence for Compensation Committee membership under NYSE listing standards and the independence standards set forth in the Guidelines. The Compensation Committee held five meetings and took eight actions by unanimous written consent during 2012. For more information on the responsibilities and activities of the Compensation Committee, including the Committee's processes for determining executive compensation, see "Executive Compensation" below, as well as the Compensation Committee's charter.

Executive Compensation Subcommittee

The Executive Compensation Subcommittee is a subcommittee of the Compensation Committee. The Subcommittee assists the Board and the Compensation Committee in fulfilling their compensation oversight responsibilities by performing the following duties: (i) reviewing and approving performance-based compensation of executive officers as contemplated under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), including bonuses and stock-based awards; (ii) administering the AutoNation, Inc. Senior Executive Incentive Bonus Plan, including establishing performance goals and certifying whether such goals are attained as contemplated under Section 162(m) of the Code; and (iii) administering our equity compensation plans, including approving stock-based awards.

Our Board has determined that each member of the Subcommittee qualifies as a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act, and as an "outside director" under Section 162(m) of the Code. The Executive Compensation Subcommittee held five meetings and took four actions by unanimous written consent during 2012. For more information on the responsibilities and activities of the Executive Compensation Subcommittee, please refer to the Executive Compensation Subcommittee's charter.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee assists our Board in fulfilling its oversight responsibilities by performing the following duties: (i) reviewing annually, or more frequently as appropriate, the corporate governance principles and practices set forth in the Guidelines, in comparison to the governance standards identified by leading governance authorities and our evolving needs, and making recommendations to the Board with respect to any appropriate amendment to the Guidelines; (ii) considering and advising the Board with respect to other corporate governance issues; (iii) periodically reviewing our codes of ethics and conduct for directors, officers, and employees; (iv) leading annual evaluations of Board and Board committee performance; (v) assessing periodically our Board's needs in terms of skills and qualifications and recommending to our Board candidates for nomination and election to our Board; (vi) reviewing Board candidates recommended by our stockholders; and (vii) recommending to our Board assignments to committees.

Our Board has determined that each Corporate Governance and Nominating Committee member is independent under NYSE listing standards and the independence standards set forth in the Guidelines. In 2012, the Corporate Governance and Nominating Committee held four meetings and took no actions by unanimous written consent.

The Corporate Governance and Nominating Committee has a policy with regard to the consideration of director candidates recommended by stockholders. For information regarding this policy, refer to "Stockholder Communications - Stockholder Director Recommendations" below.

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Director Independence

The director independence standards set forth in our Guidelines, available at investors.autonation.com, meet and in some areas exceed the listing standards of the NYSE. Our Board has affirmatively determined that all of our directors, except Mr. Jackson, our Chairman and Chief Executive Officer, and Mr. Maroone, our President and Chief Operating Officer, are "independent" under our independence standards and the listing standards of the NYSE.

In addition to our independence standards, the directors who serve on our Audit Committee each satisfy standards established by the SEC providing that to qualify as "independent" for the purposes of membership on that committee, members of audit committees may not (1) accept directly or indirectly any consulting, advisory, or other compensatory fee from the Company other than their director compensation or (2) be an affiliated person of the Company or any of its subsidiaries.

In making its independence determinations, the Board considered relationships and transactions since the beginning of 2010 between the Company and its subsidiaries and our non-employee directors, entities affiliated with those directors, and members of their immediate families. The Board determined that none of the relationships and transactions it considered impaired the independence of our non-employee directors or disqualified any of our non-employee directors from serving as independent directors under our independence standards and the listing standards of the NYSE. The Board's independence determinations included a review of the following relationships and transactions:

- Mr. Edelson is Senior Vice President of Loews Corporation ("Loews"), and, in connection with certain of our insurance programs, we have paid premiums to American Casualty Company of Reading, Pennsylvania and to Continental Casualty Company, each a subsidiary of CNA Financial Corporation ("CNA Financial"), which is a 90%-owned subsidiary of Loews. In addition, we may from time to time use hotels owned by Loews Hotel Holdings Corporation, a wholly-owned subsidiary of Loews.
- Mr. Grusky is a limited partner in ESL Partners, L.P., an investment affiliate of ESL Investments, Inc. ESL Investments, Inc. together with its investment affiliates (collectively, "ESL") beneficially owns approximately 41% of our common stock as of March 14, 2013.
- Mr. Larson serves as chief investment officer for William H. Gates III, and all shares of our common stock owned by Cascade Investment, L.L.C. ("Cascade") and the Bill & Melinda Gates Foundation Trust (the "Trust") may be deemed to be beneficially owned by Mr. Gates. As of March 14, 2013, on a combined basis, Cascade and the Trust beneficially own approximately 15% of our common stock. Cascade and the Trust on a combined basis beneficially own approximately 25% of the outstanding common stock of Republic Services, Inc. ("Republic"), based on publicly available data as of March 14, 2013, and Mr. Larson serves as a director of Republic. In the ordinary course of business, we enter into transactions, as a purchaser or supplier of goods or services, with Republic. In addition, in August 2010, the Board approved, for purposes of Section 203 of the Delaware General Corporate Law ("Section 203"), the acquisition by Cascade and the Trust of additional shares of our common stock. In connection with such approval, the Company, Cascade, and the Trust entered into an agreement pursuant to which Cascade and the Trust agreed not to engage in certain transactions and to provide notice before exceeding certain stock ownership thresholds. For additional information, please refer to the Form 8-K that we filed with the SEC on August 16, 2010.
- Mr. Mikan is the President of ESL Investments, Inc. ESL beneficially owns approximately 55% of the outstanding common stock of Sears Holdings Corporation ("Sears"), based on publicly available data as of March 14, 2013, and Edward S. Lampert, the Chairman, Chief Executive Officer and controlling principal of ESL Investments, Inc., serves as the Chairman of the Board and Chief Executive Officer of Sears. In the ordinary course of business, we enter into transactions with Sears as a purchaser or supplier of goods or services. See "Certain Relationships and Related Party Transactions" below for more information regarding certain transactions since January 1, 2012 involving the Company and ESL as a related party. In addition, in January 2009, the Company entered into agreements with certain automotive manufacturers that, among other things, eliminate certain adverse consequences that would be triggered under the framework agreements with those manufacturers in the event ESL acquires a 50% or greater ownership interest in our Company. For additional information regarding these agreements, see "Agreements with Vehicle Manufacturers - Framework

Agreements" in Part I, Item 1 of our Annual Report on Form 10-K for the year ended December 31, 2012.

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Director Selection Process

The Corporate Governance and Nominating Committee is responsible for identifying, evaluating, and recommending candidates to the Board for nomination and election to the Board. The Committee is also responsible for assessing the appropriate balance of skills and characteristics required of our Board members. The Committee considers candidates suggested by its members and other Board members, as well as management and stockholders. The Committee has retained an executive search firm to identify and review candidates in the past.

In accordance with the Guidelines, candidates, including candidates recommended by stockholders, are selected on the basis of, among other things, broad experience, financial expertise, wisdom, integrity, ability to make independent analytical inquiries, understanding of our business environment, the candidate's ownership interest in the Company, and willingness and ability to devote adequate time to Board duties, all in the context of assessing the needs of our Board at that point in time and with the objective of ensuring diversity in the background, experience, and viewpoints of our Board members. The Guidelines provide that the number of directors should permit diversity of experience without hindering effective discussion, diminishing individual accountability, or exceeding a number that can function efficiently as a body.

The Board periodically reviews the size of the Board to determine the size that will be most effective for the Company. In addition, the Board completes an annual self-evaluation, which includes a self-assessment questionnaire for each Board member. The self-assessment questionnaire addresses topics such as the structure of the Board, the skills and backgrounds of the current directors, the size of the Board, and the Board's committee structure. Each of the Audit Committee, the Corporate Governance and Nominating Committee, the Compensation Committee, and the Executive Compensation Subcommittee also completes an annual self-evaluation, which includes a self-assessment questionnaire tailored specifically for such committee or subcommittee.

Candidates recommended by our stockholders are considered on the same basis as if such candidates were recommended by one of our Board members or other persons. See "Stockholder Communications - Stockholder Director Recommendations" below.

Board Compensation

Our non-employee director compensation program is designed to:

- ensure alignment with long-term stockholder interests;
- ensure we can attract and retain outstanding directors who meet the criteria outlined under "Director Selection Process" above; and
- recognize the time commitments necessary to oversee the Company.

Summary

In 2012, our non-employee director compensation program consisted of the following:

- annual Board retainer of $50,000 for each non-employee director;
- annual committee retainers of $20,000 for the Chair of the Audit Committee and $10,000 for each other Audit Committee member;
- annual committee retainers of $10,000 for the Chairs of the Compensation Committee and the Corporate Governance and Nominating Committee and $5,000 for the other members of the Compensation Committee and the Corporate Governance and Nominating Committee; and
- expense reimbursement in connection with Board and committee meeting attendance.

In addition, the AutoNation, Inc. 2007 Non-Employee Director Option Plan (as amended, the "2007 Plan") provides for an automatic grant of an option to purchase 5,000 shares of our common stock to each non-employee director on the first trading day of each March, June, September, and December.

The most recent amendment to the 2007 Plan was approved by our Board of Directors on February 1, 2012. Prior to the adoption of that amendment, each option granted under the 2007 Plan was immediately exercisable and expired on the 10th anniversary of the option grant date. The amendment provides that, with respect to grants made under the 2007

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Plan after February 1, 2012, (1) each option will become exercisable with respect to 25% of the total number of shares underlying the option on June 1 of the year following the year in which the option is granted (the "initial vesting date") and with respect to an additional 25% on each of the next three succeeding anniversaries of the initial vesting date, (2) except as set forth in (3) below, in the event an optionee ceases to be a non-employee director, then any options held by such non-employee director will become immediately exercisable until the earlier of (a) 30 days following the date the optionee ceases to be a non-employee director and (b) the expiration of the options, (3) in the event an optionee ceases to be a non-employee director because of retirement, death, or permanent and total disability (each as defined in the 2007 Plan), then any options held by such non-employee director will become immediately exercisable until the earlier of (x) the third anniversary of the date of such retirement, death, or permanent and total disability and (y) the expiration of the options, and (4) each option will expire on the 10th anniversary of the first grant date in the year in which the option was granted.

Our non-employee directors became eligible to defer all or a portion of their annual and committee retainers under the AutoNation, Inc. Deferred Compensation Plan (the "DCP") beginning in January 2011. Please refer to "Executive Compensation - Compensation Tables - Non-Qualified Deferred Compensation in Fiscal 2012" for additional information regarding the DCP.

2012 Director Compensation

The following table sets forth the compensation earned during 2012 by each non-employee director who served in 2012.

2012 DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)(1)	Total ($)
Robert J. Brown	60,000	304,186	364,186
Rick L. Burdick	65,000	(2) 304,186	369,186
William C. Crowley	65,000	(2) 304,186	369,186
David B. Edelson	60,000	(2) 304,186	364,186
Robert R. Grusky	70,000	(2) 304,186	374,186
Michael Larson	55,000	304,186	359,186
Carlos A. Migoya	60,000	304,186	364,186
Alison H. Rosenthal	60,000	(2) 304,186	364,186

(1) The amounts reported in this column are based on the grant date fair values computed in accordance with FASB ASC Topic 718. For a description of the assumptions used in the calculation of these amounts, see Note 10 of the Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2012.

In 2012, each of our non-employee directors received an option to purchase 5,000 shares of common stock on each of March 1, June 1, September 4, and December 3. The following table sets forth information regarding each option award granted to our non-employee directors who were serving on the quarterly grant dates in 2012:

Grant Date	Number of Shares Underlying Option Award	Option Exercise Price ($)	Grant Date Fair Value of Option Award ($)
March 1, 2012	5,000	34.09	71,931
June 1, 2012	5,000	35.00	71,478
September 4, 2012	5,000	41.16	81,183
December 3, 2012	5,000	38.63	79,594

(2) Amount deferred under the DCP.

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The following table sets forth information regarding the number of options held by each of our non-employee directors as of December 31, 2012:

Name	Number of Options Held as of December 31, 2012
Robert J. Brown	30,000
Rick L. Burdick	160,000
William C. Crowley	120,000
David B. Edelson	130,000
Robert R. Grusky	100,000
Michael Larson	90,000
Carlos A. Migoya	80,000
Alison H. Rosenthal	35,000

Director Stock Ownership Guidelines

The Board believes that non-employee directors should be stockholders and have a financial stake in the Company. Toward this end, the Board expects that each non-employee director will invest at least $100,000 in the Company's common stock within five years of first becoming a non-employee director. Exceptions to this requirement may only be made by the Board under compelling mitigating circumstances.

The following table sets forth information regarding investments made by each director nominated to stand for election as of March 14, 2013.

DIRECTOR STOCK OWNERSHIP GUIDELINES

Name	Number of Shares Owned(1)	Amount Deemed Invested ($)	Progress	Deadline
Robert J. Brown	2,000	45,060	(2) 45%	February 2015
Rick L. Burdick	14,790	515,748	(3) Achieved	N/A
David B. Edelson	4,850	100,446	(4) Achieved	N/A
Robert R. Grusky	6,450	103,915	(5) Achieved	N/A
Michael Larson	3,000	89,289	(4) 89%	February 2015
Carlos A. Migoya	15,150	392,886	(6) Achieved	N/A
G. Mike Mikan	—	—	—	March 2018
Alison H. Rosenthal	—	—	—	March 2016

(1) Based on filings with the SEC.

(2) With respect to 1,000 shares, based on the closing price per share on February 24, 2010, the date he was appointed to the Board; and with respect to 1,000 shares, based on the closing price per share of our common stock on the date the shares were acquired in connection with the exercise of an option.

(3) Based on the closing price per share of our common stock on the date the shares were acquired in connection with the exercise of an option.

(4) Based on the purchase price paid for the shares, as reported with the SEC.

(5) With respect to 5,200 shares, based on the purchase price paid for the shares, as reported with the SEC; and with respect to 1,250 shares, based on the closing price per share of our common stock on the date the shares were acquired in connection with the exercise of an option.

(6) With respect to 1,000 shares that Mr. Migoya held on the date he became a director, based on the closing price per share of our common stock on such date; with respect to 6,000 shares, based on the purchase price paid for the shares, as reported with the SEC; and with respect to 8,150 shares, based on the closing price per share of our common stock on the date the shares were acquired in connection with the exercise of an option.

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2013 Option Grants

In accordance with the terms of the 2007 Plan, Messrs. Brown, Burdick, Crowley, Edelson, Grusky, Larson, and Migoya and Ms. Rosenthal were each automatically granted an option to purchase 5,000 shares of our common stock at an exercise price equal to $43.45 per share, the closing price per share of our common stock on March 1, 2013. Each non-employee director will also receive an option to purchase 5,000 shares of our common stock on the first trading day of each of June, September, and December 2013. Each option grant will have an exercise price equal to the closing price per share of our common stock on the applicable grant date, will become exercisable in 25% annual increments on each of the first four anniversaries of June 1, 2013 (or immediately in the event that the option holder ceases to serve as a director of the Company), and will expire on March 1, 2023.

Compensation Committee Interlocks and Insider Participation

During 2012, Messrs. Burdick, Crowley, Larson, and Migoya served on our Compensation Committee. None of our Compensation Committee members has ever been an officer or employee of AutoNation or any of our subsidiaries, and none of our executive officers has served on the compensation committee (or other committee serving an equivalent function) or board of directors of any company, one of whose executive officers served on our Board or our Compensation Committee.

Certain Relationships and Related Party Transactions

Our Board has adopted a written policy which requires that transactions with related parties must be entered into in good faith on fair and reasonable terms that are no less favorable to us than those that would be available in a comparable transaction in arm's-length dealings with an unrelated third party. Our Board, by a vote of the disinterested directors, must approve all related party transactions valued over $500,000, while our Audit Committee must approve all related party transactions valued between $100,000 and $500,000 and review with management all other related party transactions.

In accordance with SEC rules, we have set forth below a summary of transactions that occurred since January 1, 2012, in which the amount involved exceeded $120,000, the Company or one of its subsidiaries was a participant, and any related party may be deemed to have had a direct or indirect material interest. Under SEC rules, a related party is any director, executive officer, nominee for director, or 5% stockholder of the Company, and their immediate family members. In each case, the transactions complied with our Board's policy on related party transactions.

In the ordinary course of business, we enter into transactions with Sears as a purchaser or supplier of goods or services. As of March 14, 2013, ESL, which beneficially owns approximately 41% of our common stock, beneficially owns approximately 55% of Sears' common stock (based on publicly available data as of March 14, 2013), and Edward S. Lampert, the Chairman, Chief Executive Officer and controlling principal of ESL Investments, Inc., serves as the Chief Executive Officer and Chairman of the Board of Sears. In 2012, we paid Sears approximately $80,000 primarily for automotive parts and accessories, and Sears paid us approximately $200,000 primarily for automotive parts, accessories, and services.

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Stockholder Communications

Communications with the Company and the Board

Stockholders and interested parties may communicate with the Company through its Investor Relations Department by writing to Investor Relations, AutoNation, Inc., 200 SW 1st Ave, Fort Lauderdale, FL 33301.

Stockholders and interested parties interested in communicating with our Board, any Board committee, any individual director, any group of directors (such as our independent directors), or our presiding director should send written correspondence to Board of Directors c/o Corporate Secretary, AutoNation, Inc., 200 SW 1st Ave, Fort Lauderdale, FL 33301. Additional information is available on our corporate website at investors.autonation.com.

Stockholder Proposals for Next Year's Annual Meeting

As more specifically provided in our by-laws, no business may be brought before an Annual Meeting unless it is specified in the notice of the Annual Meeting or is otherwise brought before the Annual Meeting by or at the direction of our Board of Directors or by a stockholder entitled to vote who has delivered proper notice to us not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's Annual Meeting. Accordingly, any stockholder proposal to be considered at the 2014 Annual Meeting of Stockholders, including nominations of persons for election to our Board, generally must be properly submitted to us not earlier than January 8, 2014 nor later than February 7, 2014. Detailed information for submitting stockholder proposals or nominations of director candidates will be provided upon written request to the Corporate Secretary of AutoNation, Inc., 200 SW 1st Ave, Fort Lauderdale, FL 33301.

These requirements are separate from the SEC's requirements that a stockholder must meet in order to have a stockholder proposal included in our Proxy Statement for the 2014 Annual Meeting of Stockholders. Stockholders interested in submitting a proposal for inclusion in our proxy materials for the 2014 Annual Meeting of Stockholders may do so by following the procedures set forth in Rule 14a-8 under the Exchange Act. To be eligible for inclusion in such proxy materials, stockholder proposals must be received by our Corporate Secretary not later than November 26, 2013.

Stockholder Director Recommendations

The Corporate Governance and Nominating Committee has established a policy pursuant to which it considers director candidates recommended by our stockholders. All director candidates recommended by our stockholders are considered for selection to the Board on the same basis as if such candidates were recommended by one or more of our directors or other persons. To recommend a director candidate for consideration by our Corporate Governance and Nominating Committee, a stockholder must submit the recommendation in writing to our Corporate Secretary not later than 120 calendar days prior to the anniversary date of our proxy statement distributed to our stockholders in connection with our previous year's annual meeting of stockholders, and the recommendation must provide the following information: (i) the name of the stockholder making the recommendation; (ii) the name of the candidate; (iii) the candidate's resume or a listing of his or her qualifications to be a director; (iv) the proposed candidate's written consent to being named as a nominee and to serving as one of our directors if elected; and (v) a description of all relationships, arrangements, or understandings, if any, between the proposed candidate and the recommending stockholder and between the proposed candidate and us so that the candidate's independence may be assessed. The stockholder or the director candidate also must provide any additional information requested by our Corporate Governance and Nominating Committee to assist the Committee in appropriately evaluating the candidate.

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STOCK OWNERSHIP

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth certain information as of March 14, 2013 regarding beneficial owners of more than five percent of the outstanding shares of our common stock.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Class(1)	
ESL Investments, Inc. and related entities(2) 1170 Kane Concourse, Suite 200, Bay Harbor, FL 33154	50,014,724	(3) 41.2	%
William H. Gates III One Microsoft Way, Redmond, WA 98052	18,117,382	(4) 14.9	%
Horizon Kinetics LLC 470 Park Avenue South, 4th Floor South, New York, NY 10016	6,311,000	(5) 5.2	%
Capital Research Global Investors 333 South Hope Street, Los Angeles, CA 90071	6,230,000	(6) 5.1	%

(1) Based on 121,312,586 shares outstanding at March 14, 2013.

(2) Includes ESL Partners, L.P. ("Partners"), SPE II Partners, LP ("SPE II"), SPE Master II, LP ("SPE Master II"), RBS Partners, L.P. ("RBS"), ESL Institutional Partners, L.P. ("Institutional"), RBS Investment Management, L.L.C. ("RBSIM"), CBL Partners, L.P. ("CBL"), ESL Investments, Inc. ("Investments"), and Edward S. Lampert. Partners, SPE II, SPE Master II, RBS, Institutional, RBSIM, CBL, Investments, and Mr. Lampert are collectively referred to as the "ESL Entities."

(3) Based on a Schedule 13D/A filed with the SEC on February 21, 2013, the total number of AutoNation shares beneficially owned by the ESL Entities consists of 22,251,306 shares held by Partners, 1,833,384 shares held by SPE II, 2,357,832 shares held by SPE Master II, 6,417 shares held by Institutional, 4,995,402 shares held by CBL, and 18,570,383 shares held by Mr. Lampert.

Partners has sole voting and dispositive power with respect to 22,251,306 shares and shared dispositive power with respect to 18,570,383 shares, SPE II has sole voting and dispositive power with respect to 1,833,384 shares, SPE Master II has sole voting and dispositive power with respect to 2,357,832 shares, RBS has sole voting and dispositive power with respect to 26,442,522 shares and shared dispositive power with respect to 18,570,383 shares, Institutional has sole voting and dispositive power with respect to 6,417 shares, RBSIM has sole voting and dispositive power with respect to 6,417 shares, CBL has sole voting and dispositive power with respect to 4,995,402 shares, Investments has sole voting and dispositive power with respect to 31,444,341 shares and shared dispositive power with respect to 18,570,383 shares, and Mr. Lampert has sole voting power with respect to 50,014,724 shares, sole dispositive power with respect to 31,444,341 shares, and shared dispositive power with respect to 18,570,383 shares.

Please refer to "Agreements with Vehicle Manufacturers - Framework Agreements" in Part I, Item 1 of our Annual Report on Form 10-K for the year ended December 31, 2012, for a description of certain letter agreements by and among the Company, ESL, and certain automotive manufacturers relating to ESL's ownership of our common stock.

(4) Based on a Form 4 filed with the SEC on June 6, 2012 and a Form 13F filed with the SEC on February 14, 2013, the number of shares beneficially owned by Mr. Gates as of March 14, 2013 includes 16,218,666 shares held by Cascade Investment, L.L.C. ("Cascade") and 1,898,716 shares held by the Bill & Melinda Gates Foundation Trust (the "Trust"). All shares of our common stock held by Cascade may be deemed to be beneficially owned by Mr. Gates as the sole member of Cascade, and all shares of our common stock beneficially owned by the Trust may be deemed to be beneficially owned by Mr. Gates as a co-trustee of the Trust. Mr. Gates has sole voting power with respect to 16,218,666 shares and shared voting power with respect to 1,898,716 shares. The address of Cascade is 2365 Carillon Point, Kirkland, WA 98033, and the address of the Trust is 500 Fifth Avenue North, Seattle, WA 98119.

(5) Based on a Schedule 13G filed with the SEC on January 25, 2013, Horizon Kinetics LLC has sole voting and dispositive power with respect to 6,311,000 shares.

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(6) Based on a Schedule 13G filed with the SEC on February 12, 2013, Capital Research Global Investors has sole voting and dispositive power with respect to 6,230,000 shares.

SECURITY OWNERSHIP OF MANAGEMENT

The following table sets forth certain information as of March 14, 2013, unless otherwise indicated, regarding the amount of our common stock beneficially owned by (1) each of our directors, (2) each of our named executive officers, and (3) our directors and executive officers as a group. Beneficial ownership includes shares that may be acquired within 60 days of March 14, 2013 through the exercise of outstanding stock options (including, in the case of each executive officer who is retirement eligible under our equity compensation plans, currently unvested stock options that would accelerate in the event of retirement, and, in the case of each non-employee director, currently unvested stock options that would accelerate in the event of termination of Board service), as well as shares of restricted stock. Unless otherwise indicated, each person listed in the table has sole voting and investment power with respect to the securities listed.

Name of Beneficial Owner	Number of Shares of Common Stock Owned		Number of Shares Acquirable Within 60 days		Shares of Common Stock Beneficially Owned			
					Number		Percent(1)	
Mike Jackson	84,463		1,099,172	(2)	1,183,635		1.0	%
Robert J. Brown	2,000		35,000	(3)	37,000		*	
Rick L. Burdick	14,790		85,000	(3)	99,790		*	
William C. Crowley	88,436	(4)	125,000	(3)	213,436	(4)	*	
David B. Edelson	4,850		135,000	(3)	139,850		*	
Robert R. Grusky	6,450		105,000	(3)	111,450	(5)	*	
Michael Larson	3,000		95,000	(3)	98,000		*	
Carlos A. Migoya	15,150		65,000	(3)	80,150		*	
G. Mike Mikan(6)	—		—		—		—	
Alison H. Rosenthal	—		40,000	(3)	40,000		*	
Michael E. Maroone	2,081,151	(7)	1,227,151	(8)	3,308,302		2.7	%
Michael J. Short	16,579		368,134		384,713		*	
Jonathan P. Ferrando	44,767	(9)	351,314		396,081		*	
Alan J. McLaren	8,396	(10)	—		8,396		*	
All directors and executive officers as a group (14 persons)	2,370,032	(11)	3,730,771		6,100,803		4.9	%

*Less than 1%.

(1) Based on 121,312,586 shares outstanding at March 14, 2013.

(2) Includes 494,273 shares that may be acquired upon exercise of currently vested options, and 604,899 shares underlying currently unvested options since Mr. Jackson is eligible for retirement treatment under the Company's equity compensation plans. All options held by Mr. Jackson are owned by a trust of which he is the sole trustee and beneficiary.

(3) Includes 25,000 shares that may be acquired upon exercise of currently unvested options that would accelerate in the event of termination of Board service.

(4) Includes 38,028 shares held by CRK Family LLC and 5,363 shares held by Tynan, LLC. Mr. Crowley disclaims beneficial ownership of the shares held by CRK Family LLC.

(5) Mr. Grusky is a limited partner in ESL Partners, L.P. ("Partners"), which together with certain of its affiliates beneficially owns shares of AutoNation's common stock. As a limited partner, Mr. Grusky is not deemed to have a reportable interest in the AutoNation shares beneficially owned by Partners, and he disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein.

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(6) Mr. Mikan is the President of ESL Investments, Inc. which together with certain of its affiliates beneficially owns shares of AutoNation's common stock. Mr. Mikan is not deemed to have a reportable interest in the AutoNation shares beneficially owned by ESL Investments, Inc. or its affiliates, and he disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein.

(7) Includes 2,079,614 shares held by Michael Maroone Family Partnership, a Nevada limited partnership controlled by Mr. Maroone, of which 951,646 shares are pledged as security for a loan, and 1,537 shares held through the AutoNation 401(k) Plan.

(8) Includes 743,024 shares that may be acquired upon exercise of currently vested options, and 484,127 shares underlying currently unvested options since Mr. Maroone is eligible for retirement treatment under the Company's equity compensation plans.

(9) Includes 33,000 shares owned by Mr. Ferrando and his wife as tenants by the entirety and 1,767 shares held through the AutoNation 401(k) Plan.

(10) Represents unvested shares of restricted stock.

(11) Includes 8,396 unvested shares of restricted stock and 3,304 shares held through the AutoNation 401(k) Plan.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires that our directors, certain of our officers, and persons who beneficially own 10% or more of our stock file with the SEC initial reports of ownership and reports of changes in ownership of our stock and our other equity securities. To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required, during the year ended December 31, 2012, our directors, executive officers, and greater than 10% beneficial owners complied with all such applicable filing requirements.

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EXECUTIVE COMPENSATION
COMPENSATION COMMITTEE AND
EXECUTIVE COMPENSATION SUBCOMMITTEE REPORT

The following statement made by our Compensation Committee and Executive Compensation Subcommittee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate such statement by reference.

The Compensation Committee and Executive Compensation Subcommittee of the Company have reviewed and discussed with management the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K and, based on such review and discussion, the Compensation Committee and Executive Compensation Subcommittee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

Compensation Committee:
William C. Crowley, Chair
Rick L. Burdick
Michael Larson
Carlos A. Migoya

Executive Compensation Subcommittee:
Carlos A. Migoya, Chair
Rick L. Burdick
Michael Larson

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COMPENSATION DISCUSSION AND ANALYSIS

Overview

Our compensation programs are administered by the Compensation Committee (referred to as the "Committee" in this section) and the Executive Compensation Subcommittee (referred to as the "Subcommittee" in this section) of the Committee. The Committee primarily assists the Board in fulfilling its oversight responsibilities by, among other things: (i) reviewing our director compensation program; (ii) reviewing and approving the compensation of our Chief Executive Officer ("CEO") and other senior executive officers and, except as expressly delegated to the Subcommittee, setting annual and long-term performance goals for these individuals and reviewing the performance of these individuals; and (iii) reviewing and approving the compensation of all of our corporate officers.

The Subcommittee assists the Board and the Committee in fulfilling their responsibilities by performing the following duties: (i) reviewing and approving performance-based compensation of executive officers as contemplated under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), including bonuses and stock-based awards; (ii) administering the AutoNation, Inc. Senior Executive Incentive Bonus Plan, including establishing performance goals and certifying whether such goals are attained as contemplated under Section 162(m) of the Code; and (iii) administering our equity compensation plans, including approving stock-based awards.

During 2012, the Committee consisted of William C. Crowley (Chair), Rick L. Burdick, Michael Larson, and Carlos A. Migoya, and the Subcommittee consisted of Mr. Migoya (Chair), Mr. Burdick, and Mr. Larson.

This section discusses the Company's compensation policies and programs as it relates to the following "named executive officers" whose compensation information is presented in the tables that follow:

Mike Jackson	Chairman and Chief Executive Officer
Michael E. Maroone	President and Chief Operating Officer
Michael J. Short	Executive Vice President and Chief Financial Officer
Jonathan P. Ferrando	Executive Vice President, General Counsel and Secretary
Alan J. McLaren	Senior Vice President, Customer Care

Mr. McLaren was hired as Senior Vice President, Customer Care effective January 4, 2012. David L. Koehler, who previously served as Senior Vice President, Sales and was a named executive officer for 2011, accepted a new, non-executive officer position with the Company in November 2012.

Compensation Philosophy and Objectives

The Committee's fundamental philosophy is to closely link executive compensation with the achievement of performance goals and to create an owner-oriented culture. The Committee's objectives in administering our compensation program for executive officers are to ensure that we are able to attract and retain highly-skilled executives and to provide a compensation program that incentivizes management to optimize business performance, deploy capital productively, and increase long-term stockholder value. The Committee also believes that overall compensation should be fair for the services rendered and that the compensation structure should be transparent, which is why the key components of executive compensation are limited to a base salary, an annual performance bonus based solely on the achievement of financial targets, and stock-based awards.

Setting Compensation Levels of Executive Officers

The Committee reviews executive compensation at its meetings throughout the year and sets executive compensation based primarily on our financial and operating performance and on executive management's performance in executing the Company's business strategy, optimizing the Company's business performance and productivity of its business operations, and increasing long-term stockholder value. The Committee also considers the scope of an executive's duties and responsibilities and individual executive performance. Our CEO reviews the performance of other named executive officers and makes recommendations, if any, to the Committee with respect to compensation adjustments for such officers. However, the Committee determines in its sole discretion whether to make any adjustments to the compensation paid to such executive officers.

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As part of its review of executive compensation, the Committee reviews the executive compensation arrangements at peer group companies. Our peer group includes comparable specialty retail companies based on specific financial measures, including, but not limited to, revenue, total assets, market capitalization, and net income. The Committee's practice has been to make changes to our peer group only when necessary or when, in the Committee's judgment, comparison to a company is no longer appropriate. There were no changes to our peer group for 2012 as compared to 2011, except for the removal of BJ's Wholesale Club, Inc., since it became a private company in September 2011. For 2012, our peer group consisted of the following companies:

Advance Auto Parts, Inc.	Kohl's Corporation	Ross Stores, Inc.
AutoZone, Inc.	Limited Brands, Inc.	Staples, Inc.
CarMax, Inc.	Macy's Inc.	Tiffany & Co.
Family Dollar Stores, Inc.	Nordstrom, Inc.	The TJX Companies, Inc.
The Gap, Inc.	Office Depot, Inc.	
J.C. Penney Company, Inc.	RadioShack Corporation	

The Committee reviews the executive compensation benchmark data at a high level in order to evaluate and confirm whether our executive compensation is within a reasonably competitive range. The Committee, however, does not set executive compensation at a specific target percentile within the peer group. Instead, the Committee focuses on providing compensation that is fair for the services rendered, closely linking executive compensation with the achievement of Company performance goals, and creating an owner-oriented culture, where the interests of our executive officers are aligned with the long-term interests of our stockholders. The Committee did not engage a compensation consultant to advise the Committee with respect to executive compensation for 2012.

The Committee has no pre-established target for the allocation between either cash and non-cash or short-term and long-term incentive compensation. However, a significant portion of each executive officer's total compensation is allocated to incentive compensation in the form of an annual performance-based bonus and stock-based awards in order to provide incentives to create and maintain long-term stockholder value. The Committee reviews and considers total compensation in setting each element of compensation for our named executive officers.

2012 Executive Compensation Elements

The key elements of our executive compensation program for the year ended December 31, 2012 were:

- base salary;
- annual incentive bonus; and
- stock-based awards.

Executive officers are also entitled to limited perquisites and other benefits as outlined below. The following is a summary of the considerations underlying each component of compensation paid to our named executive officers for 2012.

Base Salary

We provide our named executive officers and other officers with a base salary to compensate them for services rendered during the fiscal year. The Committee reviews and, as appropriate, adjusts the base salaries for our named executive officers. The factors that the Committee considers in setting salaries include the scope of job responsibilities, individual contributions to our success, company-wide performance, and market compensation. However, the Committee does not as a practice grant annual base salary adjustments for executive officers, and it did not grant any base salary adjustments during 2012 for any of the named executive officers.

Annual Incentive Bonus

2012 Incentive Bonus

A core component of our compensation program is the AutoNation Operating Performance bonus plan (the "AOP"), the annual bonus program in which bonus-eligible, corporate-level employees participate. The AOP is designed to incentivize management to continually improve our operating performance and to use capital to maximize returns. In

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February 2012, the Subcommittee established performance goals under the AOP for 2012 based upon specified levels of adjusted operating income per basic share and adjusted operating income as a percentage of gross margin.
The following table sets forth the 2012 bonus metrics under the AOP:

2012 Bonus Metrics	Weight	Threshold Payout Level	Target Payout Level	Maximum Payout Level
Adjusted Operating Income Per Basic Share	75%	$3.99(1)	$4.43	$5.32(2)
Adjusted Operating Income as a Percent of Gross Margin	25%	23.4%(3)	24.4%	N/A(4)

(1) 50% of target payout level.
(2) 200% of target payout level.
(3) 81.25% of target payout level.
There was no maximum for the adjusted operating income as a percentage of gross margin metric under the AOP.
(4) Each 0.1 percentage point change in this performance metric represented a plus or minus 1.875% payout versus target.

In calculating the level of our performance under the AOP, certain adjustments are made to operating income for both metrics to ensure that operating performance is measured to incentivize management appropriately (for example, floorplan interest expense is charged against operating income to ensure management manages this expense; on a generally accepted accounting principles basis, floorplan interest expense is not included in operating income). For the adjusted operating income per basic share metric, operating income per basic share is also adjusted to reflect a capital charge for acquisitions and the repurchase of shares of our common stock. The capital charge is designed to encourage more productive uses of capital and to discourage less productive uses of capital. The adjusted operating income as a percentage of gross margin metric is designed to incentivize management to increase variability in our expense structure and to increase the productivity of our operations so that bottom-line profitability and stockholder value are maximized.

Each year, the Subcommittee, in its sole discretion, determines which of our executive officers or other key employees will participate in a separate incentive bonus plan designed to create a direct link between pay and performance for our senior officers and to ensure that annual cash performance bonuses payable to our senior officers are tax-deductible by the Company pursuant to Section 162(m) of the Code. The incentive bonus plan for our senior officers that was approved by the Company's stockholders in 2012 is titled the "AutoNation, Inc. Senior Executive Incentive Bonus Plan" and is referred to as the "Executive Incentive Plan." Historically, the Subcommittee has selected only those officers who were likely to receive annual compensation in excess of $1 million. Our executive officers may participate in either the AOP or the Executive Incentive Plan, but not both. The Subcommittee is also responsible for identifying annual "performance factors" and establishing specific performance targets with respect thereto that must be met in order for annual bonuses to be paid under the incentive bonus plan for our senior officers.

In February 2012, the Subcommittee established an incentive bonus program for 2012 under the Executive Incentive Plan for each person who was then serving as an executive officer of the Company. For 2012, the Subcommittee selected Messrs. Jackson, Maroone, Short, Ferrando, McLaren, and Koehler to participate in the Executive Incentive Plan. Under the terms of the Executive Incentive Plan, the Subcommittee set specific annual performance goals and established an objective formula for calculating the amount of the target awards for participants. The 2012 bonus metrics that the Subcommittee established under the Executive Incentive Plan were the same as those that the Committee established for 2012 under the AOP (set forth above) for all other corporate bonus plan participants. The Subcommittee believes that symmetry between the AOP and the Executive Incentive Plan assures that all participants are appropriately aligned to achieve our objectives.

One hundred percent of the target award for each participant in the AOP and the Executive Incentive Plan was based upon achievement of the predetermined performance goals. Bonus awards under the AOP and the Executive Incentive Plan were payable on a sliding scale based on the Company's actual achievement relative to the predetermined goals, with the possibility that bonuses earned may exceed or be less than the targeted payout level. The Subcommittee had absolute "negative discretion" to eliminate or reduce the amount of any award under the AOP and the Executive Incentive Plan.

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In 2010, as part of its retention efforts with respect to Mr. Jackson, the Subcommittee established a three-year deferred bonus program for Mr. Jackson, which provided that a portion of the bonus award earned by Mr. Jackson (equal to the amount earned in respect of 33 1/3% of his base salary) for each of 2010, 2011, and 2012 would be be paid to him on a deferred basis in February 2013 (without interest), subject to certain terms and conditions.

The following table sets forth the 2012 threshold and target awards, expressed as a percentage of salary, for each named executive officer.

Participant	2012 Threshold (% of Salary)	2012 Target (% of Salary)	2012 Maximum
Mike Jackson	27.08%	133 1/3%	(1)
Michael E. Maroone	20.31%	100%	(1)
Michael J. Short	15.23%	75%	(1)
Jonathan P. Ferrando	15.23%	75%	(1)
Alan J. McLaren(2)	9.14%	45%	(1)

(1) The maximum payout level for the adjusted operating income per basic share metric was 200% versus target. While there was no maximum for the adjusted operating income as a percentage of gross margin metric, the maximum amount payable to any one participant in any one year is $5,000,000 under the Executive Incentive Plan. Each 0.1 percentage point change in the adjusted operating income as a percentage of gross margin metric represented a plus or minus 1.875% payout.

(2) Mr. McLaren participated in the Executive Incentive Plan on a pro-rated basis based on the amount of time he served as Senior Vice President, Customer Care in 2012.

Based on our financial performance against the bonus targets, bonus awards under the AOP and the Executive Incentive Plan were paid at 134.03% of the targeted levels. Performance under the AOP and the Executive Incentive Plan for 2012 was calculated as follows:

2012 Bonus Metrics	Weight	Target Payout Level	Attainment	Payout	Weighted Payout
Adjusted Operating Income Per Basic Share	75%	$4.43	$4.75	136.0%	102.0%
Adjusted Operating Income as a Percent of Gross Margin	25%	24.4%	25.9%	128.13%	32.03%
Achieved Payout Level					134.03%

In December 2012, based on a review of the estimated full-year performance of the Company, and in light of senior management's performance, the Subcommittee approved the payment in 2012 of an initial award amount to the Executive Incentive Plan participants at a level equal to 115% of the 2012 target bonus awards, in order to make the payment of earned bonus amounts more tax efficient for such persons. The Subcommittee also approved the payment in 2012 of those portions of Mr. Jackson's bonus awards for 2010 and 2011 that had been deferred until February 2013 pursuant to the terms of Mr. Jackson's deferred bonus program. In addition, the Subcommittee approved the payment in 2012 of that portion of Mr. Jackson's initial award amount for 2012 that would have otherwise been deferred until February 2013. In February 2013, based on a final review of the full-year performance of the Company, the Subcommittee approved the payment of additional award amounts to the Executive Incentive Plan participants representing the difference between 134.03% of the 2012 target bonus awards (the achieved payout level) and the initial award amounts for such participants. Total payouts to our named executive officers under the Executive Incentive Plan for 2012 are shown in the table entitled "Summary Compensation Table" below. The Committee approved a similar payment structure for certain senior officers who participated in the AOP. Our named executive officers only participated in the Executive Incentive Plan in 2012.

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Stock-Based Awards

The Subcommittee grants stock-based awards to our named executive officers in order to provide long-term incentives which align the long-term interests of management and our stockholders. The Committee believes that stock-based awards motivate our named executive officers to focus on optimizing our long-term business performance and stockholder value and create an owner-oriented culture. For 2012, the Subcommittee administered our equity compensation plans and approved all stock-based awards under the AutoNation, Inc. 2008 Employee Equity and Incentive Plan (the "2008 Plan"), which was approved by our stockholders at the 2008 Annual Meeting of Stockholders.

Stock-based awards are approved on an annual basis in amounts determined by the Subcommittee, while carefully considering the cost to us and our stockholders, including common stock dilution. For 2012, the sum of all stock-based awards granted to AutoNation employees represented potential share issuances equal to approximately 1% of our outstanding shares of common stock (0.9% relating to stock options and 0.1% relating to restricted stock). In 2012, the Subcommittee approved two types of stock-based awards: stock options and restricted stock. Consistent with prior practice, Messrs. Jackson, Maroone, Short, and Ferrando received stock options only. Mr. McLaren received a mix of stock options and restricted stock. Other eligible employees received either a mix of stock options and restricted stock, or restricted stock only.

Since 2009, the Subcommittee's practice has been to approve an annual stock option award for each eligible employee during the first quarter and to grant the award in four equal increments over the year, subject to continuous employment by the award recipient through each grant date, and, except as otherwise provided by the Subcommittee, subject to the award recipient remaining at the same job grade level. In addition, since 2009, the Subcommittee's practice has been to approve an annual restricted stock award for each eligible employee and to grant the award on the first trading day in March. In connection with new hires, the Subcommittee has from time to time approved stock-based awards later in the year.

Stock option and restricted stock grants are made to eligible employees on the same terms, other than the number of options or number of restricted shares granted, which varies primarily by position and based on individual performance.

Stock Options

On January 31, 2012, the Subcommittee approved the 2012 annual stock option awards for eligible employees, including our named executive officers. One-fourth of each stock option award that was approved in January 2012 was granted on each of March 1, June 1, September 4, and December 3, 2012.

The 2012 stock option grants have an exercise price equal to the closing price per share on the grant date, vest in equal annual installments over four years commencing on June 1, 2013, and expire on March 1, 2022.

Detailed information regarding the 2012 stock option grants to our named executive officers is provided in the table entitled "Grants of Plan-Based Awards in Fiscal 2012" below.

Since the Subcommittee approved the 2012 annual stock option awards in January 2012, the exercise price for each of the four grants comprising an annual stock option award was based on the closing price of our common stock on a pre-determined date subsequent to the approval of such award. The Subcommittee believes that this practice is fair and reasonable to the award recipients, the Company, and its stockholders since it minimizes the impact that any particular event could have on the exercise price of stock options, particularly during times of market volatility.

Restricted Stock

On January 31, 2012, the same date that it approved the 2012 stock option awards, the Subcommittee approved the 2012 restricted stock awards for eligible employees, including Mr. McLaren, who received 4,036 shares of restricted stock. None of the other named executive officers received shares of restricted stock. See "Grants of Plan-Based Awards in Fiscal 2012" below. The restricted stock awards that were approved in January 2012 were granted on March 1, 2012 and will vest in 25% annual increments on each of the first four anniversaries of June 1, 2012.

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Perquisites and Other Benefits

Our compensation program for named executive officers also includes limited perquisites and other benefits, including participation in the Company's life and health insurance and similar benefit programs (including the AutoNation 401(k) Plan and the AutoNation, Inc. Deferred Compensation Plan) on the same general terms as other participants in these programs, participation in Company car programs entitling the executives to a demonstrator vehicle and/or a vehicle allowance, use of an on-site fitness facility and, pursuant to their employment agreements, limited personal use of corporate aircraft for each of Messrs. Jackson and Maroone. The employment agreements with each of Messrs. Jackson and Maroone, respectively, provide for personal use of corporate aircraft of up to 70 hours per year.

Employment Agreements with Executive Officers

On July 20, 2010, we entered into employment agreements with Mike Jackson and Michael E. Maroone, pursuant to which Mr. Jackson will continue to serve as Chairman and Chief Executive Officer until September 24, 2013 and Mr. Maroone will continue to serve as President and Chief Operating Officer until December 31, 2013. See "Employment Agreements" below for a summary of the material terms of these employment agreements. The Committee believes that entering into the employment agreements with Messrs. Jackson and Maroone furthered our efforts to retain such executives.

Severance and Change in Control Policy and Agreements for Post-Termination Payments

We have a policy governing severance and change in control agreements with the Company's named executive officers, which is set forth in our Corporate Governance Guidelines. Generally, the policy provides that we will not enter into any severance agreements with senior executives that provide specified benefits in an amount exceeding 299% of the sum of such executive's base salary plus bonus unless such severance agreement has been submitted to a stockholder vote. Further, unless such severance agreement has been submitted to a stockholder vote, we will not enter into a severance agreement that provides for the payment of specified benefits to an executive triggered by (i) a change in control of our Company that is approved by stockholders but not completed, or (ii) a completed change in control of the Company in which the named executive officer remains employed in a substantially similar capacity by the successor entity. We have not entered into any change in control agreements with any of our named executive officers.

We have entered into employment agreements with Messrs. Jackson and Maroone that provide for payments or benefits to such persons at, following, or in connection with, termination under certain circumstances. In addition, our equity compensation plans provide for accelerated vesting in the event of a "change in control" as defined in such plans. These provisions are designed to promote stability and continuity of senior management. A description of the applicable potential payments pursuant to such provisions for the named executive officers is provided under "Potential Payments Upon Termination or Change in Control" below.

Consideration of the Company's 2011 Stockholder Vote on Executive Compensation

At our 2011 Annual Meeting of Stockholders, more than 96% of the votes cast voted to approve the advisory resolution on our executive compensation (referred to as the "say-on-pay" vote). The Committee believes that the positive outcome of the say-on-pay vote supports the compensation arrangements established by it for our named executive officers in 2010 as well as in 2011, and accordingly, it did not change its approach in 2012. In addition, at the 2011 Annual Meeting of Stockholders, our stockholders voted to approve a triennial holding of the advisory vote on executive compensation. Accordingly, as previously disclosed by the Company, we will hold future, non-binding, advisory votes on executive compensation on a triennial basis until the next required non-binding, advisory vote on the frequency of the advisory vote on executive compensation. The Committee believes that our executive compensation program aligns pay with performance and reflects responsible corporate governance practices regarding executive compensation. The Committee will continue to consider the results of future advisory votes on executive compensation when making future decisions regarding the structure and implementation of our executive compensation program.

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2013 Compensation Decisions

2013 Incentive Bonus

On February 12, 2013, the Subcommittee selected the 2013 participants under the Executive Incentive Plan, established specific objective annual performance goals for 2013, and set target awards for the 2013 participants in the Executive Incentive Plan. For 2013, the Subcommittee selected each of the Company's current executive officers to participate in the Executive Incentive Plan. The 2013 participants under the Executive Incentive Plan are set forth below:

Mike Jackson	Chairman and Chief Executive Officer
Michael E. Maroone	President and Chief Operating Officer
Michael J. Short	Executive Vice President and Chief Financial Officer
Jonathan P. Ferrando	Executive Vice President, General Counsel and Secretary
Alan J. McLaren	Senior Vice President, Customer Care

The performance goals that the Subcommittee established for 2013 under the Executive Incentive Plan are based upon the achievement of specified levels of adjusted operating income per basic share (minus a net charge for capital deployed for acquisitions or share repurchases and subject to an adjustment for certain extraordinary or other items) and adjusted operating income as a percentage of gross margin for the Company during 2013. These performance goals also constitute the performance goals that have been established for bonus-eligible, corporate-level employees of the Company under the AOP to ensure that the corporate management team is fully aligned. Bonus awards under both the AOP and the Executive Incentive Plan will be payable on a sliding scale based on our actual achievement relative to the predetermined goals, with the possibility that bonuses earned may exceed or be less than the targeted level. The Subcommittee will have absolute "negative discretion" to eliminate or reduce the amount of any award under the AOP and the Executive Incentive Plan.

The following table sets forth the 2013 threshold and target awards reflected as a percentage of salary for each of the participants under the Executive Incentive Plan.

Participant	2013 Threshold (% of Salary)	2013 Target (% of Salary)	2013 Maximum
Mike Jackson	27.08%	133 1/3%	(1)
Michael E. Maroone	20.31%	100%	(1)
Michael J. Short	15.23%	75%	(1)
Jonathan P. Ferrando	15.23%	75%	(1)
Alan J. McLaren	9.14%	45%	(1)

(1) The maximum payout level for the adjusted operating income per basic share metric is 200%. While there is no maximum for the adjusted operating income as a percentage of gross margin metric, the maximum amount payable to any one participant in any one year is $5,000,000 under the Executive Incentive Plan. Each 0.1 percentage point change in the adjusted operating income as a percentage of gross margin metric represents a plus or minus 1.875% payout.

In connection with the approval of the incentive bonus program for 2013, as part of its retention efforts with respect to Mr. Jackson, the Subcommittee established a new three-year deferred bonus program for Mr. Jackson, similar to the three-year deferred bonus program established for Mr. Jackson in 2010. Under the new three-year deferred bonus program, a portion of the bonus award earned by Mr. Jackson (equal to the amount earned in respect of 33 1/3% of his base salary) for each of 2013, 2014, and 2015 will be paid to him on a deferred basis in February 2016 (without interest), subject to certain terms and conditions.

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2013 Stock-Based Awards

On February 12, 2013, the Subcommittee approved the 2013 annual stock-based awards for our named executive officers and other eligible employees. The stock-based awards for 2013 that the Subcommittee granted to each of our named executive officers is as follows:

Name	2013 Total Stock Option Award	2013 Total Restricted Stock Award
Mike Jackson	173,996	—
Michael E. Maroone	139,260	—
Michael J. Short	104,640	—
Jonathan P. Ferrando	104,640	—
Alan J. McLaren	13,080	4,360

One-fourth of each stock option award that was approved on February 12, 2013, was granted on March 1, 2013, and an additional one-fourth of each stock option award will be granted on the first trading day of each of June, September, and December 2013. In accordance with the 2008 Plan, the options granted on March 1, 2013 have an exercise price equal to the closing price per share on such date ($43.45), and each subsequent option grant will have an exercise price equal to the closing price per share on the applicable grant date. The 2013 stock option awards will become exercisable in 25% annual increments on each of the first four anniversaries of June 1, 2013 and expire on March 1, 2023.

The 2013 restricted stock awards for eligible employees, including Mr. McLaren, were granted on March 1, 2013 and will vest in 25% annual increments on each of the first four anniversaries of June 1, 2013.

Base Salary Adjustment

On February 12, 2013, the Committee approved a 3% base salary merit increase for Mr. McLaren. Effective February 16, 2013, his base salary increased by $14,550 to $499,550 per year. The Committee did not approve any other base salary adjustments for our named executive officers.

Company Policy on Section 162(m) Limits on Deductibility of Compensation

Section 162(m) of the Code generally disallows a tax deduction to public corporations for compensation over $1,000,000 paid for any fiscal year to the corporation’s chief executive officer and three other most highly compensated executive officers, other than the chief financial officer, as of the end of any fiscal year. However, the statute exempts qualifying performance-based compensation from the deduction limit if certain requirements are met. The Committee administers the executive compensation program in general, and our incentive bonus plan for senior officers in particular, in a manner that maximizes the tax deductibility of compensation paid to the Company’s executives under Section 162(m) of the Code to the extent practicable. The Committee believes, however, that our priority is to attract and retain highly-skilled executives to manage our Company and, in some cases, the loss of a tax deduction may be necessary to accomplish that goal. Accordingly, the Committee has from time to time approved elements of compensation for certain officers that are not fully deductible, and the Committee reserves the right to do so in the future in appropriate circumstances. For 2012, the compensation of our named executive officers was fully deductible under Section 162(m), except for $150,000 of Mr. Jackson’s base salary and approximately $224,011 of other non-performance-based compensation for Messrs. Jackson and Maroone.

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Executive Stock Ownership Guidelines

In order to further align the long-term interests of management and stockholders and to ensure an owner-oriented culture, the Board has set stock ownership guidelines for our Chief Executive Officer, Chief Operating Officer, and each Executive Vice President. The following table sets forth information regarding the number and dollar value of shares held by these officers as of March 14, 2013 and lists the specific ownership requirements under the ownership guidelines. Each of these officers has either satisfied the ownership guidelines or has time remaining to do so. The ownership guidelines provide that the ownership requirements must be met by the later of February 7, 2014 or the date that is five years after the executive was appointed to the position.

EXECUTIVE STOCK OWNERSHIP GUIDELINES

Name	Ownership as of March 14, 2013		Ownership Requirement
	Number of Shares(1)	Dollar Value of Shares(2)	
Mike Jackson	84,463	$3,709,615	200,000 shares or $4,600,000
Michael E. Maroone	2,081,151	$91,404,152	175,000 shares or $4,000,000
Michael J. Short	16,579	$728,150	50,000 shares or $1,122,000
Jonathan P. Ferrando	44,767	$1,966,167	50,000 shares or $1,122,000

(1) The number of shares includes common stock beneficially owned by each executive (excluding shares underlying stock options), including shares held through the AutoNation 401(k) Plan.

(2) The value of the shares is based on the closing price of a share of our common stock on the New York Stock Exchange as of March 14, 2013 ($43.92).

Conclusion

The Committee believes that our compensation programs appropriately reward executive performance and align the interests of our named executive officers and key employees with the long-term interests of our stockholders, while also enabling the Company to attract and retain talented executives. The Committee will continue to evolve and administer our compensation program in a manner that the Committee believes will be in the best interests of our stockholders.

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COMPENSATION TABLES

Summary Compensation Table

The following table provides information regarding compensation earned by each of our named executive officers for each of the years they were so designated during 2012, 2011, and 2010.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)(2)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)(3)	Total ($)
Mike Jackson	2012	1,150,000	—	—	3,163,567	2,055,126 (4)	—	179,752 (5)	6,548,445
Chairman and Chief	2011	1,150,000	—	—	3,578,048	1,506,040 (4)	—	194,273	6,428,361
Executive Officer	2010	1,150,000	—	—	2,577,655	2,863,039 (4)	—	174,928	6,765,622
Michael E. Maroone	2012	1,000,000	—	—	2,531,974	1,340,300	—	240,095 (6)	5,112,369
President and Chief	2011	1,000,000	—	—	2,863,653	982,200	—	180,242	5,026,095
Operating Officer	2010	1,000,000	—	—	2,062,981	1,867,200	—	269,215	5,199,396
Michael J. Short	2012	561,000	—	—	1,902,514	563,931	—	45,607 (7)	3,073,052
Executive Vice	2011	561,000	—	—	2,151,713	413,261	—	26,886	3,152,860
President and Chief Financial Officer	2010	561,000	—	—	1,550,127	785,624	—	28,214	2,924,965
Jonathan P. Ferrando	2012	561,000	—	—	1,902,514	563,931	—	29,314 (8)	3,056,759
Executive Vice	2011	561,000	—	—	2,151,713	413,261	—	26,395	3,152,369
President, General Counsel and Secretary	2010	561,000	—	—	1,550,127	785,624	—	20,430	2,917,181
Alan J. McLaren	2012	481,025 (9)	—	137,587	190,251	290,123 (9)	—	122,894 (10)	1,221,880
Senior Vice President,	2011	—	—	—	—	—	—	—	—
Customer Care	2010	—	—	—	—	—	—	—	—

(1) The amounts reported reflect the aggregate grant date fair value of each award computed in accordance with FASB ASC Topic 718 for each year shown in the table. For a description of the assumptions used in the calculation of these amounts, see Note 10 of the Notes to Consolidated Financial Statements in our Annual Reports on Form 10-K for the years ended December 31, 2012, 2011, and 2010, respectively.

(2) The amounts reported represent amounts paid under the AutoNation, Inc. Senior Executive Incentive Plan in respect of the year shown.

(3) The amounts reported for personal usage by Messrs. Jackson and Maroone of corporate aircraft are calculated based on the aggregate incremental cost to the Company. The incremental cost to the Company of personal usage of corporate aircraft by our executives is calculated based on the direct operating costs to the Company, including fuel costs, crew fees and travel expenses, trip-related repairs and maintenance, landing fees, and other direct operating costs. The amounts reported for personal usage of cars are based on imputed income attributable to each named executive officer calculated in accordance with Treasury Regulations, which amounts we believe are equal to or greater than our incremental costs of providing such usage. In addition to the perquisites and other benefits identified in the footnotes below, our named executive officers also are eligible to use our on-site fitness facility, and from time to time, use our tickets for sporting and entertainment events for personal purposes, and receive occasional secretarial support with respect to personal matters.

(4)

(5) Includes amounts that were subject to the terms of the three-year deferred bonus program established for Mr. Jackson in 2010. See “Compensation Discussion and Analysis - Annual Incentive Bonus.”
Includes $81,634 for personal usage of corporate aircraft, $76,293 for demonstrator vehicle usage, $19,405 for group term life insurance premiums, and the cost of a Company paid executive health examination.

(6) Includes $160,181 for personal usage of corporate aircraft, $64,772 for demonstrator vehicle usage and/or a vehicle allowance, $12,642 for group term life insurance premiums, and $2,500 for matching contributions under the DCP (such contributions were credited by the Company as of January 2, 2013).

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(7) Includes $38,272 for demonstrator vehicle usage and/or a vehicle allowance, $3,580 for group term life insurance premiums, $2,500 for matching contributions under the DCP (such contributions were credited by the Company as of January 2, 2013), and the cost of a Company paid executive health examination.

(8) Includes $23,252 for demonstrator vehicle usage and/or a vehicle allowance, $2,342 for group term life insurance premiums, $2,500 for matching contributions under the DCP (such contributions were credited by the Company as of January 2, 2013), and the cost of a Company paid executive health examination.

(9) Mr. McLaren's base salary and total payout under the Executive Incentive Plan was pro-rated based on the amount of time he served as Senior Vice President, Customer Care in 2012.

(10) Includes $107,084 for relocation reimbursement including tax gross-up, $14,820 for vehicle allowance, and $990 for group term life insurance premiums.

We have employment agreements with Messrs. Jackson and Maroone that establish certain terms relating to their compensation. For information regarding these agreements, refer to "Employment Agreements" below.

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Grants of Plan-Based Awards in Fiscal 2012

The following table sets forth certain information with respect to (i) the non-equity incentive plan awards granted to each of our named executive officers under the Executive Incentive Plan and (ii) the stock-based awards granted to each of our named executive officers under the 2008 Plan.

GRANTS OF PLAN-BASED AWARDS IN FISCAL 2012

Name	Award Type	Grant Date	Approval Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/sh)	Grant Date Fair Value of Stock and Option Awards ($)(2)
				Threshold ($)	Target ($)	Maximum ($)(1)				
Mike Jackson	Option	3/1/2012	1/31/2012					50,334	34.09	742,401
	Option	6/1/2012	1/31/2012					50,334	35.00	742,462
	Option	9/4/2012	1/31/2012					50,334	41.16	849,059
	Option	12/3/2012	1/31/2012					50,334	38.63	829,645
	Annual Cash			311,420	1,533,333	5,000,000				
Michael E. Maroone	Option	3/1/2012	1/31/2012					40,285	34.09	594,184
	Option	6/1/2012	1/31/2012					40,285	35.00	594,232
	Option	9/4/2012	1/31/2012					40,285	41.16	679,548
	Option	12/3/2012	1/31/2012					40,285	38.63	664,010
	Annual Cash			203,100	1,000,000	5,000,000				
Michael J. Short	Option	3/1/2012	1/31/2012					30,270	34.09	446,467
	Option	6/1/2012	1/31/2012					30,270	35.00	446,504
	Option	9/4/2012	1/31/2012					30,270	41.16	510,609
	Option	12/3/2012	1/31/2012					30,270	38.63	498,934
	Annual Cash			85,454	420,750	5,000,000				
Jonathan P. Ferrando	Option	3/1/2012	1/31/2012					30,270	34.09	446,467
	Option	6/1/2012	1/31/2012					30,270	35.00	446,504
	Option	9/4/2012	1/31/2012					30,270	41.16	510,609
	Option	12/3/2012	1/31/2012					30,270	38.63	498,934
	Annual Cash			85,454	420,750	5,000,000				
Alan J. McLaren	Restricted Stock	3/1/2012	1/31/2012				4,036			137,587
	Option	3/1/2012	1/31/2012					3,027	34.09	44,647
	Option	6/1/2012	1/31/2012					3,027	35.00	44,650
	Option	9/4/2012	1/31/2012					3,027	41.16	51,061
	Option	12/3/2012	1/31/2012					3,027	38.63	49,893
	Annual Cash(3)			43,963	216,461	5,000,000				

(1) $5,000,000 is the maximum allowable bonus under the Executive Incentive Plan.

(2) With respect to option awards, the amounts reported in this column are based on the grant date fair values computed in accordance with FASB ASC Topic 718. With respect to the restricted stock award for Mr. McLaren, the amount reported in this column is based on the closing price per share of our common stock on the grant date.

(3)

Mr. McLaren was hired as Senior Vice President, Customer Care effective January 4, 2012. The amounts reported in the “Threshold,” “Target,” and “Maximum” columns under “Estimated Future Payouts Under Non-Equity Incentive Plan Awards” reflect the pro-rated threshold, target, and maximum bonus amounts under the Executive Incentive Plan (from January 4, 2012 through December 31, 2012).

The material terms of the non-equity incentive plan awards granted to our named executive officers in 2012 under the Executive Incentive Plan and the material terms of the stock-based awards granted to our named executive officers in 2012 under the 2008 Plan are described above in the sections entitled “Annual Incentive Bonus” and “Stock-Based Awards” under “Executive Compensation - Compensation Discussion and Analysis.”

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Outstanding Equity Awards at End of Fiscal 2012

The following table provides information concerning unexercised options and unvested restricted stock held by the named executive officers as of December 31, 2012.

OUTSTANDING EQUITY AWARDS AT END OF FISCAL 2012

		Option Awards(1)				Stock Awards(1)	
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)
Mike Jackson(2)	7/31/2006	144,000	—	20.08	7/31/2016	—	—
	7/30/2008	67,767	—	10.17	7/30/2018	—	—
	3/2/2009	—	16,603	9.92	3/2/2019	—	—
	6/1/2009	—	16,603	16.99	3/2/2019	—	—
	9/1/2009	49,809	16,603	18.02	3/2/2019	—	—
	12/1/2009	49,809	16,603	17.70	3/2/2019	—	—
	3/1/2010	31,878	31,878	18.20	3/1/2020	—	—
	6/1/2010	31,878	31,878	19.64	3/1/2020	—	—
	9/1/2010	31,878	31,878	23.21	3/1/2020	—	—
	12/1/2010	31,878	31,878	26.49	3/1/2020	—	—
	3/1/2011	13,844	41,535	32.50	3/1/2021	—	—
	6/1/2011	13,844	41,535	34.51	3/1/2021	—	—
	9/1/2011	13,844	41,535	40.37	3/1/2021	—	—
	12/1/2011	13,844	41,535	35.99	3/1/2021	—	—
	3/1/2012	—	50,334	34.09	3/1/2022	—	—
	6/1/2012	—	50,334	35.00	3/1/2022	—	—
	9/4/2012	—	50,334	41.16	3/1/2022	—	—
	12/3/2012	—	50,334	38.63	3/1/2022	—	—
Michael E. Maroone	7/31/2006	203,000	—	20.08	7/31/2016	—	—
	7/30/2007	220,250	—	19.21	7/30/2017	—	—
	7/30/2008	216,946	—	10.17	7/30/2018	—	—
	3/2/2009	39,864	13,288	9.92	3/2/2019	—	—
	6/1/2009	39,864	13,288	16.99	3/2/2019	—	—
	9/1/2009	39,864	13,288	18.02	3/2/2019	—	—
	12/1/2009	39,864	13,288	17.70	3/2/2019	—	—
	3/1/2010	25,513	25,513	18.20	3/1/2020	—	—
	6/1/2010	25,513	25,513	19.64	3/1/2020	—	—
	9/1/2010	25,513	25,513	23.21	3/1/2020	—	—
	12/1/2010	25,513	25,513	26.49	3/1/2020	—	—
	3/1/2011	11,080	33,242	32.50	3/1/2021	—	—
	6/1/2011	11,080	33,242	34.51	3/1/2021	—	—
	9/1/2011	11,080	33,242	40.37	3/1/2021	—	—
	12/1/2011	11,080	33,242	35.99	3/1/2021	—	—
	3/1/2012	—	40,285	34.09	3/1/2022	—	—
	6/1/2012	—	40,285	35.00	3/1/2022	—	—
	9/4/2012	—	40,285	41.16	3/1/2022	—	—

12/3/2012	—	40,285	38.63	3/1/2022	—	—

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OUTSTANDING EQUITY AWARDS AT END OF FISCAL 2012

		Option Awards(1)				Stock Awards(1)		
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	
Michael J. Short	7/30/2007	34,400	—	19.21	7/30/2017	—	—	
	7/30/2008	123,112	—	10.17	7/30/2018	—	—	
	3/2/2009	29,953	9,985	9.92	3/2/2019	—	—	
	6/1/2009	29,953	9,985	16.99	3/2/2019	—	—	
	9/1/2009	29,953	9,985	18.02	3/2/2019	—	—	
	12/1/2009	29,953	9,985	17.70	3/2/2019	—	—	
	3/1/2010	—	19,171	18.20	3/1/2020	—	—	
	6/1/2010	19,170	19,171	19.64	3/1/2020	—	—	
	9/1/2010	19,170	19,171	23.21	3/1/2020	—	—	
	12/1/2010	19,170	19,171	26.49	3/1/2020	—	—	
	3/1/2011	8,325	24,978	32.50	3/1/2021	—	—	
	6/1/2011	8,325	24,978	34.51	3/1/2021	—	—	
	9/1/2011	8,325	24,978	40.37	3/1/2021	—	—	
	12/1/2011	8,325	24,978	35.99	3/1/2021	—	—	
	3/1/2012	—	30,270	34.09	3/1/2022	—	—	
	6/1/2012	—	30,270	35.00	3/1/2022	—	—	
	9/4/2012	—	30,270	41.16	3/1/2022	—	—	
	12/3/2012	—	30,270	38.63	3/1/2022	—	—	
Jonathan P. Ferrando	7/31/2006	22,900	—	20.08	7/31/2016	—	—	
	7/30/2007	65,494	—	19.21	7/30/2017	—	—	
	7/30/2008	81,506	—	10.17	7/30/2018	—	—	
	3/2/2009	19,969	9,985	9.92	3/2/2019	—	—	
	6/1/2009	29,953	9,985	16.99	3/2/2019	—	—	
	9/1/2009	29,953	9,985	18.02	3/2/2019	—	—	
	12/1/2009	29,953	9,985	17.70	3/2/2019	—	—	
	3/1/2010	19,170	19,171	18.20	3/1/2020	—	—	
	6/1/2010	19,170	19,171	19.64	3/1/2020	—	—	
	9/1/2010	19,170	19,171	23.21	3/1/2020	—	—	
	12/1/2010	19,170	19,171	26.49	3/1/2020	—	—	
	3/1/2011	8,325	24,978	32.50	3/1/2021	—	—	
	6/1/2011	8,325	24,978	34.51	3/1/2021	—	—	
	9/1/2011	8,325	24,978	40.37	3/1/2021	—	—	
	12/1/2011	8,325	24,978	35.99	3/1/2021	—	—	
	3/1/2012	—	30,270	34.09	3/1/2022	—	—	
	6/1/2012	—	30,270	35.00	3/1/2022	—	—	
	9/4/2012	—	30,270	41.16	3/1/2022	—	—	
	12/3/2012	—	30,270	38.63	3/1/2022	—	—	
Alan J. McLaren	3/1/2012	—	—	—	—	4,036	160,229	(3)
	3/1/2012	—	3,027	34.09	3/1/2022	—	—	

6/1/2012	—	3,027	35.00	3/1/2022	—	—
9/4/2012	—	3,027	41.16	3/1/2022	—	—
12/3/2012	—	3,027	38.63	3/1/2022	—	—

(1) Stock options and shares of restricted stock granted prior to 2009 become exercisable in 25% annual increments on each of the first, second, third, and fourth anniversaries of the applicable grant date. Stock options and shares of restricted stock granted in 2009 and later become exercisable in 25% annual increments on each of the first, second, third, and fourth anniversaries of June 1 of the year in which the options were granted.

(2) All of Mr. Jackson’s options have been transferred other than for value to a personal trust.

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(3) Based on the closing price per share of our common stock on December 31, 2012 ($39.70).

Option Exercises and Stock Vested in Fiscal 2012

The following table provides information concerning exercises of stock options and vesting of restricted stock held by the named executive officers during 2012.

OPTION EXERCISES AND STOCK VESTED IN FISCAL 2012

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Mike Jackson	468,412	10,475,687	—	—
Michael E. Maroone	406,604	8,570,857	—	—
Michael J. Short	63,270	1,410,401	—	—
Jonathan P. Ferrando	100,000	2,408,000	—	—
Alan J. McLaren	—	—	—	—

Equity Compensation Plans

The following table provides information as of December 31, 2012 regarding our equity compensation plans.

EQUITY COMPENSATION PLANS

Plan Category	(A) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(B) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	(C) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column A)	
Equity Compensation Plans Approved by Security Holders	6,208,747	$24.29	7,015,608	(1)
Equity Compensation Plans Not Approved by Security Holders	—	—	—	
Total	6,208,747	$24.29	7,015,608	

(1) Includes 6,017,376 shares available under the AutoNation, Inc. 2008 Employee Equity and Incentive Plan (the "2008 Plan") and 998,232 shares available under the AutoNation, Inc. 2007 Non-Employee Director Option Plan. As of December 31, 2012, a maximum of 1,325,284 shares may be awarded as awards, other than options or stock appreciation rights, that are settled in shares under the 2008 Plan.

Non-Qualified Deferred Compensation in Fiscal 2012

The AutoNation, Inc. Deferred Compensation Plan ("DCP") affords the named executive officers and certain other employees the opportunity to defer up to 75% of base salary and 90% of bonuses and/or commissions on a pre-tax basis. For 2012, we provided matching contributions for both the DCP and the AutoNation 401(k) Plan. Participants eligible for a matching contribution under the DCP were not eligible for the matching contribution in the AutoNation 401(k) Plan. For 2012, we provided eligible participants under the DCP a matching contribution of up to 50% of the first $5,000 deferred. The 2012 matching contributions were credited by the Company as of January 2, 2013. One-third of the 2012 matching contributions vested as of January 2, 2013, and an additional one-third will vest on each of the first and second anniversaries of January 2, 2013, provided, however, that a participant's matching contribution will immediately vest in the event of the death of such participant while actively employed, the disability of such participant, or the attainment of age sixty with at least six years of service by such participant.

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Earnings on deferrals are based on "deemed" investments in funds selected for inclusion in the DCP by us. The DCP provides daily processing of account transactions including participant deemed investment election changes. Additionally, the DCP provides for payment of vested deferrals and earnings upon separation from service, death, and disability as well as upon specified in-service payment dates selected by the participants. Participants may elect to receive payments upon specified in-service dates (in the form of a lump sum payment or up to five annual installments) or upon separation from service (in the form of a lump sum payment or up to 15 annual installments). The DCP is intended to meet the requirements of Section 409A of the Code and other relevant provisions thereunder and related Treasury regulations.

The following table sets forth the non-qualified deferred compensation activity for each named executive officer during 2012.

NON-QUALIFIED DEFERRED COMPENSATION IN FISCAL 2012

Name	Executive Contributions in Last Fiscal Year ($)	AutoNation Contributions in Last Fiscal Year ($)	Aggregate Earnings (Loss) in Last Fiscal Year ($)(1)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last Fiscal Year-End ($)
Mike Jackson(2)	72,949 (3)	—	—	1,092,270	(4) 72,949 (3)
Michael E. Maroone	476,440 (5)	2,500 (6)	82,320	—	1,178,579 (7)
Michael J. Short	90,519 (5)	2,500 (6)	6,582	—	130,580 (7)
Jonathan P. Ferrando	5,000 (5)	2,500 (6)	4,099	—	30,534 (7)
Alan J. McLaren(2)	—	—	—	—	—

(1) Amounts not reported in the "Summary Compensation Table."

(2) Neither Mr. Jackson nor Mr. McLaren participated in the DCP.

(3) Amount reflects the portion of Mr. Jackson's non-equity incentive plan compensation for 2012 that was subject to the terms of Mr. Jackson's deferred bonus program and not paid in 2012 (reported in the "Non-Equity Incentive Plan Compensation" column for 2012 in the "Summary Compensation Table"). See "Compensation Discussion and Analysis - Annual Incentive Bonus" for additional information regarding Mr. Jackson's deferred bonus program.

(4) Amount reflects the portion of Mr. Jackson's non-equity incentive plan compensation for 2010 and 2011 (reported in the "Non-Equity Incentive Plan Compensation" column of the "Summary Compensation Table" for 2010 and 2011, respectively) that was subject to the terms of Mr. Jackson's deferred bonus program. This amount was paid to Mr. Jackson on December 28, 2012.

(5) Amounts reported in the "Salary" column for 2012 in the "Summary Compensation Table," except for the following amounts reported in the "Non-Equity Incentive Plan Compensation" column for 2011 in the "Summary Compensation Table": $196,440 for Mr. Maroone and $41,326 for Mr. Short.

(6) Amounts represent 2011 matching contributions under the DCP, which were credited by the Company as of January 3, 2012. The 2012 matching contributions under the DCP were credited by the Company as of January 2, 2013 and are therefore not shown in the table.

(7) Amounts, other than (1) contributions reported in the "Executive Contributions in Last Fiscal Year" and "AutoNation Contributions in Last Fiscal Year" columns and (2) gains or losses not required to be reported in the "Summary Compensation Table," have been previously reported as compensation to our named executive officers in the "Summary Compensation Table" included in our prior proxy statements.

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POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

The tables below reflect the amount of compensation that would have been payable to each of our named executive officers under any contract, agreement, plan, or arrangement with us that provides for any payment to such executive in the event of termination of such executive's employment or a change in control of the Company, in each case assuming the termination or change in control occurred effective as of December 31, 2012, the last business day of our last completed fiscal year. The amount of compensation payable to each named executive officer upon "termination for cause," "voluntary termination" (or "voluntary termination for good reason" and "voluntary termination without good reason"), "death or disability," "retirement," "involuntary termination without cause," and "change in control," as applicable, is shown below. We have prepared the tables based on the assumptions set forth below under "General Assumptions," and the tables should be considered in conjunction with those assumptions and the disclosures below the tables.

General Assumptions

Stock-Based Awards

In certain cases upon a termination or change in control, the vesting of unvested stock options and shares of restricted stock is accelerated. To determine the value of each unvested stock option that would accelerate in such cases, we calculated the difference, if positive, between (1) the closing price per share of our common stock on December 31, 2012, which was $39.70, and (2) the exercise price of such stock option, and multiplied such difference by the number of shares underlying such stock option. To determine the market value of unvested shares of restricted stock that would accelerate in such cases, we multiplied (x) the number of unvested shares of restricted stock that would accelerate by (y) $39.70. Since vested stock options are already exercisable upon termination (except in the case of a termination for "cause"), no value is attributable in the tables to the extension of the exercise period for such vested options.

Benefits

Messrs. Jackson and Maroone are eligible for health and welfare benefits, including disability and life insurance, in connection with certain termination events, and in such events the tables below reflect our expense based on the applicable premiums as of January 1, 2013.

Change in Control

We have not entered into any "change in control" agreements with any of our named executive officers. However, under our equity compensation plans, in the event of a "change in control" (as defined in our equity compensation plans and related agreements), all outstanding stock options held by a named executive officer shall become immediately exercisable in full and, unless waived in advance of such change in control by our Board, such executive shall have the right to require us to pay, in cancellation of options, an amount equal to the product of (i) the excess of (a) the fair market value per share of the stock over (b) the option price times (ii) the number of shares of stock specified by such executive in a written notice to us. In addition, in the event of a "change in control," all unvested shares of restricted stock held by a named executive officer shall immediately vest. The following tables disclose the value of unvested stock options that would have accelerated if a "change in control" had taken place on December 31, 2012, the last business day of 2012. To determine such value, we used the formula described above under "Stock-Based Awards."

Restrictive Covenant Agreements

Our named executive officers have entered into restrictive covenants and other obligations as contained in various stock-based award agreements, confidentiality, non-solicitation/no-hire and non-compete agreements, and other similar agreements with us in connection with employment or the grant of stock-based awards. Generally, these restrictive covenants provide a restriction of one year in which the named executive officer may not perform certain activities within specified geographic regions. The competitive activities include generally (i) participating or owning an interest in an entity engaged in the auto business (as defined in the applicable agreement) or any other business of the type and character engaged in by us, (ii) employing any person that was employed by us within the prior six months or seeking to induce any such person to leave his or her employment, (iii) soliciting any customer to patronize any business in competition with our business, or (iv) requesting or advising our customers or vendors to withdraw, curtail, or cancel their business with us. In certain cases, the receipt of post-termination payments by our named

executive officers is

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conditioned upon their compliance with these restrictive covenants. The following tables assume that each of our named executive officers would have complied with these agreements.

Receipt of Benefits

To the extent required in order to comply with Section 409A of the Code, certain payments that would otherwise be made during the six-month period immediately following the executive's termination of employment may instead be paid on the first business day after the date that is six months following the executive's "separation from service" within the meaning of Section 409A.

Description of Triggering Events

Termination for Cause (Employment Agreements)

Under our employment agreements with each of Messrs. Jackson and Maroone, termination for "cause" generally means termination because of (i) the executive's breach of any of his covenants contained in the applicable employment agreement, (ii) the executive's failure or refusal to perform the duties and responsibilities required to be performed by the executive under the terms of the applicable employment agreement, (iii) the executive's willfully engaging in illegal conduct or gross misconduct in the performance of his duties hereunder (provided, that no act or failure to act shall be deemed "willful" if done, or omitted to be done, in good faith and with the reasonable belief that such action or omission was in our best interest), (iv) the executive's commission of an act of fraud or dishonesty affecting us or the commission of an act constituting a felony, or (v) the executive's violation of our policies in any material respect.

Termination for Cause (Equity Compensation Plans)

Under our equity compensation plans, termination for "cause" generally means termination because of (i) the executive's conviction for commission of a felony or other crime, (ii) the commission by the executive of any act against us constituting willful misconduct, dishonesty, fraud, theft, or embezzlement, (iii) the executive's failure, inability, or refusal to perform any of the material services, duties, or responsibilities required of him by us or to materially comply with the policies or procedures established from time to time by us, for any reason other than his illness or physical or mental incapacity, (iv) the executive's dependence, as determined in good faith by us, on any addictive substance, including, but not limited to, alcohol or any illegal or narcotic drugs, (v) the destruction of or material damage to our property caused by the executive's willful or grossly negligent conduct, and (vi) the willful engaging by the executive in any other conduct which is demonstrably injurious to us or our subsidiaries, monetarily or otherwise.

Termination for Good Reason

Under our employment agreements with each of Messrs. Jackson and Maroone, termination by Messrs. Jackson or Maroone for "good reason" generally means the occurrence of (i) a material change by us in the executive's duties or responsibilities which would cause the executive's position to become of materially and substantially less responsibility and importance than those associated with his duties or responsibilities as of the date of the applicable employment agreement, or (ii) a material breach of the applicable employment agreement by us, which breach is not cured within ten days after written notice is received by us.

Retirement

Retirement (as defined in our equity compensation plans) generally means the named executive officer's termination of employment or other service from us or a subsidiary of ours after attainment of age 55 and completion of at least six years of service with us or a subsidiary of ours (disregarding any service with an entity prior to becoming a subsidiary or after ceasing to be a subsidiary).

Change in Control

Change in Control (as defined in our equity compensation plans) generally means if any person shall (i) acquire direct or indirect beneficial ownership of more than 50% of the total combined voting power with respect to the election of directors of our issued and outstanding stock (except that no change in control shall be deemed to have occurred if the persons who were our stockholders immediately before such acquisition own all or substantially all of the voting stock or other interests of such person immediately after such transaction), or (ii) have the power (whether as a result of stock ownership, revocable or irrevocable proxies, contract or otherwise) or ability to elect or cause the election of directors

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consisting at the time of such election of a majority of the Board. We have entered into agreements with our named executive officers (and other recipients of stock-based awards, including our non-employee directors) which provide that neither (A) the acquisition by ESL of either (x) direct or indirect beneficial ownership of 50% or more of our common stock or (y) direct or indirect beneficial ownership of more than 50% of total combined voting power with respect to the election of directors of our outstanding common stock nor (B) ESL having the power to (whether as a result of stock ownership, revocable or irrevocable proxies, contract or otherwise) or ability to elect or cause the election of directors consisting at the time of such election of a majority of the Board, shall constitute a Change in Control with respect to any stock-based award under any AutoNation equity compensation plan.

Mike Jackson

Mike Jackson	Termination for Cause	Voluntary Termination for Good Reason	Voluntary Termination Without Good Reason	Death or Disability	Retirement	Involuntary Termination Without Cause	Change in Control
Cash Severance	—	$2,656,040	—	—	—	$2,656,040	—
Deferred Bonus	—	$72,949	—	$72,949	—	$72,949	—
Acceleration of Unvested Stock Options	—	$5,109,851	$5,109,851	$5,109,851	$5,109,851	$5,109,851	$5,109,851
Post-Separation Health and Welfare Benefits	—	$16,032	—	—	—	$16,032	—

Termination for Cause

If we terminate Mr. Jackson's employment for "cause," he is not entitled to any payments triggered by the termination, and options held by Mr. Jackson on the date of termination, whether vested or unvested, will be canceled.

Voluntary Termination for Good Reason

If Mr. Jackson terminates his employment with us for "good reason," as long as Mr. Jackson is in compliance with the restrictive covenants and confidentiality provision of his employment agreement and signs a reasonable and mutually acceptable severance agreement (including a release and a covenant of reasonable cooperation), he will be entitled to receive an amount equal to: (i) the sum of his then-current annual base salary plus annual bonus awarded to him in the calendar year prior to such termination of his employment, as well as (ii) the pro-rata portion (based on the portion of the calendar year actually served by Mr. Jackson) of his annual bonus to which he would have been entitled had his employment not been terminated, to the extent applicable performance targets are met. Payment of the amount due under clause (i) above would be made by us (by lump sum or otherwise) within 30 days following the termination (or at a later date, to the extent required to comply with Section 409A of the Code), and payment of the amount due under clause (ii) above would be made by us (in lump sum) at the same time as the annual bonuses for the relevant year are paid to our bonus-eligible employees (or at a later date, to the extent required to comply with Section 409A of the Code). Since the assumed date of termination is year-end, payment of the amount due under clause (ii) above (which was $2,055,126 for 2012, a portion of which was subject to the terms of Mr. Jackson's deferred bonus program) is reflected under the "Non-Equity Incentive Plan Compensation" column in the "Summary Compensation Table," and not as "Cash Severance" in the table above. In addition, unless he elects retirement treatment under our equity compensation plans, all vested stock options held by Mr. Jackson will survive and be exercisable for the remainder of their initial ten-year term, and all unvested stock options held by him will immediately vest on such termination and will survive and be exercisable for one year following such termination. Mr. Jackson and his dependents will also be entitled to continue to participate in our group health and welfare benefit plans for a period of 18 months following the termination at the same cost to Mr. Jackson as provided to him prior to termination (or we will procure and pay for comparable benefits during such time period).

The three-year deferred bonus program established for Mr. Jackson in 2010 provided that he would be entitled, prior to February 2013, to the amounts deferred thereunder in the event of his death or disability (as defined in Section 409A of the Code), if his employment was terminated without cause (as defined in his employment agreement), or if

he terminated his employment for good reason (as defined in his employment agreement). In February 2013, the Subcommittee approved a new three-year deferred bonus program for Mr. Jackson similar to the one established in 2010. See “Compensation Discussion and Analysis - Annual Incentive Bonus.”

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Voluntary Termination Without Good Reason

If Mr. Jackson terminates his employment with us without "good reason," he is not entitled to any payments triggered by the termination. Since Mr. Jackson is eligible for "retirement" (as defined in our equity compensation plans), he would be entitled to the benefit described in the "Retirement" paragraph below.

Termination Due to Death or Disability

If Mr. Jackson's employment is terminated due to death or disability (as defined in our equity compensation plans), all options held by Mr. Jackson at the time of termination shall become immediately vested and exercisable in full and shall remain exercisable until the earlier of the expiration date of the option or the third anniversary of the date of termination.

In addition, as noted above, if Mr. Jackson's employment had terminated due to death or disability, he would have been entitled to any amounts deferred under the three-year deferred bonus program established for Mr. Jackson in 2010.

Retirement

In the event of Mr. Jackson's retirement, all options held by Mr. Jackson at the time of termination shall become immediately vested and exercisable in full and shall remain exercisable until the earlier of the expiration date of the option or the third anniversary of the date of termination.

Involuntary Termination Without Cause

If we terminate Mr. Jackson's employment without "cause," as long as Mr. Jackson is in compliance with the restrictive covenants and confidentiality provision of his employment agreement and signs a reasonable and mutually acceptable severance agreement (including a release and a covenant of reasonable cooperation), he will be entitled to receive the same payments and other benefits as described in the first paragraph under "Voluntary Termination for Good Reason" above. In addition, if we had terminated Mr. Jackson's employment without "cause," he would have been entitled to any amounts deferred under the three-year deferred bonus program established for Mr. Jackson in 2010.

Material Conditions and Obligations

Mr. Jackson will be subject to the restrictive covenant agreements described under "General Assumptions - Restrictive Covenant Agreements" above.

Michael E. Maroone

Michael E. Maroone	Termination for Cause	Voluntary Termination for Good Reason	Voluntary Termination Without Good Reason	Death or Disability	Retirement	Involuntary Termination Without Cause	Change in Control
Cash Severance	—	$1,982,200	—	—	—	$1,982,200	—
	28.3			29.7			
Synergies[3]		1.2	1.2		11.4	14.1	22.2	23.0
Total Adjusted EBITDA	$	162.2	320.7		339.5	341.9	354.1	362.9
Cincinnati Bell capital expenditures		(99.3)	(197.0)		(194.7)	(179.4)	(188.8)	(193.8)
OnX capital expenditures		(2.0)	(3.9)		(6.0)	(6.9)	(7.8)	(7.8)
Synergies[3]		0.0	0.0		0.0	0.0	0.0	0.0
Total capital expenditures		(101.3)	(200.9)		(200.7)	(186.3)	(196.6)	(201.6)

Cincinnati Bell Operating Free Cash Flow	49.0	97.3	107.7	121.5	114.8	116.4
OnX Operating Free Cash Flow	10.7	21.3	19.8	20.1	20.5	21.9
Synergies[3]	1.2	1.2	11.4	14.1	22.2	23.0
Total Operating Free Cash Flow	$ 61.0	$ 119.7	$ 138.8	$ 155.6	$ 157.5	$ 161.3

Set forth below is a summary of the derivation of the non-GAAP financial measure, Unlevered Free Cash Flow, based on the Five-Year Cincinnati Bell Forecast (Pro Forma for OnX Acquisition):

	2017E (6ME 12/31)	**2017E**	**2018E**	**2019E**	**2020E**	**2021E**
Total Adjusted EBITDA	$ 162.2	$ 320.7	$ 339.5	$ 341.9	$ 354.1	$ 362.9
Stock-based compensation	(1.6)	(3.2)	(5.6)	(6.2)	(6.6)	(6.2)
Depreciation and amortization	(96.2)	(190.8)	(198.1)	(199.8)	(201.9)	(206.8)
Taxes at an effective rate of 38%	(24.5)	(48.1)	(51.6)	(51.7)	(55.3)	(57.0)
Depreciation and amortization	96.2	190.8	198.1	199.8	201.9	206.8
Capital expenditures	(101.3)	(200.9)	(200.7)	(186.3)	(196.6)	(201.6)
Pension & other postemployment benefits	(0.2)	(0.4)	(2.7)	(7.8)	(3.8)	(4.8)
Net working capital	5.4	10.7	(13.2)	(15.1)	(10.6)	(9.9)
Other[4]	3.1	6.2	5.1	5.0	4.2	3.8
Unlevered Free Cash Flow	$ 43.2	$ 85.0	$ 70.9	$ 79.9	$ 85.4	$ 87.2

(1) Reflects Hawaiian Telcom management s projections for Cincinnati Bell and OnX, each as a standalone company.

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(2) Cincinnati Bell Adjusted EBITDA reflects Hawaiian Telcom management s projections for Cincinnati Bell as a standalone company; OnX Adjusted EBITDA reflects Hawaiian Telcom management s projections for OnX as a standalone company.
(3) Cincinnati Bell and OnX acquisition synergies are presented net of cost to achieve synergies and are estimates provided by Cincinnati Bell management for use by Hawaiian Telcom management.
(4) Other includes provisions for loss on receivables, non-cash interest expense, loss on debt extinguishment and other.

Reconciliations of the non-GAAP financial information included in the Five-Year Cincinnati Bell Forecast (Pro Forma for OnX Acquisition) to GAAP financial measures is not feasible because OnX is a privately-held company and OnX GAAP earnings were not available to Hawaiian Telcom.

Five-Year Cincinnati Bell Forecast (Pro Forma for OnX Acquisition and the Merger) (dollars in millions)

Prepared by Hawaiian Telcom s Management in July 2017

The following are forecasts prepared by Hawaiian Telcom s management in July 2017 relating to Cincinnati Bell, after taking into account both the estimated pro forma effect of, and the synergies anticipated to result from, the OnX acquisition and the estimated pro forma effect of the merger. Certain of the numbers may not sum due to rounding.

	2017E (6ME 12/31)	2017E	2018E	2019E	2020E	2021E
Cincinnati Bell revenue[1]	$ 600.3	$ 1,190.8	$ 1,191.6	$ 1,215.5	$ 1,253.9	$ 1,276.2
Hawaiian Telcom revenue	193.7	380.2	397.1	413.8	431.5	452.8
OnX revenue[1]	278.9	553.2	555.7	558.5	561.5	563.2
Combined revenue	1,072.9	2,124.2	2,144.4	2,187.9	2,246.9	2,292.2
Cincinnati Bell Adjusted EBITDA[2]	148.3	294.3	302.4	300.9	303.6	310.2
Hawaiian Telcom Adjusted EBITDA[2]	55.4	108.1	116.1	120.2	125.8	132.5
OnX Adjusted EBITDA[2]	12.7	25.2	25.8	27.0	28.3	29.7
Synergies[3]	1.2	1.2	8.0	17.1	33.1	33.8
Combined Adjusted EBITDA	217.7	428.8	452.2	465.1	490.7	506.2
Cincinnati Bell capital expenditures	(99.3)	(197.0)	(194.7)	(179.4)	(188.8)	(193.8)
Hawaiian Telcom capital expenditures	(36.7)	(88.6)	(80.0)	(79.5)	(78.8)	(78.5)
OnX capital expenditures	(2.0)	(3.9)	(6.0)	(6.9)	(7.8)	(7.8)
Synergies	0.0	0.0	0.0	0.0	0.0	0.0
Combined capital expenditures	(138.0)	(289.5)	(280.7)	(265.8)	(275.4)	(280.1)
Cincinnati Bell Operating Free Cash Flow	49.0	97.3	107.7	121.5	114.8	116.4
Hawaiian Telcom Operating Free Cash Flow	18.7	19.5	36.1	40.7	47.0	54.0
OnX Operating Free Cash Flow	10.7	21.3	19.8	20.1	20.5	21.9

Synergies[3]	1.2	1.2	8.0	17.1	33.1	33.8
Combined Operating Free Cash Flow	$ 79.7	$ 139.3	$ 171.5	$ 199.3	$ 215.3	$ 226.1

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Set forth below is a summary of the derivation of the non-GAAP financial measure, Unlevered Free Cash Flow, based on the Five-Year Cincinnati Bell Forecast (Pro Forma for OnX Acquisition and the Merger):

	2017E (6ME 12/31)	2017E	2018E	2019E	2020E	2021E
Combined Adjusted EBITDA	$ 217.7	$ 428.8	$ 452.2	$ 465.1	$ 490.7	$ 506.2
Stock-based compensation & and other non-recurring items	(5.8)	(14.5)	(10.6)	(11.1)	(11.6)	(11.2)
Depreciation and amortization	(141.4)	(278.8)	(291.3)	(287.5)	(292.5)	(300.2)
Taxes at an effective rate of 38%	(26.8)	(51.5)	(57.1)	(63.3)	(70.9)	(74.0)
Depreciation and amortization	141.4	278.8	291.3	287.5	292.5	300.2
SEA-US capacity agreements	29.0	29.0	33.4	0.0	0.0	0.0
Capital expenditures	(138.0)	(289.5)	(280.7)	(265.8)	(275.4)	(280.1)
Pension & other postemployment benefits	(4.3)	(4.8)	(12.5)	(16.7)	(12.7)	(13.7)
Net working capital[4]	(3.7)	6.3	(16.5)	(19.2)	(14.8)	(13.9)
Other[5]	3.1	6.2	5.1	5.0	4.2	3.8
Unlevered Free Cash Flow	$ 71.3	$ 110.1	$ 113.3	$ 94.0	$ 109.4	$ 117.0

(1) Reflects Hawaiian Telcom management s projections for Cincinnati Bell and OnX, each as a standalone company.
(2) Hawaiian Telcom Adjusted EBITDA means Adjusted EBITDA as defined and used in the Hawaiian Telcom Management Standalone Forecasts for Hawaiian Telcom as a standalone company; Cincinnati Bell Adjusted EBITDA reflects Hawaiian Telcom management s projections for Cincinnati Bell as a standalone company; OnX EBITDA reflects Hawaiian Telcom management s projections for OnX as a standalone company.
(3) Cincinnati Bell, OnX acquisition and merger synergies are presented net of cost to achieve synergies and are estimates provided by Cincinnati Bell management for use by Hawaiian Telcom management.
(4) Net working capital includes Cincinnati Bell net working capital, as estimated by Cincinnati Bell management, and Hawaiian Telcom net working capital and provisions for uncollectible amounts and other non-cash income, as estimated by Hawaiian Telcom management.
(5) Other includes provisions for loss on receivables, non-cash interest expense, loss on debt extinguishment and other.

Reconciliations of the non-GAAP financial information included in the Five-Year Cincinnati Bell Forecast (Pro Forma for OnX Acquisition and the Merger) to GAAP financial measures is not feasible because OnX is a privately-held company and OnX GAAP earnings were not available to Hawaiian Telcom.

Treatment of Hawaiian Telcom Equity Awards

At the effective time of the merger, each outstanding rollover RSU will be converted into a time-based RSU of Cincinnati Bell, with respect to a number of Cincinnati Bell common shares (rounded down to the nearest whole share) determined by multiplying the number of shares of Hawaiian Telcom common stock subject to such rollover RSU by the ratio based upon the value of the mixed consideration described below, subject to substantially the same terms and conditions as were applicable to such rollover RSU immediately prior to the completion of the merger, with any applicable performance criteria deemed satisfied at target levels. The applicable ratio for converting such RSU is the sum of (i) the share portion of the mixed consideration plus (ii) the quotient of (A) the cash portion of the mixed

consideration and (B) the closing price of one Cincinnati Bell common share on the last trading date preceding the closing date as reported on the NYSE.

At the effective time of the merger, each outstanding cash-out RSU will be canceled and converted into the right to receive in respect of each share of Hawaiian Telcom common stock subject to each cash-out RSU (i) the merger consideration (as determined by the holder s election or non-election, as applicable) and (ii) a cash

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payment equal to any accrued dividend equivalents in respect of each such restricted stock unit. Holders of cash-out RSUs will be entitled to choose the share consideration, mixed consideration or cash consideration with respect to each share of Hawaiian Telcom common stock subject to their cash-out RSUs. Each share of Hawaiian Telcom common stock subject to a cash-out RSU with respect to which no election is made will receive the mixed consideration. Any applicable performance criteria will be based upon actual performance as of immediately prior to the effective time of the merger, as reasonably determined by the Hawaiian Telcom board of directors in consultation with Cincinnati Bell in respect of any performance period that has not concluded prior to the effective time of the merger.

Interests of Hawaiian Telcom s Directors and Executive Officers in the Merger

In considering the recommendation of the Hawaiian Telcom board of directors that you vote to adopt the merger agreement, you should be aware that Hawaiian Telcom s non-employee directors and executive officers have certain interests in the merger that are different from, or in addition to, those of Hawaiian Telcom s stockholders generally. The Hawaiian Telcom board of directors was aware of and considered these interests, among other matters, in reaching its decisions to (i) approve the merger and the other transactions contemplated thereby, (ii) adopt, approve and declare advisable the merger agreement, and (iii) resolve to recommend the adoption of the merger agreement to Hawaiian Telcom stockholders. The transactions contemplated by the merger agreement will be a change of control for purposes of the Hawaiian Telcom executive compensation and benefit plans described below.

Certain Assumptions

Except as otherwise specifically noted, for purposes of quantifying the potential payments and benefits described in this section, the following assumptions were used:

- the value of the merger consideration is $28.57 for each share of Hawaiian Telcom common stock, based on the average closing price per share of Hawaiian Telcom common stock over the five business days following the first public announcement of the transaction on July 10, 2017;
- the effective time of the merger is August 8, 2017, which is the assumed date of the closing of the merger solely for purposes of the disclosure in this section; and
- each executive officer of Hawaiian Telcom was terminated by Hawaiian Telcom without cause or resigned for good reason (as such terms are defined in the relevant plans and agreements), in either case immediately following the assumed effective time of August 8, 2017.

Change of Control Agreements

Hawaiian Telcom has entered into change of control agreements, which are referred to as the change of control agreements , with each of its four executive officers, who are also the named executive officers. The change of control agreements provide for certain payments and other benefits if, within the period beginning six months before, and ending 24 months after, a change of control , Hawaiian Telcom terminates the executive officer s employment without cause or the executive officer terminates his employment for good reason , referred to as a qualifying termination . Such payments and benefits include: (i) payment to Mr. Barber of an amount equal to two times the sum of his base salary plus target bonus for the year of termination, (ii) payment to each of the other executive officers of an amount

equal to 1.5 times the sum of such executive officer s base salary plus target bonus for the year of termination, (iii) continued medical insurance benefits for a period of 24 months for Mr. Barber and 18 months for each of the other executive officers, and (iv) a pro rata portion of the executive officer s bonus for the year of termination based on actual performance over the entire year. One and a half times Mr. Barber s base salary is payable in equal installments over 18 months, with the remaining portion of the base salary and target bonus payment payable in a lump sum shortly following a qualifying termination and one times each other named executive officer s base salary is payable in equal installments over 12 months, with the remaining portion of the base salary and target bonus payments payable in a lump sum shortly following a qualifying termination.

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The completion of the merger will constitute a change of control for purposes of the change of control agreements.

Payment of any benefits under the change of control agreements is conditioned upon the executive officer executing a general waiver and release, confidentiality and non-disparagement agreement. In addition, each executive officer is subject to non-competition and employee and customer non-solicitation restrictions for one year following termination of employment for any reason.

For purposes of the change of control agreements, good reason generally means (i) a material diminution in the authority, duties or responsibilities of the executive officer or the supervisor to whom the executive officer is required to report, (ii) a material breach by Hawaiian Telcom of the change of control agreement or the executive officer s employment offer letter or employment agreement, (iii) the relocation of the executive officer s principal office without consent to a location that is in excess of fifty miles from Honolulu, Hawai i, (iv) a reduction in total direct compensation in amount greater than 10% of the previous year s total direct compensation that is not caused by below target performance of performance-based compensation or (v) the failure of the successor in interest to Hawaiian Telcom to assume the obligations under the change of control agreement.

For purposes of the change of control agreements, cause generally means the executive officer s (i) failure to follow a legal order of the Hawaiian Telcom board of directors, (ii) gross or willful misconduct in the performance of duties that causes or is reasonably likely to cause damage to Hawaiian Telcom, (iii) conviction of felony or crime involving material dishonesty or moral turpitude, (iv) fraud or, other than with respect to a de minimis amount, personal dishonesty involving Hawaiian Telcom s assets or (v) unlawful use (including being under the influence) or possession of illegal drugs on Hawaiian Telcom s premises or while performing duties and responsibilities to Hawaiian Telcom.

For the estimated amounts that each of Hawaiian Telcom s named executive officers would receive under the change of control agreements upon a covered termination of employment, see the section titled Quantification of Potential Payments and Benefits to Hawaiian Telcom s Named Executive Officers in Connection with the Merger .

Executive Severance Plan

Each of Hawaiian Telcom s executive officers are eligible to participate and receive benefits under Hawaiian Telcom s executive severance plan (the executive severance plan). Under the executive severance plan, each executive officer has the right to receive certain payments in the event of a termination by Hawaiian Telcom without cause or by the executive officer for good reason (each as defined in the executive severance plan); provided that the executive officer is not otherwise eligible to receive benefits under a change of control agreement. As such, in the event an executive officer experiences a qualifying termination within six months before or 24 months after the effective time of the merger, such executive officer would only receive the payments described above pursuant to the change of control agreements and would not receive any payments under the executive severance plan.

Equity Awards

As described above, in the section titled Treatment of Hawaiian Telcom Equity Awards , at the effective time of the merger, (i) each cash-out RSU will be canceled and converted into the right to receive in respect of each share of Hawaiian Telcom common stock subject to each cash-out RSU (a) the merger consideration (as determined by the holder s election or non-election, as applicable) and (b) a cash payment equal to any accrued dividend equivalents in respect of each such RSU, with any applicable performance criteria based upon actual performance as of immediately prior to the effective time of the merger, as reasonably determined by the Hawaiian Telcom board of directors in consultation with Cincinnati Bell in respect of any performance period

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that has not concluded prior to the effective time of the merger, and (ii) each rollover RSU will be converted into a time-based RSU of Cincinnati Bell, with respect to a number of Cincinnati Bell common shares (rounded down to the nearest whole share) determined by multiplying the number of shares of Hawaiian Telcom common stock subject to such rollover RSU by a ratio based upon the value of the mixed consideration, subject to substantially the same terms and conditions, including time-based vesting, as were applicable to such rollover RSU immediately prior to the completion of the merger, with any applicable performance criteria deemed satisfied at target levels.

Treatment of Rollover RSUs upon Termination of Employment Following the Merger

If an executive officer s employment is terminated by Hawaiian Telcom without cause or by the executive officer under circumstances which would constitute good reason , in either case within the period beginning two months before, and ending 24 months after, the effective time of the merger, the rollover RSUs will fully vest upon such termination. For purposes of the rollover RSUs held by the executive officers, cause and good reason are defined in the same manner as under the change of control agreements.

For an estimate of the amounts that would become payable to each of Hawaiian Telcom s named executive officers in respect of their unvested Hawaiian Telcom RSUs, see the section titled Quantification of Potential Payments and Benefits to Hawaiian Telcom s Named Executive Officers in Connection with the Merger .

Non-Employee Directors RSUs

All of the Hawaiian Telcom RSUs held by Hawaiian Telcom s non-employee directors are cash-out RSUs. Based on the assumptions described above under Certain Assumptions , the estimated aggregate amount that would become payable to Hawaiian Telcom s non-employee directors in respect of their unvested cash-out RSUs is $916,783.

For more information on equity holdings of Hawaiian Telcom s non-employee directors and executive officers, see the section titled Security Ownership of Certain Beneficial Owners and Management of Hawaiian Telcom .

Indemnification and Insurance

Pursuant to the terms of the merger agreement, Hawaiian Telcom non-employee directors and executive officers will be entitled to certain ongoing indemnification and coverage under directors and officers liability insurance policies following the merger. Such indemnification and insurance coverage is further described in the section titled The Merger Agreement Indemnification and Directors and Officers Insurance beginning on page 137.

Quantification of Potential Payments and Benefits to Hawaiian Telcom s Named Executive Officers in Connection with the Merger

The information set forth in the table below is intended to comply with Item 402(t) of the SEC s Regulation S-K, which requires disclosure of information about the merger-related compensation.

The amounts shown in the table below are estimates based on multiple assumptions that may or may not actually occur or be accurate on the relevant date, including the assumptions described below and in the footnotes to the table, and do not reflect certain compensation actions that may occur before completion of the merger. For purposes of calculating such amounts, the following assumptions were used:

the value of the merger consideration is $28.57 for each share of Hawaiian Telcom common stock based on the average closing price per share of Hawaiian Telcom common stock over the five business days following the first public announcement of the transaction on July 10, 2017;

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the effective time is August 8, 2017, which is the assumed date of the closing of the merger solely for purposes of the disclosure in this section; and

each named executive officer of Hawaiian Telcom was terminated by Hawaiian Telcom without cause or resigned for good reason (as such terms are defined in the relevant plans and agreements), in either case immediately following the assumed effective time of August 8, 2017.

As a result of the foregoing assumptions, the actual amounts, if any, to be received by a named executive officer may materially differ from the amounts set forth below.

For purposes of this discussion, single-trigger refers to payments and benefits that are payable upon the effective time of the merger, solely as a result of the merger, and double-trigger refers to benefits that require two conditions, which are the effective time of the merger, as well as a qualifying termination of employment within a specified time following the effective time of the merger.

Named Executive Officer	Cash[1]	Equity[2]	Perquisites/ Benefits[3]	Total
Scott K. Barber	$ 2,277,000	$ 2,050,811	$ 26,142	$ 4,353,953
Dan T. Bessy	$ 1,064,873	$ 890,641	$ 27,320	$ 1,982,834
John T. Komeiji	$ 1,002,750	$ 830,587	$ 22,185	$ 1,855,522
Kevin T. Paul	$ 720,018	$ 517,202	$ 27,320	$ 1,264,540

(1) *Cash*. The amounts reported in this column consist of cash severance that includes the following: (i) payment to Mr. Barber of an amount equal to two times the sum of his base salary plus target bonus for the year of termination, with the portion of such amount equal to 1.5 times his base salary to be paid over 18 months and the balance to be paid in a lump sum shortly following termination, (ii) payment to each of the other named executive officers of an amount equal to 1.5 times the sum of such named executive officer s base salary plus target bonus for the year of termination, with the portion of such amount equal to one times their respective base salary to be paid over 12 months and the balance to be paid in a lump sum shortly following termination, and (iii) a pro rata portion of the named executive officer s bonus for the year of termination based on actual performance over the entire year (assuming the target level of performance for purposes of this disclosure), paid in a lump sum at the time such bonuses are generally paid under Hawaiian Telcom s annual bonus plan. The cash severance payments are considered double-trigger . Payment of the cash severance payments is conditioned upon the executive officer executing a general waiver and release, confidentiality and non-disparagement agreement.

The table below quantifies each separate component of the cash severance compensation included in the aggregate total reported above.

Named Executive Officer	Base Salary Component of Severance Paid in Installments	Base Salary Component of Severance Paid in Lump Sum	Bonus Component of Severance	Pro-Rata Bonus
Scott K. Barber	$ 742,500	$ 247,500	$ 990,000	$ 297,000

Dan T. Bessy	$ 346,300	$ 173,150	$ 389,588	$ 155,835
John T. Komeiji	$ 350,000	$ 175,000	$ 341,250	$ 136,500
Kevin T. Paul	$ 307,700	$ 153,850	$ 184,620	$ 73,848

(2) *Equity.* Pursuant to the terms of the outstanding Hawaiian Telcom RSUs, each named executive officer would be entitled to either single trigger accelerated vesting with respect to his cash-out RSUs or accelerated vesting of rollover RSUs upon a double trigger qualifying termination within two months before or 24 months after the effective time of the merger. We have assumed that the named executive officers will experience a qualifying termination at the effective time. The value of the unvested accelerated RSUs is equal to $28.57 multiplied by the number of unvested RSUs as of August 8, 2017, consistent with the methodology applied under

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SEC Regulation S-K Item 402(t)(2). In accordance with the governing awards agreements, for outstanding RSUs granted in 2014 and 2015 originally subject to performance conditions (which are single-trigger), these values reflect the portion of the maximum number of such unvested RSUs that will immediately vest upon the effective time of the merger taking into account actual performance through such date. For RSU grants made in 2016 (which are single-trigger) and 2017 (which are double-trigger), these values assume the target number of RSUs subject to performance conditions will vest at the target level of performance. The amounts in this column for the unvested RSUs do not reflect any taxes payable by the named executive officers. For further details regarding the treatment of Hawaiian Telcom equity awards in connection with the merger, see the section titled Interests of Hawaiian Telcom s Directors and Executive Officers in the Merger Equity Awards . The value of each such benefit is shown in the following table:

Named Executive Officer	Value of Unvested Cash-Out RSUs (single-trigger)	Value of Unvested Rollover RSUs (double-trigger)
Scott K. Barber	$ 989,093	$ 1,061,718
Dan T. Bessy	$ 466,205	$ 424,436
John T. Komeiji	$ 487,404	$ 343,183
Kevin T. Paul	$ 290,928	$ 226,274

(3) *Perquisites/Benefits*. The change of control agreements provide, upon a double trigger qualifying termination within six months before or 24 months after the effective time of the merger, continued medical insurance benefits for a period of 24 months for Mr. Barber and 18 months for each of the other named executive officers at the expense of Hawaiian Telcom.

Cincinnati Bell s Reasons for the Merger

Cincinnati Bell believes the merger will create sustainable long-term value for its shareholders by adding meaningful scale, securing a larger fiber footprint and enabling the combined company to capitalize on the growing demand for fiber capacity. Key factors considered by Cincinnati Bell in entering into the merger include the following:

- the merger is expected to provide the combined company with greater geographic and customer diversity;
- Cincinnati Bell s belief that in combining Cincinnati Bell s fiber expertise and success with Hawaiian Telcom s strong presence as an incumbent carrier with leading market share and strong brand equity, the combined company will be in a better position to pursue accretive fiber investments across both geographies, as well as system upgrades;
- the merger is expected to grow Cincinnati Bell s fiber footprint by over 40%, from 10,000 route miles to more than 14,000;

the merger is expected to grow Cincinnati Bell s Internet subscriber base by 35% to well over 400,000, and its video subscribers by 30% to over 180,000;

Cincinnati Bell s and Hawaiian Telcom s complimentary values, goals and business strategies, including a shared focus on investment in fiber;

Cincinnati Bell s expectation that the merger will be accretive to free cash flow per share for its shareholders once synergies are fully realized;

Cincinnati Bell s expectation that the merger will add value to Hawaiian Telcom s IT Services and Hardware business through enhanced and expanded capabilities, certifications, and vendor relationships, which will allow Hawaiian Telcom to compete with a lower cost structure and broader product portfolio;

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Cincinnati Bell s expectation that the combined company s financial and operational scale will obtain financing at more favorable terms and enhance strategic flexibility and financial stability;

Cincinnati Bell s expectation that the transaction will provide the combined company meaningful synergies through operational efficiencies, IT support savings, reductions in public company costs and efficiencies in professional services and back office systems; and

Cincinnati Bell s belief that the combined company will be able to obtain lower cost programming, enabling it to compete more effectively with cable television competitors.

Board of Directors and Executive Officers After the Merger

Board of Directors and Executive Officers of Cincinnati Bell After the Merger

The composition of the board of directors and executive officers of Cincinnati Bell will not change as a result of the merger, except that pursuant to the merger agreement, unless the merger agreement is terminated or the completion of the merger does not occur, Cincinnati Bell will appoint to its board of directors two persons selected by Hawaiian Telcom, subject to approval of such persons by the Cincinnati Bell board of directors (not to be unreasonably withheld, conditioned or delayed). The two new directors will be in addition to the nine directors serving on the Cincinnati Bell board of directors immediately prior to the effective time of the merger.

As of the date of this proxy statement/prospectus, Cincinnati Bell and Hawaiian Telcom have not made a determination as to which two directors would be selected by Hawaiian Telcom to be appointed to Cincinnati Bell s board of directors.

Board of Directors and Executive Officer of the Surviving Corporation After the Merger

As of the effective time of the merger, the directors of Merger Sub immediately prior to the effective time of the merger will be the directors of Hawaiian Telcom, as the surviving corporation immediately following the effective time of the merger, until their respective successors are duly appointed and qualified, or until their earlier resignation or removal in accordance with the certificate of incorporation and bylaws of the surviving corporation. The officers of Hawaiian Telcom immediately prior to the effective time of the merger shall continue as the officers of the surviving corporation immediately following the effective time of the merger until their respective successors are duly appointed and qualified or until their earlier death, resignation or removal in accordance with the certificate of incorporation and bylaws of the surviving corporation. The board of directors of the surviving corporation will include individuals who are domiciled in Hawai i.

Regulatory Approvals Required for the Merger

The following is a summary of the material regulatory requirements for completion of the merger. There can be no guarantee if or when any of the consents or approvals required for the merger will be obtained or as to any conditions that such consents and approvals may contain. Cincinnati Bell and Hawaiian Telcom intend to make all required filings as promptly as practicable. The management of each of Cincinnati Bell and Hawaiian Telcom currently believe that the necessary regulatory approvals can be obtained by the second half of 2018; however, there can be no assurances that such approvals will be obtained in accordance with this timing or at all. For further information, please see the section titled Risk Factors beginning on page 40.

The merger is subject to the requirements of the Hart-Scott-Rodino Act and the rules promulgated by the FTC, which prevent transactions such as the merger from being completed until (i) certain information and materials are furnished to DOJ and the FTC and (ii) the applicable waiting period is terminated or expires.

In addition, completion of the merger is also conditioned upon the receipt of approvals from the FCC, the State of Hawai i Department of Commerce and Consumer Affairs and the Hawai i Public Utilities Commission. There can be no assurance that the requisite FCC and state approvals will be obtained on a timely basis or at all.

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Cincinnati Bell and Hawaiian Telcom also intend to make all required filings under the Securities Act and the Exchange Act relating to the merger and obtain all other approvals and consents which may be necessary to give effect to the merger.

Appraisal Rights

If the merger is completed, stockholders who have complied exactly with the procedures set forth in Section 262, including stockholders who: (i) do not vote in favor of the adoption of the merger agreement; (ii) continuously hold their shares of Hawaiian Telcom common stock through the effective time; and (iii) properly demand appraisal of their shares of Hawaiian Telcom common stock in compliance with the requirements of Section 262 are entitled to exercise appraisal rights in connection with the merger under Section 262.

The following discussion is not a complete statement of the law pertaining to appraisal rights under Section 262 and is qualified in its entirety by the full text of Section 262, which is attached to this proxy statement/prospectus as Annex D and incorporated herein by reference. The following summary does not constitute any legal or other advice and does not constitute a recommendation that stockholders exercise their appraisal rights under Section 262. Only a holder of record of shares of Hawaiian Telcom common stock is entitled to demand appraisal rights for the shares registered in such holder s name. A person having a beneficial interest in shares of Hawaiian Telcom common stock held of record in the name of another person, such as a bank, broker or other nominee, must act promptly to cause the record holder to follow the steps summarized below properly and in a timely manner to perfect appraisal rights. If you hold your shares of Hawaiian Telcom common stock through a bank, broker or other nominee and you wish to demand appraisal, you should consult with your bank, broker or the other nominee.

Under Section 262, holders of shares of Hawaiian Telcom common stock who: (i) do not vote in favor of the adoption of the merger agreement; (ii) continuously hold their shares of Hawaiian Telcom common stock through the effective time; and (iii) otherwise follow exactly the procedures set forth in Section 262, will be entitled to have their shares appraised by the Delaware Court of Chancery and to receive payment in cash of the fair value of the shares of Hawaiian Telcom common stock, exclusive of any element of value arising from the accomplishment or expectation of the merger, together with interest to be paid on the amount determined to be fair value, if any, as determined by the Delaware Court of Chancery. Unless the Delaware Court of Chancery, in its discretion, determines otherwise for good cause shown, and except with respect to certain advance payments described below, interest on an appraisal award will accrue and compound quarterly from the effective time through the date the judgment is paid at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during such period.

Under Section 262, where a merger agreement is to be submitted for adoption at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, must notify each of its stockholders entitled to exercise appraisal rights that appraisal rights are available and include in the notice a copy of Section 262. This proxy statement/prospectus constitutes Hawaiian Telcom s notice to stockholders that appraisal rights are available in connection with the merger, and the full text of Section 262 is attached to this proxy statement/prospectus as Annex D. In connection with the merger, any holder of shares of Hawaiian Telcom common stock who wishes to exercise appraisal rights or who wishes to preserve such holder s right to do so should review the following discussion and Annex D carefully.

Failure to comply exactly with the requirements of Section 262 in a timely and proper manner will result in the loss of appraisal rights under the DGCL.

A stockholder who loses his, her or its appraisal rights will be entitled to receive the merger consideration described in the merger agreement. Moreover, because of the complexity of the procedures for exercising the right to seek appraisal of shares of Hawaiian Telcom common stock, Hawaiian Telcom believes that if a stockholder considers exercising such rights, such stockholder should seek the advice of legal counsel.

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Stockholders wishing to perfect the right to seek an appraisal of their shares of Hawaiian Telcom common stock must, among other requirements, do ALL of the following:

- the stockholder must not vote in favor of the proposal to adopt the merger agreement;
- the stockholder must deliver to Hawaiian Telcom a written demand for appraisal that complies with Section 262 before the vote on the proposal to adopt the merger agreement at the special meeting; and
- the stockholder must continuously hold the shares of Hawaiian Telcom common stock through the effective time.

The stockholder or the surviving corporation must also file a petition in the Delaware Court of Chancery requesting a determination of the fair value of the shares of Hawaiian Telcom common stock within 120 days after the effective time. The surviving corporation is under no obligation to file any petition and has no intention of doing so.

If a stockholder signs and returns a proxy card or submits a proxy via the Internet or telephone without abstaining or expressly directing that his, her or its shares of Hawaiian Telcom common stock be voted against the proposal to adopt the merger agreement, such stockholder will effectively waive his, her or its appraisal rights with respect to shares represented by the proxy because such shares will be voted in favor of the proposal to adopt the merger agreement. Accordingly, if a stockholder desires to exercise and perfect appraisal rights with respect to any of his, her or its shares of Hawaiian Telcom common stock, such stockholder must either (1) refrain from voting in person in favor of the proposal to adopt the merger agreement, (2) refrain from executing and returning the enclosed proxy card, or submitting a proxy via the Internet or by telephone, in each case in favor of the proposal to adopt the merger agreement or without specifying any voting instructions with respect to such proxy, or (3) vote in person or check either the against or the abstain box next to the proposal on such card or by submitting a proxy via the Internet or by telephone in each case against the proposal or register in person an abstention with respect thereto. A vote or proxy against the proposal to adopt the merger agreement will not, in and of itself, constitute a demand for appraisal.

Filing Written Demand

Any holder of shares of Hawaiian Telcom common stock wishing to exercise appraisal rights must deliver to Hawaiian Telcom, before the vote on the adoption of the merger agreement at the special meeting at which the proposal to adopt the merger agreement will be submitted to the stockholders, a written demand for the appraisal of the stockholder s shares, and that stockholder must not vote or submit a proxy in favor of the adoption of the merger agreement. A holder of shares of Hawaiian Telcom common stock exercising appraisal rights must hold of record the shares on the date the written demand for appraisal is made, and must continue to hold the shares of record through the effective time. A proxy that is submitted and does not contain voting instructions will, unless revoked, be voted in favor of the adoption of the merger agreement and it will constitute a waiver of the stockholder s right of appraisal and will nullify any previously delivered written demand for appraisal. Therefore, a stockholder who submits a proxy and who wishes to exercise appraisal rights must submit a proxy containing instructions to vote against the adoption of the merger agreement or abstain from voting on the adoption of the merger agreement. Neither voting against the adoption of the merger agreement, nor abstaining from voting or failing to vote on the proposal to adopt the merger agreement will, in and of itself, constitute a written demand for appraisal satisfying the requirements of Section 262. The written demand for appraisal must be in addition to and separate from any proxy or vote on the adoption of the merger agreement. A stockholder s failure to make the written demand prior to the taking of the vote on the adoption

of the merger agreement at the special meeting will result in a loss of appraisal rights under the DGCL.

Only a holder of record of shares of Hawaiian Telcom common stock is entitled to demand appraisal rights for the shares registered in such holder s name. A demand for appraisal in respect of shares of Hawaiian Telcom common stock should be executed by or on behalf of the holder of record and must reasonably inform Hawaiian

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Telcom of the identity of the holder and state that the person intends thereby to demand appraisal of the holder s shares of Hawaiian Telcom common stock in connection with the merger. If the shares of Hawaiian Telcom common stock are owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, such demand must be executed by or on behalf of the record owner, and if the shares are owned of record by more than one person, as in a joint tenancy and tenancy in common, the demand should be executed by or on behalf of all joint owners. An authorized agent, including an authorized agent for two or more joint owners, may execute a demand for appraisal on behalf of a holder of record; however, the agent must identify the record owner or owners and expressly disclose that, in executing the demand, the agent is acting as agent for the record owner or owners.

STOCKHOLDERS WHO HOLD THEIR SHARES OF HAWAIIAN TELCOM COMMON STOCK IN BROKERAGE OR BANK ACCOUNTS OR OTHER NOMINEE FORMS AND WHO WISH TO DEMAND APPRAISAL RIGHTS SHOULD CONSULT WITH THEIR BANK, BROKER OR OTHER NOMINEES, AS APPLICABLE, TO DETERMINE THE APPROPRIATE PROCEDURES FOR THE BANK, BROKER OR OTHER NOMINEE TO MAKE A DEMAND FOR APPRAISAL OF THOSE SHARES OF HAWAIIAN TELCOM COMMON STOCK. A PERSON HAVING A BENEFICIAL INTEREST IN SHARES OF HAWAIIAN TELCOM COMMON STOCK HELD OF RECORD IN THE NAME OF ANOTHER PERSON, SUCH AS A BANK, BROKER OR OTHER NOMINEE, MUST ACT PROMPTLY TO CAUSE THE RECORD HOLDER TO FOLLOW PROPERLY AND IN A TIMELY MANNER THE STEPS NECESSARY TO PERFECT APPRAISAL RIGHTS.

All written demands for appraisal pursuant to Section 262 should be delivered to:

Hawaiian Telcom Holdco, Inc.

Attn: Secretary and General Counsel

1177 Bishop Street

Honolulu, Hawai i 96813

Any holder of shares of Hawaiian Telcom common stock may withdraw his, her or its demand for appraisal and accept the consideration offered pursuant to the merger agreement by delivering to Hawaiian Telcom a written withdrawal of the demand for appraisal. However, any such attempt to withdraw the demand made more than 60 days after the effective time will require written approval of the surviving corporation.

No appraisal proceeding in the Delaware Court of Chancery will be dismissed without the approval of the Delaware Court of Chancery, and such approval may be conditioned upon such terms as the Delaware Court of Chancery deems just; provided, however, that such dismissal will not affect the right of any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party to withdraw such stockholder s demand for appraisal and to accept the terms offered upon the merger within 60 days after the effective time.

Notice by the Surviving Corporation

If the merger is completed, within ten days after the effective time, the surviving corporation will notify each holder of shares of Hawaiian Telcom common stock who has made a written demand for appraisal pursuant to Section 262 and who has not voted in favor of the adoption of the merger agreement that the merger has become effective and the effective date thereof.

Filing a Petition for Appraisal

Within 120 days after the effective time, the surviving corporation or any holder of shares of Hawaiian Telcom common stock who has complied with Section 262 and is entitled to exercise appraisal rights under Section 262 may commence an appraisal proceeding by filing a petition in the Delaware Court of Chancery, with

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a copy served on the surviving corporation in the case of a petition filed by a stockholder, demanding a determination of the fair value of the shares held by all stockholders entitled to appraisal. The surviving corporation is under no obligation, and has no present intention, to file a petition, and holders should not assume that the surviving corporation will file a petition or initiate any negotiations with respect to the fair value of the shares of Hawaiian Telcom common stock. Accordingly, any holders of shares of Hawaiian Telcom common stock who desire to have their shares appraised should initiate all necessary action to perfect their appraisal rights in respect of their shares of Hawaiian Telcom common stock within the time and in the manner prescribed by Section 262. The failure of a holder of shares of Hawaiian Telcom common stock to file such a petition within the period specified in Section 262 will nullify the stockholder s previous written demand for appraisal.

Within 120 days after the effective time, any holder of shares of Hawaiian Telcom common stock who has complied with the requirements for exercise of appraisal rights will be entitled, upon written request, to receive from the surviving corporation a statement setting forth the aggregate number of shares not voted in favor of the adoption of the merger agreement with respect to which Hawaiian Telcom has received demands for appraisal, and the aggregate number of holders of such shares. The surviving corporation must mail this statement to the requesting stockholder within ten days after receipt of the written request for such a statement or within ten days after the expiration of the period for delivery of demands for appraisal, whichever is later. A beneficial owner of shares held either in a voting trust or by a nominee on behalf of such person may, in such person s own name, file a petition seeking appraisal or request from the surviving corporation the foregoing statements. As noted above, however, the demand for appraisal can only be made by a stockholder of record.

If a petition for an appraisal is duly filed by a holder of shares of Hawaiian Telcom common stock and a copy thereof is served upon the surviving corporation, the surviving corporation will then be obligated within 20 days after such service to file with the Delaware Register in Chancery a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached. Upon the filing of any such petition, the Delaware Court of Chancery may order that notice of the time and place fixed for the hearing on the petition be mailed to the surviving corporation and all of the stockholders shown on such duly verified list. Such notice will also be published at least one week before the day of the hearing in a newspaper of general circulation published in the City of Wilmington, Delaware, or in another publication determined by the Delaware Court of Chancery. The costs of these notices are borne by the surviving corporation.

After notice to the stockholders as required by the court, the Delaware Court of Chancery is empowered to conduct a hearing on the petition to determine those stockholders who have complied with Section 262 and who have become entitled to exercise appraisal rights thereunder. The Delaware Court of Chancery may require stockholders demanding appraisal of their shares to submit their stock certificates to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings, and if any stockholder fails to comply with that direction, the Delaware Court of Chancery may dismiss the proceedings as to such stockholder. Additionally, because shares of Hawaiian Telcom common stock will be listed on NASDAQ immediately prior to the effective time, the Delaware Court of Chancery is required under Section 262 of the DGCL to dismiss the proceedings as to all holders of shares of Hawaiian Telcom common stock who are otherwise entitled to appraisal rights unless (1) the total number of shares of Hawaiian Telcom common stock entitled to appraisal exceeds 1% of the outstanding shares of Hawaiian Telcom common stock or (2) the value of the consideration provided in the merger for such total number of shares of Hawaiian Telcom common stock exceeds $1 million.

Determination of Fair Value

After determining the holders of Hawaiian Telcom common stock entitled to appraisal, the Delaware Court of Chancery will appraise the fair value of the shares of Hawaiian Telcom common stock, exclusive of any element of value arising from the accomplishment or expectation of the merger, together with interest, if any, to be paid upon the amount determined to be the fair value. In determining fair value, the Delaware Court of Chancery may take into account all relevant factors. Unless the court in its discretion determines otherwise for

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good cause shown, and except with respect to the advance payments described below, interest from the effective time through the date of payment of the judgment will be compounded quarterly and will accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective time and the date of payment of the judgment. At any time before the entry of judgment in the appraisal proceeding, the surviving corporation may pay to each holder of shares of Hawaiian Telcom common stock entitled to appraisal an amount in cash (which will be treated as an advance against the payment due to such holder of shares of Hawaiian Telcom common stock), in which case interest shall accrue thereafter only upon the sum of (1) the difference, if any, between the amount paid and the fair value of the shares of Hawaiian Telcom common stock as determined by the Delaware Court of Chancery, and (2) interest theretofore accrued, unless paid at that time.

In *Weinberger v. UOP, Inc.*, the Supreme Court of Delaware discussed the factors that could be considered in determining fair value in an appraisal proceeding, stating that proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court should be considered, and that [f]air price obviously requires consideration of all relevant factors involving the value of a company. The Delaware Supreme Court stated that, in making this determination of fair value, the court may consider market value, asset value, dividends, earnings prospects, the nature of the enterprise and any other facts that could be ascertained as of the date of the merger that throw any light on future prospects of the merged corporation. Section 262 provides that fair value is to be exclusive of any element of value arising from the accomplishment or expectation of the merger. In *Cede & Co. v. Technicolor, Inc.*, the Delaware Supreme Court stated that such exclusion is a narrow exclusion [that] does not encompass known elements of value, but which rather applies only to the speculative elements of value arising from such accomplishment or expectation. In *Weinberger*, the Supreme Court of Delaware also stated that elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered.

Stockholders considering seeking appraisal should be aware that the fair value of their shares as so determined by the Delaware Court of Chancery could be more than, the same as or less than the consideration they would receive pursuant to the merger if they did not seek appraisal of their shares and that an opinion of an investment banking firm as to the fairness from a financial point of view of the consideration payable in a merger is not an opinion as to, and does not in any manner address, fair value under Section 262. **Although Hawaiian Telcom believes that the merger consideration is fair, no representation is made as to the outcome of the appraisal of fair value as determined by the Delaware Court of Chancery, and stockholders should recognize that such an appraisal could result in a determination of a value higher or lower than, or the same as, the merger consideration.** Neither Hawaiian Telcom nor Cincinnati Bell anticipates offering more than the merger consideration to any stockholder exercising appraisal rights, and each of Hawaiian Telcom and Cincinnati Bell reserves the right to assert, in any appraisal proceeding, that for purposes of Section 262, the fair value of a share of Hawaiian Telcom common stock is less than the merger consideration.

If a petition for appraisal is not timely filed, then the right to an appraisal will cease. The costs of the appraisal proceedings (which do not include attorneys fees or the fees and expenses of experts) may be determined by the Delaware Court of Chancery and taxed upon the parties as the Delaware Court of Chancery deems equitable under the circumstances. Upon application of a stockholder, the Delaware Court of Chancery may also order that all or a portion of the expenses incurred by a stockholder in connection with an appraisal, including, without limitation, reasonable attorneys fees and the fees and expenses of experts, be charged pro rata against the value of all the shares entitled to be appraised.

If any stockholder who demands appraisal of his, her or its shares of Hawaiian Telcom common stock under Section 262 fails to perfect, or loses or successfully withdraws, such holder s right to appraisal, such stockholder s shares of Hawaiian Telcom common stock will be deemed to have been converted at the effective time into the right

to receive the merger consideration. A stockholder will fail to perfect, or effectively lose or withdraw, the holder s right to appraisal if no petition for appraisal is filed within 120 days after the effective

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time or if the stockholder delivers to the surviving corporation a written withdrawal of the holder s demand for appraisal and an acceptance of the merger consideration in accordance with Section 262.

From and after the effective time, no stockholder who has demanded appraisal rights will be entitled to vote such shares of Hawaiian Telcom common stock for any purpose or to receive payment of dividends or other distributions on Hawaiian Telcom common stock, except dividends or other distributions on the holder s shares of Hawaiian Telcom common stock, if any, payable to stockholders as of a time prior to the effective time. If no petition for an appraisal is filed, or if the stockholder delivers to the surviving corporation a written withdrawal of the demand for an appraisal and an acceptance of the merger, either within 60 days after the effective time or thereafter with the written approval of the surviving corporation, then the right of such stockholder to an appraisal will cease. Once a petition for appraisal is filed with the Delaware Court of Chancery, however, the appraisal proceeding may not be dismissed as to any stockholder who commenced the proceeding or joined that proceeding as a named party without the approval of the court.

Failure to comply exactly with all of the procedures set forth in Section 262 will result in the loss of a stockholder s statutory appraisal rights. Consequently, any stockholder wishing to exercise appraisal rights is encouraged to consult legal counsel before attempting to exercise those rights.

New York Stock Exchange Listing of Cincinnati Bell Common Shares; Delisting and Deregistration of Hawaiian Telcom Common Stock

It is a condition to the completion of the merger that the Cincinnati Bell common shares issuable as merger consideration be approved for listing on the NYSE, subject to official notice of issuance. It is expected that following the merger, Cincinnati Bell common shares will continue to trade on the NYSE under the symbol CBB .

If the merger is completed, Hawaiian Telcom common stock will be delisted from NASDAQ and deregistered under the Exchange Act, and, accordingly, Hawaiian Telcom will no longer be a public company or be required to file periodic reports with the SEC with respect to Hawaiian Telcom common stock.

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THE MERGER AGREEMENT

Explanatory Note Regarding the Merger Agreement

The following summarizes material provisions of the merger agreement, which is included as Annex A to this proxy statement/prospectus and is incorporated herein by reference in its entirety. The rights and obligations of Cincinnati Bell and Hawaiian Telcom are governed by the express terms and conditions of the merger agreement and not by this summary or any other information contained in this proxy statement/prospectus. Hawaiian Telcom stockholders are urged to read the merger agreement carefully and in its entirety as well as this proxy statement/prospectus before making any decisions regarding the merger.

The merger agreement is included with this proxy statement/prospectus only to provide you with information regarding the terms of the merger agreement, and not to provide you with any other factual information regarding Cincinnati Bell, Hawaiian Telcom or their respective subsidiaries or businesses. The merger agreement contains representations and warranties by each of the parties to the merger agreement. These representations and warranties have been made solely for the benefit of the other parties to the merger agreement and:

- have been made only for purposes of the merger agreement;
- have been qualified by certain documents filed with, or furnished to, the SEC by Cincinnati Bell or Hawaiian Telcom, as applicable, prior to the date of the merger agreement;
- have been qualified by confidential disclosures made to Hawaiian Telcom or Cincinnati Bell, as applicable, in connection with the merger agreement;
- are subject to materiality qualifications contained in the merger agreement which may differ from what may be viewed as material by investors;
- were made only as of the date of the merger agreement or such other date as is specified in the merger agreement; and
- have been included in the merger agreement for the purpose of allocating risk between Cincinnati Bell and Merger Sub, on the one hand, and Hawaiian Telcom, on the other hand, rather than establishing matters as facts.

You should not rely on the representations and warranties or any descriptions thereof as characterizations of the actual state of facts or condition of Cincinnati Bell, Hawaiian Telcom or any of their respective subsidiaries or businesses. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the merger agreement, which subsequent information may or may not be fully reflected in Cincinnati Bell s or Hawaiian Telcom s public disclosures.

Accordingly, the representations and warranties and other provisions of the merger agreement should not be read alone, but instead should be read together with the information provided elsewhere in this proxy statement/prospectus and in the documents incorporated by reference into this proxy statement/prospectus. See Where To Find More Information beginning on page 192 of this proxy statement/prospectus.

This summary is qualified in its entirety by reference to the merger agreement.

Form and Effects of the Merger; Organizational Documents of the Surviving Corporation; Directors and Officers

The merger agreement provides for the merger of Merger Sub with and into Hawaiian Telcom. Hawaiian Telcom will be the surviving corporation in the merger and will become a direct wholly owned subsidiary of Cincinnati Bell.

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At the effective time of the merger, the amended and restated certificate of incorporation of Hawaiian Telcom immediately prior the effective time of the merger shall be the certificate of incorporation of the surviving corporation. The bylaws of the surviving corporation in effect from and after the effective time of the merger and until thereafter changed or amended as provided therein or by applicable law shall be in the form of the bylaws of Merger Sub as in effect immediately prior to the effective time of the merger.

The composition of the board of directors and executive officers of Cincinnati Bell will not change as a result of the merger, except that pursuant to the merger agreement, unless the merger agreement is terminated or the completion of the merger does not occur, Cincinnati Bell will appoint to its board of directors two persons selected by Hawaiian Telcom, subject to approval of such persons by the Cincinnati Bell board of directors (not to be unreasonably withheld, conditioned or delayed). The two new directors will be in addition to the nine directors serving on the Cincinnati Bell board of directors immediately prior to the effective time of the merger.

As of the date of this proxy statement/prospectus, Cincinnati Bell and Hawaiian Telcom have not made a determination as to which two directors would be selected by Hawaiian Telcom to be appointed to Cincinnati Bell s board of directors.

As of the effective time of the merger, the directors of Merger Sub immediately prior to the effective time of the merger will be the directors of Hawaiian Telcom, as the surviving corporation immediately following the effective time of the merger, until their respective successors are duly appointed and qualified, or until their earlier resignation or removal in accordance with the certificate of incorporation and bylaws of the surviving corporation. The officers of Hawaiian Telcom immediately prior to the effective time of the merger shall continue as the officers of the surviving corporation immediately following the effective time of the merger until their respective successors are duly appointed and qualified or until their earlier death, resignation or removal in accordance with the certificate of incorporation and bylaws of the surviving corporation. The board of directors of the surviving corporation will include individuals who are domiciled in Hawai i.

Closing and Effective Time of the Merger

Unless the parties agree otherwise, the closing of the merger will take place no later than the second business day after all conditions to the completion of the merger have been satisfied or waived, except that if the marketing period has not ended prior to the time that the closing would otherwise have occurred, then the closing will occur instead on the earliest of (i) any business day during the marketing period as may be specified by Cincinnati Bell on no less than two business days prior written notice to Hawaiian Telcom, (ii) the second business day following the final day of the marketing period or (iii) such other place, time and date as may be agreed by Cincinnati Bell and Hawaiian Telcom. The merger will be effective when the parties file a Certificate of Merger with the Secretary of State of the State of Delaware, unless the parties agree to a later time for the effectiveness of the merger prior to the filing of such Certificate of Merger and so specify that time in the Certificate of Merger.

Cincinnati Bell and Hawaiian Telcom currently expect to complete the merger in the second half of 2018, subject to receipt of the Hawaiian Telcom Stockholder Approval and the required regulatory approvals and the satisfaction or waiver of the conditions to the merger described in the merger agreement.

Marketing Period

The marketing period will be the first period of 15 consecutive business days commencing on the first business day following September 5, 2017 on which (i) Cincinnati Bell will have the audited financial statements of Hawaiian Telcom for the three most recently completed fiscal years ended at least 90 days prior to the closing date, unaudited

financial statements of Hawaiian Telcom for each subsequent fiscal quarter ended at least 45 days before the closing date, information regarding Hawaiian Telcom and its subsidiaries that is reasonably necessary for Cincinnati Bell to prepare pro forma financial statements under and in accordance with Article 11

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of Regulation S-X and business and financial information of the type required in a registered offering under the Securities Act, which information is collectively referred to as the required financial information , and (ii) neither of the following circumstances applies:

(1) Deloitte & Touche LLP has withdrawn its audit opinion with respect to any year end audited financial statements set forth in the required financial information, or

(2) any of the financial statements included in the required financial information have been restated or the board of directors of Hawaiian Telcom has determined that a restatement of any such financial statements included in the required financial information is required.

Merger Consideration

Upon completion of the merger, each share of Hawaiian Telcom common stock issued and outstanding immediately prior to the completion of the merger (other than excepted shares) will be converted into the right to receive, at the holder s election and subject to proration as set forth in the merger agreement and described below, (i) 1.6305 Cincinnati Bell common shares, plus cash in lieu of fractional shares; (ii) 0.6522 Cincinnati Bell common shares and $18.45 in cash, without interest, plus cash in lieu of fractional shares; or (iii) $30.75 in cash, without interest. Hawaiian Telcom stockholders who elect to receive the share consideration or the cash consideration will be subject to proration to ensure that the aggregate number of Cincinnati Bell common shares to be issued by Cincinnati Bell in the merger and the aggregate amount of cash to be paid in the merger will be the same as if all stockholders received the mixed consideration.

Cincinnati Bell will not issue any fractional shares of Cincinnati Bell common shares in the merger. Instead, a Hawaiian Telcom stockholder who otherwise would have received a fraction of a Cincinnati Bell common share will receive an amount in cash equal to such fractional amount multiplied by the closing sale price of Cincinnati Bell common shares on the NYSE on the last trading day prior to the effective time of the merger.

If the merger is completed, stockholders who do not vote in favor of the adoption of the merger agreement, who continuously hold their shares of Hawaiian Telcom common stock through the effective time and who properly demand appraisal of their shares of Hawaiian Telcom common stock in compliance with the requirements of Section 262 will be entitled to exercise appraisal rights in connection with the merger under Section 262. This means that holders of shares of Hawaiian Telcom common stock who may exercise appraisal rights and who also have properly exercised, perfected and not lost those appraisal rights are entitled to have their shares appraised by the Delaware Court of Chancery and to receive payment in cash of the fair value of their shares of Hawaiian Telcom common stock, exclusive of any elements of value arising from the accomplishment or expectation of the merger, together with interest (subject to certain exceptions) to be paid on the amount determined to be fair value, if any, as determined by the Delaware Court of Chancery, so long as those holders comply exactly with the procedures established by Section 262. For additional information about appraisal rights, see Special Meeting of Hawaiian Telcom Stockholders Appraisal Rights beginning on page 60 of this proxy statement/prospectus.

If, between July 9, 2017 and the effective time of the merger, the number of outstanding Cincinnati Bell common shares or shares of Hawaiian Telcom common stock changes into a different number of shares or a different class, by reason of any stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares, or any similar event occurs, then the merger consideration will be appropriately adjusted to provide to Cincinnati Bell and the holders of Hawaiian Telcom common stock the same economic effect as contemplated by the merger

agreement prior to such event.

Based upon the closing sale price of the Cincinnati Bell common shares on the NYSE of $[ ] on [ ], 2017, the last practicable trading date prior to the date of this proxy statement/prospectus, (i) the value of the share consideration was approximately $[ ], (ii) the value of the mixed consideration was approximately $[ ] and (iii) the value of the cash consideration was $30.75.

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Election Materials and Procedures

An election form will separately be mailed to each holder of record of Hawaiian Telcom common stock, which permits the holder (or, in the case of nominee record holders, the beneficial owner, through proper instructions and documentation) to specify: (i) the number of shares of such holder s Hawaiian Telcom common stock with respect to which such holder makes a mixed election, (ii) the number of shares of such holder s Hawaiian Telcom common stock with respect to which such holder makes a cash election and (iii) the number of shares of such holder s Hawaiian Telcom common stock with respect to which such holder makes a share election. Hawaiian Telcom and Cincinnati Bell have mutually agreed pursuant to the merger agreement that the deadline for submitting a properly completed and signed election form will be 5:00 p.m., New York time, on the date that Hawaiian Telcom and Cincinnati Bell agree is as near as practicable to two business days prior to the anticipated closing date of the merger (the election deadline). Hawaiian Telcom and Cincinnati Bell will cooperate to publicly announce by press release the election deadline at least five business days prior to the election deadline. While Hawaiian Telcom and Cincinnati Bell have agreed to establish an election deadline that is a relatively short period of time before the anticipated closing date of the merger, there can be no assurance that unforeseen circumstances will not cause the anticipated closing date of the merger to be delayed after the election deadline has been established. If the anticipated closing date of the merger is delayed to a subsequent date, the election deadline will not be delayed. Cincinnati Bell will direct the exchange agent to make election forms available as may be reasonably requested by all persons who acquire shares of Hawaiian Telcom common stock during the period following the record date for the special meeting and prior to the election deadline. Any shares of Hawaiian Telcom common stock (other than dissenting shares) with respect to which the exchange agent has not received an effective, properly completed election form by the election deadline will be deemed to be non-election shares , and the holders of such non-election shares will be deemed to have made a mixed election with respect to such non-election shares.

An election will be considered to have been made properly only if the exchange agent receives by the election deadline an election form properly completed and signed and accompanied by, as applicable:

- certificates representing shares of Hawaiian Telcom common stock to which the election form relates, duly endorsed in blank or otherwise in form acceptable for transfer on the books of Hawaiian Telcom,
- an appropriate customary guarantee of delivery of such certificates, as set forth in such election form, from a firm that is an eligible guarantor institution (as defined in Rule 17Ad-15 under the Exchange Act) (provided such certificates are then delivered to the exchange agent by the time required in such guarantee of delivery) or
- in the case of book-entry shares, any additional documents specified in the procedures set forth in the election form.

After an election is properly made with respect to any shares of Hawaiian Telcom common stock, any subsequent transfer of such shares will automatically revoke such election.

Any election form may be revoked or changed by the authorized person properly submitting such election form, by written notice received by the exchange agent prior to the election deadline. In the event an election form is revoked prior to the election deadline, the shares of Hawaiian Telcom common stock represented by such election form will become non-election shares, except to the extent a subsequent election is properly made with respect to any or all of

such shares of Hawaiian Telcom common stock prior to the election deadline. Subject to the terms of the merger agreement and the election form, the exchange agent will have reasonable discretion to determine whether any election, revocation or change has been properly or timely made and to disregard immaterial defects in the election forms, and any good faith decisions of the exchange agent (or, in the event that the exchange agent declines to make any such determination, the joint determination of Cincinnati Bell and Hawaiian Telcom) regarding such matters shall be binding and conclusive. None of Cincinnati Bell, Hawaiian Telcom or the exchange agent shall be under any obligation to notify any person of any defect in an election form. If the merger is not completed, termination of the merger agreement will result in the revocation of all election forms delivered to the exchange agent prior to such termination.

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The election form and proxy card are separate documents and should each be completed in their entirety and sent to the appropriate addressee as directed in the instructions accompanying such materials. In lieu of completing a proxy card, you may also vote by telephone or over the Internet. For further information, please see the section titled Special Meeting of Hawaiian Telcom Stockholders Voting of Proxies beginning on page 57.

Proration Procedures

A stockholder s ability to elect to receive cash or Cincinnati Bell common shares in exchange for shares of Hawaiian Telcom common stock in the merger is subject to proration procedures set forth in the merger agreement. These procedures are designed to ensure that the total amount of cash paid, and the total number of Cincinnati Bell common shares issued, in the merger to the holders of shares of Hawaiian Telcom common stock, as a whole, will equal the total amount of cash and number of shares that would have been paid and issued if all shares of Hawaiian Telcom common stock were converted into the mixed consideration.

Whether you receive the amount of cash and/or stock you request in your election form will depend in part on the elections of other Hawaiian Telcom stockholders. If you make a mixed election with respect to any shares of Hawaiian Telcom common stock, you will receive the mixed consideration in respect of such shares. If you make a share election or a cash election with respect to any shares of Hawaiian Telcom common stock, you may not receive the exact form of consideration that you elect in respect of such shares. If you make no election with respect to any shares of Hawaiian Telcom common stock and do not properly demand appraisal in accordance with the DGCL, you will receive the mixed consideration in respect of such shares.

The greater the oversubscription of the share election, the fewer shares and more cash a Hawaiian Telcom stockholder making the share election will receive. Reciprocally, the greater the oversubscription of the cash election, the less cash and more Cincinnati Bell common shares a Hawaiian Telcom stockholder making the cash election will receive. However, in no event will a Hawaiian Telcom stockholder who makes the cash election or the share election receive less cash and more Cincinnati Bell common shares, or fewer Cincinnati Bell common shares and more cash, respectively, than a stockholder who makes the mixed election.

Please refer to the section titled The Merger Proration Procedures beginning on page 68 for illustrative examples of how the proration and adjustment procedures will work in the event there is an oversubscription of the cash election or the share election.

No Recommendation Regarding Elections

Neither Hawaiian Telcom nor Cincinnati Bell is making any recommendation as to which merger consideration election a Hawaiian Telcom stockholder should make. If you are a Hawaiian Telcom stockholder, you must make your own decision with respect to these elections and may wish to seek the advice of your own attorneys or accountants.

Information About the Merger Consideration Elections

The mix of consideration payable to Hawaiian Telcom stockholders who make the share election and/or the cash election will not be known until the exchange agent tallies the results of the elections made by Hawaiian Telcom stockholders, which will not occur until after the special meeting.

Payment of the Merger Consideration

Cincinnati Bell will appoint an exchange agent reasonably acceptable to Hawaiian Telcom to handle the consideration elections made by Hawaiian Telcom stockholders and to make payment of the merger consideration as contemplated by the merger agreement. At or prior to the effective time of the merger, Cincinnati Bell will cause to be deposited with the exchange agent the funds and shares sufficient to pay the merger consideration to Hawaiian Telcom stockholders on a timely basis.

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From and after the effective time of the merger, there will be no further registration or transfers on the stock transfer books of the surviving corporation of shares of Hawaiian Telcom common stock that were outstanding immediately prior to the effective time of the merger. If, after the effective time of the merger, any certificates formerly representing shares of Hawaiian Telcom common stock (or shares of Hawaiian Telcom common stock held in book-entry form) are presented to Cincinnati Bell or the exchange agent for any reason, they shall be canceled and exchanged pursuant to and in accordance with the merger agreement.

As promptly as practicable after the effective time of the merger, and in any event not later than the third business day thereafter, Cincinnati Bell will cause the exchange agent to mail to each Hawaiian Telcom stockholder (other than Hawaiian Telcom stockholders that have properly made and not revoked an election) entitled to merger consideration a letter of transmittal and instructions advising such stockholder how to surrender its shares of Hawaiian Telcom common stock in exchange for the merger consideration. Each holder of Hawaiian Telcom common stock shall be entitled to receive the merger consideration upon (i) in the case of shares of Hawaiian Telcom common stock represented by a certificate, the surrender of such certificate for cancelation to the exchange agent or (ii) in the case of shares of Hawaiian Telcom common stock held in book-entry form, the receipt of an agent s message by the exchange agent, in each case, together with the associated letter of transmittal, duly, completely and validly executed in accordance with the instructions thereto, and such other documents as may be reasonably required by the exchange agent. Interest will not be paid or accrue in respect of any of the merger consideration, and the amount of any merger consideration paid to stockholders of Hawaiian Telcom may be reduced by the amount of applicable withholding taxes. EXCEPT IN CONNECTION WITH MAKING AN ELECTION IN ACCORDANCE WITH THE INSTRUCTIONS SET FORTH IN THE ELECTION FORM AS DESCRIBED UNDER THE SECTION TITLED ELECTION MATERIALS AND PROCEDURES , HOLDERS OF HAWAIIAN TELCOM COMMON STOCK SHOULD NOT FORWARD THEIR STOCK CERTIFICATES TO THE EXCHANGE AGENT WITHOUT A LETTER OF TRANSMITTAL, AND SHOULD NOT RETURN THEIR STOCK CERTIFICATES WITH THE ENCLOSED PROXY.

The transmittal instructions will tell holders of Hawaiian Telcom common stock what to do if they have lost a certificate, or if a certificate has been stolen or destroyed. A holder of Hawaiian Telcom common stock will have to provide an affidavit to that fact and, if required by Cincinnati Bell, post a bond in such reasonable and customary amount as Cincinnati Bell directs as indemnity against any claim that may be made against it with respect to such certificate, upon which the exchange agent shall issue the merger consideration to be paid in respect of the shares represented by such lost, stolen or destroyed certificate.

Treatment of Hawaiian Telcom Equity Awards

At the effective time of the merger, each outstanding rollover RSU will be converted into a time-based restricted stock unit of Cincinnati Bell, with respect to a number of Cincinnati Bell common shares (rounded down to the nearest whole share) determined by multiplying the number of shares of Hawaiian Telcom common stock subject to such rollover RSU by the ratio based upon the value of the mixed consideration described below, subject to substantially the same terms and conditions as were applicable to such rollover RSU immediately prior to the completion of the merger, with any applicable performance criteria deemed satisfied at target levels. The applicable ratio for converting such RSU is the sum of (i) the share portion of the mixed consideration plus (ii) the quotient of (A) the cash portion of the mixed consideration and (B) the closing price of one Cincinnati Bell common share on the last trading date preceding the closing date as reported on the NYSE.

At the effective time of the merger, each outstanding cash-out RSU will be canceled and converted into the right to receive in respect of each share of Hawaiian Telcom common stock subject to each cash-out RSU (i) the merger consideration (as determined by the holder s election or non-election, as applicable) and (ii) a cash payment equal to

any accrued dividend equivalents in respect of each such restricted stock unit. Holders of cash-out RSUs will be entitled to choose the share consideration, mixed consideration or cash consideration with respect to each share of Hawaiian Telcom common stock subject to their cash-out RSUs. Each share of Hawaiian Telcom common stock subject to a cash-out RSU with respect to which no election is made will receive the

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mixed consideration. Any applicable performance criteria will be based upon actual performance as of immediately prior to the effective time of the merger, as reasonably determined by the Hawaiian Telcom board of directors in consultation with Cincinnati Bell in respect of any performance period that has not concluded prior to the effective time of the merger.

Representations and Warranties

The merger agreement contains generally reciprocal representations and warranties, many of which are qualified by materiality or Material Adverse Effect.

Material Adverse Effect is defined in the merger agreement to mean any state of facts, change, effect, condition, development, event or occurrence that, individually or in the aggregate (i) materially and adversely affects the business, properties, financial condition or results of operations of such person and its subsidiaries, taken as a whole, excluding any such state of facts, change, effect, condition, development, event or occurrence to the extent arising out of or in connection with: (A) any change generally affecting the economic, financial, regulatory or political conditions in the United States or elsewhere in the world; (B) the outbreak or escalation of hostilities or any acts of war, sabotage or terrorism, or any earthquake, hurricane, tornado, tsunami or other natural disaster; (C) any change that is generally applicable to the industries or markets in which such person and its subsidiaries operate; (D) any change in applicable laws or applicable accounting regulations or principles or authoritative interpretations thereof; (E) any failure, in and of itself, to meet projections, forecasts, estimates or predictions in respect of revenues, EBITDA, free cash flow, earnings or other financial or operating metrics for any period (provided that the underlying facts or occurrences giving rise to or contributing to such failure shall be taken into account in determining whether there has been a Material Adverse Effect (except to the extent such underlying facts or occurrences are excluded from being taken into account by clauses (A) through (G) of this definition)); (F) any termination of, reduction in or similar negative impact on relationships, contractual or otherwise, with customers, suppliers, distributors, partners or employees of such person and its subsidiaries due to the announcement and performance of the merger agreement or the identity of the parties to the merger agreement; or (G) any action taken by such person or its subsidiaries that is expressly required by the merger agreement to be taken by such person or its subsidiaries, or that, in the case of Hawaiian Telcom and its subsidiaries, is taken or not taken with the prior express written consent or at the express written direction of Cincinnati Bell or that, in the case of Cincinnati Bell and its subsidiaries, is taken or not taken with the prior express written consent or at the express written direction of Hawaiian Telcom; provided that any state of facts, change, effect, condition, development, event or occurrence referred to in clause (A) or clause (D) may be taken into account in determining whether there has been, or would reasonably be expected to be, a Material Adverse Effect to the extent such effect, change, event or occurrence has a disproportionate adverse effect on such person and its subsidiaries, taken as a whole, as compared to other participants in the industry in which such person and its subsidiaries operate (in which case the incremental disproportionate impact or impacts may be taken into account in determining whether there has been, or would reasonably be expected to be, a Material Adverse Effect); (ii) impairs in any material respect the ability of such person to complete the transactions contemplated by the merger agreement; or (iii) prevents or materially impedes, interferes with, hinders or delays the completion of the merger or the other transactions contemplated by the merger agreement.

The representations and warranties relate to, among other topics, the following:

- organization, standing and corporate power;

ownership of subsidiaries;

capital structure;

authority relative to the execution and delivery of the merger agreement, and the execution, delivery and enforceability of the merger agreement;

absence of conflicts with, or violations of, organizational documents and other agreements or obligations; and required consents;

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SEC documents and financial statements;

internal controls and disclosure controls and procedures;

absence of undisclosed liabilities and off-balance-sheet arrangements;

accuracy of information supplied or to be supplied for use in this proxy statement/prospectus;

absence of certain changes and events from the end of the most recently completed fiscal year of a party to the date of execution of the merger agreement;

tax matters;

benefits matters and Employee Retirement Income Security Act of 1974 compliance;

absence of certain litigation;

compliance with applicable laws and permits;

environmental matters;

material contracts;

owned and leased real property;

intellectual property;

collective bargaining agreements and other labor matters;

broker s fees payable in connection with the merger;

communications regulatory matters;

in the case of Hawaiian Telcom, the opinion from its financial advisor; and

in the case of Cincinnati Bell, availability of financing for the transaction.

The merger agreement also contains certain representations and warranties of Cincinnati Bell with respect to its direct wholly owned subsidiary, Merger Sub, including its lack of prior business activities.

Conduct of Business Pending the Merger

Each of Cincinnati Bell and Hawaiian Telcom has undertaken certain covenants in the merger agreement restricting the conduct of their respective businesses between the date of the merger agreement and the effective time of the merger. In general, each of Cincinnati Bell and Hawaiian Telcom has agreed to conduct its business in the ordinary course in all material respects and use commercially reasonable efforts to preserve intact its business organization and advantageous business relationships. In addition, each of Cincinnati Bell and Hawaiian Telcom has agreed to various specific restrictions relating to the conduct of its business between the date of the merger agreement and the effective time of the merger.

Hawaiian Telcom has agreed that, unless Cincinnati Bell consents in writing (which consent may not be unreasonably withheld, conditioned or delayed) or as otherwise permitted or contemplated by the merger agreement or required by applicable law, it will not, and will cause its subsidiaries not to, do the following (subject in each case to exceptions previously disclosed in writing to the other party as provided in the merger agreement):

amend its charter, bylaws or equivalent organizational documents;

declare or pay dividends or other distributions;

split, combine, subdivide or reclassify any of its capital stock or issue of any other securities in substitution for shares of its capital stock;

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repurchase, redeem or otherwise acquire its own capital stock;

issue or sell shares of capital stock, voting securities or other equity interests;

make changes in or enter into new employee benefit plans or increase compensation and benefits paid to employees;

make any material change in financial accounting methods, except as required by (i) a change in Generally Accepted Accounting Principles (GAAP) or any applicable law or (ii) a governmental entity or quasi-governmental authority;

take certain material actions with respect to taxes;

make any acquisition of, or investment in, any properties, assets, securities or business if the aggregate amount of consideration paid by Hawaiian Telcom or its subsidiaries in connection with all such transactions would exceed $5 million;

sell or lease any of its material properties or assets;

incur indebtedness outside of the ordinary course of business;

make capital expenditures in excess of $105,000,000 annually;

enter into or amend any contract to the extent that completion of the merger or compliance with the merger agreement would cause a default, create an obligation or lien, or cause a loss of a benefit under such contract;

grant any liens on any material asset;

sell, transfer, license, abandon, permit to lapse or otherwise dispose of any material intellectual property;

settle any pending or threatened suit, action, investigation or other proceeding;

cancel any material indebtedness or waive any material claims of value;

enter into, modify or terminate collective bargaining agreements;

assign, transfer, lease, cancel, fail to renew or fail to extend any material license issued by the FCC or any state regulator or discontinue any operations that require prior regulatory approval for such discontinuance;

authorize, adopt or implement a plan of complete or partial liquidation or dissolution of Hawaiian Telcom; or

authorize or commit to, or participate in, any discussions with any other person regarding the foregoing actions.

Cincinnati Bell has agreed that, unless Hawaiian Telcom consents in writing (which consent may not be unreasonably withheld, conditioned or delayed) or as otherwise permitted or contemplated by the merger agreement or required by applicable law, it will not, and will cause its subsidiaries not to, do the following (subject in each case to exceptions previously disclosed in writing to the other party as provided in the merger agreement):

amend its charter, bylaws or equivalent organizational documents;

declare or pay dividends or other distributions, other than regular quarterly cash dividends payable by Cincinnati Bell to holders of its 6 $^{3}/_{4}$% cumulative convertible preferred shares;

split, combine, subdivide or reclassify any of its capital stock or issue of any other securities in substitution for shares of its capital stock;

repurchase, redeem or otherwise acquire its own capital stock;

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issue or sell shares of capital stock, voting securities or other equity interests;

make any material change in financial accounting methods, except as required by (i) a change in GAAP or any applicable law or (ii) a governmental entity or quasi-governmental authority;

make any acquisition of, or investment in, any properties, assets, securities or business, which would reasonably be expected to prevent or materially impede, interfere with, hinder or delay the completion of the merger;

enter into, or amend, any contract, which such contract or amendment would reasonably be expected to prevent or materially impede, interfere with, hinder or delay the completion of the merger;

authorize, adopt or implement a plan of complete or partial liquidation or dissolution of Cincinnati Bell; or

assign, transfer, lease, cancel, fail to renew or fail to extend any material license issued by the FCC or any state regulator or discontinue any operations that require prior regulatory approval for such discontinuance; or

authorize or commit to, or participate in, any discussions with any other person regarding the foregoing actions.

Efforts to Complete the Merger

Cincinnati Bell and Hawaiian Telcom have agreed to each use reasonable best efforts to:

take all actions, and do, or cause to be done, and to assist and cooperate with the other party in doing, all things necessary, proper or advisable to complete and make effective the transactions contemplated by the merger agreement as promptly as practicable;

as promptly as practicable, obtain from any governmental entity or any other third party any consents, licenses, permits, waivers, approvals, authorizations or orders required to be obtained or made;

defend any lawsuits or other legal proceedings, whether judicial or administrative, challenging the merger agreement or the completion of the transactions contemplated by the merger agreement, including seeking to have any stay or temporary restraining order entered by any court or other governmental entity vacated or reversed;

as promptly as practicable, make all necessary filings, and thereafter make any other required submissions, with respect to the merger agreement and the merger required under: (a) the Securities Act and the Exchange Act, and any other applicable federal or state securities laws; and (b) any other applicable law; and

execute or deliver any additional instruments necessary to complete the transactions contemplated by, and to fully carry out the purposes of, the merger agreement.

Additionally, Cincinnati Bell and Hawaiian Telcom have agreed to cooperate and to use their respective reasonable best efforts to:

to the extent required in connection with the merger, obtain any consents, approvals, clearances, waivers or authorizations from, or make an registrations, declarations, notices or filings with: (i) the FCC, (ii) any relevant state public service or state public utility commissions (state regulators) and (iii) any relevant governments of counties, municipalities and other subdivisions of a United States state (localities) in connection with the provision of telecommunication and media services;

as promptly as practicable file all applications required to be filed with the FCC, state regulators and localities to obtain the aforementioned federal, state and local consents;

respond as promptly as practicable to any requests of the FCC, any state regulator or locality for information relating to applications that are required to be filed;

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cure, not later than the effective time of the merger, any material violations or defaults under any FCC rules or the rules of any state regulator or locality;

obtain any consents of any governmental entity, and to make any registrations, declarations, notices or filings, if any, necessary for the merger under any antitrust law;

respond to any requests of any governmental entity for information under any antitrust law;

secure the expiration or termination of any applicable waiting period under any antitrust law;

resolve any objections asserted with respect to the transactions contemplated by the merger agreement raised by any governmental entity under any antitrust law;

contest and resist any action, including any legislative, administrative or judicial action under any antitrust law; and

prevent the entry of any court order and have vacated, lifted, reversed or overturned any judgment (whether temporary, preliminary or permanent) that restricts, prevents or prohibits the completion of the merger or any other transactions contemplated by the merger agreement under any antitrust law.

For purposes of obtaining the aforementioned regulatory consents and approvals, the reasonable best efforts of Hawaiian Telcom and Cincinnati Bell shall include taking any and all actions necessary to obtain the consents of any governmental entity required to complete the merger and the other transactions contemplated by the merger agreement prior to the end date; provided that nothing in the merger agreement shall permit Hawaiian Telcom or its subsidiaries (without the prior written consent of Cincinnati Bell) or require Cincinnati Bell or its subsidiaries to take or refrain from taking, or agree to take or refrain from taking, any action or actions that, individually or in the aggregate, would be reasonably likely to have a Material Adverse Effect on either Hawaiian Telcom or Cincinnati Bell.

No Solicitation of Alternative Proposals by Hawaiian Telcom

Hawaiian Telcom has agreed that, from the time of the execution of the merger agreement until the completion of the merger, it shall not, nor shall it authorize or permit any of its affiliates or any of its or their respective directors, officers or employees or any of its or their respective investment bankers, accountants, attorneys or other advisors, agents or representatives to, (a) directly or indirectly solicit, initiate or knowingly encourage, induce or facilitate any takeover proposal or any inquiry or proposal that may reasonably be expected to lead to a takeover proposal or (b) directly or indirectly participate in any discussions or negotiations with any person regarding, or furnish to any person any information with respect to, or cooperate in any way with any person with respect to, any takeover proposal or any inquiry or proposal that may reasonably be expected to lead to a takeover proposal. A takeover proposal means any proposal or offer (whether or not in writing), with respect to any: (i) merger, consolidation, share exchange, other business combination or similar transaction involving Hawaiian Telcom; (ii) sale, lease, contribution or other disposition, directly or indirectly (including by way of merger, consolidation, share exchange, other business combination, partnership, joint venture, sale of capital stock or voting securities of or other equity interests in a subsidiary or otherwise) of any business or assets representing 15% or more of the consolidated revenues, net income

or assets of Hawaiian Telcom and its subsidiaries, taken as a whole; (iii) issuance, sale or other disposition, directly or indirectly, to any person or group of securities representing 15% or more of the total outstanding voting power of Hawaiian Telcom; (iv) transaction in which any person shall acquire, directly or indirectly, beneficial ownership, or the right to acquire beneficial ownership, or formation of any group which beneficially owns or has the right to acquire beneficial ownership of, 15% or more of Hawaiian Telcom s common stock; or (v) any combination of the foregoing.

If at any time prior to obtaining the Hawaiian Telcom Stockholder Approval, Hawaiian Telcom receives an oral or written takeover proposal, which takeover proposal did not result from any breach of the terms of the merger agreement, (i) Hawaiian Telcom may contact such person making the takeover proposal to request that

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any takeover proposal made orally be made in writing and (ii) in response to a written takeover proposal that Hawaiian Telcom s board of directors determines in good faith (after consultation with outside counsel and a financial advisor of nationally recognized reputation) constitutes or is reasonably likely to lead to a superior proposal, Hawaiian Telcom may, subject to compliance with the merger agreement, (a) furnish information (including non-public information and data) with respect to itself and its subsidiaries to the person making such takeover proposal and (b) participate in discussions regarding the terms of such takeover proposal and the negotiation of such terms with, and only with, the person making such takeover proposal. A superior proposal means any bona fide written offer made by a third party or group pursuant to which such third party (or, in a merger, consolidation or statutory share exchange involving such third party, the stockholders of such third party) or group would acquire, directly or indirectly, more than 50% of Hawaiian Telcom s common stock or substantially all of the assets of Hawaiian Telcom and its subsidiaries, taken as a whole, which Hawaiian Telcom s board of directors determines in good faith (after consultation with outside counsel and a financial advisor of nationally recognized reputation) is: (i) on terms more favorable from a financial point of view to the holders of common stock of Hawaiian Telcom than the merger, taking into account all the terms and conditions of such proposal (including the legal, financial, regulatory, timing and other aspects of the proposal and the identity of the person making the proposal) and the merger agreement (including any changes proposed by Cincinnati Bell to the terms of the merger agreement); and (ii) reasonably likely to be completed on the terms proposed, taking into account all legal, financial, regulatory and other aspects of such proposal, and is fully financed or for which financing (if required) is fully committed or, in the good faith determination of Hawaiian Telcom s board of directors, reasonably likely to be obtained.

The merger agreement requires that Hawaiian Telcom promptly, and in any event, within 48 hours of knowledge of receipt of such offer by an officer or director of Hawaiian Telcom, advise Cincinnati Bell orally and in writing of the receipt of any takeover proposals or any inquiry or proposal that may be reasonably expected to lead to a takeover proposal, the material terms and conditions of any such takeover proposal or inquiry or proposal and the identity of the person making such takeover proposal or inquiry or proposal.

The merger agreement also requires Hawaiian Telcom to cease and cause to be terminated all solicitation, discussions or negotiations with any person conducted prior to execution of the merger agreement with respect to any takeover proposal, or any inquiry or proposal that may reasonably be expected to lead to a takeover proposal, request the prompt return or destruction of all confidential information previously furnished in connection therewith and immediately terminate all physical and electronic dataroom access previously granted to any such person.

No Change in Board Recommendation by the Board of Directors of Hawaiian Telcom

The board of directors of Hawaiian Telcom has agreed that it will not: (a) withdraw or modify in any manner adverse to Cincinnati Bell, or propose publicly to withdraw or modify in any manner adverse to Cincinnati Bell, the approval, recommendation or declaration of advisability by the board with respect to the merger agreement or the merger; (b) adopt, recommend or declare advisable, or propose publicly to adopt, recommend or declare advisable any takeover proposal; or (c) adopt, recommend or declare advisable, or propose publicly to adopt, recommend or declare advisable, or allow Hawaiian Telcom to execute or enter into, any letter of intent, memorandum of understanding, agreement in principle, merger agreement, acquisition agreement, option agreement, joint venture agreement, alliance agreement, partnership agreement or other similar agreement or arrangement (an acquisition agreement) constituting or related to any takeover proposal.

Notwithstanding the foregoing, at any time prior to obtaining the Hawaiian Telcom Stockholders Approval, the board of directors of Hawaiian Telcom may withdraw or modify its recommendation or recommend an alternative takeover proposal if it receives a superior proposal or the Hawaiian Telcom board determines in good faith (after consultation with outside counsel and a financial advisor of nationally recognized reputation) that the failure to do so would

reasonably be expected to be inconsistent with its fiduciary duties under applicable law. Prior to taking any such action, the Hawaiian Telcom board of directors must inform Cincinnati Bell of its

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decision to change its recommendation and specify the reasons therefor in writing and give Cincinnati Bell three business days to respond to such decision, including by proposing changes to the merger agreement.

If the board of directors of Hawaiian Telcom withdraws or modifies its recommendation, or recommends any alternative takeover proposal, Hawaiian Telcom will nonetheless continue to be obligated to call, give notice of, convene and hold its stockholders meeting and submit the proposals described in this proxy statement/prospectus to its stockholders.

Efforts to Obtain Hawaiian Telcom Stockholder Approval

Hawaiian Telcom has agreed to hold its special meeting and to use its commercially reasonable efforts to obtain the Hawaiian Telcom Stockholder Approval. The merger agreement requires Hawaiian Telcom to submit the merger to a stockholder vote even if its board of directors no longer recommends the merger. The board of directors of Hawaiian Telcom has declared the merger advisable and adopted resolutions directing that the merger be submitted to the Hawaiian Telcom stockholders for their consideration.

Financing

On July 9, 2017, in connection with entering into the merger agreement, Cincinnati Bell entered into a commitment letter with Morgan Stanley Senior Funding, Inc., which was amended and restated on July 24, 2017 (as amended and restated, the commitment letter) to, among other things, join PNC Bank, National Association, Regions Bank, Barclays Bank PLC, Citigroup Global Markets Inc. and Citizens Bank, N.A. with Morgan Stanley Senior Funding, Inc. as initial lenders (collectively, the commitment parties). Under the commitment letter, the commitment parties agreed to provide $1.13 billion in credit facilities, consisting of a $180 million senior secured revolving credit facility and $950 million in senior secured term loan facilities, in each case subject to the terms and conditions of the commitment letter. See the section titled Financing of the Merger and Indebtedness Following the Merger beginning on page 142 of this proxy statement/prospectus.

The merger agreement provides that, subject to the terms and conditions thereof, Cincinnati Bell will use its commercially reasonable efforts to obtain the debt financing on the terms and conditions contained in the commitment letter. Furthermore, Cincinnati Bell will use its commercially reasonable efforts to:

- comply with its obligations under, and maintain in effect, the commitment letter and negotiate and enter into definitive agreements on a timely basis on the terms and conditions contained in the commitment letter or otherwise not materially less favorable with respect to conditionality in the aggregate than those contained in the commitment letter;
- satisfy on a timely basis all conditions contained in the commitment letter applicable to Cincinnati Bell and within its control; and
- subject to the satisfaction of all conditions contained in the commitment letter, cause the commitment parties to consummate the debt financing at or prior to the closing date.

The merger agreement provides that if all or any portion of the debt financing contemplated by the commitment letter or the related definitive agreements becomes unavailable, Cincinnati Bell will use its reasonable best efforts to

promptly obtain a new financing commitment letter providing alternative debt financing in an amount that is sufficient, when combined with any available debt financing under the commitment letter and available cash on hand and other readily available liquidity, to finance its payments to be made in connection with the merger.

Prior to the effective time of the merger, Hawaiian Telcom has agreed to use its commercially reasonable efforts to provide all cooperation reasonably requested by Cincinnati Bell, as more fully set forth in the merger agreement, in connection with the obtainment, arrangement and syndication of the debt financing.

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Except in limited circumstances, Cincinnati Bell may not, without the prior written consent of Hawaiian Telcom, amend, modify, supplement or waive any provision contained in the commitment letter or any definitive agreement relating to the debt financing to the extent such amendment, modification, supplement or waiver would reasonably be expected to adversely affect the ability of Cincinnati Bell to timely complete the merger and other transactions contemplated by the merger agreement or delay the closing or contains conditions or other terms that would reasonably be expected to affect the availability of the debt financing that are more onerous, taken as a whole, than those conditions and terms contained in the commitment letter.

Indemnification and Directors and Officers Insurance

Cincinnati Bell has also agreed to assume all rights to indemnification, advancement of expenses and exculpation from liabilities for acts or omissions occurring at or prior to the effective time of the merger now existing in favor of the current or former directors or officers of Hawaiian Telcom upon the effective time of the merger. At or prior to the effective time of the merger, Hawaiian Telcom will purchase a tail directors and officers liability insurance policy for Hawaiian Telcom and its current and former directors, officers and employees who are currently covered by the directors and officers liability insurance coverage currently maintained by Hawaiian Telcom, which Cincinnati Bell has agreed to not amend, modify, cancel or revoke after the effective time of the merger.

Certain Additional Covenants

The merger agreement contains certain other covenants and agreements, including covenants relating to:

- cooperation between Cincinnati Bell and Hawaiian Telcom in the preparation of this proxy statement/prospectus;
- confidentiality and access by each party to certain information about the other party during the period prior to the effective time of the merger;
- cooperation between Cincinnati Bell and Hawaiian Telcom in the defense or settlement of any shareholder litigation relating to the merger;
- cooperation between Cincinnati Bell and Hawaiian Telcom in connection with public announcements;
- the use of commercially reasonable efforts by Cincinnati Bell to cause the Cincinnati Bell common shares to be issued as merger consideration to be approved for listing on the NYSE;
- voting any Hawaiian Telcom common stock owned by Cincinnati Bell in favor of the adoption of the merger agreement; and

the use of commercially reasonable efforts by Cincinnati Bell to obtain debt financing on the terms and conditions set forth in the commitment letter and the use of commercially reasonable efforts by Hawaiian Telcom to cooperate with Cincinnati Bell in connection with any such debt financing.

Conditions to Completion of the Merger

The respective obligations of Cincinnati Bell and Hawaiian Telcom to complete the merger are subject to the satisfaction or waiver of the following conditions:

the receipt of the Hawaiian Telcom Stockholder Approval;

the approval of the Cincinnati Bell common shares to be issued as merger consideration for listing on the NYSE, subject to official notice of issuance;

the termination or expiration of any waiting period applicable to the merger under the Hart-Scott-Rodino Act;

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certain agreed-upon FCC consents, state regulatory consents and the local consents required in connection with the merger have been obtained, shall not be subject to agency reconsideration or judicial review, and the time for any person to petition for agency reconsideration or judicial review shall have expired;

the absence of any applicable law or judgment, whether preliminary, temporary or permanent, or other legal restraint or binding order or determination by any governmental entity that prevents, restrains, enjoins, makes illegal or otherwise prohibits the completion of the merger or imposes on either party as a condition to completion of the merger, an obligation to take, or refrain from taking, any action or actions that, individually or in the aggregate, would be reasonably likely to have a Material Adverse Effect on either Hawaiian Telcom or Cincinnati Bell; and

the effectiveness of the registration statement of which this proxy statement/prospectus forms a part under the Securities Act.

In addition, each of Hawaiian Telcom s and Cincinnati Bell s obligations to complete the merger is subject to the satisfaction or waiver of the following additional conditions:

the representations and warranties of the other party being true and correct, subject to an overall Material Adverse Effect qualification (except that the representations and warranties of Hawaiian Telcom and Cincinnati Bell related to capital structure are not subject to such qualification);

the other party having performed or complied with, in all material respects, all material obligations required to be performed or complied with by it under the merger agreement; and

the absence, since the date of the merger agreement, of any event or development that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect on the other party.

Termination of the Merger Agreement

The merger agreement may be terminated at any time prior to the effective time of the merger, whether before or after receipt of the Hawaiian Telcom Stockholder Approval, under the following circumstances:

by mutual written consent of Cincinnati Bell and Hawaiian Telcom;

by either Cincinnati Bell or Hawaiian Telcom:

if the merger is not completed by October 9, 2018, except that, if on October 9, 2018 the conditions to closing related to antitrust clearance or other regulatory approval have not been satisfied or waived, but all other conditions to closing have been satisfied or waived, then such date will be automatically extended to January 9, 2019.

if the condition set forth in the fifth bullet point under Conditions to Completion of the Merger above is not satisfied and the legal restraint giving rise to such non-satisfaction shall have become final and non-appealable; or

if the Hawaiian Telcom Stockholder Approval is not obtained at the special meeting (unless the special meeting has been adjourned, in which case at the final adjournment thereof);

by Hawaiian Telcom, if Cincinnati Bell or Merger Sub shall have breached any of its representations or warranties or failed to perform any of its covenants or agreements contained in the merger agreement, which breach or failure (i) would give rise to the failure of a condition set forth in the portions of the agreement detailing the conditions to obligations of Hawaiian Telcom relating to representations and warranties and the performance of obligations of Cincinnati Bell and Merger Sub and (ii) is incapable of being cured or, if capable of being cured by the end date, Cincinnati Bell and Merger Sub (x) shall not have commenced good faith efforts to cure such breach or failure to perform within 30 calendar

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days following receipt by Cincinnati Bell or Merger Sub of written notice of such breach or failure to perform from Hawaiian Telcom stating Hawaiian Telcom s intention to terminate the merger agreement pursuant to the merger agreement and the basis for such termination or (y) are not thereafter continuing to take good faith efforts to cure such breach or failure to perform; provided that Hawaiian Telcom shall not have the right to terminate the merger agreement hereunder if Hawaiian Telcom is then in material breach of any of its representations, warranties, covenants or agreements under the merger agreement;

by Cincinnati Bell, if Hawaiian Telcom shall have breached any of its representations or warranties or failed to perform any of its covenants or agreements contained in the merger agreement, which breach or failure (i) would give rise to the failure of a condition set forth in the portions of the agreement detailing the conditions to obligations of Hawaiian Telcom relating to representations and warranties and the performance of obligations of Hawaiian Telcom and (ii) is incapable of being cured or, if capable of being cured by the end date, Hawaiian Telcom (x) shall not have commenced good faith efforts to cure such breach or failure to perform within 30 calendar days following receipt by Hawaiian Telcom of written notice of such breach or failure to perform from Cincinnati Bell stating Cincinnati Bell s intention to terminate this Agreement pursuant to the merger agreement and the basis for such termination or (y) is not thereafter continuing to take good faith efforts to cure such breach or failure to perform; provided that Cincinnati Bell shall not have the right to terminate the merger agreement if Cincinnati Bell or Merger Sub is then in material breach of any of its representations, warranties, covenants or agreements under the merger agreement; or

by Cincinnati Bell, if prior to obtaining the Hawaiian Telcom Stockholder Approval, the board of directors of Hawaiian Telcom withdraws or modifies in any adverse manner, or proposes publicly to withdraw or modify in any adverse manner, its approval or recommendation with respect to the merger, or approves or recommends, or proposes publicly to approve or recommend, any alternative takeover proposal with a third party.

Expenses and Termination Fees; Liability for Breach

With the exception of the termination fee of $11.94 million to be paid by Hawaiian Telcom to Cincinnati Bell under certain circumstances, all fees and expenses incurred in connection with the merger and the other transactions contemplated by the merger agreement will be paid by the party incurring such fees and expenses, whether or not such transactions are completed. For a description of certain fees and expenses incurred by the parties in connection with this proxy statement/prospectus, see the section titled Special Meeting of Hawaiian Telcom Stockholders Solicitation of Proxies beginning on page 59.

Hawaiian Telcom shall pay to Cincinnati Bell a termination fee of $11.94 million if:

Cincinnati Bell terminates the merger agreement because prior to obtaining the Hawaiian Telcom Stockholder Approval, the board of directors of Hawaiian Telcom withdraws or modifies in any adverse manner, or proposes publicly to withdraw or modify in any adverse manner, its approval or recommendation with respect to the merger or proposes publicly to approve or recommend any alternative proposal with a third party; or

the merger agreement is terminated by Hawaiian Telcom or Cincinnati Bell because the merger has not been completed by the end date (but only if the Hawaiian Telcom special meeting has not been held by the end date) or the Hawaiian Telcom stockholders did not approve the merger agreement proposal at the special meeting; provided that in either case (A) a takeover proposal relating to Hawaiian Telcom was publicly made, proposed or communicated by a third party after the date of the merger agreement and (x) before the merger agreement is terminated in the case of a termination for failing to complete by the end date or (y) before the completion of the special meeting (including any adjournment or postponement thereof) in the case of a termination for a failure to obtain the Hawaiian Telcom Stockholder Approval and (B) within 12 months of the date the merger agreement is terminated,

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Hawaiian Telcom enters into a definitive agreement with respect to a takeover proposal or a takeover proposal is completed (regardless of whether the takeover proposal was the same takeover proposal referred to in clause (A)).

In the event the merger agreement is terminated and the termination fee is paid to Cincinnati Bell in circumstances for which such fee is payable pursuant to the merger agreement, payment of the termination fee will be the sole and exclusive monetary damages remedy of Cincinnati Bell, Merger Sub and their respective subsidiaries and any of their respective former, current or future officers, directors, partners, shareholders, managers, members or affiliates against Hawaiian Telcom and its subsidiaries and any of their respective former, current or future officers, directors, partners, shareholders, managers, members or affiliates for any loss suffered as a result of the failure of the merger or the other transactions contemplated by the merger agreement to be completed or for a breach or failure to perform hereunder or otherwise (so long as, in the event that this merger agreement was terminated by Hawaiian Telcom, such termination was in accordance with the applicable provisions of the merger agreement). Upon payment of the termination fee in such circumstances, none of Hawaiian Telcom and its related parties will have any further monetary liability or obligation relating to or arising out of the merger agreement, the merger or the other transactions contemplated hereby.

Employee Benefits Matters

For a period of one year following the effective time of the merger, each employee of Hawaiian Telcom who remains employed after the effective time of the merger (each, a continuing employee) will receive (x) base salary or wages (as applicable), target annual incentive opportunities and, solely with respect to the value thereof, long-term incentive opportunities that are no less favorable in the aggregate than those provided to such continuing employee immediately prior to the effective time of the merger and (y) other employee benefits that are substantially comparable in the aggregate to the benefits provided to such continuing employee immediately prior to the effective time of the merger (excluding, for purposes of determining such comparability, any retention bonus, defined benefit pension or retiree or post-employment welfare benefits, except to the extent required by applicable law).

Cincinnati Bell will use commercially reasonable efforts to take into account for purposes of vesting and eligibility (and for purposes of benefit accrual under each vacation and other paid time off plan or program) the continuing employees service prior to the effective time of the merger with Hawaiian Telcom (including any Hawaiian Telcom predecessors) to the same extent that such service was recognized under the comparable Hawaiian Telcom benefit plan (other than to the extent it would result in any duplication of benefits).

In addition, Cincinnati Bell will use commercially reasonable efforts to (i) waive, or cause the waiver of, all limitations as to preexisting conditions, exclusions and waiting periods with respect to participation and coverage requirements (other than limitations or waiting periods that are already in effect prior to the effective time of the merger with respect to each continuing employee under the comparable Hawaiian Telcom benefit plan and that have not been satisfied as of the effective time of the merger) and (ii) provide each continuing employee and his or her covered dependents with credit for any co-payments and deductibles paid during the plan year of and prior to any change in coverage from a Hawaiian Telcom benefit plan to a Cincinnati Bell benefit plan in satisfying any applicable deductible or out-of-pocket requirements thereunder.

Withholding Taxes

Cincinnati Bell and the exchange agent will be entitled to deduct and withhold from consideration payable to any Hawaiian Telcom stockholder the amounts that may be required to be withheld under any applicable tax law. Amounts withheld and paid over to the applicable governmental entity will be treated for all purposes of the merger as having been paid to the stockholders from whom such amounts were withheld.

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Amendments, Extensions and Waivers

The merger agreement may be amended by the parties at any time before or after the receipt of the approval from Hawaiian Telcom stockholders required to complete the merger; provided, however, that: (a) after the receipt of the Hawaiian Telcom Stockholder Approval there may not be any amendment of the merger agreement for which applicable law requires further stockholder approval without the further approval of such stockholders; (b) after the completion of the merger, the merger agreement cannot be amended and (c) except as provided in clause (a), no amendment shall require the approval of the shareholders of Cincinnati Bell or stockholders of Hawaiian Telcom; provided, further, that certain provisions of the merger agreement may not be amended without the prior written consent of the commitment parties.

At any time prior to the effective time of the merger, with certain exceptions, the parties may: (a) extend the time for the performance of any of the obligations or other acts of the other parties, (b) waive any inaccuracies in the representations and warranties contained in the merger agreement or in any document delivered pursuant to the merger agreement, (c) waive compliance with any covenants and agreements contained in the merger agreement or (d) waive the satisfaction of any of the conditions contained in the merger agreement.

Governing Law

The merger agreement will be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts executed in and to be performed entirely within that State, regardless of the laws that might otherwise govern under any applicable conflict of laws principles; provided that, notwithstanding the foregoing, all matters related to the financing shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to any choice or conflict of law provision or rule whether of the State of New York or any other jurisdiction that would cause the application of law of any jurisdiction other than the State of New York.

Specific Enforcement

The parties agreed that irreparable damage for which monetary relief, even if available, would not be an adequate remedy, would occur in the event that any provision of the merger agreement was not performed in accordance with its specific terms or is otherwise breached, including if the parties hereto fail to take any action required of them to complete this merger agreement, the merger and the other transactions contemplated hereby. Subject to certain limitations, the parties acknowledged and agreed that the parties shall be entitled to an injunction or injunctions, specific performance or other equitable relief to prevent breaches of the merger agreement and that the right of specific enforcement is an integral part of the merger and the other transactions contemplated hereby and without that right neither of the parties would have entered into the merger agreement. The parties agreed not to assert that specific enforcement is unenforceable, otherwise contrary to law or make certain arguments about the application of monetary damages.

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FINANCING OF THE MERGER AND INDEBTEDNESS FOLLOWING THE MERGER

Cincinnati Bell plans to fund the cash portion of the merger consideration from a combination of cash on hand and debt financing, which may include some combination of a senior secured revolving credit facility and senior secured term loan facilities, described below.

On July 9, 2017, in connection with entering into the merger agreement, Cincinnati Bell entered into a commitment letter with Morgan Stanley Senior Funding, Inc., referred to here as MSSF, which was amended and restated on July 24, 2017 (as amended and restated, the commitment letter), to, among other things, join PNC Bank, National Association, Regions Bank, Barclays Bank PLC, Citigroup Global Markets Inc. and Citizens Bank, N.A. with MSSF as initial lenders (collectively, the commitment parties). The commitment parties agreed to provide $1.13 billion in credit facilities, consisting of a $180 million senior secured revolving credit facility (including both a letter of credit subfacility of up to $30 million and a swingline loan subfacility of up to $25 million) (the revolving credit facility) and $950 million in senior secured term loan facilities (any such facility, a term loan facility), for the purposes of (a) refinancing Cincinnati Bell s existing credit facilities, refinancing existing indebtedness of Hawaiian Telcom, funding in part the cash portion of the merger consideration, paying costs and expenses incurred in connection with the merger and related transactions, (b) funding the purchase price for the OnX acquisition and paying costs and expenses incurred in connection therewith and (c) and funding working capital and other general corporate purposes.

The revolving credit facility is expected to be undrawn at closing. Amounts borrowed and repaid under the revolving credit facility may be reborrowed until maturity and the revolving credit facility may be prepaid without penalty. Each term loan facility must be drawn in a single drawing on the closing date of such term loan facility. Amounts repaid under the term loan facilities may not be reborrowed and any prepayment within the first six months after the earlier of the final closing date of the term loan facilities and the funding of a portion of the proceeds of the term loan facilities into escrow shall be subject to a prepayment premium of 1.00%. The term loan facilities are expected to mature seven years after the initial closing date therefor, and the revolving credit facility is expected to mature five years after the closing date therefor. The term loan facilities will amortize, beginning with the first full fiscal quarter to occur after the final closing date therefor, in equal quarterly installments in an amount equal to 1.00% per annum of the aggregate principal amount of the term loan facilities outstanding on such final closing date, with the balance due at maturity.

The revolving credit facility (other than swingline borrowings) and term loan facilities are expected to bear interest at a rate per annum equal to, at Cincinnati Bell s election:

- LIBOR (calculated on a 360-day basis and expected to be defined in a manner customary for financings of this type) plus an applicable LIBOR margin of 3.50%; or
- a base rate (calculated on a 365/366-day basis and expected to be defined in a manner customary for financings of this type) plus an applicable base rate margin of 2.50%.

Swingline borrowings are expected to bear interest at a rate per annum equal to a base rate (as described above) plus an applicable base rate margin of 2.50%.

A commitment fee is expected to be payable in respect of the unutilized commitments under the revolving credit facility at a rate equal to 0.50% per annum, subject to a step-down to 0.375% per annum upon achievement of a consolidated total leverage ratio level to be agreed. Cincinnati Bell will also pay customary letter of credit fees,

including a fronting fee equal to 0.125% per annum of the aggregate face amount of outstanding letters of credit, and customary issuance and administration fees.

Borrowings under the revolving credit facility and term loan facilities on the closing date of the merger will be subject to certain conditions, including:

- the completion of the merger simultaneously with the closing under the credit facilities in accordance with the merger agreement;

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the delivery of the required financial information;

the absence, since July 9, 2017, of a material adverse effect on Hawaiian Telcom, which for purposes of the commitment letter is defined in a manner similar to the definition of material adverse effect in the merger agreement; and

certain other customary closing conditions.

All borrowings under the revolving credit facility after the closing date of the merger are expected to be subject to the satisfaction of customary conditions, including the absence of defaults and events of default and the accuracy of representations and warranties.

The credit facilities will include negative covenants that will, subject to certain exceptions, qualifications and baskets, limit the ability of Cincinnati Bell and its restricted subsidiaries to, among other things, incur indebtedness; incur liens; make asset sales; merge, consolidate or undertake certain other fundamental changes; make restricted payments in respect of equity interests and make investments; undertake transactions with affiliates; enter into restrictions on liens and other restrictive agreements; and make changes in fiscal year.

The revolving credit facility will require maintenance of a maximum consolidated secured leverage ratio of 3.50 to 1.00 and a minimum consolidated interest coverage ratio of 1.50 to 1.00.

The credit facilities will also contain certain customary representations and warranties, affirmative covenants and events of default.

The term loan facilities are expected to contain customary mandatory prepayment provisions, including prepayment of the term loans thereunder with (a) 100% of the net cash proceeds of all non-ordinary course asset sales or dispositions by Cincinnati Bell and its restricted subsidiaries (including insurance and condemnation proceeds), subject to certain exceptions and reinvestment rights, and (b) 100% of the net cash proceeds of certain issuances of debt obligations of Cincinnati Bell and its restricted subsidiaries not otherwise permitted by the credit facilities.

All of the obligations of Cincinnati Bell and its subsidiaries under the credit facilities and under any treasury management, or interest rate protection or other hedging arrangements entered into with a lender under any of the credit facilities (or any affiliate thereof) will be (a) guaranteed by each existing and future direct or indirect material domestic restricted subsidiary of Cincinnati Bell, subject to certain exceptions, and (b) secured by substantially all existing and after-acquired assets of Cincinnati Bell and the subsidiary guarantors, subject to certain exceptions.

Under the credit facilities, MSSF acts as the administrative agent and collateral agent. The commitment parties or their respective affiliates have and may in the future perform various investment banking, financial advisory, commercial banking, transfer agent and/or other services for Cincinnati Bell for which they have been paid, or will be paid, customary fees.

Cincinnati Bell is also exploring the possibility of replacing a portion of the term loan facilities with unsecured senior notes, subject to market conditions.

The foregoing descriptions of the credit facilities do not purport to be complete descriptions of their terms, and are qualified in all respects by reference to the complete text of the commitment letter, a copy of which is filed as Exhibit 10.2 to this proxy statement/prospectus and is incorporated herein by reference.

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THE VOTING AGREEMENT

In connection with the merger agreement, on July 9, 2017, Cincinnati Bell entered into the voting agreement with the Twin Haven Stockholders. This summary is qualified in its entirety by reference to the voting agreement, which is included in this proxy statement/prospectus as Annex B. The rights and obligations of the parties to the voting agreement are governed by the express terms and conditions of the voting agreement and not by this summary or any other information contained in this proxy statement/prospectus. Hawaiian Telcom stockholders are urged to read the voting agreement carefully and in its entirety, as well as this proxy statement/prospectus, before making any decisions regarding the merger.

On July 9, 2017, concurrently with the execution of the merger agreement, Cincinnati Bell entered into the voting agreement with each of the Twin Haven Stockholders, who, collectively and in the aggregate, hold voting power over approximately 22.5% of the shares of Hawaiian Telcom common stock. Pursuant to the voting agreement and as more fully described therein, each Twin Haven Stockholder, among other things, has agreed that at any meeting of the stockholders of Hawaiian Telcom called to vote upon the merger agreement, the merger or any of the other transactions contemplated by the merger agreement, or at any postponement or adjournment thereof, or in any other circumstances upon which a vote, consent, adoption or other approval with respect to the merger agreement, the merger or any of the other transactions contemplated by the merger agreement is sought, such Twin Haven Stockholder will:

(i) appear at such meeting or otherwise cause its Subject Shares (as defined below) to be counted as present thereat for purposes of calculating a quorum, and

(ii) vote (or cause to be voted) all of such Twin Haven Stockholder s Subject Shares:

(A) in favor of, and shall consent to (or cause to be consented to), the adoption of the merger agreement; and

(B) against, and shall not (and shall not commit or agree to) consent to (or cause to be consented to), any of the following: (1) any takeover proposal or any acquisition agreement (each as described in the merger agreement) constituting or relating to any takeover proposal or (2) any amendment of Hawaiian Telcom s organizational documents (other than pursuant to and as permitted by the merger agreement) or any other proposal, action, agreement or transaction which, in the case of this clause (2), would (A) result in a breach of any covenant, agreement, obligation, representation or warranty of Hawaiian Telcom contained in the merger agreement or of the Twin Haven Stockholders contained in the voting agreement, (B) prevent, impede, interfere or be inconsistent with, delay, discourage or adversely affect the timely completion of the merger or the other transactions contemplated by the merger agreement or by the voting agreement, or (C) change in any manner the voting rights of the Hawaiian Telcom common stock;

provided that, in each case, the merger agreement shall not have been amended or modified without such Twin Haven Stockholder s consent (1) to decrease the merger consideration, (2) to change the form of merger consideration or (3) otherwise in a manner adverse to such Twin Haven Stockholder. Each Twin Haven Stockholder has irrevocably appointed Cincinnati Bell and any other individual designated in writing by Cincinnati Bell, and each of them

individually, such Twin Haven Stockholder s proxy and attorney-in-fact (with full power of substitution and re-substitution), for and in the name, place and stead of such Twin Haven Stockholder, to vote all of such Twin Haven Stockholder s Subject Shares in accordance with clauses (i) and (ii) of this paragraph. For purposes of the voting agreement and as used in this proxy statement/prospectus, Subject Shares means, with respect to the Twin Haven Stockholders, as of any date of determination, a number of shares of Hawaiian Telcom common stock in the aggregate equal to the lesser of (i) 25% of the total number of outstanding shares of Hawaiian Telcom common stock as of such date and (ii) the number of shares of Hawaiian Telcom common stock held by the Twin Haven Stockholders as of such date. Each Twin Haven Stockholder will be free to vote (or cause to be voted) all of its remaining shares of Hawaiian Telcom common stock in excess of the Subject Shares as it determines in its sole discretion.

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Each Twin Haven Stockholder further agreed that such Twin Haven Stockholder will not, and will not commit or agree to, directly or indirectly (i) sell, transfer, pledge, exchange, assign, tender or otherwise dispose of (including by gift, merger or otherwise by operation of law) (collectively, Transfer) any Subject Shares (or any interest therein) or any rights to acquire any securities or equity interests of Hawaiian Telcom, or enter into any contract or other agreement, option, call or other arrangement with respect to the Transfer (including any profit-sharing or other derivative arrangement) of any Subject Shares (or any interest therein) or any rights to acquire any securities or equity interests of Hawaiian Telcom, to any person other than pursuant to the voting agreement or the merger agreement, unless prior to any such Transfer the transferee of such Twin Haven Stockholder s Subject Shares is a party to the voting agreement, enters into a stockholder agreement with Cincinnati Bell on terms substantially identical to the terms of the voting agreement or agrees to become a party to the voting agreement pursuant to a customary joinder agreement reasonably satisfactory to Cincinnati Bell or (ii) enter into any voting arrangement, whether by proxy, voting agreement, voting trust or otherwise, with respect to any Subject Shares or rights to acquire any securities or equity interests of Hawaiian Telcom, other than the voting agreement.

The voting agreement will terminate upon the earliest of (i) the completion of the special meeting of the stockholders of Hawaiian Telcom at which a proposal to adopt the merger agreement is voted upon, (ii) the date of any amendment, waiver or modification of the merger agreement without the Twin Haven Stockholder s prior written consent that has the effect of (1) decreasing the merger consideration, (2) changing the form of merger consideration, in each case, payable to the stockholders of Hawaiian Telcom pursuant to the merger agreement in effect on the date of the voting agreement or (3) otherwise affecting such Twin Haven Stockholder in an adverse manner and (iii) the termination of the merger agreement in accordance with its terms.

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THE ONX ACQUISITION

This section of the proxy statement/prospectus describes the OnX acquisition and certain material provisions of the merger agreement among Cincinnati Bell, OnX, OnX Merger Sub and the OnX Unitholder Representative but does not purport to describe all of the terms of the OnX merger agreement. Hawaiian Telcom stockholders will not be voting to approve the OnX acquisition, and this summary is included only to provide Hawaiian Telcom stockholders with information regarding the OnX acquisition and certain terms of the OnX merger agreement and not to provide Hawaiian Telcom stockholders with any other factual information regarding Cincinnati Bell, OnX or their respective subsidiaries or businesses.

On July 9, 2017, Cincinnati Bell entered into an agreement and plan of merger with OnX, OnX Merger Sub and the OnX Unitholder Representative, whereby Cincinnati Bell will acquire OnX for $201 million in cash, without interest, on a cash-free, debt-free basis, subject to customary post-closing adjustments. The OnX merger agreement provides for the merger of OnX with and into OnX Merger Sub upon the terms and subject to the conditions of the OnX merger agreement. Upon consummation of the OnX acquisition, OnX will be a wholly owned subsidiary of Cincinnati Bell.

Each party s obligation to consummate the OnX acquisition is conditioned upon the expiration or termination of the applicable waiting period (and any extension thereof) under the Hart-Scott-Rodino Act and other customary closing conditions. Completion of the transaction does not require the approval of Cincinnati Bell s shareholders. The OnX merger agreement also contains certain termination rights, including the right of either Cincinnati Bell or OnX to terminate the OnX merger agreement if the closing of the OnX acquisition has not occurred on or before December 31, 2017.

The OnX merger agreement contains customary representations, warranties and covenants, including certain customary operating restrictions on the conduct of the business of OnX and its subsidiaries during the period from the execution of the OnX merger agreement to the closing of the OnX acquisition. In connection with the entry into the OnX merger agreement, Cincinnati Bell also entered into a customary indemnification agreement with OnX and with certain equity holders of OnX.

The foregoing description of the OnX merger agreement is not complete and is qualified in its entirety by reference to the OnX merger agreement, which is filed as Exhibit 2.2 to Cincinnati Bell s Current Report on Form 8-K, dated as of July 10, 2017, and is incorporated herein by reference. The OnX acquisition is expected to close prior to the completion of the merger between Cincinnati Bell and Hawaiian Telcom; however, the merger is not conditioned on the consummation of the OnX acquisition.

The representations and warranties of Cincinnati Bell and OnX contained in the OnX merger agreement have been made solely for the benefit of the parties to the OnX merger agreement. In addition, such representations and warranties (a) have been made only for purposes of the OnX merger agreement, (b) have been qualified by confidential disclosures made to OnX in connection with the OnX merger agreement, (c) are subject to materiality qualifications contained in the OnX merger agreement which may differ from what may be viewed as material by investors, (d) were made only as of the date of the OnX merger agreement or such other date as is specified in the OnX merger agreement and (e) have been included in the OnX merger agreement for the purpose of allocating risk between Cincinnati Bell and OnX, rather than establishing matters as facts. Accordingly, the OnX merger agreement is incorporated into this proxy statement/prospectus by reference only to provide investors with information regarding the terms of the OnX merger agreement, and not to provide investors with any other factual information regarding Cincinnati Bell or OnX or their respective subsidiaries or businesses. Investors should not rely on the representations and warranties or any descriptions thereof as characterizations of the actual state of facts or condition of Cincinnati Bell or OnX or any of their respective subsidiaries or businesses. Moreover, information concerning the subject matter

of the representations and warranties may change after the date of the OnX merger agreement, which subsequent information may or may not be fully reflected in Cincinnati Bell s public disclosures.

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As more fully described under the section titled Unaudited Pro Forma Condensed Combined Financial Information beginning on page 172 of this proxy statement/prospectus, the unaudited pro forma condensed combined financial information included in this proxy statement/prospectus, including under the sections titled Selected Unaudited Pro Forma Condensed Combined Financial Data , Comparative Unaudited Historical and Pro Forma Per Share Data and Unaudited Pro Forma Condensed Combined Financial Information , has not been adjusted to give effect to the OnX acquisition.

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ACCOUNTING TREATMENT

In accordance with accounting principles generally accepted in the United States, Cincinnati Bell will account for the merger using the acquisition method of accounting for business combinations. Cincinnati Bell will be treated as the acquirer for accounting purposes. Under this method of accounting, Cincinnati Bell will record the acquisition based on the fair value of the consideration given, which includes the market value of its shares issued in connection with the merger (based on the closing price of the Cincinnati Bell common shares on the date of completion of the merger) and the cash consideration paid in the merger. Cincinnati Bell will allocate the purchase price to the identifiable assets acquired and liabilities assumed based on their respective fair values at the date of the completion of the merger. Any excess of the value of consideration paid over the aggregate fair value of those net assets will be recorded as goodwill.

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MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

General

The following discussion summarizes the material U.S. federal income tax consequences to holders of Hawaiian Telcom common stock of (1) the merger and (2) the ownership and disposition of Cincinnati Bell common shares received in the merger, if any. This discussion is based on the Internal Revenue Code of 1986, as amended, (the Code), the U.S. Treasury Regulations promulgated thereunder and judicial and administrative rulings, all as in effect as of the date of this proxy statement/prospectus, and all of which are subject to change or varying interpretation, possibly with retroactive effect. Any such changes could affect the accuracy of the statements and conclusions set forth herein. This discussion does not address any aspects of state, local, or non-U.S. laws or federal laws other than those relating to U.S. federal income taxation and is not a complete analysis or description of all of the possible tax consequences of the merger or of the ownership or disposition of shares of Cincinnati Bell common shares. In addition, this discussion does not address the tax consequences of transactions effectuated before, after or at the same time as the merger, whether or not they are in connection with the merger, including, without limitation, the exercise or cancellation of options to purchase stock.

This discussion addresses only holders that own their shares of Hawaiian Telcom common stock, and will own their shares of Cincinnati Bell common shares (if received as consideration in the merger), as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment purposes). This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a holder in light of such holder s particular circumstances, including any tax consequences arising under the Medicare tax on net investment income (under Section 1411 of the Code) or to a holder that is subject to special treatment under U.S. federal income tax law, including, for example:

a bank or other financial institution;

a tax-exempt entity;

an insurance company;

a person holding shares as part of a straddle, hedge, constructive sale, integrated transaction, or conversion transaction;

an S corporation or other pass-through entity or an investor in an S corporation or other pass-through entity;

a U.S. expatriate;

a person who is liable for the alternative minimum tax;

a broker-dealer or trader in securities;

a U.S. Holder (as defined below) whose functional currency is not the U.S. dollar;

a regulated investment company;

a real estate investment trust;

a trader in securities who has elected the mark-to-market method of accounting for its securities; and

a person who received Hawaiian Telcom common stock through the exercise of employee stock options, through a tax qualified retirement plan, or otherwise as compensation.

No ruling has been requested from the Internal Revenue Service (the IRS) in connection with the merger or related transactions. Accordingly, the discussion below neither binds the IRS nor precludes it from adopting a contrary position. Furthermore, no opinion of counsel has been or will be rendered with respect to the tax consequences of the merger or related transactions.

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For purposes of this discussion, a U.S. Holder is any beneficial owner of Hawaiian Telcom common stock or, after the completion of the merger, Cincinnati Bell common shares that, for U.S. federal income tax purposes, is:

- an individual citizen or resident of the United States;
- a corporation (including any entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (1) its administration is subject to the primary supervision of a court within the United States and one or more U.S. persons, within the meaning of Section 7701(a)(30) of the Code, have the authority to control all substantial decisions of the trust or (2) it has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person for U.S. federal income tax purposes.

A Non-U.S. Holder is any beneficial owner of Hawaiian Telcom common stock or, after the completion of the merger, Cincinnati Bell common shares that, for U.S. federal income tax purposes, is an individual, corporation, estate, or trust that is not a U.S. Holder.

If a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Hawaiian Telcom common stock or Cincinnati Bell common shares, the tax treatment of a partner in that partnership generally will depend on the status of the partner and the activities of the partnership. If you are a partner in a partnership that holds Hawaiian Telcom common stock or Cincinnati Bell common shares, you are urged to consult your tax advisor regarding the U.S. federal income tax consequences to you of the merger and the ownership and disposition of Cincinnati Bell common shares received in the merger.

ALL HOLDERS OF HAWAIIAN TELCOM COMMON STOCK ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE PARTICULAR FEDERAL, STATE, LOCAL, AND NON-U.S. TAX CONSEQUENCES TO THEM OF THE MERGER AND THE OWNERSHIP AND DISPOSITION OF ANY CINCINNATI BELL COMMON SHARES RECEIVED IN THE MERGER.

The Merger

U.S. Holders

The merger will be a taxable transaction for U.S. federal income tax purposes. Therefore, a U.S. Holder will recognize capital gain or loss equal to the difference, if any, between (1) the sum of any cash received by such U.S. Holder in the merger, including any cash received in lieu of fractional shares of Cincinnati Bell common shares, and the fair market value of any Cincinnati Bell common shares received by such U.S. Holder in the merger and (2) the U.S. Holder s adjusted tax basis in its Hawaiian Telcom common stock.

Capital gains of a non-corporate U.S. Holder will be eligible for the preferential U.S. federal income tax rates applicable to long-term capital gains if the U.S. Holder has held its Hawaiian Telcom common stock for more than one year as of the date of the merger. The deductibility of capital losses is subject to limitations. If a U.S. Holder

acquired different blocks of shares of Hawaiian Telcom common stock at different times or different prices, the U.S. Holder must determine its tax basis and holding period separately for each block of Hawaiian Telcom common stock.

A U.S. Holder s aggregate tax basis in any Cincinnati Bell common shares received in the merger will equal the fair market value of such stock as of the date of the merger. A U.S. Holder s holding period in any Cincinnati Bell common shares received in the merger will begin the day after the merger.

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Non-U.S. Holders

Subject to the discussion below under the section titled Information Reporting and Backup Withholding , a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on the exchange of Hawaiian Telcom common stock for any Cincinnati Bell common shares and/or cash in the merger unless:

- any gain recognized on the exchange is effectively connected with the Non-U.S. Holder s conduct of a trade or business in the United States (and, if an income tax treaty applies, is attributable to a U.S. permanent establishment of the Non-U.S. Holder);
- the Non-U.S. Holder is an individual who is present in the United States for 183 days or more during the taxable year that includes the merger and certain other conditions are satisfied; or
- Hawaiian Telcom is or has been a United States real property holding corporation (USRPHC) for U.S. federal income tax purposes at any time during the shorter of (i) the five-year period ending on the date of the merger and (ii) the Non-U.S. Holder s holding period in the Hawaiian Telcom common stock, and, if the shares of Hawaiian Telcom common stock are regularly traded on an established securities market , the Non-U.S. Holder held (directly, indirectly or constructively), at any time during such period, more than 5% of the outstanding Hawaiian Telcom common stock.

If the Non-U.S. Holder s gain is described in the first bullet, then the Non-U.S. Holder will generally be subject to U.S. federal income tax under the rules described above as if it were a U.S. Holder of Hawaiian Telcom common stock and, in the case of a foreign corporation, may be subject to an additional branch profits tax at a 30% rate (or such lower rate as may be specified by an applicable income tax treaty).

If the Non-U.S. Holder is described in the second bullet, then such Non-U.S. Holder will generally be subject to U.S. federal income tax at a 30% rate (or such lower rate as may be specified by an applicable income tax treaty) on the gain, which may be offset by certain U.S. source capital losses of the Non-U.S. Holder.

If Hawaiian Telcom meets the criteria described in the third bullet, then a Non-U.S. Holder will not be subject to U.S. federal withholding tax as a result of Hawaiian Telcom meeting such criteria but will be subject to U.S. federal income tax under the rules described above as if it were a U.S. Holder of Hawaiian Telcom common stock. Although there can be no assurances in this regard, Hawaiian Telcom does not believe that it is or was a USRPHC for U.S. federal income tax purposes during the applicable five-year period.

Information Reporting and Backup Withholding

Any Cincinnati Bell common shares and/or cash received by a U.S. Holder or a Non-U.S. Holder in the merger may be subject to information reporting, and may be subject to backup withholding unless such holder provides proof of an applicable exemption or furnishes its taxpayer identification number and otherwise complies with all applicable requirements under the backup withholding rules. Any amounts withheld under the backup withholding rules are not additional tax and may be allowed as a refund or credit against the holder s U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

Ownership and Disposition of Cincinnati Bell Common Shares Received in the Merger

The following discussion summarizes the material U.S. federal income tax consequences of the ownership and disposition by U.S. Holders and Non-U.S. Holders of any Cincinnati Bell common shares received in the merger.

U.S. Holders

Distributions

Distributions, if any, made with respect to Cincinnati Bell common shares generally will be treated as dividends for U.S. federal income tax purposes to the extent of Cincinnati Bell s current or accumulated earnings

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and profits as determined for U.S. federal income tax purposes. Dividends paid to a non-corporate U.S. Holder that constitute qualified dividend income will be taxable at preferential rates applicable to long-term capital gains provided that the U.S. Holder holds the Cincinnati Bell common shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meets other holding period requirements. Dividends made with respect to Cincinnati Bell common shares will generally be qualified dividend income, providing the holding period requirements in the previous sentence are satisfied. In addition, dividends paid to corporate U.S. Holders may qualify for the dividend received deduction if the U.S. Holder meets certain holding period and other requirements. Distributions in excess of Cincinnati Bell s current or accumulated earnings and profits as determined for U.S. federal income tax purposes will generally be treated as a return of capital to the extent of a U.S. Holder s basis in the Cincinnati Bell common shares and thereafter as capital gain. If a U.S. Holder acquires different blocks of shares of Cincinnati Bell common stock at different times or different prices, the U.S. Holder must determine its tax basis and gain separately for each block of shares of Cincinnati Bell common stock.

Sale or Other Taxable Disposition of Cincinnati Bell Common Shares

Gain on the sale or other taxable disposition of Cincinnati Bell common shares will generally be subject to tax in the same manner as described above under The Merger U.S. Holders .

Non-U.S. Holders

Distributions

Except as described below, dividends paid to a Non-U.S. Holder generally will be subject to U.S. federal withholding tax at a 30% rate or at a lower rate if the Non-U.S. Holder is eligible for the benefits of an income tax treaty that provides for a lower rate. Even if the Non-U.S. Holder is eligible for a lower income tax treaty rate, Cincinnati Bell and other payors will generally be required to withhold at a 30% rate (rather than the lower income tax treaty rate) on dividend payments to a non-U.S. Holder unless the Non-U.S. Holder has furnished to Cincinnati Bell or another payor a properly executed IRS Form W-8BEN or W-8BEN-E (or appropriate successor form) certifying such Non-U.S. Holder s entitlement to benefits under the income tax treaty. Additional certification requirements apply if a Non-U.S. Holder holds the Cincinnati Bell common shares through a foreign partnership or a foreign intermediary. If a Non-U.S. Holder is eligible for a reduced rate of withholding tax under an income tax treaty, the Non-U.S. Holder may obtain a refund of any amounts withheld in excess of that rate by timely filing a refund claim with the IRS.

Dividends paid to a Non-U.S. Holder that are effectively connected with its conduct of a trade or business within the United States, and, if required by an income tax treaty, attributable to a permanent establishment that the Non-U.S. Holder maintains in the United States, are not subject to the withholding tax described above, provided that the Non-U.S. Holder has furnished to Cincinnati Bell or another payor a properly executed IRS Form W-8ECI (or acceptable substitute form) upon which the Non-U.S. Holder represents, under penalties of perjury, that (i) the Non-U.S. Holder is a non-U.S. person, and (ii) the dividends are effectively connected with the Non-U.S. Holder s conduct of a trade or business within the United States and are includable in its gross income. Such dividends are, however, generally subject to U.S. federal income tax as if the Non-U.S. Holder were a U.S. Holder. In addition, such dividends received by a corporate Non-U.S. Holder may, under certain circumstances, be subject to an additional branch profits tax at a 30% rate, or at a lower rate if the Non-U.S. Holder is eligible for the benefits of an income tax treaty that provides for a lower rate.

Sale or Other Taxable Disposition of Cincinnati Bell Common Shares

Gain on the sale or other taxable disposition of Cincinnati Bell common shares will generally be subject to tax in the same manner as described above under The Merger Non-U.S. Holders . With respect to the third bullet point under that heading, although there can be no assurances, Cincinnati Bell does not believe that it is or was a USRPHC for U.S. federal income tax purposes during the applicable five-year period.

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FATCA Withholding

Under the U.S. tax rules known as the Foreign Account Tax Compliance Act (FATCA), a Non-U.S. Holder of Cincinnati Bell common shares will generally be subject to a 30% withholding tax on (i) dividends paid on Cincinnati Bell common shares and (ii) beginning after December 31, 2018, gross proceeds from the sale or other disposition of Cincinnati Bell common shares, unless (i) if the Non-U.S. Holder is a non-financial foreign entity , it provides Cincinnati Bell or an applicable payor or financial institution with certain documentation relating to its substantial U.S. owners or otherwise certifies that it does not have any substantial U.S. owners, (ii) if the Non-U.S. Holder is a foreign financial institution , it enters into an agreement with the Department of Treasury to, among other things, report certain information regarding its accounts with or interests held by certain United States persons and by certain non-U.S. entities that are wholly or partially owned by United States persons, and it establishes its compliance with these rules by providing to Cincinnati Bell or an applicable payor or financial institution with an applicable IRS Form W-8 or (iii) the Non-U.S. Holder otherwise qualifies for an exemption from these rules and establishes such exemption by providing to Cincinnati Bell or an applicable payor or financial institution with an applicable IRS Form W-8. The rules relating to FATCA described above may be modified by an applicable intergovernmental agreement between the United States and the jurisdiction in which the Non-U.S. Holder is resident. Non-U.S. Holders are urged to consult their tax advisers regarding how FATCA may apply to their ownership and disposition of Cincinnati Bell common shares.

Information Reporting and Backup Withholding

Dividends paid with respect to shares of Cincinnati Bell common shares and proceeds from a sale or other disposition of Cincinnati Bell common shares received in the United States or through certain U.S.-related financial intermediaries may be subject to information reporting, and may be subject to backup withholding unless the holder provides proof of an applicable exemption or furnishes its taxpayer identification number and otherwise complies with all applicable requirements under the backup withholding rules. Any amounts withheld under the backup withholding rules are not additional tax and may be allowed as a refund or credit against the holder s U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

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DESCRIPTION OF CINCINNATI BELL CAPITAL STOCK

As a result of the merger, stockholders of Hawaiian Telcom common stock who receive Cincinnati Bell common shares in the merger will become Cincinnati Bell shareholders. Your rights as Cincinnati Bell shareholders will be governed by Ohio law, Cincinnati Bell s amended and restated articles of incorporation and Cincinnati Bell s amended and restated regulations. The following description of the material terms of Cincinnati Bell s capital stock, including Cincinnati Bell common shares to be issued in the merger, reflects the anticipated state of affairs upon completion of the merger. We urge you to read the applicable provisions of Ohio law and Cincinnati Bell s amended and restated articles of incorporation and amended and restated regulations carefully and in their entirety because they describe your rights as a holder of Cincinnati Bell common shares.

General

The total authorized capital stock of Cincinnati Bell consists of the following:

- 96,000,000 common shares, $0.01 par value;
- 1,357,299 voting preferred shares, without par value; and
- 1,000,000 non-voting preferred shares, without par value (together with the voting preferred shares, referred to as preferred shares).

The Cincinnati Bell board of directors has designated 400,000 voting preferred shares as Series A Preferred Shares and has designated 155,250 voting preferred shares as 6 $^{3}/_{4}$% Cumulative Convertible Preferred Shares, referred to in this proxy statement/prospectus as 6 $^{3}/_{4}$% Preferred Shares and described below.

At the close of business on the record date, [ ] Cincinnati Bell common shares were issued and outstanding; [ ] 6 $^{3}/_{4}$% Preferred Shares were issued and outstanding; no non-voting preferred shares were issued and outstanding; and no Series A Preferred Shares were outstanding.

No shares of any class have any preemptive rights.

No shares of any class have any cumulative voting rights.

Cincinnati Bell Common Shares

Each holder of Cincinnati Bell common shares is entitled to cast one vote for each share held of record on all matters properly submitted to a vote of Cincinnati Bell shareholders, including the election of directors. Holders of Cincinnati Bell common shares are entitled to receive dividends or other distributions declared by Cincinnati Bell s board of directors. The right of the board of directors to declare dividends, however, is subject to the rights of any holders of preferred shares of Cincinnati Bell (including the rights of holders of the 6 $^{3}/_{4}$% Preferred Shares described under the section titled Preferred Shares 6 $^{3}/_{4}$% Cumulative Convertible Preferred Shares) and certain requirements under Ohio law. In particular, dividends on any series of preferred shares must be paid or declared and set apart for payment for all past dividend periods and for the current dividend period before any dividends (other than dividends payable in Cincinnati Bell common shares) may be declared or paid or set apart for payment on Cincinnati Bell common shares.

In 2010, Cincinnati Bell s board of directors approved a plan authorizing the repurchase of up to $150.0 million of Cincinnati Bell common shares. The repurchase plan does not have a stated maturity. As of June 30, 2017, Cincinnati Bell is authorized to repurchase $124.4 million of Cincinnati Bell common shares under the repurchase plan.

Upon any liquidation, dissolution or winding up of Cincinnati Bell, the holders of preferred shares of any series must receive any amounts to which such holders are entitled as fixed with respect to such series, including any accumulated dividends, before any payment or distribution of assets may be made to or set aside for the holders of Cincinnati Bell common shares.

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Preferred Shares

The Cincinnati Bell board of directors is authorized to provide for the issuance from time to time of preferred shares in series and, as to each series, to fix the designation, the dividend rate, the date or dates of payment of such dividends, the date or dates from which such dividends will be cumulative, the times when and the prices at which the preferred shares will be redeemable, the amounts holders of preferred shares will be entitled to receive upon the voluntary and involuntary liquidation, dissolution or winding up of Cincinnati Bell, the sinking fund provisions, if any, the conversion or exchange provisions, if any, the restrictions upon the payment of dividends or other distributions, if any, the restrictions upon the creation of indebtedness, if any, the restrictions upon the issuance of additional preferred shares ranking pari passu or senior in right of payment, if any, and any other rights, preferences and limitations that are not inconsistent with Ohio law or Cincinnati Bell s amended and restated articles of incorporation.

Preferred shares of all series shall rank equally and be identical in all respects except that only voting preferred shares shall be voting shares and except that the Cincinnati Bell board of directors is authorized to amend Cincinnati Bell s amended and restated articles of incorporation in respect of any unissued or treasury preferred shares and thereby to fix or change, to the full extent permitted by Ohio law, the relative rights, preferences and limitations of each series and the variations in such rights, preferences and limitations as between series. Each holder of preferred shares is entitled to cast one vote for each share held of record on all matters properly submitted to a vote of the shareholders, including the election of directors.

The approval by holders of at least two-thirds of all outstanding preferred shares is required to authorize any shares ranking prior to the preferred shares or amend Cincinnati Bell s amended and restated articles of incorporation so as to affect adversely the preferred shares. The approval by holders of least two-thirds of all outstanding preferred shares of any series is required to change any provisions of the applicable series so as to affect adversely such series. The approval by holders of a majority of all outstanding preferred shares is required to increase the authorized number of preferred shares or authorize shares of any other class ranking on a parity with preferred shares.

In the event Cincinnati Bell has defaulted in the payment in the aggregate amount equivalent to six full quarterly dividends on any series of preferred shares, the number of directors then constituting the Cincinnati Bell board of directors shall ipso facto be increased by two and the holders of the outstanding preferred shares, voting separately as a class and without regard to series, shall have the exclusive right to elect the two directors to fill such newly-created directorships, and such right shall continue until all accrued and unpaid dividends have been paid or declared and set aside for payment.

Upon any liquidation, dissolution or winding up of Cincinnati Bell, the holders of preferred shares of any series will be entitled to receive the amounts to which such holders are entitled as fixed with respect to such series, including any accumulated dividends, before any payment or distribution of assets may be made to or set aside for the holders of Cincinnati Bell common shares.

6 ¾% Cumulative Convertible Preferred Shares

Holders of Cincinnati Bell s 6¾% Preferred Shares are entitled to cast one vote per whole share that they hold of record on all matters properly submitted to a vote of the shareholders, including the election of directors. Holders of the 6 $^{3}/_{4}$% Preferred Shares and holders of Cincinnati Bell common shares will vote together as a single class, unless otherwise provided by law or Cincinnati Bell s amended and restated articles of incorporation. The approval of each holder of the 6 $^{3}/_{4}$% Preferred Shares is necessary to, among other things:

alter the voting rights with respect to the 6 $^{3}/_{4}$% Preferred Shares or reduce the number of 6 $^{3}/_{4}$% Preferred Shares whose holders must consent to an amendment, supplement or waiver;

reduce the liquidation preference;

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adversely alter the redemption provisions;

reduce the rate of or change the time for payment of dividends; and

waive a default in payment of dividends or liquidated damages.

In addition, the approval of holders of at least two-thirds of the issued and outstanding 6 $^{3}/_{4}$% Preferred Shares, voting as one class, is required to amend Cincinnati Bell s amended and restated articles of incorporation to affect adversely the specified rights, preferences, privileges or voting rights of holders of the 6 $^{3}/_{4}$% Preferred Shares or to authorize the issuance of any additional 6 $^{3}/_{4}$% Preferred Shares.

Cincinnati Bell may redeem the 6 $^{3}/_{4}$% Preferred Shares at any time at a redemption price of $1,000 per share plus all accrued and unpaid dividends.

Unless previously redeemed or repurchased, each 6 $^{3}/_{4}$% Preferred Share is convertible, at the option of the holders, at any time, into Cincinnati Bell common shares at a conversion rate, subject to adjustment in certain events, of 5.7676 Cincinnati Bell common shares for each 6 $^{3}/_{4}$% Preferred Share.

Annual dividends of $67.50 per share on the 6 $^{3}/_{4}$% Preferred Shares are payable quarterly in arrears in cash or, if the documents governing any Cincinnati Bell indebtedness that existed prior to the issuance of 6 $^{3}/_{4}$% Preferred Shares prohibit such payment in cash, in Cincinnati Bell common shares.

In the event of the liquidation, dissolution or winding up of the business of Cincinnati Bell, holders of the 6 $^{3}/_{4}$% Preferred Shares are entitled to receive the liquidation preference of $1,000 per share plus all accrued and unpaid dividends and certain other amounts (if applicable) as provided in Cincinnati Bell s amended and restated articles of incorporation.

Indemnification under Ohio Law

Cincinnati Bell s amended and restated articles of incorporation do not address indemnification. Article V of Cincinnati Bell s amended and restated regulations require the corporation, to the fullest extent permitted under Ohio General Corporation Law, or the OGCL, to indemnify all persons whom it may indemnify thereunder.

Chapter 1701.13(E) of the OGCL permits a corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, or is or was serving at the request of the corporation as a director or officer of another entity, because the person is or was a director or officer, against expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by the director or officer in connection with the suit, action or proceeding if (i) the director or officer acted in good faith and in a manner the director or officer reasonably believed to be in or not opposed to the best interests of the corporation, and (ii) with respect to any criminal action or proceeding, the director or officer had no reasonable cause to believe the director s or officer s conduct was unlawful. In the case of an action by or in the right of the corporation, however, such indemnification may only apply to expenses actually and reasonably incurred by the person in connection with the defense or settlement of such action and no such indemnification may be made if either (a) the director or officer has been adjudged to be liable for negligence or misconduct in the performance of the director s or officer s duty to the corporation, unless and only to the extent that the court in which the proceeding was brought determines that the director or officer is fairly and reasonably entitled to indemnification for such expenses as the court deems proper, or (b) the only liability asserted against a director in a proceeding relates to the director s approval of an impermissible

dividend, distribution, redemption or loan. The OGCL further provides that to the extent a director or officer has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to above, the corporation must indemnify the director or officer against expenses actually and reasonably incurred by the director or officer in connection with the action, suit or proceeding.

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Chapter 1701.13(E) of the OGCL permits a corporation to pay expenses (including attorneys fees) incurred by a director, officer, employee or agent as they are incurred, in advance of the final disposition of the action, suit or proceeding, as authorized by the corporation s directors and upon receipt of an undertaking by such person to repay such amount if it is ultimately determined that such person is not entitled to indemnification.

Chapter 1701.13(E) of the OGCL states that the indemnification provided thereby is not exclusive of, and is in addition to, any other rights granted to persons seeking indemnification under a corporation s articles or regulations, any agreement, a vote of the corporation s shareholders or disinterested directors, or otherwise. In addition, Chapter 1701.13(E) of the OGCL grants express power to a corporation to purchase and maintain insurance or furnish similar protection, including trust funds, letters of credit and self-insurance, for director, officer, employee or agent liability, regardless of whether that individual is otherwise eligible for indemnification by the corporation.

The OGCL also permits corporations to purchase and maintain insurance on behalf of any director or officer against any liability asserted against such director or officer and incurred by such director or officer in his capacity as a director or officer, whether or not the corporation would have the power to indemnify the director or officer against such liability under the OGCL.

Cincinnati Bell has entered into indemnification agreements with each of its directors and executive officers and has acquired insurance for its obligations to provide indemnification to its directors and officers.

Anti-takeover Effects of Ohio Law, Cincinnati Bell s Amended and Restated Articles and Cincinnati Bell s Amended and Restated Regulations

Ohio Merger Moratorium Statute. Chapter 1704 of the OGCL regulates a broad range of business combinations, including mergers, consolidations, combinations, majority share acquisitions and sales, leases or other dispositions of substantial assets between an issuing public corporation and an interested shareholder (each, a Chapter 1704 transaction). An issuing public corporation is defined in the OGCL as an Ohio corporation with 50 or more shareholders that has its principal place of business, principal executive offices or substantial assets within Ohio and as to which no close corporation agreement (as defined in the OGCL) exists. An interested shareholder is defined in the OGCL as a shareholder who, alone or with others, directly or indirectly, has the power to exercise or direct the exercise of 10% or more of the voting power of an issuing public corporation in the election of its directors. Chapter 1704 of the OGCL prohibits issuing public corporations from engaging in any Chapter 1704 transaction with any interested shareholder, unless the articles of incorporation provide otherwise, for a period of three years following the date on which the shareholder became an interested shareholder, unless the board of directors of the issuing public corporation had approved the business combination or the interested shareholder s acquisition of shares of the corporation prior to the date the shareholder became an interested shareholder. After the initial three-year moratorium, Chapter 1704 prohibits such transactions absent (1) approval by the board of directors of the interested shareholder s acquisition of shares of the corporation prior to the date that the shareholder becomes an interested shareholder, (2) approval by two-thirds of the shareholders and a majority of the disinterested shareholders of the issuing public corporation or (3) the transaction meeting certain statutorily-defined fair price provisions.

Business Combination Provision in Amended and Restated Articles. In addition to the foregoing statutory requirements, Cincinnati Bell s amended and restated articles require holders of at least 80% of Cincinnati Bell s outstanding common shares and voting preferred shares, voting as a single class, to approve any business combination with an interested shareholder, unless either a majority of Cincinnati Bell s continuing directors unaffiliated with the interested shareholder approve the business combination or the business combination satisfies certain fair price provisions set forth in Cincinnati Bell s amended and restated articles and a proxy or information statement describing the business combination compliant with the Exchange Act is mailed to all shareholders 30 days prior to the

completion of the transaction.

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Ohio Control Share Acquisition Act. Under Chapter 1701.831 of the OGCL, unless the articles of incorporation provide otherwise, certain notice and informational filings, and special shareholder meeting and voting procedures, must be followed prior to consummation of a proposed control share acquisition. A control share acquisition is defined in the OGCL as any acquisition of a corporation s shares that, when added to all other shares of that corporation owned by the acquiring person, entitles the acquirer, immediately after such acquisition, directly or indirectly, to exercise or direct the exercise of voting power of the corporation in the election of its directors in any of the following ranges:

at least 20% but less than 33 $^{1}/_{3}$%;

least 33 $^{1}/_{3}$% but less than 50%; or

50% or more.

No Cumulative Voting. No shares of any class have any cumulative voting rights.

Supermajority Vote to Remove Directors. Cincinnati Bell s amended and restated regulations provide that any director may be removed, with or without cause, only by the affirmative vote of the holders of at least two-thirds of the outstanding voting power of the corporation, voting as a single class, at a meeting of the shareholders called for such purpose.

Authorized But Unissued Shares. Cincinnati Bell s authorized but unissued common shares and preferred shares are available for future issuance without shareholder approval under Ohio law. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. Cincinnati Bell s amended and restated articles of incorporation authorize the Cincinnati Bell board of directors to issue up to 2,357,299 preferred shares and to determine the powers, preferences, privileges, rights, including voting rights, qualifications, limitations and restrictions on those shares, as described above under the section titled Preferred Shares , without any further vote or action by the shareholders. The existence of authorized but unissued Cincinnati Bell common shares and preferred shares could have the effect of delaying, deterring or preventing an attempt to obtain control of Cincinnati Bell by means of a proxy contest, tender offer, merger or otherwise.

Special Meetings of Shareholders. Cincinnati Bell s amended and restated regulations provide that special meetings of shareholders may be called only by:

the chairman of the board of directors, the president or the vice president authorized to exercise the authority of the president in case of the president s absence, death or disability;

resolution of the board of directors; or

resolution of the holders of at least one-half of the outstanding voting power of the corporation.

Actions by Written Consent. Section 1701.54 of the OGCL requires that an action by written consent of the shareholders in lieu of a meeting be unanimous, except that, under section 1701.11 of the OGCL, a corporation s code of regulations may be amended by an action by written consent of holders of two-thirds of the voting power of the corporation or, if the articles of incorporation or regulations otherwise provide, such greater or lesser amount, but not less than a majority. Cincinnati Bell s amended and restated articles of incorporation and amended and restated regulations do not address action by written consent of the shareholders in lieu of a meeting.

Amendments of Amended and Restated Regulations. Cincinnati Bell s amended and restated regulations may be amended only by the affirmative vote of holders of two-thirds of the outstanding voting power of the corporation, voting as a single class, at a meeting of shareholders called for such purpose, unless such amendment is recommended by an affirmative vote of two-thirds of the whole authorized number of directors, in which case only the affirmative vote of the holders of a majority of the outstanding voting power of the corporation, voting as a single class, at a meeting of shareholders called for such purpose, is required.

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COMPARISON OF SHAREHOLDERS RIGHTS

General

Hawaiian Telcom is incorporated under the laws of the State of Delaware. The rights of Hawaiian Telcom stockholders are governed by the laws of the State of Delaware, including the DGCL, Hawaiian Telcom s amended and restated certificate of incorporation and Hawaiian Telcom s amended and restated bylaws. Cincinnati Bell is incorporated under the laws of the State of Ohio. The rights of Cincinnati Bell shareholders are governed by the laws of the State of Ohio, including the OGCL, Cincinnati Bell s amended and restated articles of incorporation and Cincinnati Bell s amended and restated regulations. If the merger is completed, Hawaiian Telcom stockholders who receive Cincinnati Bell common shares in the merger will become Cincinnati Bell shareholders. Thus, following completion of the merger, the rights of Hawaiian Telcom stockholders who become Cincinnati Bell shareholders in the merger will no longer be governed by the laws of the State of Delaware, Hawaiian Telcom s amended and restated certificate of incorporation and Hawaiian Telcom s amended and restated bylaws and instead will be governed by the laws of the State of Ohio, Cincinnati Bell s amended and restated articles of incorporation and Cincinnati Bell s amended and restated regulations.

Comparison of Shareholders Rights

Set forth below is a summary comparison of material differences between the rights of holders of Hawaiian Telcom common stock under the laws of the State of Delaware, including the DGCL, Hawaiian Telcom s amended and restated certificate of incorporation and Hawaiian Telcom s amended and restated bylaws (left column) and the holders of Cincinnati Bell common shares under the laws of the State of Ohio, including the OGCL, Cincinnati Bell s amended and restated articles of incorporation and Cincinnati Bell s amended and restated regulations (right column). The comparison set forth below is only a summary and does not purport to be a complete statement of the rights of the holders of Hawaiian Telcom common stock or holders of Cincinnati Bell common shares or a complete description of the specific provisions referenced below.

This summary is qualified in its entirety by reference to the full text of the DGCL, Hawaiian Telcom s amended and restated certificate of incorporation, Hawaiian Telcom s amended and restated bylaws, the OGCL, Cincinnati Bell s amended and restated articles of incorporation and Cincinnati Bell s amended and restated regulations, each of which we urge you to read carefully and in its entirety. Copies of Hawaiian Telcom s and Cincinnati Bell s governing documents are available, without charge, to any person, including any beneficial owner to whom this proxy statement/prospectus is delivered, by following the instructions listed in the section titled Where To Find More Information beginning on page 192.

Hawaiian Telcom	Cincinnati Bell
Authorized Capital Stock	
Hawaiian Telcom s amended and restated certificate of incorporation authorizes the issuance of:	Cincinnati Bell s amended and restated articles of incorporation authorize the issuance of:
(i) 245,000,000 shares of common stock, par value $0.01 per share; and	(i) 96,000,000 common shares, par value $0.01 per share;

(ii) 5,000,000 shares of preferred stock, par value $0.01 per share.	(ii) 1,357,299 voting preferred shares, without par value; and
	(iii) 1,000,000 non-voting preferred shares, without par value.
Pursuant to Hawaiian Telcom s amended and restated certificate of incorporation, the Hawaiian Telcom board of directors is authorized to provide, out of the unissued	Pursuant to Cincinnati Bell s amended and restated articles of incorporation, the Cincinnati Bell board of directors is authorized to issue and, as described

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shares of preferred stock, for series of preferred stock and, with respect to each such series, to fix the number of shares constituting such series and to set the terms of such series.	under the section titled Description of Cincinnati Bell Capital Stock Preferred Shares , set the terms of one or more series of preferred shares. The Cincinnati Bell board of directors has designated 400,000 voting preferred shares as Series A Preferred Shares and has designated 155,250 voting preferred shares as 6 ¾% Cumulative Convertible Preferred Shares.
Outstanding Shares	
As of the close of business on the record date,	As of the close of business on the record date,
[ ] shares of Hawaiian Telcom common stock were outstanding and no shares of Hawaiian Telcom preferred stock were outstanding.	[ ] Cincinnati Bell common shares were issued and outstanding; [ ] 6 ¾% Preferred Shares were issued and outstanding; no non-voting preferred shares were issued and outstanding; and no Series A Preferred Shares were outstanding.
Hawaiian Telcom common stock is traded on the NASDAQ under the symbol HCOM .	Cincinnati Bell common shares are traded on the NYSE under the symbol CBB . Cincinnati Bell 6 ¾% Preferred Shares are not traded on any securities exchange or national quotation system.
Number of Directors	
Hawaiian Telcom s amended and restated bylaws provide that the Hawaiian Telcom board of directors shall consist of no fewer than five members and no more than nine members and the exact number of members shall be determined from time to time by the Hawaiian Telcom board of directors. Hawaiian Telcom s amended and restated bylaws further provide that one of the directors shall be the Chief Executive Officer of Hawaiian Telcom.	Cincinnati Bell s amended and restated regulations provide that the Cincinnati Bell board of directors shall consist of no fewer than nine members and no more than 17 members and the exact number of members shall be determined by the affirmative vote of at least two-thirds of the whole authorized number of directors or the affirmative vote of holders of at least two-thirds of the outstanding voting power of the corporation, voting as a single class, at a shareholder meeting called for the purpose of electing directors.
The Hawaiian Telcom board of directors currently consists of nine members.	The Cincinnati Bell board of directors currently consists of nine members. Pursuant to the merger agreement, at the effective time of the merger Cincinnati Bell will appoint to its board of directors two persons selected by Hawaiian Telcom, subject to approval of such persons by the Cincinnati Bell board of directors (not to be unreasonably withheld, conditioned or delayed). The two new directors will be in addition to the nine directors serving on the Cincinnati Bell board of directors immediately prior to the effective time of the merger.
Election of Directors	
Hawaiian Telcom s amended and restated bylaws provide for the election of directors at the annual meeting of	Cincinnati Bell s amended and restated regulations provide for the election of directors at the annual

stockholders, or at a special meeting in lieu of the annual meeting called for such purpose, by the

meeting of shareholders. Cincinnati Bell s amended and restated articles of incorporation provide that

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vote of the plurality of the votes cast at any meeting for the election of directors at which a quorum is present.	except as otherwise provided in Cincinnati Bell s amended and restated articles of incorporation regarding the election of directors by the holders of any series of Preferred Shares, each director shall be elected by the vote of the majority of the votes cast with respect to the director at any meeting for the election of directors at which a quorum is present, except that if the number of nominees exceeds the number of directors to be elected, the directors shall be elected by a vote of the plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors. A majority of the votes cast means that the number of shares voted for a director must exceed the number of votes cast against that director.
Hawaiian Telcom s board of directors is not classified.	Cincinnati Bell s board of directors is not classified.
Removal of Directors	
Hawaiian Telcom s amended and restated bylaws provide that any director or the entire Hawaiian Telcom board of directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors.	Cincinnati Bell s amended and restated regulations provide that any director may be removed, with or without cause, by the affirmative vote of the holders of at least two-thirds of the outstanding voting power of the corporation, voting as a single class, at a meeting of shareholders called for such purpose.
Filling Vacancies on the Board of Directors	
Hawaiian Telcom s amended and restated bylaws provide that vacancies on the board of directors and newly created directorships resulting from any increase in the authorized number of directors shall be filled by a majority of the directors then in office, even if less than a quorum, or by a sole remaining director.	Cincinnati Bell s amended and restated regulations provide that any vacancy on the board of directors, whether created by an increase in the number of directors, removal of a director, death or resignation of a director or otherwise, may be filled by the remaining directors, even if less than a majority of the whole authorized number of directors, by a majority vote, or by the affirmative vote of the holders of at least two-thirds of the outstanding voting power of the corporation, voting as a single class, at a meeting of shareholders called for such purpose.
Nomination of Director Candidates by Shareholders	
Hawaiian Telcom s amended and restated bylaws provide that nominations of persons for election to the board of directors may be made at any annual meeting of stockholders or at any special meeting of stockholders called for the purpose of electing directors by any stockholder of Hawaiian Telcom (a) who is a stockholder of record on the date of the giving of the notice described below and on the record date for the determination of	Cincinnati Bell s amended and restated articles of incorporation and amended and restated regulations do not address shareholder nominations for election to the board of directors. The OGCL does not provide shareholders with any specific rights regarding shareholder nominations for election to the board of directors.

stockholders entitled to notice of, and to vote at, such meeting and (b) who complies with the notice procedures described below.

The charter for Cincinnati Bell s Governance and Nominating Committee of the board of directors provides that any qualified individual or group may

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For a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to Hawaiian Telcom s Secretary. To be timely, a stockholder s notice to Hawaiian Telcom s Secretary must be delivered to or mailed and received at Hawaiian Telcom s principal executive offices (1) in the case of an annual meeting, not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs; and (2) in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the close of business on the tenth day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs.

To be in proper written form, a stockholder s notice to Hawaiian Telcom s Secretary must set forth certain information and representations about the nominating stockholder and its nominee, as more particularly set forth in Hawaiian Telcom s amended and restated bylaws.

If the chairman of a meeting of stockholders determines that a nomination was not made in accordance with the procedures set forth in Hawaiian Telcom s amended and restated bylaws, the chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded. Unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) making a nomination does not appear at the annual or special meeting of stockholders to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by Hawaiian Telcom.

propose to the Governance and Nominating Committee a candidate for election to the board of directors at any time. Such proposal should be directed to the Chairman of the board or the Corporate Secretary. Qualified proposers include, but are not limited to, shareholders, incumbent directors and members of top management. A nomination from an independent shareholder must be submitted in accordance with any procedures set forth by the Governance and Nominating Committee. The Governance and Nominating Committee will review prospective candidates, and if approved by the Governance and Nominating Committee, recommend candidates to the full board of directors for consideration. The board of directors will then nominate director candidates for election by the shareholders.

Calling Special Meetings of Shareholders

Hawaiian Telcom s amended and restated bylaws provide that special meetings of stockholders, unless otherwise required by law, may be called by the chairman of the board, a majority of the whole board of directors or holders of common stock who hold a

Cincinnati Bell s amended and restated regulations provide that special meetings of shareholders for any purpose may be called by (1) the chairman of the board, the president or the vice president authorized to exercise the authority of the president in case of

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majority of the outstanding common stock entitled to vote generally in the election of directors. Special meetings of stockholders shall be held at such time and any such place as the board of directors may fix by resolution or as set forth in the notice of the meeting; provided, however, that any special meeting called by stockholders shall comply with the notice, administrative and other requirements set forth in Hawaiian Telcom s amended and restated bylaws.

the president s absence, death or disability, (2) resolution of the board of directors or (3) resolution of the holders of at least one-half of the outstanding voting power of the corporation.

Shareholder Proposals

Hawaiian Telcom s amended and restated bylaws provide that a stockholder proposal must be properly brought before the meeting of stockholders and may only be brought by any stockholder of Hawaiian Telcom (1) who is a stockholder of record on the date of the giving of the notice provided for below and on the record date for the determination of stockholders entitled to notice of, and to vote at, such meeting and (2) who complies with the notice procedures described below.

For a stockholder proposal to be properly brought before any meeting of stockholders by a stockholder, such stockholder must have given timely notice thereof in proper written form to Hawaiian Telcom s Secretary. To be timely, a stockholder s notice to Hawaiian Telcom s Secretary must be delivered to or mailed and received at Hawaiian Telcom s principal executive offices of the corporation not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs. To be in proper written form, a stockholder s notice to Hawaiian Telcom s Secretary must set forth certain information and representations for each matter such stockholder proposes to bring before the meeting, as more particularly set forth in the amended and restated bylaws.

Cincinnati Bell s amended and restated articles of incorporation and amended and restated regulations do not address shareholder proposals, and the OGCL does not provide shareholders with any specific rights to make shareholder proposals.

In accordance with SEC Rule 14a-8 under the Exchange Act, shareholder proposals intended to be included in the proxy statement and presented at a regularly scheduled annual meeting must be received by Cincinnati Bell at its principal executive offices at least 120 days before the anniversary of the date that the previous year s proxy statement was first mailed to shareholders. However, if the annual meeting date has been changed by more than 30 days from the date of the prior year s meeting, or for special meetings, the proposal must be submitted within a reasonable time before Cincinnati Bell begins to print and mail its proxy materials. Any such shareholder proposal must comply with all other applicable procedural requirements of SEC Rule 14a-8, and may be excluded from the proxy statement on any of the bases specified in Rule 14a-8, including if such proposal seeks to include a director nomination in Cincinnati Bell s proxy statement.

In addition, in accordance with SEC Rule 14a-8 under the Exchange Act, stockholder proposals intended to be included in the proxy statement and presented at a regularly scheduled annual meeting must be received by Hawaiian Telcom at its principal executive offices at

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least 120 days before the anniversary of the date that the previous year s proxy statement was first mailed to stockholders. However, if the annual meeting date has been changed by more than 30 days from the date of the prior year s meeting, or for special meetings, the proposal must be submitted within a reasonable time before Hawaiian Telcom begins to print and mail its proxy materials. Any such stockholder proposal must comply with all other applicable procedural requirements of SEC Rule 14a-8, and may be excluded from the proxy statement on any of the bases specified in Rule 14a-8, including if such proposal seeks to include a director nomination in Hawaiian Telcom s proxy statement.

If the chairman of a meeting of stockholders determines that business was not properly brought before the meeting in accordance with the procedures set forth in Hawaiian Telcom s amended and restated bylaws, the chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted. Unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) proposing business does not appear at the annual or special meeting of stockholders to present the proposed business, such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by Hawaiian Telcom.

Action by Written Consent

Hawaiian Telcom s amended and restated certificate of incorporation provides that any action required or permitted to be taken by the stockholders must be effected at a duly called annual or special meeting and may not be effected by a written consent of stockholders.

Under the OGCL, Cincinnati Bell shareholders may take action, without a meeting, by the written unanimous consent of shareholders who would be entitled to notice of a shareholder meeting held for such purpose. Otherwise, shareholders are able to take action only at an annual or special meeting called in accordance with Cincinnati Bell s amended and restated regulations.

Notice of Shareholder Meetings

Under Hawaiian Telcom s amended and restated bylaws, written notice of each annual and special meeting of stockholders, other than any meeting the giving of notice of which is otherwise prescribed by law, stating the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed, in writing, at least ten

Under the OGCL, Cincinnati Bell shareholders are entitled to written notice stating the time, place, if any, and purposes of a meeting of the shareholders, and the means, if any, by which shareholders can be present and vote at the meeting through the use of communications equipment. Notice shall be given either by personal delivery or by mail, overnight

but not more than 60 days before the date of such meeting, to each stockholder entitled to vote thereat. If mailed, such notice shall be deposited in the United States mail, postage prepaid,

delivery service, or any other means of communication authorized by the shareholder to whom the notice is given, not less than seven nor more than 60 days before the date of the meeting

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directed to such stockholder at the address as the same appears on the records of Hawaiian Telcom. Notice given by electronic transmission shall be effective (1) if by facsimile, when faxed to a number where the stockholder has consented to receive notice; (2) if by electronic mail, when mailed electronically to an electronic mail address at which the stockholder has consented to receive such notice; (3) if by posting on an electronic network together with a separate notice of such posting, upon the later to occur of the posting or the giving of separate notice of the posting; or (4) if by other form of electronic communication, when directed to the stockholder in the manner consented to by the stockholder.	unless Cincinnati Bell s amended and restated articles of incorporation or amended and restated regulations specify a longer period: (1) to every shareholder of record entitled to notice of the meeting; (2) by or at the direction of the president or the secretary of the corporation or any other person required or permitted by the regulations to give that notice. If mailed or sent by overnight delivery service, the notice shall be sent to the shareholder at the shareholder s address as it appears on the records of the corporation. If sent by another means of communication authorized by the shareholder, the notice shall be sent to the address furnished by the shareholder for those transmissions. Notice of adjournment of a meeting need not be given if the time and place, if any, to which it is adjourned and the means, if any, by which shareholders can be present and vote at the adjourned meeting through the use of communications equipment are fixed and announced at the meeting.

Quorum at Shareholders Meetings

Under Hawaiian Telcom s amended and restated bylaws, at any meeting of stockholders, except as otherwise expressly required by law or by Hawaiian Telcom s amended and restated certificate of incorporation, the holders of record of at least a majority of the outstanding shares of capital stock entitled to vote or act at such meeting shall be present or represented by proxy in order to constitute a quorum for the transaction of any business, but less than a quorum shall have power to adjourn any meeting until a quorum shall be present. Shares of Hawaiian Telcom capital stock owned by Hawaiian Telcom or by another corporation, if a majority of the shares of such other corporation entitled to vote in the election of directors is held by Hawaiian Telcom, shall not be counted for quorum purposes or entitled to vote. Notwithstanding the foregoing, when specified business is to be voted on by a class or series voting separately as a class or series, the holders of a majority of the voting power of the shares of such class or series shall constitute a quorum for the transaction of such business for the purposes of taking action on such business.	Cincinnati Bell s amended and restated regulations provide that at all meetings of shareholders the holders of a majority of the shares issued and outstanding and entitled to vote at such meeting, present in person or by proxy, shall constitute a quorum, but no action required by law, Cincinnati Bell s amended and restated articles of incorporation or Cincinnati Bell s amended and restated regulations to be authorized or taken by the holders of a designated proportion of the shares of any particular class or of each class may be authorized or taken by a lesser proportion.

Shareholder Rights Plan

Hawaiian Telcom does not have a stockholder rights plan in effect.

Cincinnati Bell does not have a shareholder rights plan in effect.

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Anti-Takeover Provisions and Other Shareholder Protections

Section 203 of the DGCL generally prohibits a Delaware corporation from engaging in any business combination (as defined below) with any interested stockholder (as defined below) for a period of three years following the date that such stockholder became an interested stockholder, unless: (1) prior to such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder; (2) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding those shares owned (a) by persons who are directors and also officers and (b) by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or (3) on or subsequent to such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 $\frac{2}{3}$% of the outstanding voting stock that is not owned by the interested stockholder.

Section 203 of the DGCL defines business combination to include: (1) any merger or consolidation involving the corporation or any direct or indirect majority-owned subsidiary of the corporation and the interested stockholder; (2) any sale, transfer, pledge or other disposition of 10% or more of either the aggregate market value of all of the assets of the corporation or the aggregate market value of all of the outstanding stock of the corporation involving the interested stockholder; (3) subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation or any direct or indirect majority-owned subsidiary of the corporation of any stock of the corporation or of such subsidiary to the interested stockholder; (4) subject to certain exceptions, any transaction involving the corporation or any direct or indirect majority-owned subsidiary of the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation or of any such subsidiary

The OGCL prohibits any transaction, such as mergers, consolidations, combinations or majority share acquisitions between an Ohio corporation and an interested shareholder , including an affiliate or associate of such interested shareholder (referred to as a Chapter 1704 transaction), for a period of three years from the date on which a shareholder first becomes an interested shareholder unless, prior to the interested shareholder s share acquisition, the directors of the corporation approved the transaction or approved the purchase of shares by the interested shareholder. Under Chapter 1704 of the OGCL, an interested shareholder is defined generally as any person who, directly or indirectly, beneficially owns 10% or more of the outstanding voting stock of the corporation. After such three-year period, a Chapter 1704 transaction is prohibited unless certain fair price provisions are complied with, the directors of the corporation approved the purchase of shares which made the shareholder an interested shareholder, or the shareholders of the corporation approve the transaction by the affirmative vote of at least two-thirds of the voting power of the corporation or such other percentage set forth in Cincinnati Bell s amended and restated articles provided that a majority of the disinterested shareholders approve the transaction.

Additionally, the OGCL generally prohibits transactions pursuant to which a person obtains one-fifth or more but less than one-third of all the voting power of a corporation, one-third or more but less than a majority of all of the voting power of a corporation, or a majority or more of all the voting power of a corporation (a control share acquisition), unless the shareholders approve the transaction at a special meeting, at which a quorum is present, by both the affirmative vote of a majority of the voting power of the corporation and by the affirmative vote of a majority of the voting power of the corporation excluding the voting power of interested shares. A corporation can provide in its articles of incorporation or regulations that the OGCL provisions will not apply to control share acquisitions of shares of such corporation. Cincinnati Bell s amended and restated

beneficially owned by the interested stockholder; or (5) the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits

articles of incorporation and amended and restated regulations do not contain such a provision.

In addition to the foregoing statutory requirements, Cincinnati Bell s amended and restated articles

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provided by or through the corporation or any direct or indirect majority-owned subsidiary. In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation or is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation at any time within the three-year period immediately prior to the date on which it is sought to be determined whether such person is an interested stockholder.

Pursuant to its amended and restated certificate of incorporation, Hawaiian Telcom has elected to be governed by Section 203 of the DGCL.

require holders of at least 80% of Cincinnati Bell s outstanding common shares and voting preferred shares, voting as a single class, to approve any business combination with an interested shareholder, unless either a majority of Cincinnati Bell s continuing directors unaffiliated with the interested shareholder approve the business combination or the business combination satisfies certain fair price provisions set forth in Cincinnati Bell s amended and restated articles and a proxy or information statement describing the business combination compliant with the Exchange Act is mailed to all shareholders 30 days prior to the completion of the transaction.

Indemnification of Directors and Officers

Hawaiian Telcom s amended and restated certificate of incorporation authorizes Hawaiian Telcom to indemnify its directors and officers, as well as its employees and agents, to the fullest extent permissible under Delaware law.

Pursuant to its amended and restated bylaws, Hawaiian Telcom shall indemnify any director or executive officer (as such term is defined in Rule 405 under the Securities Act) of Hawaiian Telcom, and may indemnify any employee or agent of Hawaiian Telcom who was or is a party or is threatened to be made a party to, or testifies in, any threatened, pending or completed action, suit or proceeding, by reason of the fact that such person is or was a director, officer, employee or agent of Hawaiian Telcom, or is or was serving at the request of Hawaiian Telcom as a director, officer, employee or agent of another entity, against all expenses (including attorneys fees), judgments, fines and amounts paid in settlement actually and reasonably incurred or suffered by such person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in, or not opposed to, the best interests of Hawaiian Telcom, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person s conduct was unlawful, to the fullest extent permitted by law as the same exists or may hereafter be amended; provided, however, that, except with respect to proceedings to enforce rights to indemnification, Hawaiian Telcom shall indemnify any such

Chapter 1701.13(E) of the OGCL permits a corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, or is or was serving at the request of the corporation as a director or officer of another entity, because the person is or was a director or officer, against expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by the director or officer in connection with the suit, action or proceeding if (1) the director or officer acted in good faith and in a manner the director or officer reasonably believed to be in or not opposed to the best interests of the corporation, and (2) with respect to any criminal action or proceeding, the director or officer had no reasonable cause to believe the director s or officer s conduct was unlawful. In the case of an action by or in the right of the corporation, however, such indemnification may only apply to expenses actually and reasonably incurred by the person in connection with the defense or settlement of such action and no such indemnification may be made if either (1) the director or officer has been adjudged to be liable for negligence or misconduct in the performance of the director s or officer s duty to the corporation, unless and only to the extent that the court in which the proceeding was brought determines that the director or officer is fairly and reasonably entitled to indemnification for such expenses as the court deems proper, or (2) the only liability asserted against a director in a proceeding

indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Hawaiian Telcom board of directors of Hawaiian Telcom. Under Section 145 of the DGCL, a

relates to the director s approval of an impermissible dividend, distribution, redemption or loan. The OGCL further provides that to the extent a director or officer has been successful on the merits or otherwise

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corporation must indemnify a present or former director or officer who successfully defends himself or herself in a proceeding to which he or she was a party because he or she was a director or officer of the corporation against expenses (including attorneys fees) actually and reasonably incurred by him or her in connection therewith.

in defense of any action, suit or proceeding referred to above, the corporation must indemnify the director or officer against expenses actually and reasonably incurred by the director or officer in connection with the action, suit or proceeding.

Hawaiian Telcom s amended and restated bylaws further provide that expenses incurred by a director, officer, employee or agent in defending or testifying in an action, suit or proceeding shall (in the case of a director or executive officer of Hawaiian Telcom) and may (in the case of an employee or agent of Hawaiian Telcom) be paid by Hawaiian Telcom in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director, executive officer, employee or agent to repay such amount if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such person is not entitled to be indemnified by Hawaiian Telcom against such expenses.

Chapter 1701.13(E) of the OGCL permits a corporation to pay expenses (including attorneys fees) incurred by a director, officer, employee or agent as they are incurred, in advance of the final disposition of the action, suit or proceeding, as authorized by the corporation s directors and upon receipt of an undertaking by such person to repay such amount if it is ultimately determined that such person is not entitled to indemnification.

Chapter 1701.13(E) of the OGCL states that the indemnification provided thereby is not exclusive of, and is in addition to, any other rights granted to persons seeking indemnification under a corporation s articles or regulations, any agreement, a vote of the corporation s shareholders or disinterested directors, or otherwise. In addition, Chapter 1701.13(E) of the OGCL grants express power to a corporation to purchase and maintain insurance or furnish similar protection, including trust funds, letters of credit and self-insurance, for director, officer, employee or agent liability, regardless of whether that individual is otherwise eligible for indemnification by the corporation.

Cincinnati Bell s amended and restated regulations require the corporation, to the fullest extent permitted under the OGCL, to indemnify all persons whom it may indemnify pursuant thereunder.

Amendments to Articles/Certificate of Incorporation and Bylaws/Regulations

Under Section 242 of the DGCL, a corporation s certificate of incorporation may be amended only if the proposed amendment is adopted and declared advisable by the board of directors and, unless the amendment adversely affects a class of non-voting shares, the holders of a majority of the

Section 1701.71(a) of the OGCL provides that, subject to certain exceptions, the shareholders of an Ohio corporation, at a meeting held for that purpose, may adopt an amendment to the corporation s articles (1) by the affirmative vote of the holders of shares entitling

outstanding shares of stock entitled to vote.

Under Hawaiian Telcom s amended and restated certificate of incorporation and amended and restated bylaws, except as otherwise provided therein (including as described below), the board of directors, by affirmative vote of a majority of the whole board of directors, is expressly authorized to adopt, amend or repeal any or all of Hawaiian Telcom s amended and restated bylaws. Except as otherwise provided in

them to exercise two-thirds of the voting power of the corporation on the proposal or, if the articles provide or permit, by the affirmative vote of a greater or lesser proportion, but not less than a majority, of such voting power, and (2) by the affirmative vote of the holders of shares of any particular class that is required by the articles.

Cincinnati Bell s amended and restated articles of incorporation provide for certain limited exceptions to the general voting standard set forth in Section

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Hawaiian Telcom s amended and restated certificate of incorporation (including as described below), the amended and restated bylaws may also be adopted, amended or repealed by the affirmative vote of a majority of the shares of Hawaiian Telcom entitled to vote generally in elections of directors that are present at a duly called annual or special meeting of stockholders at which a quorum is present. Hawaiian Telcom s amended and restated certificate of incorporation further provides that Articles VI, VII and VIII of Hawaiian Telcom s amended and restated certificate of incorporation and Sections 2.2, 2.7, 3.2, 3.5, 3.6, 3.7, 3.8, and 7.12 of Hawaiian Telcom s amended and restated bylaws may not be repealed or amended in any respect unless such action is approved by the affirmative vote of a majority of all shares of Hawaiian Telcom entitled to vote generally in elections of directors. Additionally, the provisions set forth in Sections 2.6, 2.8, 2.9, and 3.4 of Hawaiian Telcom s amended and restated bylaws may not be repealed or amended in any respect unless the action is approved by both the affirmative vote of a majority of the whole board of directors and the affirmative vote of a majority of all shares of Hawaiian Telcom entitled to vote generally in elections of directors. Hawaiian Telcom s amended and restated bylaws provide that any repeal or modification of the provisions of Article VI of Hawaiian Telcom s amended and restated bylaws shall not adversely affect any right or protection under Hawaiian Telcom s amended and restated bylaws of a director, executive officer, employee or agent of Hawaiian Telcom in respect of any proceeding (regardless of when such proceeding is first threatened, commenced or completed) arising out of, or related to, any act or omission occurring prior to the time of such repeal or modification.

1701.71(a) of the OGCL, including in connection with amendments to the provisions of Cincinnati Bell s amended and restated articles of incorporation related to preferred shares, which are described under the section titled Description of Cincinnati Bell Capital Stock Preferred Shares beginning on page 155. In addition, Cincinnati Bell s amended and restated articles of incorporation provide that the affirmative vote of the holders of at least 80% of the then outstanding voting shares, voting as a single class at a meeting of shareholders called for such purpose, is required to amend, repeal or adopt provisions inconsistent with the business combination provisions set forth in Cincinnati Bell s amended and restated articles of incorporation, which are described under the section titled Description of Cincinnati Bell Capital Stock Anti-takeover Effects of Ohio Law, Cincinnati Bell s Amended and Restated Articles and Cincinnati Bell s Amended and Restated Regulations Business Combination Provision in Amended and Restated Articles beginning on page 157, unless the Cincinnati Bell board of directors has recommended such amendment, repeal or adoption and no person is known by the Cincinnati Bell board of directors to be an interested shareholder, in which case the affirmative vote of the holders of at least two-thirds of the then outstanding voting shares, voting as a single class at a meeting of shareholders, is required.

Section 17.01.11 of the OGCL provides that regulations for the government of an Ohio corporation may be adopted, amended or repealed, among other circumstances, by the shareholders at a meeting held for that purpose, by the affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of the corporation on the proposal, or if the articles or regulations that have been adopted so provide, by the affirmative vote of the holders entitling them to exercise a greater proportion than a majority of the voting power of the corporation on the proposal.

Pursuant to Cincinnati Bell s amended and restated regulations, Cincinnati Bell s amended and restated regulations may be altered, amended or repealed only by the affirmative vote of the holders of at least

two-thirds of the outstanding voting power of the corporation voting as a single class at a meeting of shareholders called for such purpose, unless such alteration, amendment or repeal is recommended by the affirmative vote of at least two-thirds of the whole authorized number of directors, in which case

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Cincinnati Bell s amended and restated regulations may be altered, amended or repealed by the affirmative vote of the holders of a majority of the outstanding voting power of the corporation voting as a single class at a meeting of shareholders called for such purpose.

Appraisal Rights

If the merger is completed, stockholders who do not vote in favor of the adoption of the merger agreement, who continuously hold their shares of Hawaiian Telcom common stock through the effective time and who properly demand appraisal of their shares of Hawaiian Telcom common stock in compliance with the requirements of Section 262 of the DGCL will be entitled to exercise appraisal rights in connection with the merger under Section 262. This means that holders of shares of Hawaiian Telcom common stock who may exercise appraisal rights and who also have properly exercised, perfected and not lost those appraisal rights are entitled to have their shares appraised by the Delaware Court of Chancery and to receive payment in cash of the fair value of their shares of Hawaiian Telcom common stock, exclusive of any elements of value arising from the accomplishment or expectation of the merger, together with interest (subject to certain exceptions) to be paid on the amount determined to be fair value, if any, as determined by the Delaware Court of Chancery, so long as those holders comply exactly with the procedures established by Section 262.

Under the OGCL, dissenting shareholders of an Ohio corporation being merged into or consolidated with another corporation are entitled to appraisal rights, which is the right to dissent from certain corporate actions and demand payment of the fair cash value of their shares. In some circumstances, shareholders of an acquiring corporation are also entitled to appraisal rights in connection with a merger, combination or majority share acquisition in which those shareholders are entitled to voting rights. The OGCL provides shareholders of an acquiring corporation with voting rights if the acquisition involves the transfer of shares of the acquiring corporation entitling the recipients of those shares to exercise one-sixth or more of the voting power of the acquiring corporation after the consummation of the transaction. However, appraisal rights are not available to shareholders of an acquiring corporation if the shares entitling those shareholders to vote are listed on an exchange both as of the day immediately preceding the date of the special meeting to approve the agreement of merger and immediately following the effective time of the merger.

Due to the complexity of the appraisal process, stockholders who wish to seek appraisal of their shares of Hawaiian Telcom common stock are encouraged to seek the advice of legal counsel with respect to the exercise of appraisal rights. Stockholders considering seeking appraisal should be aware that the fair value of their shares as determined pursuant to Section 262 could be more than, the same as or less than the value of the merger consideration.

To perfect their appraisal rights, Hawaiian Telcom stockholders must follow exactly the procedures specified under Section 262, including, (i) delivering a written demand for appraisal that complies with Section 262 to Hawaiian Telcom before the vote is taken on the proposal to

adopt the merger agreement; (ii) not submitting a proxy or otherwise voting in favor of the proposal to adopt the merger agreement; and (iii) continuing to hold their shares of Hawaiian Telcom common stock of record through the effective time. A

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stockholder s failure to follow exactly the procedures specified under Section 262 will result in the loss of his, her or its appraisal rights. If a stockholder holds shares of Hawaiian Telcom common stock through a bank, brokerage firm or other nominee and wishes to exercise appraisal rights, such stockholder should consult with his, her or its bank, brokerage firm or other nominee to determine the appropriate procedures for the making of a demand for appraisal by such bank, brokerage firm or nominee. The Section 262 requirements for exercising appraisal rights are described in further detail in this proxy statement/prospectus in the section titled The Merger Appraisal Rights beginning on page 118, and Section 262 regarding appraisal rights is reproduced and attached as Annex D to this proxy statement/prospectus. This proxy statement/prospectus constitutes a formal notice of appraisal rights under Section 262 in connection with the merger.

Forum for Adjudication of Disputes

Under Hawaiian Telcom s amended and restated bylaws, unless Hawaiian Telcom, in writing, selects or consents to the selection of an alternative forum, the sole and exclusive forum for any current or former stockholder (including any current or beneficial owner) to bring internal corporate claims (as defined below), to the fullest extent permitted by law, and subject to applicable jurisdictional requirements, shall be the Delaware Court of Chancery (or, if the Delaware Court of Chancery does not have jurisdiction, the Superior Court of the State of Delaware (Complex Commercial Division) or, if such court does not have jurisdiction, the United States District Court for the District of Delaware). For the purposes of this provision, internal corporate claims means claims, including claims in the right of Hawaiian Telcom: (1) that are based upon a violation of a duty by a current or former director, officer or stockholder in such capacity, or (2) as to which the DGCL confers jurisdiction upon the Delaware Court of Chancery.

Cincinnati Bell s amended and restated articles of incorporation and amended and restated regulations do not address forum selection for the adjudication of disputes.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial information is based on the historical consolidated financial statements of Cincinnati Bell and Hawaiian Telcom, combined and adjusted to give effect to the merger, including the financing structure established to effect the merger.

The unaudited pro forma condensed combined balance sheet as of June 30, 2017 assumes that the merger had been completed on June 30, 2017 and combines Cincinnati Bell s June 30, 2017 unaudited condensed consolidated balance sheet with Hawaiian Telcom s June 30, 2017 unaudited condensed consolidated balance sheet.

The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2016 and the six months ended June 30, 2017 assume that the merger had been completed on January 1, 2016. Cincinnati Bell s audited consolidated statement of operations for the fiscal year ended December 31, 2016 has been combined with Hawaiian Telcom s audited consolidated statement of income for the year ended December 31, 2016 and Cincinnati Bell s unaudited condensed consolidated statement of operations for the six months ended June 30, 2017 has been combined with Hawaiian Telcom s unaudited condensed consolidated statement of income for the six months ended June 30, 2017.

The historical consolidated financial information has been adjusted in the unaudited pro forma condensed combined financial information to give effect to pro forma events that are (1) directly attributable to the merger, (2) factually supportable, and (3) with respect to the statements of operations, expected to have a continuing impact on the combined results. Accordingly, the unaudited pro forma condensed combined financial information does not reflect any synergies that could result from the merger, including any cost savings, or the associated costs to achieve such synergies. Furthermore, the impact from merger-related expenses is not included in the unaudited pro forma condensed combined statements of operations. However, the impact of these expenses is reflected in the unaudited pro forma condensed combined balanced sheet as a decrease to cash and cash equivalents and a corresponding decrease to retained earnings.

The unaudited pro forma condensed combined financial information should be read in conjunction with the accompanying notes to the unaudited pro forma condensed combined financial information. In addition, the unaudited pro forma condensed combined financial information was based on and should be read in conjunction with the following historical consolidated financial statements and accompanying notes of Cincinnati Bell and Hawaiian Telcom for the applicable dates and periods, which are incorporated by reference in this proxy statement/prospectus:

- Audited consolidated historical financial statements of Cincinnati Bell as of and for the year ended December 31, 2016 and the related notes included in Cincinnati Bell s Annual Report on Form 10-K for the year ended December 31, 2016;

- Audited consolidated historical financial statements of Hawaiian Telcom as of and for the year ended December 31, 2016 and the related notes included in Hawaiian Telcom s Annual Report on Form 10-K for the year ended December 31, 2016;

- Unaudited condensed consolidated historical financial statements of Cincinnati Bell as of and for the six months ended June 30, 2017 and the related notes included in Cincinnati Bell s Quarterly Report on Form

10-Q for the period ended June 30, 2017; and

Unaudited condensed consolidated historical financial statements of Hawaiian Telcom as of and for the six months ended June 30, 2017 and the related notes included in Hawaiian Telcom s Quarterly Report on Form 10-Q for the period ended June 30, 2017.

The unaudited pro forma condensed combined financial information is presented for informational purposes only. The unaudited pro forma condensed combined information is not necessarily indicative of what the

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combined financial position or results of operations actually would have been had the merger been completed as of the assumed dates or for the periods presented. In addition, the unaudited pro forma condensed combined financial information does not purport to project the combined financial position or operating results for any future period. The unaudited pro forma condensed combined financial information is subject to risks and uncertainties, including those discussed in the section of this proxy statement/prospectus entitled Risk Factors beginning on page 40 of this proxy statement/prospectus.

The unaudited pro forma condensed combined financial information has been prepared using the acquisition method of accounting for business combinations under accounting principles generally accepted in the United States, or GAAP standards. Acquisition accounting is dependent on certain valuations and other analyses that have yet to progress to a stage where there is sufficient information for a definitive measurement. In particular, Cincinnati Bell is the acquirer for accounting purposes. Cincinnati Bell has not had sufficient time to completely evaluate the fair values of the tangible and identifiable intangible assets of Hawaiian Telcom, the liabilities to be assumed and the related allocation of purchase price, nor has it identified all adjustments necessary to conform Hawaiian Telcom s accounting policies to Cincinnati Bell s accounting policies. Additionally, the value of the portion of the per share merger consideration to be paid in shares of Cincinnati Bell common shares will be determined based on the trading price of Cincinnati Bell common shares at the time of the completion of the merger. Accordingly, the pro forma adjustments, including the allocations of the purchase price, are very preliminary, have been made solely for the purpose of providing unaudited pro forma condensed combined financial information and may be revised as additional information becomes available and additional analysis is performed. Differences between these very preliminary estimates and the final acquisition accounting could have a material impact on the unaudited pro forma condensed combined financial information or the combined financial position or operating results for any future period.

For the avoidance of doubt, the unaudited pro forma condensed combined financial information has not been adjusted to give effect to the OnX acquisition. Had the unaudited pro forma condensed combined financial information been adjusted to give effect to the OnX acquisition, the unaudited pro forma condensed combined financial information would differ in several important respects from the unaudited pro forma condensed combined financial information included herein. Accordingly, the unaudited pro forma condensed combined financial information is not indicative of what the combined financial position or results of operations actually would have been had the merger and the OnX acquisition been completed as of the assumed dates or for the periods presented. In addition, the unaudited pro forma condensed combined financial information does not purport to project the combined financial position or operating results for any future period following the completion of the OnX acquisition. See The OnX Acquisition beginning on page 146 of this proxy statement/prospectus for a more detailed description of the OnX acquisition.

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Cincinnati Bell Inc.

Unaudited Pro Forma Condensed Combined Balance Sheet

June 30, 2017

(Values in millions, except share amounts)

	Cincinnati Bell	Hawaiian Telcom	Reclassifications	Pro Forma Adjustments	Pro Forma Combined
Assets:					
Current assets					
Cash and cash equivalents	$ 58.2	$ 25.9	$	$ (223.9)A	$ 5.0
				144.8 B	
Receivables, less allowances of $9.7 and $3.8	166.5	28.0			194.5
Inventory, materials and supplies	23.4	7.1			30.5
Prepaid expenses	19.9	5.9			25.8
Other current assets	5.3	7.3			12.6
Total current assets	273.3	74.2		(79.1)	268.4
Property, plant and equipment, net	1,111.7	601.3			1,713.0
Goodwill	18.6	12.1		(12.1)C	114.1
				95.5 D	
Intangibles		31.9	1.2	(31.9)E	54.2
				53.0 F	
Deferred income taxes, net	55.1	88.5		(38.2)G	105.4
Other noncurrent assets	23.0	2.5	(1.2)	(1.6)H	26.2
				3.5 I	
Total assets	$ 1,481.7	$ 810.5	$	$ (10.9)	$ 2,281.3
Liabilities and Shareowners Deficit:					
Current liabilities					
Current portion of long-term debt	$ 10.8	$ 10.3	0.5	$ (10.3)J	$ 11.3
Accounts payable	121.5	47.9			169.4
Accrued expenses		10.4	(10.4)		
Unearned revenue and customer deposits	33.4	15.1			48.5
Accrued taxes	12.2		0.9		13.1
Accrued interest	21.8		1.4	(2.5)K	20.7
Accrued payroll and benefits	27.3		8.1		35.4
Other current liabilities	34.9	6.8	(0.5)		41.2

Total current liabilities	261.9	90.5		(12.8)	339.6
Long-term debt, less current portion	1,116.1	303.6	0.5	(309.7)J	1,606.2
				6.1 L	
				(313.0)M	
				802.6 N	
Pension and postretirement benefit obligations	190.2	85.4			275.6
Other noncurrent liabilities	37.5	17.3	(0.5)		54.3
Total liabilities	1,605.7	496.8		173.2	2,275.7
Shareowners deficit					
Preferred stock	129.4				129.4
Common shares	0.4	0.1			0.5
Additional paid-in capital	2,568.5	181.2		(181.2)O	2,717.8
				149.3 P	
Accumulated (deficit) equity	(2,669.6)	155.2		(155.2)O	(2,689.4)
				(16.0)Q	
				(1.6)H	
				(2.8)M	
				0.6 R	
Accumulated other comprehensive loss	(152.7)	(22.8)		22.8 O	(152.7)
Total shareowners (deficit) equity	(124.0)	313.7		(184.1)	5.6
Total liabilities and shareowners (deficit) equity	$ 1,481.7	$ 810.5	$	$ (10.9)	$ 2,281.3

See the accompanying notes to the unaudited pro forma condensed combined financial information which are an integral part of this information. The pro forma adjustments are explained in Note 4 Preliminary Pro Forma Adjustments Related to the Merger .

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Cincinnati Bell Inc.

Unaudited Pro Forma Condensed Combined Statement of Operations

Year Ended December 31, 2016

(Values in millions, except share amounts)

	Cincinnati Bell	Hawaiian Telcom	Reclassifications	Pro Forma Adjustments	Pro Forma Combined
Revenue					
Services	$ 978.7	$ 393.0	$ (12.4)	$	$ 1,359.3
Products	207.1		12.4		219.5
Total revenue	1,185.8	393.0			1,578.8
Costs and expenses					
Cost of services, excluding items below	506.4	165.9	(9.2)		663.1
Cost of products sold, excluding items below	172.5		9.2		181.7
Selling, general and administrative	218.7	118.4			337.1
Depreciation and amortization	182.2	89.9		(2.1)AA	277.7
				7.7 BB	
Restructuring and severance related charges (reversals)	11.9				11.9
Other	1.1				1.1
Total operating costs and expenses	1,092.8	374.2		5.6	1,472.6
Operating income	93.0	18.8		(5.6)	106.2
Interest expense	75.7	17.1		(16.1)CC	92.4
				(23.8)DD	
				38.8 EE	
				0.7 FF	
Loss on extinguishment of debt, net	19.0			(3.9)GG	15.1
Gain on sale of CyrusOne investment	(157.0)				(157.0)
Other income, net	(7.6)				(7.6)
Income from continuing operations before income taxes	162.9	1.7		(1.3)	163.3
Income tax expense	61.1	0.6		(0.5)JJ	61.2
Income from continuing operations	101.8	1.1		(0.8)	102.1
	0.3				0.3

Income from discontinued operations, net of tax					
Net income	102.1	1.1		(0.8)	102.4
Preferred stock dividends	10.4				10.4
Net income applicable to common shareowners	$ 91.7	$ 1.1	$	$ (0.8)	$ 92.0
Basic net earnings per common share					
Basic earnings per common share from continuing operations	$ 2.17	$ 0.10	$	$	$ 1.84
Basic earnings per common share from discontinued operations	$ 0.01	$	$	$	$ 0.01
Basic net earnings per common share	$ 2.18	$	$	$	$ 1.85
Diluted net earnings per common share					
Diluted earnings per common share from continuing operations	$ 2.17	$ 0.10	$	$	$ 1.84
Diluted earnings per common share from discontinued operations	$ 0.01	$	$	$	$ 0.01
Diluted net earnings per common share	$ 2.18	$	$	$	$ 1.85
Weighted-average common shares outstanding (millions)					
Basic	42.0	11.5		7.9 KK	49.9
Diluted	42.1	11.6		7.9 KK	50.0

See the accompanying notes to the unaudited pro forma condensed combined financial information which are an integral part of this information. The pro forma adjustments are explained in Note 4 Preliminary Pro Forma Adjustments Related to the Merger .

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Cincinnati Bell Inc.

Unaudited Pro Forma Condensed Combined Statement of Operations

Six Months Ended June 30, 2017

(Values in millions, except share amounts)

	Cincinnati Bell	Hawaiian Telcom	Reclassifications	Pro Forma Adjustments	Pro Forma Combined
Revenue					
Services	$ 490.5	$ 185.8	$ (4.9)	$	$ 671.4
Products	81.7		4.9		86.6
Total revenue	572.2	185.8			758.0
Costs and expenses					
Cost of services, excluding items below	252.2	81.4	(3.8)		329.8
Cost of products sold, excluding items below	68.0		3.8		71.8
Selling, general and administrative	112.1	58.0			170.1
Depreciation and amortization	92.8	43.0		(0.9)AA	140.3
				5.4 BB	
Restructuring and severance related charges	29.2				29.2
Other	2.3			(0.4)HH	1.9
Total operating costs and expenses	556.6	182.4		4.1	743.1
Operating income	15.6	3.4		(4.1)	14.9
Interest expense	36.1	7.8		(7.5)CC	48.9
				(7.2)DD	
				19.3 EE	
				0.4 FF	
Loss on extinguishment of debt, net		4.8		(4.8)II	
Gain on sale of CyrusOne investment	(117.7)				(117.7)
Other income, net	(1.0)				(1.0)
Income (loss) from continuing operations before income taxes	98.2	(9.2)		(4.3)	84.7
Income tax expense (benefit)	35.7	(3.8)		(1.6)JJ	30.3
	62.5	(5.4)		(2.7)	54.4

Net income (loss) from continuing operations					
Preferred stock dividends	5.2				5.2
Net income (loss) applicable to common shareowners	$ 57.3	$ (5.4)	$	$ (2.7)	$ 49.2
Basic net (loss) earnings per common share	$ 1.36	$ (0.47)	$	$	$ 0.98
Diluted net (loss) earnings per common share	$ 1.35	$ (0.47)	$	$	$ 0.98
Weighted-average common shares outstanding (millions)					
Basic	42.1	11.6		7.9 KK	50.0
Diluted	42.3	11.6		7.9 KK	50.2

See the accompanying notes to the unaudited pro forma condensed combined financial information which are an integral part of this information. The pro forma adjustments are explained in Note 4 Preliminary Pro Forma Adjustments Related to the Merger .

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Note 1 Description of Transaction and Basis of Presentation

On July 9, 2017, Cincinnati Bell, Hawaiian Telcom and Merger Sub entered into the merger agreement, pursuant to which, subject to the terms and conditions set forth in the merger agreement, Hawaiian Telcom will become a wholly-owned subsidiary of Cincinnati Bell. As a result of the merger, each share of Hawaiian Telcom common stock issued and outstanding immediately prior to the completion of the merger (other than excepted shares) will be converted into the right to receive, at the election of Hawaiian Telcom stockholders, subject to proration as set forth in the merger agreement and described below:

i. 1.6305 Cincinnati Bell common shares, plus cash in lieu of fractional shares (the share consideration);

ii. 0.6522 Cincinnati Bell common shares and $18.45 in cash, without interest, plus cash in lieu of fractional shares (the mixed consideration); or

iii. $30.75 in cash, without interest (the cash consideration).

The total consideration to be paid to Hawaiian Telcom stockholders is subject to proration procedures that are designed to ensure that the total amount of cash paid, and the total number of Cincinnati Bell common shares issued in the merger, as a whole, will equal as nearly as practicable the total amount of cash and number of shares that would have been paid and issued if all of the Hawaiian Telcom stockholders received the mixed consideration. Cincinnati Bell plans to pay the cash portion of the total consideration from cash on hand and the proceeds of third-party debt financing, which may include some combination of senior secured credit facilities and Cincinnati Bell s existing Accounts Receivable Securitization Facility (Receivables Facility). Cincinnati Bell entered into an amended and restated commitment letter (the Commitment Letter) with Morgan Stanley Senior Funding, Inc. and certain other arrangers (collectively, the Committed Parties) on July 24, 2017. Pursuant to the Commitment Letter, the Committed Parties have committed to provide Cincinnati Bell with up to $1,130 million senior secured credit facilities (the Credit Facilities), consisting of (i) a $180 million revolving credit facility with a maturity of five years (the New Credit Facility) and (ii) term loan facilities in an aggregate amount equal to $950 million with a maturity of seven years, to be made available to Cincinnati Bell to finance the merger and the OnX acquisition upon the respective closings thereof, subject to certain terms and conditions set forth in the Commitment Letter, and for other purposes. Proceeds from the Credit Facilities will be used, together with cash on hand, to repay Hawaiian Telcom s outstanding term loan and borrowings under its existing revolving credit facility (Hawaiian Telcom s Existing Indebtedness), refinance Cincinnati Bell s existing revolving credit facility and term loan facility, pay the cash portion of the consideration for the merger, pay the consideration for the OnX acquisition, pay fees and expenses incurred in connection with the merger and the OnX acquisition and finance ongoing working capital and other general corporate needs.

The merger is reflected in the unaudited pro forma condensed combined financial information as being accounted for under the acquisition method of accounting in accordance with ASC 805, *Business Combination,* with Cincinnati Bell treated as the acquirer. Under the acquisition method, the total estimated purchase price is calculated as described in Note 3. In accordance with ASC 805, the assets acquired and the liabilities assumed have been measured at fair value based on various preliminary estimates. These estimates are based on key assumptions related to the merger, including reviews of publicly disclosed allocations for other acquisitions in the industry, Cincinnati Bell s historical experience, data that was available through the public domain and Cincinnati Bell s due diligence review of Hawaiian Telcom s business. Due to the fact that the unaudited pro forma condensed combined financial information has been prepared based on preliminary estimates, the final amounts recorded for the merger may differ materially from the information

presented herein. These estimates are subject to change pending further review of the fair value of assets acquired and liabilities assumed. In addition, the final determination of the recognition and measurement of the identified assets acquired and liabilities assumed will be based on the fair market value of actual net tangible and intangible assets and liabilities of Hawaiian Telcom at the closing date of the merger.

For purposes of measuring the estimated fair value, where applicable, of the assets acquired and the liabilities assumed as reflected in the unaudited pro forma condensed combined financial information, Cincinnati Bell has

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applied the guidance in ASC 820, *Fair Value Measurements and Disclosures*, which Cincinnati Bell refers to as ASC 820, which establishes a framework for measuring fair value. In accordance with ASC 820, fair value is an exit price and is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date . Under ASC 805, acquisition-related transaction costs and acquisition-related restructuring charges are not included as components of consideration transferred but are accounted for as expenses in the period in which the costs are incurred. For the periods presented, neither Cincinnati Bell nor Hawaiian Telcom had yet incurred material transaction costs related to the merger.

The unaudited pro forma condensed combined financial information was prepared in accordance with GAAP in the United States and pursuant to U.S. Securities and Exchange Commission Regulation S-X Article 11, and presents the pro forma financial position and results of operations of the consolidated companies based upon historical information after giving effect to the merger and adjustments described in these footnotes. The unaudited pro forma condensed combined balance sheet as of June 30, 2017 is presented as if the merger had occurred on June 30, 2017; and the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2016 and the six-month period ended June 30, 2017 combines the historical results of operations of Cincinnati Bell and Hawaiian Telcom giving effect to the merger as if it had occurred on January 1, 2016.

The unaudited pro forma condensed combined financial information does not reflect ongoing cost savings that Cincinnati Bell expects to achieve as a result of the merger or Cincinnati Bell s previously announced cost savings initiative or the costs necessary to achieve these costs savings or synergies. In addition, as described above, the unaudited pro forma condensed combined financial information has not been adjusted to give effect to the OnX acquisition.

Note 2 Accounting Policies and Reclassifications

Cincinnati Bell performed certain procedures for the purpose of identifying any material differences in significant accounting policies between Cincinnati Bell and Hawaiian Telcom, and any accounting adjustments that would be required in connection with adopting uniform policies. Procedures performed by Cincinnati Bell involved a review of Hawaiian Telcom s publicly disclosed summary of significant accounting policies, including those disclosed in Hawaiian Telcom s Annual Report on Form 10-K for the year ended December 31, 2016, and preliminary discussions with Hawaiian Telcom management regarding Hawaiian Telcom s significant accounting policies to identify material adjustments.

Upon completion of the merger, Cincinnati Bell will perform a detailed review of Hawaiian Telcom s accounting policies. As a result of that review, Cincinnati Bell may identify differences between the accounting policies of the two companies that, when conformed, could have a material impact on the consolidated financial statements of the combined company.

Certain reclassifications have been made in the historical consolidated financial statements of Hawaiian Telcom in order to conform to the presentation used in the unaudited pro forma condensed combined financial information of Cincinnati Bell and are reflected in the column Reclassifications . The reclassification adjustments on the balance sheet pertain to the following: (1) reclassification of capital lease obligations from other current liabilities and other liabilities to current portion of long-term debt and long-term debt, less current; and (2) disaggregating accrued taxes, accrued interest and accrued payroll and benefits from accrued expenses. The reclassification adjustments on the statements of operations pertain to the following: (1) reclassification of product revenue from operating revenue; and (2) reclassification of cost of products sold from cost of revenues (exclusive of depreciation and amortization). Upon completion of the merger, further review of Hawaiian Telcom s financial statements may result in additional revisions to Hawaiian Telcom s historical presentation to conform to Cincinnati Bell s presentation.

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Reclassifications on the Cincinnati Bell balance sheet have also been recorded in the Reclassifications column for reclassification of intangible assets that were recorded in other noncurrent assets.

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 companies 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 cash flow statements, and provides an accounting policy election to account for forfeitures as they occur. The new standard was adopted effective January 1, 2017.

The primary impact of adoption is the recognition of excess tax benefits in Cincinnati Bell s 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 had no impact to retained earnings as of the date of adoption. Effective January 1, 2017, Cincinnati Bell adopted a prospective company-wide policy change due to the change in accounting principle and now records 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 was immaterial to the financial statements.

The presentation requirements for cash flows related to excess tax benefits were applied retrospectively and resulted in a decrease of $0.1 million to net cash provided by operating activities and an increase of $0.1 million to net cash used in financing activities in both the twelve months ended December 31, 2016 and 2015. The presentation requirements for cash flows related to employee taxes paid for withheld shares had no impact to any of the periods presented in Cincinnati Bell s consolidated cash flows statements since such cash flows have historically been presented as a financing activity.

Note 3 Preliminary Consideration Transferred and Preliminary Fair Value of Net Assets Acquired

The merger has been accounted for using the acquisition method of accounting in accordance with ASC 805, which requires among other things, that the assets acquired and liabilities assumed be recognized at their acquisition date fair values, with any excess consideration transferred over the estimated fair values of the identifiable net assets recorded as goodwill. In addition, ASC 805 establishes that the common stock issued to effect the merger be measured at the closing date of the merger at the end-current market price.

Based on (1) the 20 calendar day volume weighted average price of Cincinnati Bell s common stock of $18.859 as of July 7, 2017, (2) the number of shares of Hawaiian Telcom common stock outstanding as of August 8, 2017 (the most practicable date prior to the filing of the registration statement containing this proxy statement/prospectus), (3) the number of shares of Hawaiian Telcom common stock potentially issuable in respect of RSUs under Hawaiian Telcom benefit and compensation plans between the date hereof and the closing date and (4) the number of shares of Hawaiian Telcom common stock potentially issuable in respect of Annual and Retention Bonuses under Hawaiian Telcom benefit and compensation plans outstanding between the date hereof and the closing date, the estimated total consideration, less Hawaiian Telcom s Existing Indebtedness as of June 30, 2017 to be repaid in conjunction with the merger, is $373.2 million. At the effective time of the merger, each issued and outstanding share of Hawaiian Telcom common stock (other than excepted shares) will be cancelled and converted into the right to receive (1) share consideration; (2) mixed consideration; or (3) cash consideration.

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The following is a preliminary estimate of the total consideration to be paid by Cincinnati Bell in the merger. The dollar amounts included in the tables in Note 3 or Note 4 are presented in millions, except for per share amounts.

Cash portion of mixed consideration ($18.45 x 12,136,417 shares of Hawaiian Telcom common stock)	$ 223.9
Stock portion of mixed consideration ($18.859 x .6522 x 12,136,417 shares of Hawaiian Telcom common stock)	149.3
Estimate of total consideration transferred[(a)]	**$ 373.2**

(a) The estimated total consideration expected to be transferred reflected in these unaudited pro forma condensed combined financial information does not purport to represent what the actual total consideration transferred will be when the merger is completed. The fair value of equity securities issued as part of the total consideration transferred is required to be measured on the closing date of the merger at the then current number of Hawaiian Telcom shares of common stock outstanding and RSUs that will vest between the date hereof and the closing date. This requirement will likely result in equity and cash components different from what has been assumed in these unaudited pro forma condensed combined financial information, and that difference may be material. The number of shares used in the calculation represents the maximum number of shares of Hawaiian Telcom common stock that could be outstanding on the closing date. The minimum number of shares of Hawaiian Telcom common stock that could be outstanding on the closing date is 11,587,963, a 5% difference. If this minimum share count is used in the calculation, the result is approximately $17.0 million less of estimated total consideration transferred when the merger is completed.

The following is a summary of the preliminary estimated fair values of the net assets acquired:

Total estimated consideration transferred	**$ 373.2**
Cash and cash equivalents	25.9
Accounts receivable, less allowances	28.0
Inventory, materials and supplies	7.1
Prepaid expenses	5.9
Other current assets	7.3
Property, plant and equipment	601.3
Intangibles	53.0
Deferred income taxes, net	49.6
Other noncurrent assets	2.5
Total assets	**$ 780.6**
Current portion of long-term debt	10.8
Accounts payable	47.9
Unearned revenue and customers deposits	15.1
Accrued taxes	0.9
Accrued interest	1.4

Accrued payroll and benefits	8.1
Other current liabilities	6.3
Long-term debt, less current portion	310.2
Pension and postretirement benefit obligations	85.4
Other noncurrent liabilities	16.8
Net assets to be acquired	**$ 277.7**
Goodwill	**$ 95.5**

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Cincinnati Bell has made preliminary allocation estimates based on limited access to information and will not have sufficient information to make final allocations until after completion of the merger. The final determination of the purchase price allocation is anticipated to be completed as soon as practicable after completion of the merger. Cincinnati Bell anticipates that the valuations of the acquired assets and liabilities will include, but not be limited to net working capital, property, plant, and equipment, unearned revenue, trade names, customer relationships and residual goodwill. The valuations will consist of physical appraisals, discounted cash flow analyses, or other appropriate valuation techniques to determine the fair value of the assets acquired and liabilities assumed.

For purposes of this unaudited pro forma condensed combined financial information and the preliminary purchase accounting allocation, management assumed that the $601.3 million carrying value of Hawaiian Telcom s property, plant and equipment at June 30, 2017, approximated its fair value. Upon closing of the merger, Cincinnati Bell will record the acquired property, plant and equipment at its acquisition date fair values. At the date of filing of the registration statement containing this proxy statement/prospectus, Cincinnati Bell had limited access to information and did not have sufficient information, such as the specific nature, age or condition of the land, buildings, machinery and equipment, and does not know the appropriate valuation premise to make a preliminary valuation. A fair value increase or decrease of 10% would increase or decrease property, plant and equipment by $60.0 million, deferred tax asset by approximately $21.0 million and goodwill by approximately $39.0 million.

The final total consideration, and amounts allocated to assets acquired and liabilities assumed in the merger could differ materially from the preliminary amounts presented in this unaudited pro forma condensed combined financial information. A decrease in the fair value of assets acquired or an increase in the fair value of liabilities assumed in the merger from those preliminary valuations presented in this unaudited pro forma condensed combined financial information would result in a dollar-for-dollar corresponding increase in the amount of goodwill that will result from the merger. In addition, if the value of the acquired assets is higher than the preliminary indication, it may result in higher amortization and depreciation expense than is presented in this unaudited pro forma condensed combined financial information.

Note 4 Preliminary Pro Forma Adjustments Related to the Merger

The preliminary pro forma adjustments included in this unaudited pro forma condensed combined financial information related to the merger, including the financing structure established to effect the merger, are as follows:

Adjustments to the Unaudited Pro Forma Condensed Combined Balance Sheet

A To reflect the cash portion of the estimated total consideration that is payable by Cincinnati Bell to the stockholders of Hawaiian Telcom based on the number of shares of Hawaiian Telcom common stock outstanding as of August 8, 2017 (the most practicable date prior to the filing of the registration statement containing this proxy statement/prospectus) or issuable prior to, and outstanding as of, the closing date, as detailed in Note 3.

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B To reflect the net cash inflow from incurrence of a $750 million aggregate principal amount Term Loan B under the Credit Facilities (the New Term Loan) and draw of $71.4 million aggregate principal amount on the Receivables Facility (the Receivables Facility Draw) by Cincinnati Bell to cover cost of acquisition, debt repayments, accrued interest and transaction costs (each assumed to have occurred on June 30, 2017).

Cash received from incurrence of New Term Loan	$ 750.0
Debt discount of 50 basis points on New Term Loan	(3.8)
Cash received from Receivables Facility Draw	71.4
Debt issuance costs New Term Loan	(15.0)
Debt issuance costs New Credit Facility	(3.5)
Transaction costs	(16.0)
Repayment of Cincinnati Bell s Existing Tranche B Term Loan	(315.8)
Repayment of Hawaiian Telcom s Existing Indebtedness	(320.0)
Payment of accrued interest related to Existing Tranche B Term Loan	(1.1)
Payment of accrued interest related to Hawaiian Telcom s Existing Indebtedness	(1.4)
Net cash inflow from debt incurrance	**$ 144.8**

C To eliminate Hawaiian Telcom s historical goodwill.

D To record the estimated goodwill created as a result of this transaction. Goodwill represents the excess of the estimated total consideration transferred over the preliminary fair value of the assets acquired and liabilities assumed as described in Note 3. The goodwill will not be amortized, but instead will be tested for impairment at least annually and whenever events or circumstances have occurred that may indicate a possible impairment exists. In the event management determines that the value of goodwill has become impaired, Cincinnati Bell will incur an accounting charge for the amount of the impairment during the period in which the determination is made. The goodwill is attributable to the expected synergies of the combined business operations and new growth opportunities. The change in goodwill is not expected to be deductible for tax purposes.

E To eliminate Hawaiian Telcom s historical intangible assets.

F To record the estimated fair value of identifiable intangible assets. Refer to Note 4(BB) below for details related to the estimated fair value and related amortization expense of the intangible assets.

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G Adjustment reflects the deferred income tax effects of the pro forma adjustments made to the unaudited pro forma condensed combined balance sheet by applying the combined Hawaiian Telcom federal and state statutory tax rate of 37.14% to the fair value adjustments made to intangible assets and goodwill acquired and the combined Cincinnati Bell federal and state statutory tax rate of 37.75% to the write-off of debt issuance costs related to the repayment of Cincinnati Bell s existing revolving credit facility (the Existing Revolving Credit Facility). Additional details provided in the table below:

	Adjustment to Asset Acquired	Adjustment to Cincinnati Bell Assets	Noncurrent Deferred Tax Asset
Estimated fair value adjustment of identifiable intangible assets acquired	$ 21.1	$	$ (7.8)
Estimate fair value adjustment of goodwill acquired	83.4		(31.0)
Estimated adjustment for write-off of Cincinnati Bell debt issuance costs associated with Cincinnati Bell Existing Revolving Credit Facility		(1.6)	0.6
Deferred tax assets related to estimated fair value adjustments and write-offs recorded in conjunction with the transaction			**$ (38.2)**

H To write-off debt issuance costs related to the extinguishment of Cincinnati Bell s Existing Revolving Credit Facility.

I Reflects an estimate of Cincinnati Bell s capitalizable debt issuance costs of $3.5 million in connection with the New Credit Facility that will be capitalized as Other noncurrent assets on the unaudited pro forma condensed combined balance sheet in accordance with Cincinnati Bell s accounting policy and amortized over the life of the five-year term.

J To reflect the payment of Hawaiian Telcom s historic current portion of long-term debt of $10.3 million and long-term debt of $309.7 million in accordance with the change of control terms of the applicable debt agreements.

K To eliminate Hawaiian Telcom s historical accrued interest of $1.4 million and Cincinnati Bell s accrued interest of $1.1 million related to Cincinnati Bell s existing Tranche B Term Loan under its Corporate Credit Agreement (the Existing Tranche B Term Loan) as a result of the payment of the associated debt instruments. As described in Note 4 (B) above, it is assumed that Cincinnati Bell repaid the Existing Tranche B Term Loan and Hawaiian Telcom s Existing Indebtedness, together with all accrued interest thereon, on June 30, 2017, and therefore no accrued interest as of June 30, 2017.

L To record the removal of the discount and debt issuance costs based on the expected payment of $320.0 million of Hawaiian Telcom s Existing Indebtedness on the closing date of the transaction.

M To reflect the repayment of the outstanding balance of Cincinnati Bell s Existing Tranche B Term Loan of $315.8 million, write-off of the associated debt discount of $1.1 million and write-off of associated debt issuance costs of $1.7 million. The $2.8 million associated with the debt discount and debt issuance costs are not reflected in the unaudited pro forma condensed combined statement of income.

N To reflect the incurrence of the New Term Loan and the Receivables Facility Draw to fund transaction-related items, the cash portion of the estimated total consideration and other one-time costs. The New Term Loan

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has an expected weighted average interest rate of 4.68% on the principal amount of the debt and the Receivables Facility has an expected weighted average interest rate of 1.9% on draws on the Receivables Facility.

Face value of New Term Loan	$ 750.0
Discount on New Term Loan	(3.8)
Debt Issuance Costs New Term Loan	(15.0)
Receivables Facility Draw	71.4
Net Debt issued as of June 30, 2017	**$ 802.6**

O To reflect adjustments to eliminate Hawaiian Telcom s historical equity balances.

P To reflect the stock portion of the estimated total consideration that is payable by Cincinnati Bell to the stockholders of Hawaiian Telcom based on the number of shares of Hawaiian Telcom common stock outstanding as of August 8, 2017 (the most practicable date prior to the filing of the registration statement containing this proxy statement/prospectus) or issuable prior to, and outstanding as of, the closing date, as described in Note 3.

Q Reflects an estimate of Cincinnati Bell s merger-related transaction costs, including advisory and legal fees. These amounts will be expensed as incurred and are not reflected in the unaudited pro forma condensed combined statement of income. No adjustment has been made for merger-related costs to be incurred by Hawaiian Telcom.

R To reflect the adjustment to deferred tax assets as a result of the write-off of debt issuance costs related to the repayment of Cincinnati Bell s Existing Revolving Credit Facility. These amounts will be expensed and are not reflected in the unaudited pro forma condensed combined statement of income.

Adjustments to the Unaudited Pro Forma Condensed Combined Statement of Operations

AA To eliminate Hawaiian Telcom s historical intangible asset amortization expense.

BB Adjustment reflects the preliminary amortization expense associated with the fair value of the identifiable intangible assets acquired in the merger of $7.7 million and $5.4 million for the year ended December 31, 2016 and the six months ended June 30, 2017, respectively.

The preliminary amortization expense for the intangible assets acquired from Hawaiian Telcom is as follows:

Intangible assets, net	**Estimated useful life (years)**	**Preliminary fair value**	**Amortization expense for the year ended December 31, 2016**	**Amortization expense for the six months ended June 30, 2017**
Customer relationships	10	$ 38.0	$ 6.7	$ 4.9
Trade name	15	15.0	1.0	0.5

Total	**$ 53.0**	**$ 7.7**	**$ 5.4**

The estimated fair value of the trade name is expected to be amortized on a straight-line basis over the estimated useful life. The amortizable life reflects the periods over which the assets are expected to provide material economic benefit. The estimated fair value of the customer relationships is expected to be amortized over the estimated useful life based on forecasted after-tax cash flows that are expected to be generated as a result of the merger. The amortizable life reflects the periods over which the assets are expected to provide material economic benefit.

CC To eliminate Hawaiian Telcom s historical interest expense and amortization of debt issuance costs. As described previously, in connection with entering into the merger agreement, Cincinnati Bell plans to incur the

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New Term Loan to fund the repayment of Hawaiian Telcom s Existing Indebtedness that is due upon completion of the merger pursuant to change of control provisions. For purposes of this unaudited pro forma condensed combined financial information, Cincinnati Bell s management assumed that the cash necessary for the repayment of Hawaiian Telcom s Existing Indebtedness would be funded by the New Term Loan and Hawaiian Telcom s Existing Indebtedness would have been repaid in full on January 1, 2016.

DD To eliminate Cincinnati Bell s historical interest expense related to the Existing Tranche B Term Loan and Existing Revolving Credit Facility. As described previously, in connection with entering into the merger agreement, Cincinnati Bell plans to incur the New Term Loan to fund the repayment of Cincinnati Bell s Existing Tranche B Term Loan of $315.8 million. For purposes of this unaudited pro forma condensed combined financial information, Cincinnati Bell s management assumed that the cash necessary for the repayment of the Existing Tranche B Term Loan would be funded by the New Term Loan and the Existing Tranche B Term Loan would have been repaid in full on January 1, 2016.

Year Ended December 31, 2016	
Historical interest expense Existing Tranche B Term Loan	$ 21.3
Historical amortization of debt issuance costs Existing Tranche B Term Loan and Existing Revolving Credit Facility	1.9
Historical amortization of debt discount Existing Tranche B Term Loan	0.6
Historical interest expense	**$ 23.8**
Six Months Ended ,June 30, 2017	
Historical interest expense Existing Tranche B Term Loan	$ 6.4
Historical amortization of debt issuance costs Existing Tranche B Term Loan and Existing Revolving Credit Facility	0.6
Historical amortization of debt discount Existing Tranche B Term Loan	0.2
Historical interest expense	**$ 7.2**

EE Reflects the additional interest expense that would have been incurred during the historical periods presented assuming the merger, the incurrence of the New Term Loan and the Receivables Facility Draw had occurred as of January 1, 2016.

Debt issuance costs estimated to be incurred in conjunction with the merger have been amortized over the term of the respective debt instrument for the purposes of calculating the net pro forma adjustment to interest expense.

Year Ended December 31, 2016	
Interest expense New Term Loan	$ 35.1
Interest expense Receivables Facility	1.4
Amortization of debt issuance costs New Term Loan	1.9
Amortization of debt discount New Term Loan	0.4

Interest expense	**$ 38.8**
Six Months Ended June 30, 2017	
Interest expense New Term Loan	$ 17.5
Interest expense Receivables Facility	0.7
Amortization of debt issuance costs New Term Loan	0.9
Amortization of debt discount New Term Loan	0.2
Interest expense	**$ 19.3**

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FF Reflects the debt issuance costs incurred in connection with the $180.0 million New Credit Facility that will be entered into along with the New Term Loan. Debt issuance costs are expected to be $3.5 million and amortized over the life of the New Credit Facility s five-year term.

GG To eliminate Cincinnati Bell s historical loss on extinguishment of debt related to the Existing Tranche B Term Loan of $2.2 million and Existing Revolving Credit Facility of $1.7 million. As described previously, in connection with entering into the merger agreement, Cincinnati Bell plans to incur the New Term Loan to fund the repayment of Cincinnati Bell s Existing Tranche B Term Loan of $315.8 million.

HH To eliminate transaction costs related to Hawaiian Telcom pending the merger.

II To eliminate loss on extinguishment of debt related to the Hawaiian Telcom repayment of certain of Hawaiian Telcom s Existing Indebtedness in the second quarter of 2017. This amount has been eliminated from the unaudited pro forma condensed combined statement of operations because it will not have a continuing impact and is considered directly related to the transaction as all of Hawaiian Telcom s Existing Indebtedness will be repaid in connection with the merger.

JJ Adjustment reflects the tax effects of the pro forma adjustments made to the unaudited pro forma condensed combined statement of operations calculated at the combined federal and statutory rate of 37.28% and 37.75% for the twelve months ended December 31, 2016 and the six months ended June 30, 2017, respectively.

KK The unaudited pro forma adjustment to shares outstanding used in the calculation of basic and diluted earnings per share is calculated using the stock portion of the mixed consideration as detailed below:

Hawaiian Telcom basic common stock outstanding as of August 8, 2017	11,587,963
Hawaiian Telcom common stock potentially issuable in respect of RSUs under benefit and compensation plans that will be converted as of the closing date	386,010
Hawaiian Telcom common stock potentially issuable in respect of Annual and Retention Bonuses under benefit and compensation plans that will be converted as of the closing date	162,444
Total Hawaiian Telcom basic common stock outstanding as of or issuable prior to, and outstanding as of, the closing date	12,136,417
Exchange ratio	0.6522
Cincinnati Bell common shares to be issued	7,915,372

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT OF HAWAIIAN TELCOM

The following table sets forth information with respect to the beneficial ownership of Hawaiian Telcom common stock as of August 8, 2017, by:

- each person known by Hawaiian Telcom to beneficially own more than 5% of the Hawaiian Telcom common stock;
- each of Hawaiian Telcom s directors, nominees and named executive officers; and
- all of Hawaiian Telcom s directors and executive officers as a group.

The amounts and percentages of common stock beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. The information relating to Hawaiian Telcom s 5% beneficial owners is based on information received by Hawaiian Telcom from such holders or filed by such holders with the SEC. Under the rules of the SEC, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or direct the voting of a security, or investment power, which includes the power to dispose of or to direct the disposition of a security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Securities that can be so acquired are deemed to be outstanding for purposes of computing such person s ownership percentage, but not for purposes of computing any other person s percentage. Under these rules, more than one person may be deemed to be a beneficial owner of the same securities and a person may be deemed to be a beneficial owner of securities as to which such person has no economic interest.

Except as otherwise indicated in these footnotes, each of the beneficial owners listed has, to Hawaiian Telcom s knowledge, sole voting and investment power with respect to the indicated shares of Hawaiian Telcom common stock. Unless otherwise noted in the footnotes below, the address of each person listed in the table is: c/o General Counsel, Hawaiian Telcom Holdco, Inc., 1177 Bishop Street, Honolulu, Hawai i 96813.

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The percentages in the table below are based on 11,587,963 shares of Hawaiian Telcom common stock outstanding as of August 8, 2017.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class
5% or Greater Stockholders		
Black Diamond Capital Management, L.L.C.(1)	2,651,709	22.9%
Twin Haven Capital Partners, L.L.C.(2)	2,610,000	22.5%
Cincinnati Bell Inc.(3)	2,612,599	22.5%
Directors and Named Executive Officers		
Richard A. Jalkut	18,587	*
Kurt M. Cellar	39,080	*
Meredith J. Ching	4,702	*
Walter A. Dods, Jr.	14,080	*
Steven C. Oldham	14,080	*
Eric K. Yeaman	182,522	1.6%
Scott K. Barber	30,199	*
Robert B. Webster(4)	2,612,599	22.5%
John T. Komeiji	47,107	*
Kevin T. Paul	15,458	*
N. John Fontana III(5)	0	0.0%
Dan T. Bessey	5,004	*
All Directors and Executive Officers as a Group (12 persons)	2,983,418	25.7%

* Less than 1%.

(1) Based on a Schedule 13D/A filed with the SEC on February 25, 2016 and a Form 4 filed with the SEC on March 22, 2017. According to the Schedule 13D and the Form 4, Black Diamond Capital Management, L.L.C. and Stephen H. Deckoff have shared voting and shared dispositive power over all 2,651,709 shares. The address for Black Diamond Capital Management, L.L.C. is One Sound Shore Drive, Suite 200, Greenwich, CT 06830. The address for Stephen H. Deckoff, is c/o Black Diamond, 5330 Yacht Haven Grande, Suite 100, St. Thomas, U.S. Virgin Islands 00802.

(2) Based on a Schedule 13D/A filed with the SEC on July 10, 2017. According to the Schedule 13D, Twin Haven Capital Partners, L.L.C., Robert Webster, and Paul Mellinger have shared voting and shared dispositive power over all 2,610,000 shares, including 1,457,000 shares held by Twin Haven Special Opportunities Fund III, L.P. and 1,153,000 shares held by Twin Haven Special Opportunities Fund IV, L.P. The address for Twin Haven Capital Partners, L.L.C., Robert Webster, and Paul Mellinger is 33 Riverside Avenue, 3rd Floor, Westport, CT 06880.

(3) Based on a Schedule 13D filed with the SEC on July 18, 2017. According to the Schedule 13D, Cincinnati Bell has shared voting and shared dispositive power over all 2,612,599 shares, including, with Twin Haven Capital Partners, L.L.C., Robert Webster and Paul Mellinger, over 2,610,000 shares held collectively by Twin Haven Special Opportunities Fund III, L.P. and Twin Haven Special Opportunities Fund IV L.P., and, with Robert Webster, over 2,599 shares of Hawaiian Telcom common stock issued upon settlement of outstanding restricted stock unit awards. The address for Cincinnati Bell is East Fourth Street, Cincinnati, OH 45202. Pursuant to, and subject to the terms and conditions contained in, the voting agreement executed in connection with the merger agreement, Cincinnati Bell may be deemed to have acquired beneficial ownership of such shares by virtue of the execution of the voting agreement. The terms of the voting rights agreement are summarized under the heading The Voting Agreement beginning on page 144 of this proxy statement/prospectus.

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(4) Based on a Schedule 13D/A filed with the SEC on July 10, 2017, Twin Haven Capital Partners, L.L.C., Robert Webster, and Paul Mellinger have shared voting and shared dispositive power over 2,610,000 shares, including 1,457,000 shares held by Twin Haven Special Opportunities Fund III, L.P. and 1,153,000 shares held by Twin Haven Special Opportunities Fund IV, L.P., and Robert Webster has sole voting and sole dispositive power over 2,599 shares issuable upon settlement of outstanding restricted stock unit awards. The address for Twin Haven Capital Partners, L.L.C., Robert Webster, and Paul Mellinger is 33 Riverside Avenue, 3rd Floor, Westport, CT 06880.

(5) Based on a Form 4 filed with the SEC by Black Diamond Capital Management, L.L.C. on March 22, 2017, Mr. Fontana, an employee of Black Diamond Capital Management, L.L.C., transferred the shares of Hawaiian Telcom common stock that were issued to him in connection with his service on the Hawaiian Telcom board of directors to Black Diamond Capital Management, L.L.C. pursuant to applicable Black Diamond Capital Management, L.L.C. policy.

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SUBMISSION OF HAWAIIAN TELCOM STOCKHOLDER PROPOSALS

As of the date of this proxy statement/prospectus, the Hawaiian Telcom board of directors knows of no matters that will be presented for consideration at the special meeting other than as described in this proxy statement/prospectus.

If the merger is completed, Hawaiian Telcom will have no public stockholders and there will be no public participation in any future stockholder meetings. Hawaiian Telcom intends to hold the 2018 annual meeting of stockholders only if the merger is not completed.

Proposals of stockholders that are intended for inclusion in Hawaiian Telcom s proxy statement relating to its 2018 annual meeting, if held, must have been received by Hawaiian Telcom at its headquarters at 1177 Bishop Street, Honolulu, Hawai i 96813, Attention: Secretary, no later than November 14, 2017, and must satisfy the conditions established by the SEC, including, but not limited to, Rule 14a-8 promulgated under the Exchange Act, and in Hawaiian Telcom s amended and restated bylaws for stockholder proposals in order to be included in Hawaiian Telcom s proxy statement for that meeting.

Stockholders may only present a matter for consideration at Hawaiian Telcom s 2018 annual meeting, if held, if certain procedures are followed. Under Hawaiian Telcom s amended and restated bylaws, in order for a matter to be deemed properly presented by a stockholder, timely notice must be received by Hawaiian Telcom s Secretary at the principal executive office of Hawaiian Telcom not less than 90 days nor more than 120 days prior to the date of the one-year anniversary of the date of the immediately preceding annual meeting of stockholders, which was held on April 28, 2017. To be timely for the 2018 annual meeting, if held, a stockholder s notice must have been delivered to or mailed and received by the Secretary of Hawaiian Telcom between December 29, 2017 and January 28, 2018. However, in the event Hawaiian Telcom s 2018 annual meeting is called for a date that is not within 30 days before or after the anniversary date of Hawaiian Telcom s 2017 annual meeting, notice by the stockholders in order to be timely must be received by Hawaiian Telcom no later than (x) the close of business on the 10th day following the day on which notice of the date of Hawaiian Telcom s 2018 annual meeting was mailed or (y) public disclosure of the date of Hawaiian Telcom s 2018 annual meeting was made, whichever occurs first.

Additionally, in accordance with Rule 14a-4(c) under the Exchange Act, management proxy holders intend to use their discretionary voting authority with respect to any stockholder proposal raised at Hawaiian Telcom s 2018 annual meeting, if held, as to which the stockholder fails to notify Hawaiian Telcom on or before January 28, 2018.

STOCKHOLDERS MAY CONTACT THE SECRETARY AT HAWAIIAN TELCOM S PRINCIPAL EXECUTIVE OFFICES FOR A COPY OF THE RELEVANT AMENDED AND RESTATED BYLAW PROVISIONS REGARDING THE REQUIREMENTS FOR MAKING STOCKHOLDER PROPOSALS.

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HOUSEHOLDING

Unless it has received contrary instructions, Hawaiian Telcom may send a single copy of this proxy statement/prospectus to any household at which two or more Hawaiian Telcom stockholders reside if Hawaiian Telcom believes the stockholders are members of the same family, as allowed under SEC rules. Each stockholder in the household will continue to receive a separate proxy card. This process, known as householding , reduces the volume of duplicate information received at your household and helps to reduce expenses.

We will promptly deliver, upon request, a separate copy of this proxy statement/prospectus to any Hawaiian Telcom stockholder residing at an address at which only one copy was mailed. If you would like to receive your own copy of this proxy statement/prospectus, follow the instructions described below. Similarly, if you share an address with another stockholder and together both of you would like to receive only a single copy of this proxy statement/prospectus, follow these instructions.

If you are a Hawaiian Telcom stockholder of record and would like to receive your own copy of this proxy statement/prospectus without charge, you may contact Hawaiian Telcom by writing to Hawaiian Telcom Holdco, Inc., Attention: Investor Relations, 1177 Bishop Street, Honolulu, Hawai i 96813 or by calling (808) 546-4511. Eligible stockholders of record receiving multiple copies of this proxy statement/prospectus can request householding by contacting Hawaiian Telcom in the same manner. If a bank, broker or other nominee holds your shares, please contact your bank, broker or other nominee directly.

LEGAL MATTERS

The validity of the Cincinnati Bell common shares to be issued in connection with the merger and being offered by this proxy statement/prospectus will be passed upon by Bosse Law, PLLC.

EXPERTS

The consolidated financial statements, and the related financial statement schedule, incorporated in this proxy statement/prospectus by reference from Cincinnati Bell s Annual Report on Form 10-K for the year ended December 31, 2016 and the effectiveness of Cincinnati Bell s internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such consolidated financial statements and financial statement schedule have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements incorporated in this proxy statement/prospectus by reference from Hawaiian Telcom s Annual Report on Form 10-K for the year ended December 31, 2016 and the effectiveness of Hawaiian Telcom s internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such consolidated financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

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WHERE TO FIND MORE INFORMATION

Hawaiian Telcom and Cincinnati Bell file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any documents Hawaiian Telcom and Cincinnati Bell file at the SEC public reference room located at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC filings of Hawaiian Telcom and Cincinnati Bell also are available to the public at the SEC website at www.sec.gov. In addition, you may obtain free copies of the documents Hawaiian Telcom files with the SEC by going to Hawaiian Telcom s Internet website at http://hawaiiantel.com. You may obtain free copies of the documents Cincinnati Bell files with the SEC, including the registration statement on Form S-4, of which this proxy statement/prospectus forms a part, by going to the Investor Relations page on Cincinnati Bell s Internet website at http://www.cincinnatibell.com. The Internet website addresses of Hawaiian Telcom and Cincinnati Bell are provided as inactive textual references only. The information provided on the Internet websites of Hawaiian Telcom and Cincinnati Bell, other than copies of the documents listed below that have been filed with the SEC, is not part of this proxy statement/prospectus and, therefore, is not incorporated herein by reference.

Statements contained in this proxy statement/prospectus, or in any document incorporated by reference into this proxy statement/prospectus regarding the contents of any contract or other document, are not necessarily complete and each such statement is qualified in its entirety by reference to that contract or other document filed as an exhibit with the SEC. The SEC allows Hawaiian Telcom and Cincinnati Bell to incorporate by reference into this proxy statement/prospectus documents Hawaiian Telcom and Cincinnati Bell file with the SEC including certain information required to be included in the registration statement on Form S-4 filed by Cincinnati Bell to register the shares of Cincinnati Bell common stock that will be issued in the merger, of which this proxy statement/prospectus forms a part. This means that Hawaiian Telcom and Cincinnati Bell can disclose important information to you by referring you to those documents. The information incorporated by reference into this proxy statement/prospectus is considered to be a part of this proxy statement/prospectus, and later information that Hawaiian Telcom and Cincinnati Bell file with the SEC will update and supersede that information. Hawaiian Telcom and Cincinnati Bell incorporate by reference the documents listed below and any documents subsequently filed by it pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act and before the date of the special meeting.

Hawaiian Telcom:

- Annual Report on Form 10-K for the fiscal year ended December 31, 2016 (filed with the SEC on March 14, 2017).

- Quarterly Reports on Form 10-Q for the quarterly period ended March 31, 2017 (filed with the SEC on May 9, 2017) and the quarterly period ended June 30, 2017 (filed with the SEC on August 8, 2017).

- Current Reports on Form 8-K filed with the SEC on February 27, 2017, May 2, 2017 and July 10, 2017 (two filings).

- Amended and Restated Certificate of Incorporation of Hawaiian Telcom, filed as Exhibit 3.1 to Hawaiian Telcom s Form 10-12G filed with the SEC on November 16, 2010.

Amended and Restated Bylaws of Hawaiian Telcom, filed as Exhibit 3.2 to the Quarterly Report on Form 10-Q for the quarterly period ending March 31, 2015, filed with the SEC on May 4, 2015.

Any person may request copies of this proxy statement/prospectus and any of the documents incorporated by reference into this proxy statement/prospectus or other information concerning Hawaiian Telcom, without charge, by written or telephonic request directed to Hawaiian Telcom Holdco, Inc., Attention: Secretary, 1177 Bishop Street, Honolulu, Hawai i 96813; Telephone (808) 546-4511; or from the SEC through the SEC website at the address provided above.

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Cincinnati Bell:

Annual Report on Form 10-K for the fiscal year ended December 31, 2016 (filed with the SEC on February 24, 2017).

Quarterly Reports on Form 10-Q for the quarterly period ended March 31, 2017 (filed with the SEC on May 9, 2017) and the quarterly period ended June 30, 2017 (filed with the SEC on August 4, 2017).

Current Reports on Form 8-K filed with the SEC on March 2, 2017, April 6, 2017, May 5, 2017, June 1, 2017, June 5, 2017, July 10, 2017 (two filings) and August 8, 2017.

Amended and Restated Articles of Incorporation of Cincinnati Bell, filed as Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on April 30, 2008.

Amended and Restated Regulations of Cincinnati Bell, filed as Exhibit 3.2 to the Current Report on Form 8-K filed with the SEC on April 30, 2008.

Amendment to the Amended and Restated Articles of Incorporation of Cincinnati Bell, filed as Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on October 5, 2016.

You may request a copy of this proxy statement/prospectus and any of the documents incorporated by reference into this proxy statement/prospectus or other information concerning Cincinnati Bell, without charge, by written or telephonic request to Cincinnati Bell Inc., Attention: Secretary, 221 East Fourth Street, Cincinnati, Ohio; Telephone (513) 397-9900; or from the SEC through the SEC website at the address provided above.

Notwithstanding the foregoing, information furnished by Hawaiian Telcom or Cincinnati Bell on any Current Report on Form 8-K, including the related exhibits, that, pursuant to and in accordance with the rules and regulations of the SEC, is not deemed filed for purposes of the Exchange Act will not be deemed to be incorporated by reference into this proxy statement/prospectus.

THIS PROXY STATEMENT/PROSPECTUS DOES NOT CONSTITUTE THE SOLICITATION OF A PROXY IN ANY JURISDICTION TO OR FROM ANY PERSON TO WHOM OR FROM WHOM IT IS UNLAWFUL TO MAKE SUCH PROXY SOLICITATION IN THAT JURISDICTION. YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE INTO THIS PROXY STATEMENT/PROSPECTUS TO VOTE YOUR SHARES OF HAWAIIAN TELCOM COMMON STOCK AT THE SPECIAL MEETING. HAWAIIAN TELCOM HAS NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT FROM WHAT IS CONTAINED IN THIS PROXY STATEMENT/PROSPECTUS. THIS PROXY STATEMENT/PROSPECTUS IS DATED [ ], 2017. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS PROXY STATEMENT/PROSPECTUS IS ACCURATE AS OF ANY DATE OTHER THAN THAT DATE, AND THE MAILING OF THIS PROXY STATEMENT/PROSPECTUS TO STOCKHOLDERS DOES NOT CREATE ANY IMPLICATION TO THE CONTRARY.

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ANNEX A

AGREEMENT AND PLAN OF MERGER

Dated as of July 9, 2017,

Among

HAWAIIAN TELCOM HOLDCO, INC.,

CINCINNATI BELL INC.

and

TWIN ACQUISITION CORP.

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Exhibit A Governance Matters

AGREEMENT AND PLAN OF MERGER (this Agreement) dated as of July 9, 2017, among Hawaiian Telcom Holdco, Inc., a Delaware corporation (Company), Cincinnati Bell Inc., an Ohio corporation (Parent), and Twin Acquisition Corp., a Delaware corporation and a directly wholly owned subsidiary of Parent (Merger Sub).

WHEREAS each of the Board of Directors of the Company, the Board of Directors of Parent and the Board of Directors of Merger Sub has approved and declared advisable this Agreement and determined that the Merger on the terms provided for in this Agreement is advisable and in the best interests of the Company, Parent or Merger Sub, as applicable, and its respective stockholders or shareholders, as applicable;

WHEREAS the Board of Directors of the Company and the Board of Directors of Merger Sub each has recommended that its stockholders adopt this Agreement;

WHEREAS concurrently with the execution and delivery of this Agreement and as a condition to the willingness of Parent and Merger Sub to enter into this Agreement, Parent and certain stockholders of the Company are entering into a voting agreement (the Voting Agreement), pursuant to which, among other things, such stockholders have agreed to vote to adopt this Agreement upon the terms and subject to the conditions set forth herein; and

WHEREAS the Company, Parent and Merger Sub desire to make certain representations, warranties, covenants and agreements in connection with the Merger and also to prescribe various conditions to the Merger.

NOW, THEREFORE, in consideration of the foregoing, the parties hereto agree as follows:

ARTICLE I

The Merger

SECTION 1.01. The Merger. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the provisions of the General Corporation Law of the State of Delaware (the DGCL), at the Effective Time, Merger Sub shall be merged with and into the Company (the Merger), the separate corporate existence of Merger Sub shall thereupon cease, and the Company shall be the surviving corporation in the Merger. The Company, as the surviving corporation after the Merger, is hereinafter referred to as the Surviving Corporation .

SECTION 1.02. Closing. The closing (the Closing) of the Merger shall take place at the offices of Cravath, Swaine & Moore LLP, Worldwide Plaza, 825 Eighth Avenue, New York, New York 10019 at 10:00 a.m., New York City time, on a date to be specified by the Company and Parent, which shall be no later than the second Business Day following the satisfaction or (to the extent permitted by Law) waiver by the party or parties entitled to the benefits thereof of the conditions set forth in Article VII (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or (to the extent permitted by Law) waiver of those conditions), or at such other place, time and date as shall be agreed in writing between the Company and Parent; provided, however, that if all the conditions set forth in Article VII do not remain satisfied or (to the extent permitted by Law) have not been waived on such second Business Day, then the Closing shall take place on the first Business Day thereafter on which all such conditions shall have been satisfied or (to the extent permitted by Law) waived; provided, further that, if the Marketing Period has not ended at the time of the satisfaction or waiver of the conditions set forth in Article VII (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or (to the extent permitted by Law) waiver of those conditions at such time), then, subject to the continued satisfaction or waiver of the conditions set forth in Article VII at such time, the Closing shall occur instead on the earliest of (i) any Business Day during the Marketing Period as may be specified by Parent on no less than two Business Days prior written notice to the

Company, (ii) the second Business Day following the final day of the Marketing Period or (iii) such other place, time and date as may be agreed by the Company and Parent. The date on which the Closing occurs is referred to in this Agreement as the Closing Date .

SECTION 1.03. Effective Time. Subject to the provisions of this Agreement, as soon as practicable on the Closing Date, the Company shall cause the Merger to be consummated by filing a certificate of merger executed in accordance with, and in such form as is required by, the relevant provisions of the DGCL (the Certificate of Merger), and shall make all other filings, recordings or publications required under the DGCL in connection with the Merger. The Merger shall become effective at the time that the Certificate of Merger is filed with the Secretary of State of the State of Delaware (the Secretary of State) or, to the extent permitted by applicable Law, at such later time as is agreed to by the parties hereto prior to the filing of such Certificate of Merger and specified in the Certificate of Merger (the time at which the Merger becomes effective is herein referred to as the Effective Time).

SECTION 1.04. Effects of the Merger. The Merger shall have the effects provided in this Agreement and as set forth in the applicable provisions, including Section 259, of the DGCL.

SECTION 1.05. Charter and Bylaws. At the Effective Time, the certificate of incorporation of the Company, as in effect immediately prior to the Effective Time, shall be the certificate of incorporation of the Surviving Corporation until thereafter changed or amended as provided therein or by applicable Law (and subject to Section 6.05 hereof). The bylaws of the Surviving Corporation in effect from and after the Effective Time and until thereafter changed or amended as provided therein or by applicable Law shall be in the form of the bylaws of Merger Sub as in effect immediately prior to the Effective Time, except that references to the name of Merger Sub shall be replaced by references to the name of the Surviving Corporation (the Surviving Corporation Bylaws).

SECTION 1.06. Board of Directors and Officers of Surviving Corporation. The directors of Merger Sub immediately prior to the Effective Time shall become the directors of the Surviving Corporation as of the Effective Time until the earlier of their resignation or removal in accordance with the certificate of incorporation and bylaws of the Surviving Corporation or until their respective successors have been duly elected and qualified, as the case may be. The officers of the Company immediately prior to the Effective Time shall continue as the officers of the Surviving Corporation immediately following the Effective Time until their respective successors are duly appointed and qualified or until their earlier death, resignation or removal in accordance with the certificate of incorporation and bylaws of the Surviving Corporation. The parties acknowledge and agree that following the Effective Time Parent shall cause the board of directors of the Surviving Corporation to include individuals who are domiciled (within the meaning of Section 18-235-1.03 of the Hawaii Administrative Rules) in Hawaii.

ARTICLE II

Effect on the Stock of the

Constituent Corporations; Exchange of Certificates

SECTION 2.01. Effect on Stock. At the Effective Time, by virtue of the Merger and without any action on the part of the Company, Parent, Merger Sub or the holder of any shares of common stock, par value $0.01 per share, of the Company (the Company Common Stock) or any shares of capital stock of Merger Sub:

(a) Capital Stock of Merger Sub. Each issued and outstanding share of capital stock of Merger Sub shall be converted into and become one validly issued, fully paid and nonassessable share of common stock, par value $0.001 per share, of the Surviving Corporation.

(b) Cancelation of Certain Shares. All shares of Company Common Stock that are owned by the Company as treasury stock immediately prior to the Effective Time shall be canceled and shall cease to exist and no consideration shall be delivered in exchange therefor. All shares of Company Common Stock held by Parent or Merger Sub immediately prior to the Effective Time shall be canceled and shall cease to exist and no consideration shall be delivered in exchange therefor. Each share of Company Common Stock that is owned by any direct or indirect wholly owned Subsidiary of the Company or of Parent (other than Merger Sub) shall not represent the right to receive the Merger Consideration and shall be, at the election of Parent, either (i) converted into shares of common stock of the Surviving Corporation or (ii) canceled. Each Excluded Share shall be canceled at the Effective Time and, subject to Section 2.03, no consideration shall be delivered in exchange therefor.

(c) Conversion of Company Common Stock. Subject to Sections 2.01(b) and 2.02(f), each share of Company Common Stock issued and outstanding immediately prior to the Effective Time (other than shares of Company Common Stock that are owned by stockholders (Dissenting Stockholders) who have made and not withdrawn a demand for appraisal rights in accordance with Section 262 of the DGCL (each such share of Company Common Stock, an Excluded Share and, collectively, the Excluded Shares) shall be converted into the right to receive any of the following forms of consideration (the Merger Consideration):

(i) for each share of Company Common Stock with respect to which an election to receive only Parent Common Shares (a Share Election) has been validly made and not revoked (collectively, the Share Election Shares), the right to receive 1.6305 fully paid and nonassessable Parent Common Shares (the Share Consideration);

(ii) for each share of Company Common Stock with respect to which an election to receive both Parent Common Shares and cash (a Mixed Election) has been validly made and not revoked (collectively, the Mixed Election Shares), the right to receive (A) 0.6522 fully paid and nonassessable Parent Common Shares (the Mixed Share Consideration) *plus* (B) $18.45 in cash (the Mixed Cash Consideration and, together with the Mixed Share Consideration, the Mixed Consideration);

(iii) for each share of Company Common Stock with respect to which an election to receive only cash (a Cash Election) has been validly made and not revoked (collectively, the Cash Election Shares), the right to receive $30.75 in cash (the Cash Consideration); and

(iv) for each share of Company Common Stock other than shares as to which a Share Election, Mixed Election or Cash Election has been validly made and not revoked (collectively, the Non-Election Shares , and the failure to make either a Share Election, Mixed Election or Cash Election, a Non-Election), the right to receive the Mixed Consideration.

(d) All such shares of Company Common Stock, when so converted pursuant to Section 2.01(c), shall no longer be outstanding and shall automatically be canceled and shall cease to exist, and each holder of a certificate that immediately prior to the Effective Time represented any such shares of Company Common Stock (each, a Certificate) (other than any Excluded Shares) and each holder of shares of Company Common Stock held in book-entry form (other than any Excluded Shares) shall, in each case, cease to have any rights with respect thereto, except the right to receive the Merger Consideration and any cash in lieu of fractional Parent Common Shares to be issued or paid in consideration therefor and any dividends or other distributions to which holders become entitled in accordance with Section 2.02, without interest. For purposes of this Agreement, Parent Common Shares means the common shares, par value $0.01 per share, of Parent. Notwithstanding the foregoing, if between the date of this Agreement and the Effective Time the number of outstanding Parent Common Shares or shares of Company Common Stock shall have been changed into a different number of shares or a different class, by reason of any stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares, or any similar event shall have occurred,

then any number or amount contained herein which is based upon the number of Parent Common Shares or shares of Company Common Stock, as the case may be, will be appropriately adjusted to provide to Parent and the holders of Company

Common Stock the same economic effect as contemplated by this Agreement prior to such event. The right of any holder of Company Common Stock to receive the Merger Consideration shall be subject in all cases to the provisions of Section 2.02.

SECTION 2.02. Exchange of Certificates; Book-Entry Shares. (a) Exchange Agent. Prior to the Mailing Date, Parent shall appoint a bank or trust company reasonably acceptable to the Company to act as exchange agent (the Exchange Agent) for the payment of the Merger Consideration. At or prior to the Effective Time, Parent shall deposit with the Exchange Agent, for the benefit of the holders of Company Common Stock, for exchange in accordance with this Article II through the Exchange Agent, (i) the aggregate number of Parent Common Shares to be issued pursuant to Section 2.01(c) and (ii) an amount of cash representing the aggregate amount of cash payable pursuant to 2.01(c). In addition, Parent shall deposit from time to time as needed, cash sufficient to make payments in lieu of fractional shares pursuant to Section 2.02(f). All such Parent Common Shares and cash deposited with the Exchange Agent is hereinafter referred to as the Exchange Fund .

(b) Letter of Transmittal. As promptly as practicable after the Effective Time, and in any event not later than the third Business Day thereafter, Parent shall cause the Exchange Agent to mail to each holder of record of Company Common Stock (other than Excluded Shares) a form of letter of transmittal (the Letter of Transmittal) (which shall specify that delivery shall be effected, and risk of loss and title to any Certificates shall pass, only upon delivery of such Certificates to the Exchange Agent and shall be in such form and have such other provisions (including customary provisions with respect to delivery of an agent s message with respect to shares held in book-entry form) as Parent may specify subject to the Company s reasonable approval), together with instructions thereto.

(c) Merger Consideration Received in Connection with Exchange. Upon (i) in the case of shares of Company Common Stock represented by a Certificate, the surrender of such Certificate for cancellation to the Exchange Agent, or (ii) in the case of shares of Company Common Stock held in book-entry form, the receipt of an agent s message by the Exchange Agent, in each case together with the associated Letter of Transmittal, duly, completely and validly executed in accordance with the instructions thereto, and such other documents as may reasonably be required by the Exchange Agent, the holder of such shares shall be entitled to receive in exchange therefor (i) that number of whole Parent Common Shares that such holder is entitled to receive pursuant to Section 2.01(c) and/or (ii) an amount of immediately available funds equal to (x) the cash amount that such holder is entitled to receive pursuant to Section 2.01(c) plus (y) any cash in lieu of fractional shares which the holder has the right to receive pursuant to 2.02(f) plus (z) any dividends or other distributions which the holder has the right to receive pursuant to Section 2.02(d). In the event of a transfer of ownership of Company Common Stock which is not registered in the transfer records of the Company, a certificate representing the proper number of Parent Common Shares pursuant to Section 2.01(c), together with a check in the amount equal to any cash payable pursuant to Section 2.01(c) and any cash in lieu of fractional shares which the holder has the right to receive pursuant to Section 2.02(f) and any dividends or other distributions which the holder has the right to receive pursuant to Section 2.02(d) may be issued and/or paid to a transferee if the Certificate representing such Company Common Stock (or, if such Company Common Stock is held in book-entry form, proper evidence of such transfer) is presented to the Exchange Agent, accompanied by all documents required to evidence and effect such transfer and by evidence that any applicable stock transfer Taxes have been paid. Until surrendered as contemplated by this Section 2.02(c), each share of Company Common Stock, and any Certificate with respect thereto shall be deemed at any time from and after the Effective Time to represent only the right to receive upon such surrender the Merger Consideration which the holders of shares of Company Common Stock were entitled to receive in respect of such shares pursuant to Section 2.01 (and cash in lieu of fractional shares pursuant to Section 2.02(f) and any dividends or other distributions pursuant to Section 2.02(d)). No interest shall be paid or shall accrue on the cash payable upon surrender of any Certificate (or shares of Company Common Stock held in book-entry form).

(d) Treatment of Unexchanged Shares. No dividends or other distributions declared or made with respect to Parent Common Shares with a record date after the Effective Time shall be paid to the holder of any

unsurrendered Certificate (or shares of Company Common Stock held in book-entry form) with respect to the number of Parent Common Shares issuable upon surrender thereof, and no cash payment in lieu of fractional shares shall be paid to any such holder pursuant to Section 2.02(f), until the surrender of such Certificate (or such shares of Company Common Stock held in book-entry form) in accordance with this Article II. Subject to escheat, Tax or other applicable Law, following surrender of any such Certificate (or shares of Company Common Stock held in book-entry form), there shall be paid to the holder of the certificate representing whole Parent Common Shares issued in exchange therefor, without interest, (i) at the time of such surrender, the amount of any cash payable in lieu of a fractional Parent Common Share to which such holder is entitled pursuant to Section 2.02(f) and the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such whole Parent Common Shares and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to such surrender and a payment date subsequent to such surrender payable with respect to such whole Parent Common Shares.

(e) No Further Ownership Rights in Company Common Stock. The Merger Consideration, any dividends or other distributions payable pursuant to Section 2.02(d) and cash in lieu of any fractional shares payable pursuant to Section 2.02(f) paid upon the surrender of Certificates (or shares of Company Common Stock held in book-entry form) in accordance with the terms of this Article II shall be deemed to have been issued and paid in full satisfaction of all rights pertaining to the shares of Company Common Stock formerly represented by such Certificates (or shares of Company Common Stock held in book-entry form). From and after the Effective Time, there shall be no further registration of transfers on the stock transfer books of the Surviving Corporation of shares of Company Common Stock that were outstanding immediately prior to the Effective Time. If, after the Effective Time, any Certificates formerly representing shares of Company Common Stock (or shares of Company Common Stock held in book-entry form) are presented to Parent or the Exchange Agent for any reason, they shall be canceled and exchanged as provided in this Article II.

(f) No Fractional Shares. No certificates or scrip representing fractional Parent Common Shares shall be issued upon the conversion of Company Common Stock pursuant to Section 2.01, and such fractional share interests shall not entitle the owner thereof to vote or to any rights of a holder of Parent Common Shares. Notwithstanding any other provision of this Agreement, each holder of shares of Company Common Stock converted pursuant to the Merger who, based on the Share Consideration or Mixed Share Consideration, as applicable, would have been entitled to receive a fraction of a Parent Common Share (after taking into account all shares of Company Common Stock exchanged by such holder, including shares that are the subject of valid affidavits of loss thereof) shall receive, in lieu thereof, cash (without interest) in an amount equal to such fractional amount multiplied by the closing sale price for Parent Common Shares on the New York Stock Exchange (the NYSE) (as reported in *The Wall Street Journal* or, if not reported therein, in another authoritative source mutually selected by Parent and the Company) for the trading day immediately preceding the date of the Effective Time.

(g) Termination of Exchange Fund. Any portion of the Exchange Fund (including any interest received with respect thereto) that remains undistributed to the holders of Company Common Stock for one year after the Effective Time shall be delivered to Parent, upon demand, and any holder of Company Common Stock (other than Excluded Shares) who has not theretofore complied with this Article II shall thereafter look only to Parent for payment of its claim for Merger Consideration, any cash in lieu of fractional shares and any dividends and distributions to which such holder is entitled pursuant to this Article II.

(h) No Liability. None of the Company, Parent, Merger Sub or the Exchange Agent shall be liable to any Person in respect of any portion of the Exchange Fund delivered to a public official in compliance with any applicable abandoned property, escheat or similar Law. Any portion of the Exchange Fund which remains undistributed to the holders of Company Common Stock immediately prior to such date on which the Exchange Fund otherwise would be

required to escheat to, or become the property of, any Governmental Entity, shall, to the extent permitted by applicable Law, become the property of Parent, free and clear of all claims or interest of any Person previously entitled thereto.

(i) Investment of Exchange Fund. The Exchange Agent shall invest any cash in the Exchange Fund as directed by Parent. Any interest and other income resulting from such investments shall be paid to Parent. Parent shall or shall cause the Surviving Corporation to promptly replace or restore the cash in the Exchange Fund so as to ensure that the Exchange Fund is at all times maintained at a level sufficient for the Exchange Agent to make all payments of Merger Consideration in accordance herewith. No investment losses resulting from investment of the funds deposited with the Exchange Agent shall diminish the rights of any holder of shares of Company Common Stock to receive the Merger Consideration as provided herein.

(j) Withholding Rights. Each of Parent and the Exchange Agent (without duplication) shall be entitled to deduct and withhold from the consideration otherwise payable to any holder of Company Common Stock pursuant to this Agreement such amounts as may be required to be deducted and withheld with respect to the making of such payment under the Code, or any other applicable state, local or non-U.S. Tax Law. To the extent that amounts are so withheld and remitted to the applicable Governmental Entity by Parent and the Exchange Agent, as the case may be, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of Company Common Stock in respect of which such deduction and withholding was made.

(k) Lost Certificates. If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by Parent, the posting by such Person of a bond, in such reasonable and customary amount as Parent may direct, as indemnity against any claim that may be made against it with respect to such Certificate, the Exchange Agent shall issue, in exchange for such lost, stolen or destroyed Certificate, the Merger Consideration, any cash in lieu of fractional shares and any dividends and distributions on the Certificate deliverable in respect thereof pursuant to this Article II.

SECTION 2.03. Dissenters Rights. No Dissenting Stockholder shall be entitled to receive shares of Parent Common Shares or cash or any dividends or other distributions pursuant to the provisions of this Article II unless and until the holder thereof shall have failed to perfect or shall have effectively withdrawn or lost such holder s right to dissent from the Merger under the DGCL, and any Dissenting Stockholder shall be entitled to receive only the payment provided by Section 262 of the DGCL with respect to shares of Company Common Stock owned by such Dissenting Stockholder. If any Person who otherwise would be deemed a Dissenting Stockholder shall have failed to properly perfect or shall have effectively withdrawn or lost the right to dissent under Section 262 of the DGCL or if a court of competent jurisdiction shall finally determine that the Dissenting Stockholder is not entitled to relief provided by Section 262 of the DGCL with respect to any shares of Company Common Stock, such shares of Company Common Stock shall thereupon be treated as though such shares had been converted, as of the Effective Time, into the right to receive the Merger Consideration without interest and less any required Tax withholding. For purposes of Section 2.01(c), such shares of Company Common Stock shall be deemed Non-Election Shares and shall be entitled to receive the Mixed Consideration. The Company shall give Parent (i) prompt written notice of any written demands for appraisal, attempted withdrawals of such demands, and any other instruments served pursuant to applicable Law received by the Company relating to stockholders rights of appraisal, and (ii) the opportunity to direct all negotiations and proceedings with respect to demands for appraisal. The Company shall not, except with the prior written consent of Parent, voluntarily make any payment with respect to any demands for appraisal, offer to settle or settle any such demands or approve any withdrawal of any such demands.

SECTION 2.04. Election Procedures. (a) Each Person who, at or prior to the Election Deadline, is a record holder of shares of Company Common Stock (which, for purposes of this Section 2.04, shall include the holders of all Cash-Out RSUs) shall have the right, subject to the limitations set forth in this Article II, to submit an election on or prior to the Election Deadline in accordance with the procedures set forth in this Section 2.04.

(b) At the time of the mailing of the Proxy Statement to holders of record of shares of Company Common Stock entitled to vote at the Company Stockholders Meeting (the Mailing Date), the Company shall

use reasonable best efforts to mail an election form and other appropriate and customary transmittal materials (which, in the case of shares of Company Common Stock represented by Certificates, shall specify that delivery shall be effected, and risk of loss and title to the shares of Company Common Stock represented by such Certificates shall pass, only upon proper delivery of such Certificates to the Exchange Agent, upon adherence to the procedure set forth in the Letter of Transmittal, and shall be in such form and have such other provisions as Parent and the Company may reasonably agree) (the Election Form) to each holder of record of shares of Company Common Stock as of the record date for the Company Stockholders Meeting. Holders of record of Company Common Stock who hold such Company Common Stock as nominees, trustee or in other representative capacities may, through proper instructions and documentation, submit a separate Election Form on or before the Election Deadline with respect to each beneficial owner for whom such nominee, trustee or representative holds such Company Common Stock.

(c) Each Election Form shall permit each Person who, at or prior to the Election Deadline, is a record holder (or, in the case of nominee record holders, the beneficial owner, through proper instructions and documentation) of shares of Company Common Stock, other than any Dissenting Stockholder, to specify (i) the number of shares of Company Common Stock with respect to which such holder makes a Share Election, (ii) the number of shares of Company Common Stock with respect to which such holder makes a Mixed Election, and (iii) the number of shares of Company Common Stock with respect to which such holder makes a Cash Election.

(d) Any shares of Common Stock with respect to which the Exchange Agent has not received an effective, properly completed Election Form at or before 5:00 p.m., New York time, on the Business Day that is one (1) Business Day immediately preceding the date of the Company Stockholders Meeting (or such other date as may be mutually agreed by Parent and the Company) (the Election Deadline), shall be deemed to be Non-Election Shares. If the Company Stockholders Meeting is delayed to a subsequent date, the Election Deadline shall be similarly delayed to a subsequent date, and the Company shall promptly announce any such delay and, when determined, the rescheduled Election Deadline. For the avoidance of doubt, any Non-Election Shares will receive the Mixed Consideration.

(e) Parent shall direct the Exchange Agent to make Election Forms available as may be reasonably requested from time to time by all Persons who become holders of record of Company Common Stock between the record date for the Company Stockholders Meeting and the Election Deadline, and the Company shall provide to the Exchange Agent all information reasonably necessary for the Exchange Agent to perform as specified in this Agreement and as specified in any agreement between Parent and/or the Company and the Exchange Agent.

(f) Any election shall have been properly made only if the Exchange Agent shall have actually received a properly completed Election Form by the Election Deadline. After a Share Election, Mixed Election or Cash Election is validly made with respect to any shares of Company Common Stock, any subsequent transfer of such shares of Company Common Stock shall automatically revoke such election. Any Election Form may be revoked or changed by the Person submitting such Election Form, by written notice of such revocation received by the Exchange Agent prior to the Election Deadline. In the event an Election Form is revoked prior to the Election Deadline, the shares of Company Common Stock represented by such Election Form shall become Non-Election Shares, except to the extent a subsequent election is properly made and not revoked with respect to any or all of such shares of Company Common Stock prior to the Election Deadline. Any termination of this Agreement in accordance with Article VIII shall result in the revocation of all Election Forms delivered to the Exchange Agent on or prior to the date of such termination.

(g) Subject to the terms of this Agreement and of the Election Form, the Exchange Agent shall have reasonable discretion to determine whether any election or revocation has been properly or timely made and to disregard immaterial defects in any submitted Election Form. Any good faith determinations of the Exchange Agent (or, in the event that the Exchange Agent declines to make any such determination, the joint determination of Parent and the Company) regarding such matters shall be binding and conclusive. None of Parent, the

Company or the Exchange Agent shall be under any obligation to notify any Person of any defect in an Election Form. The Exchange Agent (or, in the event the Exchange Agent declines to make such computations, Parent and the Company jointly) shall also make all computations contemplated by Sections 2.01(c), 2.02(f) and 2.05 hereof, and absent manifest error such computations shall be conclusive and binding on Parent, the Company and all holders of Company Common Stock.

(h) The Company and Parent shall have the right to make rules, not inconsistent with the terms of this Agreement, governing the validity and effectiveness of Election Forms and Letters of Transmittal and the payment of the Merger Consideration.

SECTION 2.05. Proration. (a) Notwithstanding any other provision contained in this Agreement, within three Business Days after the Effective Time, Parent shall cause the Exchange Agent to effect the following prorations to the Merger Consideration:

(i) If the Cash Election Amount is greater than the Available Cash Election Amount, then each Cash Election Share and Cash Election RSU Share shall, instead of being converted into the Cash Consideration, be converted into the right to receive (A) an amount of cash (without interest) equal to the product of (x) the Cash Consideration *multiplied by* (y) a fraction, (1) the numerator of which shall be the Available Cash Election Amount and (2) the denominator of which shall be the Cash Election Amount (such fraction, the Cash Fraction), *plus* (B) a number of fully paid and nonassessable Parent Common Shares equal to the product of (x) the Share Consideration *multiplied by* a fraction equal to one *minus* the Cash Fraction.

(ii) If the Available Cash Election Amount is greater than the Cash Election Amount, then each Share Election Share and Share Election RSU Share shall, instead of being converted into the right to receive the Share Consideration, be converted into the right to receive (A) an amount of cash (without interest) equal to the amount of (x) such excess *divided by* (y) the number of Share Election Shares and Share Election RSU Shares *plus* (B) a number of fully paid and nonasssessable Parent Common Shares equal to the product of (x) the Share Consideration *multiplied by* (y) a fraction, (1) the numerator of which shall be the difference between (I) the Cash Consideration *minus* (II) the amount calculated in clause (A) of this paragraph, and (2) the denominator of which shall be the Cash Consideration.

ARTICLE III

Representations and Warranties of Parent and Merger Sub

Parent and Merger Sub jointly and severally represent and warrant to the Company that the statements contained in this Article III are true and correct except as set forth in the Parent SEC Documents filed and publicly available prior to the date of this Agreement (the Filed Parent SEC Documents) (excluding any disclosures in the Filed Parent SEC Documents under the heading Risk Factors (other than any statements of historical fact) and any other disclosures of risks that are predictive or forward-looking in nature) or in the disclosure letter delivered by Parent to the Company at or before the execution and delivery by Parent and Merger Sub of this Agreement (the Parent Disclosure Letter). The Parent Disclosure Letter shall be arranged in numbered and lettered sections corresponding to the numbered and lettered sections contained in this Article III, and the disclosure in any section shall be deemed to qualify other sections in this Article III to the extent that it is reasonably apparent from the face of such disclosure that such disclosure also qualifies or applies to such other sections.

SECTION 3.01. Organization, Standing and Power. Each of Parent and each of Parent s Subsidiaries (the Parent Subsidiaries) is duly organized, validly existing and in good standing under the Laws of the jurisdiction in which it is organized (in the case of good standing, to the extent such jurisdiction recognizes such concept), except, in the case of

the Parent Subsidiaries, where the failure to be so organized, existing or in good

standing, individually or in the aggregate, has not had and would not reasonably be expected to have a Parent Material Adverse Effect. Each of Parent and the Parent Subsidiaries has all requisite power and authority and possesses all governmental franchises, licenses, permits, authorizations, variances, exemptions, orders and approvals (collectively, Permits) necessary to enable it to own, lease or otherwise hold its properties and assets and to conduct its businesses as presently conducted (the Parent Permits), except where the failure to have such power or authority or to possess Parent Permits, individually or in the aggregate, has not had and would not reasonably be expected to have a Parent Material Adverse Effect. Each of Parent and the Parent Subsidiaries is duly qualified or licensed to do business in each jurisdiction where the nature of its business or the ownership, operation or leasing of its properties and assets makes such qualification necessary, other than in such jurisdictions where the failure to be so qualified or licensed, individually or in the aggregate, has not had and would not reasonably be expected to have a Parent Material Adverse Effect. Parent has made available to the Company, prior to execution of this Agreement, true and complete copies of the Amended and Restated Articles of Incorporation of Parent in effect as of the date of this Agreement (the Parent Articles) and the Amended and Restated Regulations of Parent in effect as of the date of this Agreement (the Parent Regulations).

SECTION 3.02. Parent Subsidiaries. (a) All the outstanding shares of capital stock or voting securities of, or other equity interests in, each Parent Subsidiary have been validly issued and are fully paid and nonassessable and are wholly owned by Parent, by another Parent Subsidiary or by Parent and another Parent Subsidiary, free and clear of all pledges, liens, charges, mortgages, deeds of trust, encumbrances, judgments, options, rights of first refusal or offer, defects in title and security interests of any kind or nature whatsoever (collectively, Liens), and free of any other restriction (including any restriction on the right to vote, sell or otherwise dispose of such capital stock, voting securities or other equity interests), except for restrictions imposed by applicable securities Laws. Parent has provided to the Company a true and complete list of all Parent Subsidiaries as of the date of this Agreement.

(b) Except for the capital stock and voting securities of, and other equity interests in, the Parent Subsidiaries, neither Parent nor any Parent Subsidiary owns, directly or indirectly, any capital stock or voting securities of, or other equity interests in, or any interest convertible into or exchangeable or exercisable for, any capital stock or voting securities of, or other equity interests in, any firm, corporation, partnership, company, limited liability company, trust, joint venture, association or other entity.

SECTION 3.03. Capital Structure. (a) The authorized capital stock of Parent consists of 96,000,000 Parent Common Shares, 1,357,299 shares of voting preferred shares, without par value (Parent Voting Preferred Shares), and 1,000,000 shares of non-voting preferred shares, without par value (Parent Non-Voting Preferred Shares and, together with the Parent Common Shares and the Parent Voting Preferred Shares, the Parent Capital Stock). At the close of business on July 7, 2017 (the Capitalization Date), (i) 42,173,872 Parent Common Shares were issued and outstanding (including Parent Common Shares subject to vesting restrictions and/or forfeiture back to Parent) and no Parent Common Shares were held in the treasury of Parent, (ii) 155,250 Parent Voting Preferred Shares designated as 6 3/4% Cumulative Convertible Preferred Shares (6 3/4% Preferred Shares) were issued and outstanding, (iii) no Parent Non-Voting Preferred Shares were issued and outstanding, (iv) 4,751,055 Parent Common Shares were reserved and available for issuance pursuant to the Parent Stock Plans, of which 1,701,055 Parent Common Shares were reserved for issuance under outstanding Parent Stock Options, Parent SARs and Parent RSUs (assuming settlement of outstanding awards based on maximum achievement of any applicable performance goals) (collectively, the Parent Stock-Based Awards) and (v) 2,301 Parent Common Shares were payable pursuant to the Parent Deferred Compensation Plan for Outside Directors (the Parent Deferred Compensation Plan for Outside Directors). Except as set forth in this Section 3.03(a), at the close of business on the Capitalization Date, no shares of capital stock or voting securities of, or other equity interests in, Parent were issued, reserved for issuance or outstanding. From the close of business on the Capitalization Date to the date of this Agreement, there have been no issuances by Parent of shares of capital stock or voting securities of, or other equity interests in, Parent other than the issuance of Parent Common Shares (A) upon the

exercise of Parent Stock Options outstanding at the close of business on the Capitalization Date, (B) upon the vesting and settlement of Parent RSUs outstanding at the close of business on

the Capitalization Date, or (C) pursuant to the Parent Deferred Compensation Plan for Outside Directors, in each case in accordance with their terms in effect on the Capitalization Date.

(b) All outstanding shares of Parent Capital Stock and all such shares that may be issued pursuant to the instruments or plans described in Section 3.03(a) are, or will be when issued, duly authorized, validly issued, fully paid and nonassessable and not subject to, or issued in violation of, any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of the Ohio General Corporation Law (the OGCL), the Parent Articles, the Parent Regulations or any Contract to which Parent is a party or otherwise bound. The Parent Common Shares constituting the Share Consideration and the Mixed Share Consideration will be, when issued, duly authorized, validly issued, fully paid and nonassessable and not subject to, or issued in violation of, any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of the OGCL, the Parent Articles, the Parent Regulations or any Contract to which Parent is a party or otherwise bound. Except as set forth in this Section 3.03, as of the close of business on the Capitalization Date, there are not issued, reserved for issuance or outstanding, and there are not any outstanding obligations of Parent or any Parent Subsidiary to issue, deliver or sell, or cause to be issued, delivered or sold, (i) except as required by the terms of the 6 3/4% Preferred Shares, any capital stock or voting securities of, or other equity interests in, Parent or any Parent Subsidiary or any securities of Parent or any Parent Subsidiary convertible into or exchangeable or exercisable for shares of capital stock or voting securities of, or other equity interests in, Parent or any Parent Subsidiary, (ii) any warrants, calls, options or other rights to acquire from Parent or any Parent Subsidiary, or any other obligation of Parent or any Parent Subsidiary to issue, deliver or sell, or cause to be issued, delivered or sold, any capital stock or voting securities of, or other equity interests in, Parent or any Parent Subsidiary, or (iii) any rights issued by or other obligations of Parent or any Parent Subsidiary that are linked in any way to the price of any class of Parent Capital Stock or any shares of capital stock or voting securities of, or other equity interests in, any Parent Subsidiary, the value of Parent, any Parent Subsidiary or any part of Parent or any Parent Subsidiary or any dividends or other distributions declared or paid on any shares of capital stock or voting securities of, or other equity interests in, Parent or any Parent Subsidiary. Except as set forth above in this Section 3.03 or in connection with Parent Stock-Based Awards, as of the close of business on the Capitalization Date, there are not any outstanding obligations of Parent or any of the Parent Subsidiaries to repurchase, redeem or otherwise acquire any shares of capital stock or voting securities or other equity interests of Parent or any Parent Subsidiary or any securities, interests, warrants, calls, options or other rights referred to in clause (i), (ii) or (iii) of the immediately preceding sentence. Except as set forth above in this Section 3.03, there are no bonds, debentures, notes or other Indebtedness of Parent that have or by their terms may have at any time the right to vote (which are convertible into, or exchangeable for, securities having the right to vote) on any matters on which shareholders of Parent may vote (Parent Voting Debt). Neither Parent nor any of the Parent Subsidiaries is a party to any voting agreement with respect to the voting of any capital stock or voting securities of, or other equity interests in, Parent. Except for this Agreement, neither Parent nor any of the Parent Subsidiaries is a party to any agreement pursuant to which any Person is entitled to elect, designate or nominate any director of Parent or any of the Parent Subsidiaries.

SECTION 3.04. Authority; Execution and Delivery; Enforceability. (a) Each of Parent and Merger Sub has all requisite corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Merger and the other transactions contemplated hereby, subject, in the case of the Merger, to the adoption of this Agreement by Parent as the sole stockholder of Merger Sub. The Parent Board has adopted resolutions, by a vote at a meeting duly called at which a quorum of directors of Parent was present, (i) approving this Agreement, (ii) determining that entering into this Agreement is in the best interests of Parent and its shareholders and (iii) declaring this Agreement and the Merger advisable. Such resolutions have not been amended or withdrawn as of the date of this Agreement. The Board of Directors of Merger Sub has adopted resolutions, by unanimous written consent, (A) approving this Agreement, (B) declaring advisable this Agreement and the Merger on substantially the terms and conditions set forth in this Agreement and determining that the Merger is in the best interests of Merger Sub

and Parent, as its sole stockholder, and (C) recommending that Parent, as sole stockholder of Merger Sub, adopt this Agreement and directing that this Agreement be submitted to Parent, as sole stockholder of Merger Sub, for adoption. Such resolutions have not been amended or

withdrawn as of the date of this Agreement. Parent, as sole stockholder of Merger Sub, will, immediately following the execution and delivery of this Agreement by each of the parties hereto, adopt this Agreement. Except for the adoption of this Agreement by Parent as the sole stockholder of Merger Sub, no other corporate proceedings on the part of Parent or Merger Sub are necessary to authorize, adopt or approve, as applicable, this Agreement or to consummate the Merger and the other transactions contemplated hereby. Each of Parent and Merger Sub has duly executed and delivered this Agreement and, assuming the due authorization, execution and delivery by the Company, this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except that such enforceability (i) may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar Laws of general application affecting or relating to the enforcement of creditors rights generally and (ii) is subject to general principles of equity, whether considered in a proceeding at law or in equity (the Bankruptcy and Equity Exception).

(b) Assuming the accuracy of the Company s representation in the last sentence of Section 4.04(b), no interested shareholder , fair price , moratorium , control share acquisition or other similar antitakeover statute or similar statute or regulation, or similar provision or term of the Parent Articles or Parent Regulations, applies with respect to Parent or Merger Sub with respect to this Agreement, the Merger or any of the other transactions contemplated hereby. Neither Parent nor Merger Sub nor any of their respective affiliates or associates (as such terms are defined in Section 203 of the DGCL) is, or at any time during the past three years has been, an interested stockholder of the Company as defined in Section 203 of the DGCL, nor do any of them currently own any shares of Company Common Stock.

(c) Neither Parent nor any Parent Subsidiary has in effect a poison pill , shareholder rights plan or other similar plan or agreement.

SECTION 3.05. No Conflicts; Consents. (a) The execution and delivery by each of Parent and Merger Sub of this Agreement does not, and the performance by it of its obligations hereunder and the consummation of the Merger and the other transactions contemplated hereby will not, (i) conflict with or result in any violation of any provision of the Parent Articles, the Parent Regulations or the comparable charter, bylaws or other organizational documents of any Parent Subsidiary, (ii) conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, give rise to a right of termination, cancellation or acceleration of, give rise to any obligation to make an offer to purchase or redeem any Indebtedness or capital stock, voting securities or equity interests or any loss of a material benefit under, or result in the creation of any Lien upon any of the properties or assets of Parent or any Parent Subsidiary under, any legally binding contract, lease, license, indenture, note, bond, agreement, concession, franchise or other instrument (a Contract) to which Parent or any Parent Subsidiary is a party or by which any of their respective properties or assets is bound or any Parent Permit or (iii) subject to the filings and other matters referred to in Section 3.05(b), conflict with or result in any violation of any judgment, order or decree (Judgment) or statute, law (including common law), ordinance, rule or regulation (Law), in each case, applicable to Parent or any Parent Subsidiary or their respective properties or assets, other than, in the case of clauses (ii) and (iii) above, any matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect.

(b) No consent, approval, clearance, waiver, authorization, waiting period expiration, Permit or order (Consent) of or from, or registration, declaration, notice or filing made to or with any Federal, national, state, provincial or local, whether domestic or foreign, government or any court of competent jurisdiction, administrative agency or commission or other governmental authority or instrumentality, whether domestic, foreign or supranational (a Governmental Entity), is required to be obtained or made by or with respect to Parent or any Parent Subsidiary in connection with the execution and delivery of this Agreement or its performance of its obligations hereunder or the consummation of the Merger and the other transactions contemplated hereby, other than (i) the filing with the Securities and Exchange Commission (the SEC), and declaration of effectiveness under the Securities Act of 1933, as amended (the Securities

Act), of the registration statement on Form S-4 in connection with the issuance by Parent of the Parent Common Shares

constituting the Share Consideration and the Mixed Share Consideration, in which the Proxy Statement will be included as a prospectus (the Form S-4), and (C) the filing with the SEC of such reports and other filings under, and such other compliance with, the Securities Exchange Act of 1934, as amended (the Exchange Act), and the Securities Act, and the rules and regulations thereunder, as may be required in connection with this Agreement, the Merger and the other transactions contemplated hereby, (ii) compliance with and filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act), (iii) the filing of the Certificate of Merger with the Secretary of State pursuant to the DGCL and appropriate documents with the relevant authorities of the other jurisdictions in which Parent and the Company are qualified to do business, (iv) such Consents, registrations, declarations, notices or filings as are required to be made or obtained under the securities or blue sky Laws of various states in connection with the issuance of the Parent Common Shares constituting the Share Consideration and the Mixed Share Consideration, (v) such Consents from, or registrations, declarations, notices or filings made to or with, the U.S. Federal Communications Commission or any successor Governmental Entity (the FCC) as are required in connection with the transactions contemplated hereby (the Parent FCC Consents), (vi) such Consents from, or registrations, declarations, notices or filings made to or with, state public service or state public utility commissions (collectively, State Regulators) as are required in connection with the transactions contemplated hereby (the Parent PSC Consents), (vii) such Consents from, or registrations, declarations, notices or filings made to or with, governments of counties, municipalities and any other subdivisions of a United States state (collectively, Localities) in connection with the provision of telecommunication and media services as are required in connection with the transactions contemplated hereby (the Parent Local Consents), (viii) such filings with and approvals of the NYSE as are required to permit the listing of the Parent Common Shares constituting the Share Consideration and the Mixed Share Consideration and (ix) such other matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect.

SECTION 3.06. SEC Documents; Undisclosed Liabilities. (a) Parent has furnished or filed all reports, schedules, forms, statements and other documents (including exhibits and other information incorporated therein) required to be furnished or filed by Parent with the SEC since January 1, 2015 (such documents, together with any documents filed with or furnished to the SEC during such period by Parent on a voluntary basis on a Current Report on Form 8-K, but excluding the Form S-4, being collectively referred to as the Parent SEC Documents).

(b) Each Parent SEC Document (i) at the time filed, complied in all material respects with the requirements of the Sarbanes-Oxley Act of 2002 (SOX) and the Exchange Act or the Securities Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to such Parent SEC Document and (ii) did not at the time it was filed (or if amended or superseded by a filing or amendment prior to the date of this Agreement, then at the time of such filing or amendment) contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Each of the consolidated financial statements of Parent included in the Parent SEC Documents complied at the time it was filed as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, was prepared in accordance with United States generally accepted accounting principles (GAAP) (except, in the case of unaudited statements, as permitted by Form 10-Q of the SEC or other rules and regulations of the SEC) applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and fairly presented in all material respects the consolidated financial position of Parent and its consolidated Subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods shown (subject, in the case of unaudited statements, to normal year-end audit adjustments).

(c) Neither Parent nor any Parent Subsidiary has any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) that, individually or in the aggregate, have had or would reasonably be expected to have a Parent Material Adverse Effect.

(d) Parent maintains a system of internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) sufficient to provide reasonable assurance (i) that

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transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP, consistently applied, (ii) that transactions are executed only in accordance with the authorization of management and (iii) regarding prevention or timely detection of the unauthorized acquisition, use or disposition of Parent s properties or assets.

(e) The disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) utilized by Parent are reasonably designed to ensure that all information (both financial and non-financial) required to be disclosed by Parent in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that all such information required to be disclosed is accumulated and communicated to the management of Parent, as appropriate, to allow timely decisions regarding required disclosure and to enable the chief executive officer and chief financial officer of Parent to make the certifications required under the Exchange Act with respect to such reports.

(f) Neither Parent nor any of the Parent Subsidiaries is a party to, or has any commitment to become a party to, any joint venture, off-balance sheet partnership or any similar Contract (including any Contract or arrangement relating to any transaction or relationship between or among Parent and any of the Parent Subsidiaries, on the one hand, and any unconsolidated Affiliate, including any structured finance, special purpose or limited purpose entity or Person, on the other hand, or any off-balance-sheet arrangements (as defined in Item 303(a) of Regulation S-K under the Exchange Act)), where the result, purpose or intended effect of such Contract is to avoid disclosure of any material transaction involving, or material liabilities of, Parent or any of the Parent Subsidiaries in Parent s or such Parent Subsidiary s published financial statements or other Parent SEC Documents.

(g) As of the date hereof, since January 1, 2017, none of Parent, Parent s independent accountants, the Parent Board or the audit committee of the Parent Board has received any oral or written notification of any (i) significant deficiency in the internal controls over financial reporting of Parent, (ii) material weakness in the internal controls over financial reporting of Parent or (iii) fraud, whether or not material, that involves management or other employees of Parent who have a significant role in the internal controls over financial reporting of Parent. For purposes of this Agreement, the terms significant deficiency and material weakness shall have the meanings assigned to them in Auditing Standard No. 5 of the Public Company Accounting Oversight Board, as in effect on the date of this Agreement.

(h) None of the Parent Subsidiaries is, or has at any time since January 1, 2017 been, subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act.

SECTION 3.07. Information Supplied. None of the information supplied or to be supplied by Parent or Merger Sub for inclusion or incorporation by reference in (i) the Form S-4 will, at the time the Form S-4 is filed with the SEC, at any time it is amended or supplemented or at the time it is declared effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading or (ii) the Proxy Statement will, at the date it is first mailed to the Company s stockholders or at the time of the Company Stockholders Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The Form S-4 will comply as to form in all material respects with the requirements of the Securities Act and the rules and regulations thereunder, except that no representation is made by Parent or Merger Sub with respect to statements made or incorporated by reference therein based on information supplied by the Company for inclusion or incorporation by reference therein. The portions of the Proxy Statement supplied by Parent will comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations thereunder, except that no representation is made by Parent or Merger Sub with respect to statements made or incorporated by reference therein based on information supplied by the Company for inclusion or incorporation by reference therein.

SECTION 3.08. Absence of Certain Changes or Events. From January 1, 2017 to the date of this Agreement, (i) there has not occurred any state of facts, change, effect, condition, development, event or occurrence that, individually or in the aggregate, has had or would reasonably be expected to have a Parent Material Adverse Effect, (ii) neither Parent nor any of its Subsidiaries has taken any action which, if taken after the date of this Agreement and prior to the Closing Date without the prior written consent of the Company, would constitute a breach of Section 5.01(a)(ii), Section 5.01(a)(iv) or Section 5.01(a)(v) and (iii) each of Parent and the Parent Subsidiaries has conducted its respective business in the ordinary course in all material respects.

SECTION 3.09. Taxes. (a)(i) Each of Parent and each Parent Subsidiary has timely filed, taking into account any extensions, all material Tax Returns required to have been filed and such Tax Returns are accurate and complete in all material respects; (ii) each of Parent and each Parent Subsidiary has paid all material Taxes required to have been paid by it other than Taxes that are not yet due or that are being contested in good faith in appropriate proceedings; and (iii) no material deficiency for any Tax has been asserted or assessed by a taxing authority against Parent or any Parent Subsidiary which deficiency has not been paid or is not being contested in good faith in appropriate proceedings.

(b) No material Tax Return of Parent or any Parent Subsidiary is under audit or examination by any taxing authority, and no written notice of such an audit or examination has been received by Parent or any Parent Subsidiary that remains outstanding. No deficiencies for any material Taxes have been proposed, asserted or assessed against Parent or any Parent Subsidiary that were not finally resolved in full prior to the date of, with all consequences thereof properly reflected in accordance with GAAP in, the most recent Parent SEC Documents, and no requests for waivers of the time to assess any such Taxes are pending. No other procedure, proceeding or contest of any refund or deficiency in respect of material Taxes is pending in or on appeal from any Governmental Entity.

(c) Each of Parent and each Parent Subsidiary has complied in all material respects with all applicable Laws relating to the collection, payment and withholding and remittances of Taxes.

(d) Neither Parent nor any Parent Subsidiary is a party to or is otherwise bound by any material Tax sharing, allocation or indemnification agreement or arrangement (other than such an agreement or arrangement exclusively between or among Parent and the Parent Subsidiaries or customary Tax payment or indemnification provisions in Contracts the primary purpose of which does not relate to Taxes).

(e) Within the past three years, neither Parent nor any Parent Subsidiary has been a distributing corporation or a controlled corporation in a distribution intended to qualify for tax-free treatment under Section 355 of the Code.

(f) Neither Parent nor any Parent Subsidiary has participated in a listed transaction or a transaction of interest within the meaning of Treasury Regulation Section 1.6011-4(b).

(g) Since January 1, 2014, no claim has been made by a taxing authority in a jurisdiction where Parent or any Parent Subsidiary does not file Tax Returns that Parent or any of the Parent Subsidiaries is or may be subject to Taxes assessed by such jurisdiction.

SECTION 3.10. Benefits Matters; ERISA Compliance. (a) Parent has delivered or made available to the Company true and complete copies of (i) all material Parent Benefit Plans or, in the case of any unwritten material Parent Benefit Plan, a description thereof, including any amendment thereto, (ii) the most recent annual report on Form 5500 or such similar report, statement or information return required to be filed with or delivered to any Governmental Entity, if any, in each case, with respect to each material Parent Benefit Plan, (iii) each trust, insurance, annuity or other funding Contract relating to any material Parent Benefit Plan and (iv) the most recent financial statements and actuarial or other valuation reports for each Parent Benefit Plan (if any). For purposes of this Agreement, Parent

Benefit Plans means, collectively (A) all employee pension benefit plans

(as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended (ERISA)) (Parent Pension Plans), employee welfare benefit plans (as defined in Section 3(1) of ERISA) and all other material bonus, pension, profit sharing, retirement, deferred compensation, incentive compensation, equity or equity-based compensation, severance, retention, termination, change in control, disability, vacation, death benefit, hospitalization, medical or other material compensation or benefit plans, arrangements, policies, programs or understandings providing compensation or benefits (other than foreign or domestic statutory programs), in each case, sponsored, maintained, contributed to or required to be maintained or contributed to by Parent, any Parent Subsidiary or any other person or entity that, together with Parent is treated as a single employer under Section 414(b), (c), (m) or (o) of the Code (each, a Parent Commonly Controlled Entity) for the benefit of any current or former directors, officers, employees, independent contractors or consultants of Parent or any Parent Subsidiary (each, a Parent Participant) and (B) all material employment, consulting, bonus, incentive compensation, deferred compensation, equity or equity-based compensation, indemnification, severance, retention, change of control or termination agreements or arrangements between Parent or any Parent Subsidiary and any Parent Participant.

(b) All Parent Pension Plans have been the subject of, have timely applied for or have not been eligible to apply for, as of the date of this Agreement, determination letters or opinion letters (as applicable) from the U.S. Internal Revenue Service (the IRS) or a non-U.S. Governmental Entity (as applicable) to the effect that such Parent Pension Plans and the trusts created thereunder are qualified and exempt from Taxes under Sections 401(a) and 501(a) of the Code or other applicable Law, and no such determination letter or opinion letter has been revoked nor, to the Knowledge of Parent, has revocation been threatened, nor has any such Parent Pension Plan been amended since the date of its most recent determination letter or opinion letter (or application therefor) in any respect that would reasonably be expected to result in the loss of its qualification.

(c) Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect, other than any Parent Pension Plan that is a multiemployer plan within the meaning of Section 4001(a)(3) of ERISA (a Parent Multiemployer Pension Plan), (i) no Parent Pension Plan had, as of the respective last annual valuation date for each such Parent Pension Plan, an unfunded benefit liability (within the meaning of Section 4001(a)(18) of ERISA), based on actuarial assumptions that have been made available to the Company, (ii) none of the Parent Pension Plans has failed to meet any minimum funding standards (as such term is defined in Section 302 of ERISA or Section 412 of the Code), whether or not waived, (iii) none of such Parent Benefit Plans or related trusts is the subject of any proceeding or investigation by any Person, including any Governmental Entity, that could be reasonably expected to result in a termination of such Parent Benefit Plan or trust or any other material liability to Parent or any Parent Subsidiary and (iv) there has not been any reportable event (as that term is defined in Section 4043 of ERISA and as to which the notice requirement under Section 4043 of ERISA has not been waived) with respect to any Parent Benefit Plan during the last six years. Except for matters that, individually or in the aggregate, have not and would not reasonably be expected to have a Parent Material Adverse Effect, none of Parent, any Parent Subsidiary or any Parent Commonly Controlled Entity has, or within the past six years had, contributed to, been required to contribute to, or has any liability (including withdrawal liability within the meaning of Title IV of ERISA) with respect to, any Parent Multiemployer Pension Plan.

(d) With respect to each material Parent Benefit Plan that is an employee welfare benefit plan, (i) such Parent Benefit Plan (including any Parent Benefit Plan covering retirees or other former employees) may be amended to reduce benefits or limit the liability of Parent or the Parent Subsidiaries or terminated, in each case, without material liability to Parent and the Parent Subsidiaries on or at any time after the Effective Time and (ii) no such Parent Benefit Plan is unfunded or self-insured or funded through a welfare benefit fund (as defined in Section 419(e) of the Code) or other funding mechanism.

(e) Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect, no Parent Benefit Plan provides health, medical or other welfare benefits after retirement or other termination of employment (other than for continuation coverage required under Section 4980(B)(f) of the Code or applicable Law).

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(f) Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect, (i) each Parent Benefit Plan and its related trust, insurance contract or other funding vehicle has been administered in accordance with its terms and is in compliance with ERISA, the Code and all other Laws applicable to such Parent Benefit Plan and (ii) Parent and each of the Parent Subsidiaries is in compliance with ERISA, the Code and all other Laws applicable to the Parent Benefit Plans.

(g) Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect, all contributions or other amounts payable by Parent or any Parent Subsidiary with respect to each Parent Benefit Plan have been paid or accrued in accordance with the terms of such Parent Benefit Plan, GAAP and Section 412 of the Code (or any comparable provision under applicable non-U.S. Laws). Except as fully accrued or reserved against on Parent s financial statements in accordance with GAAP, there are no material unfunded liabilities, solvency deficiencies or wind-up liabilities, where applicable, with respect to any Parent Benefit Plan.

(h) Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect, there are no pending or, to the Knowledge of Parent, threatened claims or Actions by or on behalf of any participant in any of the Parent Benefit Plans, or otherwise involving any such Parent Benefit Plan or the assets of any Parent Benefit Plan, other than routine claims for benefits payable in the ordinary course.

(i) None of the execution and delivery of this Agreement or the consummation of the Merger or any other transaction contemplated by this Agreement (alone or in conjunction with any other event, including any termination of employment on or following the Effective Time) will (i) entitle any Parent Participant to any compensation or benefit, (ii) accelerate the time of payment or vesting, or trigger any payment or funding, of any compensation or benefits or trigger any other material obligation under any Parent Benefit Plan, (iii) result in any breach or violation of, default under or limit Parent s right to amend, modify or terminate any Parent Benefit Plan or (iv) result in any excess parachute payment (within the meaning of Section 280G of the Code) becoming due to any Parent Participant. No Parent Participant is entitled to receive any gross-up or additional payment in respect of any Taxes (including without limitation the Taxes required under Section 409A or Section 4999 of the Code) being imposed on such Person.

SECTION 3.11. Litigation. There is no suit, action, investigation or other proceeding (each, an Action) pending or, to the Knowledge of Parent, threatened against or affecting Parent or any Parent Subsidiary that, individually or in the aggregate, has had or would reasonably be expected to have a Parent Material Adverse Effect, nor is there any Judgment outstanding against or, to the Knowledge of Parent, any investigation by any Governmental Entity involving Parent or any Parent Subsidiary or any of their respective properties or assets that, individually or in the aggregate, has had or would reasonably be expected to have a Parent Material Adverse Effect.

SECTION 3.12. Compliance with Applicable Laws. Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect, Parent and the Parent Subsidiaries are in compliance with all applicable Laws and Parent Permits. To the Knowledge of Parent, except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect, no material action, demand or investigation by or before any Governmental Entity is pending or threatened alleging that Parent or a Parent Subsidiary is not in compliance with any applicable Law or Parent Permit or which challenges or questions the validity of any rights of the holder of any Parent Permit. This section does not relate to Tax matters, employee benefits matters, labor matters, environmental matters or Intellectual Property matters.

SECTION 3.13. Environmental Matters. (a) Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect:

(i) Parent and the Parent Subsidiaries have complied with all Environmental Laws, and neither Parent nor any Parent Subsidiary has received any written communication that alleges that Parent or

any Parent Subsidiary is in violation of, or has liability under, any Environmental Law and, except as reflected in the most recent audited financial statements of Parent included in the Parent SEC Documents, to the Knowledge of Parent, no known capital or other expenditure is required for Parent or the Parent Subsidiaries to achieve or maintain compliance with Environmental Law;

(ii) Parent and the Parent Subsidiaries have obtained and complied with all Permits issued pursuant to Environmental Law necessary for their respective operations as currently conducted, all such Permits are valid and in good standing and neither Parent nor any Parent Subsidiary has been advised in writing by any Governmental Entity of any actual or potential change in the status or terms and conditions of any such Permits;

(iii) there are no Environmental Claims pending or, to the Knowledge of Parent, threatened, against Parent or any of the Parent Subsidiaries;

(iv) there have been no Releases of any Hazardous Material that could reasonably be expected to form the basis of any Environmental Claim against Parent or any of the Parent Subsidiaries; and

(v) neither Parent nor any of the Parent Subsidiaries has retained or assumed, either contractually or by operation of Law, any Known liabilities or obligations that could reasonably be expected to form the basis of any Environmental Claim against Parent or any of the Parent Subsidiaries.

(b) As used herein:

(i) Environmental Claim means any administrative, regulatory or judicial actions, suits, orders, demands, directives, claims, liens, investigations, proceedings or written notices of noncompliance or violation by or from any Person alleging any liability arising out of, based on or resulting from (A) the presence or Release of, or exposure to, any Hazardous Materials at any location; or (B) the failure to comply with any Environmental Law or any Permit issued pursuant to Environmental Law.

(ii) Environmental Laws means all applicable Federal, national, state, provincial or local Laws, Judgments, or Contracts issued, promulgated or entered into by or with any Governmental Entity, relating to pollution, natural resources or the protection of endangered or threatened species, climate, human health or the environment.

(iii) Hazardous Materials means (A) any petroleum or petroleum products, explosive or radioactive materials or wastes, asbestos, and polychlorinated biphenyls; and (B) any other material, substance or waste that is regulated under any Environmental Law.

(iv) Release means any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the indoor or outdoor environment.

SECTION 3.14. Contracts. (a) As of the date of this Agreement, neither Parent nor any Parent Subsidiary is a party to any Contract required to be filed by Parent pursuant to Item 601(b)(2), (b)(4), (b)(9) or (b)(10) of Regulation S-K under the Securities Act (a Filed Parent Contract) that has not been so filed.

(b) Except for matters which, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect, (i) each Filed Parent Contract (including, for purposes of this Section 3.14(b), any Contract entered into after the date of this Agreement that would have been a Filed Parent Contract if such Contract existed on the date of this Agreement) is a valid, binding and legally enforceable obligation of Parent or one of the Parent Subsidiaries, as the case may be, and, to the Knowledge of Parent, of the other parties thereto, subject to

the Bankruptcy and Equity Exception, (ii) each such Filed Parent Contract is in full force and effect and (iii) none of Parent or any of the Parent Subsidiaries is (with or without notice or lapse of time, or both) in breach or default under any such Filed Parent Contract and, to the Knowledge of Parent, no other party to any such Filed Parent Contract is (with or without notice or lapse of time, or both) in breach or default thereunder.

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SECTION 3.15. Properties. (a) Section 3.15(a) of the Parent Disclosure Letter sets forth a true and complete list, as of the date hereof, of all of the real property owned in fee simple by Parent or the Parent Subsidiaries (the "Parent Owned Real Property"). Except in respects that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect, either Parent or the Parent Subsidiaries: (i) has good and valid fee simple title to all of the Parent Owned Real Property, free and clear of all Liens other than Permitted Liens; (ii) is in sole and exclusive possession of the Parent Owned Real Property and there are no leases, licenses, occupancy agreements or any other similar arrangement (the "Real Property Leases") pursuant to which any third party is granted the right to use any Parent Owned Real Property, other than Permitted Liens; (iii) has sufficient right of ingress and egress to the Parent Owned Real Property in all material respects and enjoys peaceful and quiet possession thereof; and (iv) there are no outstanding options or rights of first offer or refusal to purchase the Parent Owned Real Property.

(b) Section 3.15(b) of the Parent Disclosure Letter sets forth a true and complete list, as of the date hereof, of all of the real property leased by Parent or the Parent Subsidiaries for which the annual rental value exceeds $100,000 pursuant to a Real Property Lease (the "Parent Leased Real Property"). Except in respects that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect, with respect to the Parent Leased Real Property and each Real Property Lease: (i) each Real Property Lease is in full force and effect, and Parent or the Parent Subsidiaries holds a valid and existing leasehold interest under each Real Property Lease; (ii) the possession and quiet use and enjoyment of the Parent Leased Real Property under such Real Property Lease has not been disturbed and there are no disputes with respect to any such Real Property Lease; (iii) Parent or the Parent Subsidiaries have not given or received any written notice of default pursuant to any such Real Property Lease; (iv) Parent or the Parent Subsidiaries nor, to the Knowledge of Parent or the Parent Subsidiaries, any other party to such Real Property Lease, is in breach or violation in any material respect of, or in default under, such Real Property Lease, and no event has occurred or circumstance exists which, with the delivery of notice, the passage of time or both, would constitute such a breach, violation or default in any material respect, or permit the termination, modification or acceleration of rent under such Real Property Lease on the part of Parent or the Parent Subsidiary, nor, to the Knowledge of Parent or the Parent Subsidiaries, on the part of the other party thereto; (v) no security deposit or portion thereof deposited with respect to such Real Property Lease has been applied in respect of a breach or default under such Real Property Lease which has not been re-deposited in full; (vi) neither Parent or the Parent Subsidiaries owes, or will owe in the future based on arrangements currently in existence, any brokerage commissions or finder s fees with respect to any Real Property Lease; (vii) Parent or the Parent Subsidiaries has not collaterally assigned or granted any other security interest in such Real Property Lease or any interest therein, other than Permitted Liens; and (viii) there are no Liens on the estate or interest created by such Real Property Lease, other than Permitted Liens; and (ix) Parent nor any Parent Subsidiary has subleased, licensed or otherwise granted any person the right to use or occupy any Parent Leased Real Property or any portion thereof.

SECTION 3.16. Intellectual Property. Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect:

(a) Parent and the Parent Subsidiaries own, free and clear of all Liens, other than Permitted Liens, or are validly licensed or otherwise have the right to use, all Intellectual Property used in the operation of their business as currently conducted;

(b) neither Parent nor any of the Parent Subsidiaries has received in the three years prior to the date of this Agreement any written notice from any Person, and there are no pending Actions, or to the Knowledge of Parent, threatened, against Parent or any of the Parent Subsidiaries, (A) asserting the infringement, misappropriation or violation of any Intellectual Property by Parent or any of the Parent Subsidiaries or (B) challenging the validity, enforceability, priority or registrability of, or any right, title or interest of Parent or any of the Parent Subsidiaries with respect to, any Intellectual Property owned or purported to be owned by Parent or any of the Parent Subsidiaries;

(c) neither Parent nor any of the Parent Subsidiaries has sent any written notice in the year prior to the date of this Agreement, to any Person, and there are no pending Actions, by Parent or any of the Parent Subsidiaries, (A) asserting the infringement, misappropriation or violation of any Intellectual Property owned by or exclusively licensed to Parent or any of the Parent Subsidiaries or (B) challenging the validity, enforceability, priority or registrability of, or any right, title or interest of any Person with respect to, any Intellectual Property;

(d) to the Knowledge of Parent, (A) no Person is infringing, misappropriating or violating any Intellectual Property owned by or exclusively licensed to Parent or any of the Parent Subsidiaries and (B) the conduct of the businesses of Parent and the Parent Subsidiaries as currently conducted does not infringe upon, misappropriate or violate the Intellectual Property rights of any Person;

(e) Parent and the Parent Subsidiaries have taken commercially reasonable measures to protect the confidentiality and security of the (A) IT Assets and (B) personal information gathered, used, held for use or accessed by Parent or the Parent Subsidiaries in the course of the operations of their respective businesses; and

(f) to the Knowledge of Parent, the IT Assets (A) meet the needs of Parent s business as currently conducted and (B) have not materially malfunctioned or failed in the two years prior to the date of this Agreement in a manner that has had a material impact on the businesses of Parent and the Parent Subsidiaries. To the Knowledge of Parent, no Person has gained unauthorized access to the IT Assets or any personal information gathered, used, held for use or accessed by Parent or any of the Parent Subsidiaries.

SECTION 3.17. Labor Matters. (a) Section 3.17 of the Parent Disclosure Letter sets forth a true and complete list, as of the date hereof, of all material collective bargaining or other labor union Contracts applicable to any employees of Parent or any of the Parent Subsidiaries (the Parent Collective Bargaining Agreements). Parent has made available to the Company copies of such Parent Collective Bargaining Agreements, including with respect to employees based outside the United States. Neither Parent nor any of the Parent Subsidiaries has breached or otherwise failed to comply with any provision of any Parent Collective Bargaining Agreement, except for any breaches, failures to comply or disputes that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect.

(b) Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect, (i) there is not any, and during the past three years there has not been any, labor strike, dispute, work stoppage or lockout pending, or, to the Knowledge of Parent, threatened, against or affecting Parent or any Parent Subsidiary; (ii) to the Knowledge of Parent, no union organizational campaign is in progress with respect to the employees of Parent or any Parent Subsidiary and no question concerning representation of such employees exists; (iii) neither Parent nor any Parent Subsidiary is engaged in any unfair labor practice; (iv) there are not any unfair labor practice charges or complaints against Parent or any Parent Subsidiary pending, or, to the Knowledge of Parent, threatened, before the National Labor Relations Board; (v) there are not any pending, or, to the Knowledge of Parent, threatened, union grievances against Parent or any Parent Subsidiary that reasonably could be expected to result in an adverse determination; (vi) Parent and each Parent Subsidiary is in compliance with all applicable Laws with respect to labor relations, employment and employment practices, occupational safety and health standards, terms and conditions of employment, payment of wages, classification of employees, immigration, visa, work status, pay equity and workers compensation; and (vii) neither Parent nor any Parent Subsidiary has received written communication during the past three years of the intent of any Governmental Entity responsible for the enforcement of labor or employment Laws to conduct an investigation of or affecting Parent or any Parent Subsidiary and, to the Knowledge of Parent, no such investigation is in progress.

SECTION 3.18. Brokers Fees and Expenses. No broker, investment banker, financial advisor or other Person, other than Moelis & Co. and Morgan Stanley & Co. LLC (the Parent Financial Advisors), the fees and expenses of which will be paid by Parent, is entitled to any broker s, finder s, financial advisor s or other similar fee or commission in connection with the Merger or any of the other transactions contemplated hereby based

upon arrangements made by or on behalf of Parent. Parent has furnished to the Company true and complete copies of all agreements between or among Parent and/or Merger Sub and the Parent Financial Advisors relating to the Merger or any of the other transactions contemplated hereby, subject to redactions of the portions of such agreements relating to the calculation of the fee payable to the Parent Financial Advisors. Parent has separately provided the Company with the result of a calculation of the approximate amount of the fee that will be payable to the Parent Financial Advisors as a result of the Merger.

SECTION 3.19. Intentionally Omitted.

SECTION 3.20. Communications Regulatory Matters.

(a) Parent and each of the Parent Subsidiaries hold all approvals, authorizations, certificates and licenses issued by the FCC or State Regulators and all other material regulatory permits, approvals, licenses and other authorizations, including franchises, ordinances and other agreements granting access to public rights of way, issued or granted to Parent or any of the Parent Subsidiaries by a Governmental Entity that are required for Parent and each of the Parent Subsidiaries to conduct its business, as presently conducted (collectively, the Parent Licenses).

(b) Each Parent License is valid and in full force and effect and has not been suspended, revoked, canceled or adversely modified. No Parent License is subject to (i) any conditions or requirements that have not been imposed generally upon licenses in the same service, unless such conditions or requirements are set forth on the face of the applicable authorization or (ii) any pending Action by or before the FCC or State Regulators to suspend, revoke or cancel, or any judicial review of a decision by the FCC or State Regulators with respect thereto. To the Knowledge of Parent, there is no (A) event, condition or circumstance attributable specifically to Parent that would preclude any Parent License from being renewed in the ordinary course (to the extent that such Parent License is renewable by its terms), (B) pending or threatened FCC or State Regulator regulatory Actions relating specifically to one or more of the Parent Licenses or (C) event, condition or circumstance attributable specifically to the Company that would materially impair, delay or preclude the ability of Parent or the Parent Subsidiaries to obtain any Consents from any Governmental Entity. No Parent License, order or other agreement, obtained from, issued by or concluded with any State Regulator imposes or would impose restrictions on the ability of any Parent Subsidiary to make payments, dividends or other distributions to Parent or any other Parent Subsidiary that limits, or would reasonably be expected to limit, the cash funding and management alternatives of Parent on a consolidated basis in a manner disproportionate to restrictions applied by such State Regulators to similarly situated companies.

(c) Parent, with respect to any Parent License and any activity regulated by the FCC or State Regulators but not requiring a license (Unlicensed Activity), and each licensee of each Parent License and each Subsidiary engaged in Unlicensed Activity (Unlicensed Subsidiary) is, and since December 31, 2013 has been, in compliance with each Parent License and has fulfilled and performed all of its obligations with respect thereto and with respect to any Unlicensed Activity required by the Communications Act of 1934, as amended (the Communications Act), or the rules, regulations, written policies and orders of the FCC (the FCC Rules) or similar rules, regulations, written policies and orders of State Regulators, and the payment of all regulatory fees and contributions, except for exemptions, waivers or similar concessions or allowances. The Parent and each licensee of each Parent License and each of its Unlicensed Subsidiaries is in good standing with the FCC and all other Governmental Entities, and neither Parent nor any such licensee or any of its Unlicensed Subsidiaries is, to the Knowledge of Parent, the respondent with respect to any formal complaint, investigation, audit, inquiry, subpoena, forfeiture, or petition to suspend before the FCC, the Universal Service Administrative Company (the USAC) or any other Governmental Entity (each, an Enforcement Proceeding). The Parent or a Parent Subsidiary owns one hundred percent (100%) of the equity and controls one hundred percent (100%) of the voting power and decision-making authority of each licensee of the Parent Licenses and each of its Unlicensed Subsidiaries.

(d) Neither Parent nor any of the Parent Subsidiaries is subject to any currently effective cease-and-desist order or enforcement action issued by, or is a party to any consent agreement or memorandum of understanding with, or has been ordered since December 31, 2013, to pay any civil money penalty by, the FCC, USAC or any other Governmental Entity (other than a taxing authority, which is covered by Section 3.09), other than those of general application that apply to similarly situated providers of the same services or their Subsidiaries (each item in this sentence, whether or not set forth in the Parent Disclosure Letter, a Parent Regulatory Agreement), nor has Parent or any of the Parent Subsidiaries been advised in writing since December 31, 2013 by any Governmental Entity that it is considering issuing, initiating, ordering or requesting any such Parent Regulatory Agreement.

SECTION 3.21. Financing. Parent has provided the Company a true and complete copy, as of the date hereof, of an executed commitment letter (the Debt Financing Commitment) from the financial institutions identified therein (the Commitment Parties), to provide, subject to the terms and conditions therein, debt financing in the amounts set forth therein for the purpose of funding in part the Cash Consideration and replacing and refinancing any credit facility or other Indebtedness of the Company, Parent or any of their respective Subsidiaries that will not continue after the Effective Time (the Debt Financing). The Debt Financing Commitment is valid, binding and, to the Knowledge of Parent, enforceable by Parent against the other parties thereto in accordance with its terms, subject to the Bankruptcy and Equity Exception. As of the date hereof, the Debt Financing Commitment is in full force and effect and the respective obligations and commitments therein have not been withdrawn, rescinded or terminated or otherwise amended or modified in any respect. As of the date hereof, no event has occurred which (with or without notice, lapse of time, or both) would reasonably be expected to constitute a breach in any material respect or default on the part of Parent or, to the Knowledge of Parent, any of the other parties to the Debt Financing Commitment. Subject to the satisfaction of the conditions contained in Section 7.01 and Section 7.03 hereof and the commencement and completion of the Marketing Period, as of the date hereof, Parent has no reason to believe that any of the conditions in the Debt Financing Commitment will not be satisfied, or that the Debt Financing will not be made available on a timely basis in order to consummate the Merger. As of the date hereof, no Commitment Party has notified Parent of its intention to terminate any of the Debt Financing Commitment or not to provide the Debt Financing. Assuming (i) the satisfaction of the conditions in Sections 7.01 and 7.03 hereof and (ii) that the Debt Financing is funded in accordance with its terms, the net proceeds from the Debt Financing, together with cash on hand, will be sufficient to fund the Cash Consideration, the refinancing of any credit facility or other Indebtedness of the Company, Parent or any of their respective Subsidiaries that will not continue after the Effective Time, the payment of any fees and expenses of or payable by Parent, and any other amounts required to be paid by Parent in connection with the consummation of the Merger. Parent has paid in full any and all commitment or other fees required by the Debt Financing Commitment that are due as of the date hereof, and will pay, after the date hereof, all such fees as they become due. There are no side letters or other Contracts (except for any customary fee letters and/or engagement letters, true and complete copies of which have been provided to the Company, with customary redactions (none of which redacted terms would reasonably be expected to adversely affect the principal amount or availability of the Debt Financing) relating to the Debt Financing to which Parent or any of its subsidiaries is a party other than as expressly set forth in the Debt Financing Commitment.

SECTION 3.22. Merger Sub. Parent is the sole stockholder of Merger Sub. Since its date of incorporation, Merger Sub has not carried on any business nor conducted any operations other than the execution of this Agreement, the performance of its obligations hereunder and matters ancillary thereto.

SECTION 3.23. No Other Representations or Warranties. Except for the representations and warranties contained in this Article III, the Company acknowledges that none of Parent, the Parent Subsidiaries or any other Person on behalf of Parent makes any other express or implied representation or warranty in connection with the transactions contemplated hereby, and that the Company has not relied on any such other representation or warranty.

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ARTICLE IV

Representations and Warranties of the Company

The Company represents and warrants to Parent and Merger Sub that the statements contained in this Article IV are true and correct except as set forth in the Company SEC Documents filed and publicly available prior to the date of this Agreement (the Filed Company SEC Documents) (excluding any disclosures in the Filed Company SEC Documents under the heading Risk Factors (other than any statement of historical fact) and any other disclosures of risks that are predictive or forward-looking in nature) or in the disclosure letter delivered by the Company to Parent at or before the execution and delivery by the Company of this Agreement (the Company Disclosure Letter). The Company Disclosure Letter shall be arranged in numbered and lettered sections corresponding to the numbered and lettered sections contained in this Article IV, and the disclosure in any section shall be deemed to qualify other sections in this Article IV to the extent that it is reasonably apparent from the face of such disclosure that such disclosure also qualifies or applies to such other sections.

SECTION 4.01. Organization, Standing and Power. Each of the Company and each of the Company s Subsidiaries (the Company Subsidiaries) is duly organized, validly existing and in good standing under the Laws of the jurisdiction in which it is organized (in the case of good standing, to the extent such jurisdiction recognizes such concept), except, in the case of the Company Subsidiaries, where the failure to be so organized, existing or in good standing, individually or in the aggregate, has not had and would not reasonably be expected to have a Company Material Adverse Effect. Each of the Company and the Company Subsidiaries has all requisite power and authority and possesses all Permits necessary to enable it to own, lease or otherwise hold its properties and assets and to conduct its businesses as presently conducted (the Company Permits), except where the failure to have such power or authority or to possess the Company Permits, individually or in the aggregate, has not had and would not reasonably be expected to have a Company Material Adverse Effect. Each of the Company and the Company Subsidiaries is duly qualified or licensed to do business in each jurisdiction where the nature of its business or the ownership, operation or leasing of its properties and assets makes such qualification necessary, other than in such jurisdictions where the failure to be so qualified or licensed, individually or in the aggregate, has not had and would not reasonably be expected to have a Company Material Adverse Effect. The Company has made available to Parent, prior to execution of this Agreement, true and complete copies of the Amended and Restated Certificate of Incorporation of the Company in effect as of the date of this Agreement (the Company Charter) and the Amended and Restated Bylaws of the Company in effect as of the date of this Agreement (the Company Bylaws).

SECTION 4.02. Company Subsidiaries. (a) All the outstanding shares of capital stock or voting securities of, or other equity interests in, each Company Subsidiary have been validly issued and are fully paid and nonassessable and are wholly owned by the Company, by another Company Subsidiary or by the Company and another Company Subsidiary, free and clear of all Liens, and free of any other restriction (including any restriction on the right to vote, sell or otherwise dispose of such capital stock, voting securities or other equity interests), except for restrictions imposed by applicable securities Laws. The Company has provided to Parent a true and complete list of all the Company Subsidiaries as of the date of this Agreement.

(b) Except for the capital stock and voting securities of, and other equity interests in, the Company Subsidiaries, neither the Company nor any Company Subsidiary owns, directly or indirectly, any capital stock or voting securities of, or other equity interests in, or any interest convertible into or exchangeable or exercisable for, any capital stock or voting securities of, or other equity interests in, any firm, corporation, partnership, company, limited liability company, trust, joint venture, association or other entity.

SECTION 4.03. Capital Structure. (a) The authorized capital stock of the Company consists of 245,000,000 shares of Company Common Stock and 5,000,000 shares of Preferred Stock, par value $0.01 per share (the Company Preferred Stock and, together with the Company Common Stock, the Company Capital Stock). At the close of business on the Capitalization Date, (i) 11,587,963 shares of Company Common Stock

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were issued and outstanding and no shares of Company Common Stock were held in the treasury of the Company, (ii) no shares of Company Preferred Stock were issued and outstanding and (iii) 468,275 shares of Company Common Stock were reserved and available for issuance pursuant to the Company Stock Plan, of which (A) 188,894 shares were subject to outstanding Company RSUs (other than Company PSUs) and (B) 178,700 shares were subject to outstanding Company PSUs (assuming settlement of outstanding awards based on maximum achievement of applicable performance goals). Except as set forth in this Section 4.03(a), at the close of business on the Capitalization Date, no shares of capital stock or voting securities of, or other equity interests in, the Company were issued, reserved for issuance or outstanding. From the close of business on the Capitalization Date to the date of this Agreement, there have been no issuances by the Company of shares of capital stock or voting securities of, or other equity interests in, the Company, other than the issuance of Company Common Stock upon the vesting and settlement of Company RSUs in accordance with their terms in effect on the Capitalization Date.

(b) All outstanding shares of Company Capital Stock are, and, at the time of issuance, all such shares that may be issued upon the vesting and settlement of Company RSUs will be, duly authorized, validly issued, fully paid and nonassessable and not subject to, or issued in violation of, any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of the DGCL, the Company Charter, the Company Bylaws or any Contract to which the Company is a party or otherwise bound. Except as set forth in this Section 4.03, as of the close of business on the Capitalization Date, there are not issued, reserved for issuance or outstanding, and there are not any outstanding obligations of the Company or any Company Subsidiary to issue, deliver or sell, or cause to be issued, delivered or sold, (i) any capital stock or voting securities of, or other equity interests in, the Company or any Company Subsidiary or any securities of the Company or any Company Subsidiary convertible into or exchangeable or exercisable for shares of capital stock or voting securities of, or other equity interests in, the Company or any Company Subsidiary, (ii) any warrants, calls, options or other rights to acquire from the Company or any Company Subsidiary, or any other obligation of the Company or any Company Subsidiary to issue, deliver or sell, or cause to be issued, delivered or sold, any capital stock or voting securities of, or other equity interests in, the Company or any Company Subsidiary or (iii) any rights issued by or other obligations of the Company or any Company Subsidiary that are linked in any way to the price of any class of the Company Capital Stock or any shares of capital stock or voting securities of, or other equity interests in, any Company Subsidiary, the value of the Company, any Company Subsidiary or any part of the Company or any Company Subsidiary or any dividends or other distributions declared or paid on any shares of capital stock or voting securities of, or other equity interests in, the Company or any Company Subsidiary. Except as set forth above in this Section 4.03 or in connection with Company RSUs, as of the close of business on the Capitalization Date, there are not any outstanding obligations of the Company or any of the Company Subsidiaries to repurchase, redeem or otherwise acquire any shares of capital stock or voting securities or other equity interests of the Company or any Company Subsidiary or any securities, interests, warrants, calls, options or other rights referred to in clause (i), (ii) or (iii) of the immediately preceding sentence. There are no debentures, bonds, notes or other Indebtedness of the Company that have or by their terms may have at any time the right to vote (which are convertible into, or exchangeable for, securities having the right to vote) on any matters on which stockholders of the Company may vote (Company Voting Debt). Neither the Company nor any of the Company Subsidiaries is a party to any voting agreement with respect to the voting of any capital stock or voting securities of, or other equity interests in, the Company. Except for this Agreement, neither the Company nor any of the Company Subsidiaries is a party to any agreement pursuant to which any Person is entitled to elect, designate or nominate any director of the Company or any of the Company Subsidiaries.

SECTION 4.04. Authority; Execution and Delivery; Enforceability. (a) The Company has all requisite corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Merger and the other transactions contemplated hereby, subject, in the case of the Merger, to the receipt of the Company Stockholder Approval. The Company Board, by a vote at a meeting duly called at which a quorum of directors of the Company was present, adopted resolutions (i) approving this Agreement and the Voting Agreement,

(ii) determining that entering into this Agreement is in the best interests of the Company and its stockholders, (iii) declaring this Agreement advisable and (iv) recommending that the Company s

stockholders adopt this Agreement and directing that this Agreement be submitted to the Company s stockholders at a duly held meeting of such stockholders for such purpose (the Company Stockholders Meeting), and such resolutions have not been amended or withdrawn as of the date of this Agreement. Except for the adoption of this Agreement by the affirmative vote of the holders of a majority of the outstanding shares of Company Common Stock entitled to vote at the Company Stockholders Meeting (the Company Stockholder Approval), no other corporate proceedings on the part of the Company are necessary to authorize, adopt or approve this Agreement or to consummate the Merger and the other transactions contemplated hereby (except for the filing of the Certificate of Merger with the Secretary of State pursuant to the DGCL). The Company has duly executed and delivered this Agreement and, assuming the due authorization, execution and delivery by each of Parent and Merger Sub, this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to the Bankruptcy and Equity Exception.

(b) Assuming the accuracy of Parent s representation in the last sentence of Section 3.04(b), (i) the Company Board has adopted such resolutions as are necessary to render inapplicable to this Agreement, the Merger and the other transactions contemplated hereby the restrictions on business combinations (as defined in Section 203 of the DGCL) as set forth in Section 203 of the DGCL and (ii) no other interested stockholder fair price , moratorium , control share acquisition or other similar antitakeover statute or similar statute or regulation, or similar provision or term of the Company Charter or the Company Bylaws, applies with respect to the Company with respect to this Agreement, the Merger or any of the other transactions contemplated hereby. Neither the Company nor any of its controlled Affiliates owns any Parent Common Shares.

(c) Neither the Company nor any Company Subsidiary has in effect a poison pill , stockholder rights plan or other similar plan or agreement.

SECTION 4.05. No Conflicts; Consents. (a) The execution and delivery by the Company of this Agreement does not, and the performance by it of its obligations hereunder and the consummation of the Merger and the other transactions contemplated hereby will not, (i) conflict with or result in any violation of any provision of the Company Charter, the Company Bylaws or the comparable charter, bylaws or other organizational documents of any Company Subsidiary (assuming that the Company Stockholder Approval is obtained), (ii) conflict with, result in any violation of or default (with or without notice or lapse of time, or both) under, give rise to a right of termination, cancellation or acceleration of, give rise to any obligation to make an offer to purchase or redeem any Indebtedness or capital stock, voting securities, or other equity interests or any loss of a material benefit under, or result in the creation of any Lien upon any of the properties or assets of the Company or any Company Subsidiary under, any legally binding Contract to which the Company or any Company Subsidiary is a party or by which any of their respective properties or assets is bound or any Company Permit or (iii) subject to the filings and other matters referred to in Section 4.05(b), conflict with or result in any violation of any Judgment or Law, in each case, applicable to the Company or any Company Subsidiary or their respective properties or assets (assuming that the Company Stockholder Approval is obtained), other than, in the case of clauses (ii) and (iii) above, any matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect.

(b) No Consent of or from, or registration, declaration, notice or filing made to or with any Governmental Entity is required to be obtained or made by or with respect to the Company or any Company Subsidiary in connection with the execution and delivery of this Agreement or its performance of its obligations hereunder or the consummation of the Merger and the other transactions contemplated hereby, other than (i) (A) the filing with the SEC of the Proxy Statement in definitive form, (B) the filing with the SEC, and declaration of effectiveness under the Securities Act, of the Form S-4, and (C) the filing with the SEC of such reports and other filings under, and such other compliance with, the Exchange Act and the Securities Act, and the rules and regulations thereunder, as may be required in connection with this Agreement, the Merger and the other transactions contemplated hereby, (ii) compliance with and filings

under the HSR Act, (iii) the filing of the Certificate of Merger with the Secretary of State pursuant to the DGCL and appropriate documents with the relevant authorities of the other jurisdictions in which Parent and the Company are qualified to do business,

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(iv) such Consents, registrations, declarations, notices or filings as are required to be made or obtained under the securities or blue sky Laws of various states in connection with the issuance of the Parent Common Shares constituting the Share Consideration and the Mixed Share Consideration, (v) such Consents from, or registrations, declarations, notices or filings made to or with, the FCC as are required in connection with the transactions contemplated hereby (the Company FCC Consents and, together with the Parent FCC Consents, the FCC Consents), (vi) such Consents from, or registrations, declarations, notices or filings made to or with, State Regulators as are required in connection with the transactions contemplated hereby (the Company PSC Consents and, together with the Parent PSC Consents, the PSC Consents), (vii) such Consents from, or registrations, declarations, notices or filings made to or with, governments of Localities in connection with the provision of telecommunication and media services as are required in connection with the transactions contemplated hereby (the Company Local Consents and, together with the Parent Local Consents, the Local Consents), (viii) such filings with and approvals of the NYSE as are required to permit the listing of the Parent Common Shares constituting the Share Consideration and the Mixed Share Consideration and (ix) such other matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect.

SECTION 4.06. SEC Documents; Undisclosed Liabilities. (a) The Company has furnished or filed all reports, schedules, forms, statements and other documents (including exhibits and other information incorporated therein) required to be furnished or filed by the Company with the SEC since January 1, 2015 (such documents, together with any documents filed with or furnished to the SEC during such period by the Company on a voluntary basis on a Current Report on Form 8-K, but excluding the Proxy Statement and the Form S-4, being collectively referred to as the Company SEC Documents).

(b) Each Company SEC Document (i) at the time filed, complied in all material respects with the requirements of SOX and the Exchange Act or the Securities Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to such Company SEC Document and (ii) did not at the time it was filed (or if amended or superseded by a filing or amendment prior to the date of this Agreement, then at the time of such filing or amendment) contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Each of the consolidated financial statements of the Company included in the Company SEC Documents complied at the time it was filed as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, was prepared in accordance with GAAP (except, in the case of unaudited statements, as permitted by Form 10-Q of the SEC or other rules and regulations of the SEC) applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and fairly presented in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods shown (subject, in the case of unaudited statements, to normal year-end audit adjustments).

(c) Neither the Company nor any Company Subsidiary has any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) that, individually or in the aggregate, have had or would reasonably be expected to have a Company Material Adverse Effect.

(d) The Company maintains a system of internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) sufficient to provide reasonable assurance (i) that transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP, consistently applied, (ii) that transactions are executed only in accordance with the authorization of management and (iii) regarding prevention or timely detection of the unauthorized acquisition, use or disposition of the Company s properties or assets.

(e) The disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) utilized by the Company are reasonably designed to ensure that all information (both financial

and non-financial) required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that all such information required to be disclosed is accumulated and communicated to the management of the Company, as appropriate, to allow timely decisions regarding required disclosure and to enable the chief executive officer and chief financial officer of the Company to make the certifications required under the Exchange Act with respect to such reports.

(f) Neither the Company nor any of the Company Subsidiaries is a party to, or has any commitment to become a party to, any joint venture, off-balance sheet partnership or any similar Contract (including any Contract or arrangement relating to any transaction or relationship between or among the Company and any of the Company Subsidiaries, on the one hand, and any unconsolidated Affiliate, including any structured finance, special purpose or limited purpose entity or Person, on the other hand, or any off-balance sheet arrangements (as defined in Item 303(a) of Regulation S-K under the Exchange Act)), where the result, purpose or intended effect of such Contract is to avoid disclosure of any material transaction involving, or material liabilities of, the Company or any of the Company Subsidiaries in the Company s or such Company Subsidiary s published financial statements or other Company SEC Documents.

(g) As of the date hereof, since January 1, 2017, none of the Company, the Company s independent accountants, the Company Board or the audit committee of the Company Board has received any oral or written notification of any (i) significant deficiency in the internal controls over financial reporting of the Company, (ii) material weakness in the internal controls over financial reporting of the Company or (iii) fraud, whether or not material, that involves management or other employees of the Company who have a significant role in the internal controls over financial reporting of the Company.

(h) None of the Company Subsidiaries is, or has at any time since January 1, 2017 been, subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act.

SECTION 4.07. Information Supplied. None of the information supplied or to be supplied by the Company for inclusion or incorporation by reference in (i) the Form S-4 will, at the time the Form S-4 is filed with the SEC, at any time it is amended or supplemented or at the time it is declared effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading or (ii) the Proxy Statement will, at the date it is first mailed to the Company s stockholders or at the time of the Company Stockholders Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The Proxy Statement will comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations thereunder, except that no representation is made by the Company with respect to statements made or incorporated by reference therein based on information supplied by Parent or Merger Sub for inclusion or incorporation by reference therein.

SECTION 4.08. Absence of Certain Changes or Events. From January 1, 2017 to the date of this Agreement, (i) there has not occurred any state of facts, change, effect, condition, development, event or occurrence that, individually or in the aggregate, has had or would reasonably be expected to have a Company Material Adverse Effect, (ii) neither the Company nor any of the Company Subsidiaries has taken any action which, if taken after the date of this Agreement and prior to the Closing Date without the prior written consent of Parent, would constitute a breach of Section 5.01(b)(ii), 5.01(b)(iv), 5.01(b)(v), 5.01(b)(vii), 5.01(b)(viii) or 5.01(b)(ix) and (iii) each of Company and the Company Subsidiaries has conducted its respective business in the ordinary course in all material respects.

SECTION 4.09. Taxes. (a)(i) Each of the Company and each Company Subsidiary has timely filed, taking into account any extensions, all material Tax Returns required to have been filed and such Tax Returns are accurate and

complete in all material respects; (ii) each of the Company and each Company Subsidiary has paid

all material Taxes required to have been paid by it other than Taxes that are not yet due or that are being contested in good faith in appropriate proceedings; and (iii) no material deficiency for any Tax has been asserted or assessed by a taxing authority against the Company or any Company Subsidiary which deficiency has not been paid or is not being contested in good faith in appropriate proceedings.

(b) No material Tax Return of the Company or any Company Subsidiary is under audit or examination by any taxing authority, and no written notice of such an audit or examination has been received by the Company or any Company Subsidiary that remains outstanding. No deficiencies for any material Taxes have been proposed, asserted or assessed against the Company or any Company Subsidiary that were not finally resolved in full prior to the date of, with all consequences thereof properly reflected in accordance with GAAP in, the most recent Company SEC Documents, and no requests for waivers of the time to assess any such Taxes are pending. No other procedure, proceeding or contest of any refund or deficiency in respect of material Taxes is pending in or on appeal from any Governmental Entity.

(c) Each of the Company and each Company Subsidiary has complied in all material respects with all applicable Laws relating to the collection, payment and withholding and remittances of Taxes.

(d) Neither the Company nor any Company Subsidiary is a party to or is otherwise bound by any material Tax sharing, allocation or indemnification agreement or arrangement (other than such an agreement or arrangement exclusively between or among the Company and the Company Subsidiaries or customary Tax payment or indemnification provisions in Contracts the primary purpose of which does not relate to Taxes).

(e) Within the past three years, neither the Company nor any Company Subsidiary has been a distributing corporation or a controlled corporation in a distribution intended to qualify for tax-free treatment under Section 355 of the Code.

(f) Neither the Company nor any Company Subsidiary has participated in a listed transaction or a transaction of interest within the meaning of Treasury Regulation Section 1.6011-4(b).

(g) Since January 1, 2014, no claim has been made by a taxing authority in a jurisdiction where the Company or any Company Subsidiary does not file Tax Returns that the Company or any of the Company Subsidiaries is or may be subject to Taxes assessed by such jurisdiction.

SECTION 4.10. Benefits Matters; ERISA Compliance. (a) The Company has delivered or made available to Parent true and complete copies of (i) all material Company Benefit Plans or, in the case of any unwritten material Company Benefit Plan, a description thereof, including any amendment thereto, (ii) the most recent annual report on Form 5500 or such similar report, statement or information return required to be filed with or delivered to any Governmental Entity, if any, in each case, with respect to each material Company Benefit Plan, (iii) each trust, insurance, annuity or other funding Contract relating to any material Company Benefit Plan and (iv) the most recent financial statements and actuarial or other valuation reports for each Company Benefit Plan (if any). For purposes of this Agreement, Company Benefit Plans means, collectively (A) all employee pension benefit plans (as defined in Section 3(2) of ERISA) (Company Pension Plans), employee welfare benefit plans (as defined in Section 3(1) of ERISA) and all other material bonus, pension, profit sharing, retirement, deferred compensation, incentive compensation, equity or equity-based compensation, severance, retention, termination, change in control, disability, vacation, death benefit, hospitalization, medical or other material compensation or benefit plans, arrangements, policies, programs or understandings providing compensation or benefits (other than foreign or domestic statutory programs), in each case, sponsored, maintained, contributed to or required to be maintained or contributed to by the Company, any Company Subsidiary or any other person or entity that, together with the Company is treated as a single employer under Section 414(b), (c), (m) or (o) of the Code (each, a Company Commonly Controlled Entity) for the benefit of any current or former directors, officers, employees, independent contractors or consultants of the Company or any

Company Subsidiary (each a Company Participant) and (B) all material employment, consulting, bonus,

incentive compensation, deferred compensation, equity or equity-based compensation, indemnification, severance, retention, change of control or termination agreements or arrangements between the Company or any Company Subsidiary and any Company Participant.

(b) All Company Pension Plans have been the subject of, have timely applied for or have not been eligible to apply for, as of the date of this Agreement, determination letters or opinion letters (as applicable) from the IRS to the effect that such Company Pension Plans and the trusts created thereunder are qualified and exempt from Taxes under Sections 401(a) and 501(a) of the Code or other applicable Law, and no such determination letter or opinion letter has been revoked nor, to the Knowledge of the Company, has revocation been threatened, nor has any such Company Pension Plan been amended since the date of its most recent determination letter or opinion letter (or application therefor) in any respect that would reasonably be expected to result in the loss of its qualification.

(c) Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, other than any Company Pension Plan that is a multiemployer plan within the meaning of Section 4001(a)(3) of ERISA (a Company Multiemployer Pension Plan), (i) no Company Pension Plan had, as of the respective last annual valuation date for each such Company Pension Plan, an unfunded benefit liability (within the meaning of Section 4001(a)(18) of ERISA), based on actuarial assumptions made available to Parent, (ii) none of the Company Pension Plans has failed to meet any minimum funding standards (as such term is defined in Section 302 of ERISA or Section 412 of the Code), whether or not waived, (iii) none of such Company Benefit Plans or related trusts is the subject of any proceeding or investigation by any Person, including any Governmental Entity, that could be reasonably expected to result in a termination of such Company Benefit Plan or trust or any other material liability to the Company or any Company Subsidiary, and (iv) there has not been any reportable event (as that term is defined in Section 4043 of ERISA and as to which the notice requirement under Section 4043 of ERISA has not been waived) with respect to any Company Benefit Plan during the last six years. Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, none of the Company, any Company Subsidiary or any Company Commonly Controlled Entity has, or within the past six years had, contributed to, been required to contribute to, or has any liability (including withdrawal liability within the meaning of Title IV of ERISA) with respect to, any Company Multiemployer Pension Plan.

(d) With respect to each material Company Benefit Plan that is an employee welfare benefit plan, (i) such Company Benefit Plan (including any Company Benefit Plan covering retirees or other former employees) may be amended to reduce benefits or limit the liability of the Company or the Company Subsidiaries or terminated, in each case, without material liability to the Company and the Company Subsidiaries on or at any time after the Effective Time and (ii) no such Company Benefit Plan is unfunded or self-insured or funded through a welfare benefit fund (as defined in Section 419(e) of the Code) or other funding mechanism.

(e) Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, no Company Benefit Plan provides health, medical or other welfare benefits after retirement or other termination of employment (other than for continuation coverage required under Section 4980(B)(f) of the Code or applicable Law).

(f) Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, (i) each Company Benefit Plan and its related trust, insurance contract or other funding vehicle has been administered in accordance with its terms and is in compliance with ERISA, the Code and all other Laws applicable to such Company Benefit Plan and (ii) the Company and each of the Company Subsidiaries is in compliance with ERISA, the Code and all other Laws applicable to the Company Benefit Plans.

(g) Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, all contributions or other amounts payable by the Company or any Company Subsidiary with respect to each Company Benefit Plan have been paid or accrued in

accordance with the terms of such Company Benefit Plan, GAAP and Section 412 of the Code (or any comparable provision under applicable non-U.S. Laws). Except as fully accrued or reserved against on the Company s financial statements in accordance with GAAP, there are no material unfunded liabilities, solvency deficiencies or wind-up liabilities, where applicable, with respect to any Company Benefit Plan.

(h) Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, there are no pending or, to the Knowledge of the Company, threatened claims or Actions by or on behalf of any participant in any of the Company Benefit Plans, or otherwise involving any such Company Benefit Plan or the assets of any Company Benefit Plan, other than routine claims for benefits payable in the ordinary course.

(i) None of the execution and delivery of this Agreement, the obtaining of the Company Stockholder Approval or the consummation of the Merger or any other transaction contemplated by this Agreement (alone or in conjunction with any other event, including any termination of employment on or following the Effective Time) will (i) entitle any Company Participant to any compensation or benefit, (ii) accelerate the time of payment or vesting, or trigger any payment or funding, of any compensation or benefits or trigger any other material obligation under any Company Benefit Plan, (iii) result in any breach or violation of, default under or limit the Company s right to amend, modify or terminate any Company Benefit Plan or (iv) result in any excess parachute payment (within the meaning of Section 280G of the Code) becoming due to any Company Participant. No Company Participant is entitled to receive any gross-up or additional payment in respect of any Taxes (including, without limitation, the Taxes required under Section 409A or Section 4999 of the Code) being imposed on such Person.

SECTION 4.11. Litigation. There is no Action pending or, to the Knowledge of the Company, threatened against or affecting the Company or any Company Subsidiary that, individually or in the aggregate, has had or would reasonably be expected to have a Company Material Adverse Effect, nor is there any Judgment outstanding against or, to the Knowledge of the Company, any investigation by any Governmental Entity involving the Company or any Company Subsidiary or any of their respective properties or assets that, individually or in the aggregate, has had or would reasonably be expected to have a Company Material Adverse Effect.

SECTION 4.12. Compliance with Applicable Laws. Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, the Company and the Company Subsidiaries are in compliance with all applicable Laws and the Company Permits. To the Knowledge of the Company, except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, no material action, demand or investigation by or before any Governmental Entity is pending or threatened alleging that the Company or a Company Subsidiary is not in compliance with any applicable Law or Company Permit or which challenges or questions the validity of any rights of the holder of any Company Permit. This section does not relate to Tax matters, employee benefits matters, labor matters, environmental matters or Intellectual Property matters.

SECTION 4.13. Environmental Matters. (a) Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect:

(i) the Company and the Company Subsidiaries have complied with all Environmental Laws, and neither the Company nor any Company Subsidiary has received any written communication that alleges that the Company or any Company Subsidiary is in violation of, or has liability under, any Environmental Law and, except as reflected in the most recent audited financial statements of the Company included in the Company SEC Documents, to the Knowledge of the Company, no known capital or other expenditure is required for the Company or the Company Subsidiaries to achieve or maintain compliance with Environmental Law;

(ii) the Company and the Company Subsidiaries have obtained and complied with all Permits issued pursuant to Environmental Law necessary for their respective operations as currently conducted, all such Permits are valid and in good standing and neither the Company nor any Company Subsidiary has been advised in writing by any Governmental Entity of any actual or potential change in the status or terms and conditions of any such Permits;

(iii) there are no Environmental Claims pending or, to the Knowledge of the Company, threatened against the Company or any of the Company Subsidiaries;

(iv) there have been no Releases of any Hazardous Material that could reasonably be expected to form the basis of any Environmental Claim against the Company or any of the Company Subsidiaries; and

(v) neither the Company nor any of the Company Subsidiaries has retained or assumed, either contractually or by operation of Law, any Known liabilities or obligations that could reasonably be expected to form the basis of any Environmental Claim against the Company or any of the Company Subsidiaries.

SECTION 4.14. Contracts. (a) As of the date of this Agreement, neither the Company nor any Company Subsidiary is a party to any Contract required to be filed by the Company pursuant to Item 601(b)(2), (b)(4), (b)(9) or (b)(10) of Regulation S-K under the Securities Act (a "Filed Company Contract") that has not been so filed.

(b) Except for matters which, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, (i) each Filed Company Contract (including, for purposes of this Section 4.14(b), any Contract entered into after the date of this Agreement that would have been a Filed Company Contract if such Contract existed on the date of this Agreement) is a valid, binding and legally enforceable obligation of the Company or one of the Company Subsidiaries, as the case may be, and, to the Knowledge of the Company, of the other parties thereto, subject to the Bankruptcy and Equity Exception, (ii) each such Filed Company Contract is in full force and effect and (iii) none of the Company or any of the Company Subsidiaries is (with or without notice or lapse of time, or both) in breach or default under any such Filed Company Contract and, to the Knowledge of the Company, no other party to any such Filed Company Contract is (with or without notice or lapse of time, or both) in breach or default thereunder.

SECTION 4.15. Properties. (a) Section 4.15(a) of the Company Disclosure Letter sets forth a true and complete list, as of the date hereof, of all of the real property owned in fee simple by the Company or the Company Subsidiaries (the "Company Owned Real Property"). Except in respects that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, either Company or the Company Subsidiaries: (i) has good and valid fee simple title to all of the Company Owned Real Property, free and clear of all Liens other than Permitted Liens; (ii) is in sole and exclusive possession of the Company Owned Real Property and there are no Real Property Leases pursuant to which any third party is granted the right to use any Company Owned Real Property, other than Permitted Liens; (iii) has sufficient right of ingress and egress to the Company Owned Real Property in all material respects and enjoys peaceful and quiet possession thereof; and (iv) there are no outstanding options or rights of first offer or refusal to purchase the Company Owned Real Property.

(b) Section 4.15(b) the Company Disclosure Letter sets forth a true and complete list, as of the date hereof, of all of the real property leased by Company or the Company Subsidiaries for which the annual rental value exceeds $100,000 pursuant to a Real Property Lease (the "Company Leased Real Property"). Except in respects that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, with respect to the Company Leased Real Property and each Real Property Lease: (i) each Real Property Lease is in full force and effect, and Company or the Company Subsidiaries holds a valid and existing leasehold interest under each Real Property Lease; (ii) the possession and quiet use and

enjoyment of the Company Leased Real Property under such Real Property Lease has not been disturbed and there are no disputes with respect to any such Real Property Lease; (iii) Company or the Company Subsidiaries have not given or received any written notice of default pursuant to any such Real Property Lease; (iv) Company or the Company Subsidiaries nor, to the Knowledge of Company or the Company Subsidiaries, any other party to such Real Property Lease, is in breach or violation in any material respect of, or in default under, such Real Property Lease, and no event has occurred or circumstance exists which, with the delivery of notice, the passage of time or both, would constitute such a breach, violation or default in any material respect, or permit the termination, modification or acceleration of rent under such Real Property Lease on the part of Company or the Company Subsidiary, nor, to the Knowledge of Company or the Company Subsidiaries, on the part of the other party thereto; (v) no security deposit or portion thereof deposited with respect to such Real Property Lease has been applied in respect of a breach or default under such Real Property Lease which has not been re-deposited in full; (vi) neither Company or the Company Subsidiaries owes, or will owe in the future based on arrangements currently in existence, any brokerage commissions or finder s fees with respect to any Real Property Lease; (vii) Company or the Company Subsidiaries has not collaterally assigned or granted any other security interest in such Real Property Lease or any interest therein, other than Permitted Liens; and (viii) there are no Liens on the estate or interest created by such Real Property Lease, other than Permitted Liens; and (ix) Company nor any Company Subsidiary has subleased, licensed or otherwise granted any person the right to use or occupy any Company Leased Real Property or any portion thereof.

SECTION 4.16. Intellectual Property. Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect:

(a) Company and the Company Subsidiaries own, free and clear of all Liens, other than Permitted Liens, or are validly licensed or otherwise have the right to use, all Intellectual Property used in the operation of their business as currently conducted;

(b) neither the Company nor any of the Company Subsidiaries has received in the three years prior to the date of this Agreement any written notice from any Person, and there are no pending Actions, or to the Knowledge of the Company, threatened, against the Company or any of the Company Subsidiaries, (A) asserting the infringement, misappropriation or violation of any Intellectual Property by the Company or any of the Company Subsidiaries or (B) challenging the validity, enforceability, priority or registrability of, or any right, title or interest of the Company or any of the Company Subsidiaries with respect to, any Intellectual Property owned or purported to be owned by the Company or any of the Company Subsidiaries;

(c) neither the Company nor any of the Company Subsidiaries has sent any written notice in the year prior to the date of this Agreement to any Person, and there are no pending Actions, by the Company or any of the Company Subsidiaries, (A) asserting the infringement, misappropriation or violation of any Intellectual Property owned by or exclusively licensed to the Company or any of the Company Subsidiaries or (B) challenging the validity, enforceability, priority or registrability of, or any right, title or interest of any Person with respect to, any Intellectual Property;

(d) to the Knowledge of the Company, (A) no Person is infringing, misappropriating or violating any Intellectual Property owned by or exclusively licensed to the Company or any of the Company Subsidiaries and (B) the conduct of the businesses of the Company and the Company Subsidiaries as currently conducted does not infringe upon, misappropriate or violate the Intellectual Property rights of any Person;

(e) the Company and the Company Subsidiaries have taken commercially reasonable measures to protect the confidentiality and security of the (A) IT Assets and (B) personal information gathered, used, held for use or accessed by the Company or the Company Subsidiaries in the course of the operations of their respective businesses; and

(f) to the Knowledge of the Company, the IT Assets (A) meet the needs of the Company s business as currently conducted and (B) have not materially malfunctioned or failed in the two years prior to the date of this

Agreement in a manner that has had a material impact on the businesses of the Company and the Company Subsidiaries. To the Knowledge of the Company, no Person has gained unauthorized access to the IT Assets or any personal information gathered, used, held for use or accessed by the Company or any of the Company Subsidiaries.

SECTION 4.17. Labor Matters. (a) Section 4.17 of the Company Disclosure Letter sets forth a true and complete list, as of the date hereof, of all material Company Collective Bargaining Agreements. The Company has made available to Parent copies of such Company Collective Bargaining Agreements, including with respect to employees based outside the United States. Neither the Company nor any of the Company Subsidiaries has breached or otherwise failed to comply with any provision of any Company Collective Bargaining Agreement, except for any breaches, failures to comply or disputes that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect.

(b) Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, (i) there is not any, and during the past three years there has not been any, labor strike, dispute, work stoppage or lockout pending, or, to the Knowledge of the Company, threatened, against or affecting the Company or any Company Subsidiary; (ii) to the Knowledge of the Company, no union organizational campaign is in progress with respect to the employees of the Company or any Company Subsidiary and no question concerning representation of such employees exists; (iii) neither the Company nor any Company Subsidiary is engaged in any unfair labor practice; (iv) there are not any unfair labor practice charges or complaints against the Company or any Company Subsidiary pending, or, to the Knowledge of the Company, threatened, before the National Labor Relations Board; (v) there are not any pending, or, to the Knowledge of the Company, threatened, union grievances against the Company or any Company Subsidiary that reasonably could be expected to result in an adverse determination; (vi) the Company and each Company Subsidiary is in compliance with all applicable Laws with respect to labor relations, employment and employment practices, occupational safety and health standards, terms and conditions of employment, payment of wages, classification of employees, immigration, visa, work status, pay equity and workers compensation; and (vii) neither the Company nor any Company Subsidiary has received written communication during the past three years of the intent of any Governmental Entity responsible for the enforcement of labor or employment Laws to conduct an investigation of or affecting the Company or any Company Subsidiary and, to the Knowledge of the Company, no such investigation is in progress.

SECTION 4.18. Brokers Fees and Expenses. No broker, investment banker, financial advisor or other Person, other than UBS Securities LLC (the Company Financial Advisor), the fees and expenses of which will be paid by the Company, is entitled to any broker s, finder s, financial advisor s or other similar fee or commission in connection with the Merger or any of the other transactions contemplated hereby based upon arrangements made by or on behalf of the Company. The Company has furnished to Parent true and complete copies of all agreements between the Company and the Company Financial Advisor relating to the Merger or any of the other transactions contemplated hereby, subject to redactions of the portions of such agreement relating to the calculation of the fee payable to such Company Financial Advisor. The Company has separately provided Parent with the result of a calculation of the approximate amount of the fee that will be payable to the Company Financial Advisor as a result of the Merger.

SECTION 4.19. Opinion of Financial Advisor. The Company has received the opinion of the Company Financial Advisor dated the date of this Agreement, to the effect that, as of such date and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations set forth therein, the aggregate amount of the Merger Consideration to be received by the holders of Company Common Stock other than holders of Excluded Shares and shares of Company Common Stock held immediately prior to the Effective Time by (a) the Company as treasury stock, (b) Parent or Merger Sub and (c) any direct or indirect wholly owned subsidiary of the Company or of Parent (other than Merger Sub), is fair, from a financial point of view, to such holders.

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SECTION 4.20. Communications Regulatory Matters.

(a) The Company and each of the Company Subsidiaries hold all approvals, authorizations, certificates and licenses issued by the FCC or State Regulators and all other material regulatory permits, approvals, licenses and other authorizations, including franchises, ordinances and other agreements granting access to public rights of way, issued or granted to the Company or any of the Company Subsidiaries by a Governmental Entity that are required for the Company and each of the Company Subsidiaries to conduct its business, as presently conducted (collectively, the Company Licenses).

(b) Each Company License is valid and in full force and effect and has not been suspended, revoked, canceled or adversely modified. No Company License is subject to (i) any conditions or requirements that have not been imposed generally upon licenses in the same service, unless such conditions or requirements are set forth on the face of the applicable authorization or (ii) any pending Action by or before the FCC or State Regulators to suspend, revoke or cancel, or any judicial review of a decision by the FCC or State Regulators with respect thereto. To the Knowledge of the Company, there is no (A) event, condition or circumstance attributable specifically to the Company that would preclude any Company License from being renewed in the ordinary course (to the extent that such Company License is renewable by its terms), (B) pending or threatened FCC or State Regulator regulatory Actions relating specifically to one or more of the Company Licenses or (C) event, condition or circumstance attributable specifically to the Company that would materially impair, delay or preclude the ability of the Company or the Company Subsidiaries to obtain any Consents from any Governmental Entity. No Company License, order or other agreement, obtained from, issued by or concluded with any State Regulator imposes or would impose restrictions on the ability of any Company Subsidiary to make payments, dividends or other distributions to the Company or any other Company Subsidiary that limits, or would reasonably be expected to limit, the cash funding and management alternatives of the Company on a consolidated basis in a manner disproportionate to restrictions applied by such State Regulators to similarly situated companies.

(c) The Company, with respect to any Company License and Unlicensed Activity, and each of its Unlicensed Subsidiaries is, and since December 31, 2013, has been, in compliance with each Company License and has fulfilled and performed all of its obligations with respect thereto and with respect to any Unlicensed Activity required by the Communications Act, or FCC Rules or similar rules, regulations, written policies and orders of State Regulators, and the payment of all regulatory fees and contributions, except for exemptions, waivers or similar concessions or allowances. The Company and each licensee of each Company License and each of its Unlicensed Subsidiary is in good standing with the FCC and all other Governmental Entities, and neither the Company nor any such licensee or any of its Unlicensed Subsidiaries is, to the Knowledge of the Company, the respondent with respect to any Enforcement Proceeding. The Company or a Company Subsidiary owns one hundred percent (100%) of the equity and controls one hundred percent (100%) of the voting power and decision-making authority of each licensee of the Company Licenses and each of its Unlicensed Subsidiaries.

(d) Neither the Company nor any of the Company Subsidiaries is subject to any currently effective cease-and-desist order or enforcement action issued by, or is a party to any consent agreement or memorandum of understanding with, or has been ordered since December 31, 2013, to pay any civil money penalty by, the FCC, USAC or any other Governmental Entity (other than a taxing authority, which is covered by Section 4.09), other than those of general application that apply to similarly situated providers of the same services or their Subsidiaries (each item in this sentence, whether or not set forth in the Company Disclosure Letter, a Company Regulatory Agreement), nor has the Company or any of the Company Subsidiaries been advised in writing since December 31, 2013 by any Governmental Entity that it is considering issuing, initiating, ordering or requesting any such Company Regulatory Agreement.

SECTION 4.21. No Other Representations or Warranties. Except for the representations and warranties contained in this Article IV, Parent and Merger Sub acknowledge that none of the Company, the Company Subsidiaries or any other Person on behalf of the Company makes any other express or implied representation or

warranty in connection with the transactions contemplated hereby, and that neither Parent nor Merger Sub has relied on any such other representation or warranty.

ARTICLE V

Covenants Relating to Conduct of Business

SECTION 5.01. Conduct of Business. (a) Conduct of Business by Parent. Except for matters set forth in the Parent Disclosure Letter, required by applicable Law or otherwise expressly permitted or expressly contemplated by this Agreement or with the prior written consent of the Company (which shall not be unreasonably withheld, conditioned or delayed, it being understood and agreed that the Company shall use commercially reasonable efforts to approve or deny any request by Parent for written consent pursuant to this Section 5.01(a) within five Business Days of such request), from the date of this Agreement to the Effective Time, Parent shall, and shall cause each Parent Subsidiary to, conduct its business in the ordinary course in all material respects and use commercially reasonable efforts to preserve intact its business organization and advantageous business relationships. In addition, and without limiting the generality of the foregoing, except for matters set forth in the Parent Disclosure Letter, required by applicable Law or otherwise expressly permitted or expressly contemplated by this Agreement or with the prior written consent of the Company (which shall not be unreasonably withheld, conditioned or delayed), from the date of this Agreement to the Effective Time, Parent shall not, and shall not permit any Parent Subsidiary to, do any of the following:

(i) amend the Parent Articles or the Parent Regulations, except for such amendments as would not disproportionately adversely affect a holder of Company Common Stock relative to a holder of Parent Common Shares or prevent or materially impede, interfere with, hinder or delay the consummation of the Merger and the other transactions contemplated hereby;

(ii) (A) declare, set aside or pay any dividends on, or make any other distributions (whether in cash, stock or property or any combination thereof) in respect of, any of its capital stock, other equity interests or voting securities, other than (1) regular quarterly cash dividends payable by Parent to holders of its 6 3/4% Preferred Shares and (2) dividends and distributions by a direct or indirect wholly owned Parent Subsidiary to its stockholders or other equity holders, (B) other than with respect to a wholly owned Parent Subsidiary, split, combine, subdivide or reclassify any of its capital stock, other equity interests or voting securities, or securities convertible into or exchangeable or exercisable for capital stock or other equity interests or voting securities or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for its capital stock, other equity interests or voting securities, other than as permitted by Section 5.01(a)(ii), or (C) repurchase, redeem or otherwise acquire, or offer to repurchase, redeem or otherwise acquire, any capital stock or voting securities of, or equity interests in, Parent or any Parent Subsidiary or any securities of Parent or any Parent Subsidiary convertible into or exchangeable or exercisable for capital stock or voting securities of, or equity interests in, Parent or any Parent Subsidiary, or any warrants, calls, options or other rights to acquire any such capital stock, securities or interests, except pursuant to (1) the Parent Stock Options, Parent SARs and Parent RSUs, in each case, pursuant to their terms as in effect on the date hereof or thereafter granted as permitted by the provisions of Section 5.01(a)(iii) or (2) any such transaction by Parent or a wholly owned Parent Subsidiary in respect of such capital stock, securities or interests in a wholly owned Parent Subsidiary;

(iii) issue, deliver, sell, grant, pledge or otherwise encumber or subject to any Lien (A) any shares of capital stock of Parent or any Parent Subsidiary (other than the issuance of Parent Common Shares (1) upon conversion of any 6 3/4% Preferred Shares outstanding at the close of business on the date of this Agreement into Parent Common Shares in accordance with the Parent Articles, (2) upon the exercise of Parent Stock Options and Parent SARs or upon vesting and settlement of Parent RSUs in each case, outstanding at the close of business on the date of this Agreement and in accordance with

their terms in effect at such time or thereafter granted as permitted by the provisions of this Section 5.01(a)(iii) and (3) pursuant to the Parent Deferred Compensation Plan for Outside Directors in accordance with their respective terms, or the issuance of shares of capital stock of a wholly owned Parent Subsidiary to Parent or to another wholly owned Parent Subsidiary), (B) any other equity interests or voting securities of Parent or any Parent Subsidiary, other than in the case of a Parent Subsidiary, an issuance, delivery or sale to Parent or any wholly owned Parent Subsidiary, (C) any securities convertible into or exchangeable or exercisable for capital stock or voting securities of, or other equity interests in, Parent or any Parent Subsidiary, other than in the case of a Parent Subsidiary, an issuance, delivery or sale to Parent or any wholly owned Parent Subsidiary, (D) any warrants, calls, options or other rights to acquire any capital stock or voting securities of, or other equity interests in, Parent or any Parent Subsidiary, other than in the case of a Parent Subsidiary, an issuance, delivery or sale to Parent or any wholly owned Parent Subsidiary, (E) any rights issued by Parent or any Parent Subsidiary that are linked in any way to the price of any class of Parent Capital Stock or any shares of capital stock of any Parent Subsidiary, the value of Parent, any Parent Subsidiary or any part of Parent or any Parent Subsidiary or any dividends or other distributions declared or paid on any shares of capital stock of Parent or any Parent Subsidiary, other than in the case of a Parent Subsidiary, an issuance, delivery or sale to Parent or any wholly owned Parent Subsidiary, or (F) any Parent Voting Debt, other than, in the case of each of clauses (A) through (F), for grants of Parent Stock Options, Parent SARs and Parent RSUs under the Parent Benefit Plans in the ordinary course of business consistent with past practice;

(iv) make any material changes in financial accounting methods, principles or practices, except insofar as may be required (A) by GAAP (or any interpretation thereof), (B) by any applicable Law, including Regulation S-X under the Securities Act, or (C) by any Governmental Entity or quasi-governmental authority (including the Financial Accounting Standards Board or any similar organization);

(v) make any acquisition of, or investment in, any properties, assets, securities or business (including by merger, sale of stock, sale of assets or otherwise) which would reasonably be expected to prevent or materially impede, interfere with, hinder or delay the consummation of the Merger and the other transactions contemplated hereby;

(vi) enter into any Contract or amend any Contract which such Contract or amendment would reasonably be expected to prevent or materially impede, interfere with, hinder or delay the consummation of the Merger and the other transactions contemplated hereby;

(vii) authorize, adopt or implement a plan of complete or partial liquidation or dissolution of Parent;

(viii) assign, transfer, lease, cancel, fail to renew or fail to extend any material Parent License issued by the FCC or any State Regulator or discontinue any operations that require prior regulatory approval for discontinuance, other than (A) transfers between Parent and the Parent Subsidiaries or between Parent Subsidiaries and (B) non-renewal or non-extension of Parent Licenses solely related to discontinued businesses of Parent and that do not require regulatory approval for discontinuance; or

(ix) authorize any of, or commit, resolve or agree to take any of, or participate in any negotiations or discussions with any other Person regarding any of, the foregoing actions.

(b) Conduct of Business by the Company. Except for matters set forth in the Company Disclosure Letter, required by applicable Law or otherwise expressly permitted or expressly contemplated by this Agreement or with the prior written consent of Parent (which shall not be unreasonably withheld, conditioned or delayed, it being understood and agreed that Parent shall use commercially reasonable efforts to approve or deny any request by the Company for written consent pursuant to this Section 5.01(b) within five Business Days of such request), from the date of this Agreement to the Effective Time, the Company shall, and shall cause each Company Subsidiary to, conduct its

business in the ordinary course in all material respects and use commercially

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reasonable efforts to preserve intact its business organization and advantageous business relationships. In addition, and without limiting the generality of the foregoing, except for matters set forth in the Company Disclosure Letter, required by applicable Law or otherwise expressly permitted or expressly contemplated by this Agreement or with the prior written consent of Parent (which shall not be unreasonably withheld, conditioned or delayed), from the date of this Agreement to the Effective Time, the Company shall not, and shall not permit any Company Subsidiary to, do any of the following:

(i) (A) amend the Company Charter, (B) amend the Company Bylaws or (C) amend the charter or organizational documents of any Company Subsidiary;

(ii) (A) declare, set aside or pay any dividends on, or make any other distributions (whether in cash, stock or property or any combination thereof) in respect of, any of its capital stock, other equity interests or voting securities, other than dividends and distributions by a direct or indirect wholly owned Company Subsidiary to its stockholders or other equity holders, (B) other than with respect to any wholly owned Company Subsidiary, split, combine, subdivide or reclassify any of its capital stock, other equity interests or voting securities or securities convertible into or exchangeable or exercisable for capital stock or other equity interests or voting securities or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for its capital stock, other equity interests or voting securities, other than as permitted by Section 5.01(b)(ii), or (C) repurchase, redeem or otherwise acquire, or offer to repurchase, redeem or otherwise acquire, any capital stock or voting securities of, or equity interests in, the Company or any Company Subsidiary or any securities of the Company or any Company Subsidiary convertible into or exchangeable or exercisable for capital stock or voting securities of, or equity interests in, the Company or any Company Subsidiary, or any warrants, calls, options or other rights to acquire any such capital stock, securities or interests, except pursuant to (1) the Company RSUs, in each case, pursuant to their terms in effect on the date hereof or thereafter granted as permitted by the provisions of Section 5.01(b)(iii) or (2) any such transaction by the Company or a wholly owned Company Subsidiary in respect of such capital stock, securities or interests in a wholly owned Company Subsidiary;

(iii) issue, deliver, sell, grant, pledge or otherwise encumber or subject to any Lien (A) any shares of capital stock of the Company or any Company Subsidiary, other than the issuance of Company Common Stock upon the vesting and settlement of Company RSUs outstanding at the close of business on the date of this Agreement and in accordance with their terms in effect at such time or thereafter granted as permitted by the provisions of this Section 5.01(b)(iii) or the issuance of shares of capital stock of a wholly owned Company Subsidiary to the Company or another wholly owned Company Subsidiary, (B) any other equity interests or voting securities of the Company or any Company Subsidiary, other than in the case of a Company Subsidiary, an issuance, delivery or sale to the Company or any wholly owned Company Subsidiary, (C) any securities convertible into or exchangeable or exercisable for capital stock or voting securities of, or other equity interests in, the Company or any Company Subsidiary, other than in the case of a Company Subsidiary, an issuance, delivery or sale to the Company or any wholly owned Company Subsidiary, (D) any warrants, calls, options or other rights to acquire any capital stock or voting securities of, or other equity interests in, the Company or any Company Subsidiary, other than in the case of a Company Subsidiary, an issuance, delivery or sale to the Company or any wholly owned Company Subsidiary, (E) any rights issued by the Company or any Company Subsidiary that are linked in any way to the price of any class of the Company Capital Stock or any shares of capital stock of any Company Subsidiary, the value of the Company, any Company Subsidiary or any part of the Company or any Company Subsidiary or any dividends or other distributions declared or paid on any shares of capital stock of the Company or any Company Subsidiary, other than in the case of a Company Subsidiary, an issuance, delivery or sale to the Company or any wholly owned Company Subsidiary, or (F) any Company Voting Debt;

(iv) except as required to comply with applicable Law or to comply with any Company Benefit Plan as in effect as of the date of this Agreement, (A) establish, adopt, enter into, terminate or materially amend, or take any action to accelerate the vesting or payment of, any compensation or

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benefits under, any Company Benefit Plan (or any award thereunder), (B) grant or increase in any manner the salaries, bonuses, or incentive-based compensation or benefits of or pay any bonus to, or grant any loan to any Company Participant other than such grants, increases or payments made in the ordinary course of business consistent with past practice to Company Participants who are not named executive officers as defined in Item 402(a)(3) of Regulation S-K promulgated under the Securities Act, (C) grant or pay any change in control, retention, severance, termination or similar compensation or benefits to, or increase in any manner the change in control, retention, severance, termination or similar compensation or benefits of, any Company Participant, (D) take any action to fund or in any other way secure the payment of compensation or benefits under any Company Benefit Plan, (E) change any actuarial or other assumption used to calculate funding obligations with respect to any Company Pension Plan, except to the extent required by applicable Law or GAAP, or (F) change the manner in which contributions to any Company Pension Plan are made or the basis on which such contributions are determined;

(v) make any material changes in financial accounting methods, principles or practices, except insofar as may be required (A) by GAAP (or any interpretation thereof), (B) by any applicable Law, including Regulation S-X under the Securities Act, or (C) by any Governmental Entity or quasi-governmental authority (including the Financial Accounting Standards Board or any similar organization);

(vi) other than in the ordinary course of business, (A) make any Tax election that results in a material amount of Taxes of the Company or any Company Subsidiary, (B) make any changes to any existing Tax election that results in a material amount of Taxes of the Company or any Company Subsidiary, (C) settle or compromise any Tax claim or assessment or surrender any right to claim a Tax refund with respect to a material amount of Taxes, (D) file an amendment to any Tax Return if such amendment results in a material amount of Taxes or (E) fail to pay any material Taxes that are due and payable;

(vii) except as permitted under Section 5.01(b)(x), make any acquisition of, or investment in, any properties, assets, securities or business (including by merger, sale of stock, sale of assets or otherwise) if the aggregate amount of consideration paid or transferred by the Company and the Company Subsidiaries in connection with all such transactions would exceed $5 million, except for the acquisitions of supplies, inventory, merchandise or products in the ordinary course of business; provided, that in no event shall the Company or any of the Company Subsidiaries make any acquisition or investment which would reasonably be expected to prevent or materially impede, interfere with, hinder or delay the consummation of the Merger and the other transactions contemplated hereby;

(viii) sell or lease to any Person, in a single transaction or series of related transactions, any of its material properties or assets for consideration, except (A) ordinary course dispositions of inventory and dispositions of obsolete, surplus or worn out assets or assets that are no longer used or useful in the conduct of the business of the Company or any of the Company Subsidiaries or (B) transfers among the Company and its wholly owned Subsidiaries;

(ix) (A) incur any Indebtedness, except for (1) Indebtedness incurred under the Company s revolving credit facility, as existing on the date of this Agreement (including, for the avoidance of doubt, the aggregate amount of commitments in effect on the date of this Agreement) (including in respect of letters of credit), in the ordinary course of business, (2) letters of credit, bank guarantees, security or performance bonds or similar credit support instruments, overdraft facilities or cash management programs, in each case issued, made or entered into in the ordinary course of business, (3) intercompany Indebtedness among the Company and its wholly owned Subsidiaries, (4) guarantees by the Company of Indebtedness of the Company Subsidiaries, which Indebtedness is incurred in compliance with this Section 5.01(b)(ix), and (5) capitalized lease obligations in respect of software and equipment and installment obligations in respect of insurance, in each case incurred in the ordinary course of business, (B) enter into any swap or hedging transaction or other derivative agreements other

than in the ordinary course of business or (C) make any loans, capital contributions or advances to, or investments in, any Person other than (x) to the Company or any wholly owned Subsidiary of the Company or (y) as permitted pursuant to Section 5.01(b)(vii);

(x) make any capital expenditures in excess of $105,000,000 annually;

(xi) except in the ordinary course of business, enter into any Contract or amend any Contract if the consummation of the Merger and the other transactions contemplated hereby would conflict with, result in any violation of or default (with or without notice or lapse of time, or both) under, give rise to a right of termination, cancellation or acceleration of, give rise to an obligation to make an offer to purchase or redeem any Indebtedness or capital stock, voting securities or other equity interests or any loss of a material benefit under, or result in the creation of any Lien (other than Permitted Liens) upon any of properties or assets of the Company or any Company Subsidiary under such new Contract or as a result of such amendment to such existing Contract, as applicable;

(xii) grant any Lien (other than Permitted Liens) on any of its material assets other than (A) to secure Indebtedness and other obligations in existence at the date of this Agreement (and required to be so secured by their terms) or permitted under Section 5.01(b)(ix) or (B) to the Company or to a wholly owned Subsidiary of the Company;

(xiii) sell, transfer, license, abandon, permit to lapse or otherwise dispose of any material Intellectual Property owned by the Company or any of the Company Subsidiaries, except grants of non-exclusive licenses (without any right to sublicense) of such material Intellectual Property in the ordinary course of business;

(xiv) settle any pending or threatened Action against the Company or any of the Company Subsidiaries, other than settlements of any pending or threatened Action (A) in which the Company or any of the Company Subsidiaries is named as a nominal defendant, (B) with respect to which there is a specific reserve in the balance sheet (or the notes thereto) of the Company as of March 31, 2017 included in the Filed Company SEC Documents for an amount not materially in excess of the amount so reflected or reserved (excluding any amount that would be expected to be paid or reimbursed under insurance policies or for which the Company or any of the Company Subsidiaries is entitled to indemnification or contribution) or (C) that do not involve payment by the Company or the Company Subsidiaries of more than $2,000,000 individually (excluding any amount that would be expected to be paid or reimbursed under insurance policies or for which the Company or any of the Company Subsidiaries is entitled to indemnification or contribution); provided that no settlement of any pending or threatened Action may: (1) involve any material injunctive or equitable relief, or impose material restrictions, on the business activities of the Company or the Company Subsidiaries, (2) involve any admission of wrongdoing by the Company or the Company Subsidiaries, (3) involve the grant of any license, cross-license or similar arrangement by the Company or any of the Company Subsidiaries with respect to any material Intellectual Property owned by or licensed to the Company or any of the Company Subsidiaries or (4) impose any restrictions on the use by the Company or any of the Company Subsidiaries of any material Intellectual Property owned by or licensed to the Company or any of the Company Subsidiaries;

(xv) cancel any material Indebtedness owed to the Company or a Company Subsidiary or waive any claims or rights of substantial value, in each case other than in the ordinary course of business;

(xvi) enter into, modify, amend or terminate any Company Collective Bargaining Agreement, other than (A) the entry into new collective bargaining or other labor union Contracts in the ordinary course of business required to be entered into by any non-US Law, (B) modifications, amendments, renewals or terminations of such Contracts in the ordinary course of business consistent with past practice or (C) any modification, amendment, renewal or termination of any collective bargaining agreement to the extent required by applicable Law;

(xvii) assign, transfer, lease, cancel, fail to renew or fail to extend any material Company License issued by the FCC or any State Regulator or discontinue any operations that require prior regulatory

approval for discontinuance, other than (A) transfers between the Company and the Company Subsidiaries or between Company Subsidiaries and (B) non-renewal or non-extension of Company Licenses solely related to discontinued businesses of the Company and that do not require regulatory approval for discontinuance;

(xviii) authorize, adopt or implement a plan of complete or partial liquidation or dissolution of the Company; or

(xix) authorize any of, or commit, resolve or agree to take any of, or participate in any negotiations or discussions with any other Person regarding any of, the foregoing actions.

(c) No Control of Parent s Business. The Company acknowledges and agrees that (i) nothing contained in this Agreement is intended to give the Company, directly or indirectly, the right to control or direct the operations of Parent or any Parent Subsidiary prior to the Effective Time and (ii) prior to the Effective Time, Parent shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its and the Parent Subsidiaries respective operations.

(d) No Control of the Company s Business. Parent acknowledges and agrees that (i) nothing contained in this Agreement is intended to give Parent, directly or indirectly, the right to control or direct the operations of the Company or any Company Subsidiary prior to the Effective Time and (ii) prior to the Effective Time, the Company shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its and the Company Subsidiaries respective operations.

(e) Advice of Changes. Parent and the Company shall promptly advise the other orally and in writing of any change or event that, individually or in the aggregate with all past changes and events which have occurred since the date of this Agreement, has had or would reasonably be expected to have a Material Adverse Effect with respect to such Person.

SECTION 5.02. Intentionally Omitted.

SECTION 5.03. No Solicitation by the Company; Company Board Recommendation. (a) The Company shall not, nor shall it authorize or permit any of its Affiliates or any of its or their respective directors, officers or employees or any of its or their respective investment bankers, accountants, attorneys or other advisors, agents or representatives (collectively, Representatives) to, (i) directly or indirectly solicit, initiate or knowingly encourage, induce or facilitate any Company Takeover Proposal or any inquiry or proposal that may reasonably be expected to lead to a Company Takeover Proposal or (ii) directly or indirectly participate in any discussions or negotiations with any Person regarding, or furnish to any Person any information with respect to, or cooperate in any way with any Person (whether or not a Person making a Company Takeover Proposal) with respect to, any Company Takeover Proposal or any inquiry or proposal that may reasonably be expected to lead to a Company Takeover Proposal. The Company shall, and shall cause its Affiliates and its and their respective Representatives to, immediately cease and cause to be terminated all existing solicitation, discussions or negotiations with any Person conducted heretofore with respect to any Company Takeover Proposal, or any inquiry or proposal that may reasonably be expected to lead to a Company Takeover Proposal, request the prompt return or destruction of all confidential information previously furnished in connection therewith and immediately terminate all physical and electronic dataroom access previously granted to any such Person or its Representatives. Notwithstanding the foregoing, if at any time prior to obtaining the Company Stockholder Approval, the Company or any of its Representatives receives an oral or written Company Takeover Proposal, which Company Takeover Proposal did not result from any breach of this Section 5.03, (i) the Company and its Representatives may contact such Person making the Company Takeover Proposal or its Representatives to request that any Company Takeover Proposal made orally be made in writing and (ii) in response to a written Company Takeover Proposal that the Company Board determines in good faith (after consultation with outside counsel and a financial advisor of nationally recognized reputation) constitutes or is reasonably likely to lead to a Superior Company

Proposal, the Company may (and may authorize and permit its Affiliates and its and their

Representatives to), subject to compliance with Section 5.03(c), (A) furnish information (including non-public information and data) with respect to the Company and the Company Subsidiaries to the Person making such Company Takeover Proposal (and its Representatives) (provided that all such information has previously been provided to Parent or is provided to Parent prior to or substantially concurrent with the time it is provided to such Person) pursuant to a customary confidentiality agreement not less restrictive of such Person than the Confidentiality Agreement (other than with respect to standstill provisions), and (B) participate in discussions regarding the terms of such Company Takeover Proposal and the negotiation of such terms with, and only with, the Person making such Company Takeover Proposal (and such Person s Representatives). Without limiting the foregoing, it is agreed that any violation of the restrictions set forth in this Section 5.03(a) by any Representative of the Company or any of its Affiliates shall constitute a breach of this Section 5.03(a) by the Company.

(b) Except as set forth below, neither the Company Board nor any committee thereof shall (i) (A) withdraw (or modify in any manner adverse to Parent), or propose publicly to withdraw (or modify in any manner adverse to Parent), the approval, recommendation or declaration of advisability by the Company Board or any such committee thereof with respect to this Agreement or the Merger or (B) adopt, recommend or declare advisable, or propose publicly to adopt, recommend or declare advisable, any Company Takeover Proposal (any action in this clause (i) being referred to as a Company Adverse Recommendation Change) or (ii) adopt, recommend or declare advisable, or propose publicly to adopt, recommend or declare advisable, or allow the Company or any of its Affiliates to execute or enter into, any letter of intent, memorandum of understanding, agreement in principle, merger agreement, acquisition agreement, option agreement, joint venture agreement, alliance agreement, partnership agreement or other similar agreement or arrangement (an Acquisition Agreement) constituting or related to any Company Takeover Proposal. Notwithstanding the foregoing, at any time prior to obtaining the Company Stockholder Approval, the Company Board may make a Company Adverse Recommendation Change if the Company receives a Superior Company Proposal or the Company Board determines in good faith (after consultation with outside counsel and a financial advisor of nationally recognized reputation) that the failure to do so would reasonably be expected to be inconsistent with its fiduciary duties under applicable Law; provided, however, that the Company shall not be entitled to exercise its right to make a Company Adverse Recommendation Change until after the third Business Day following Parent s receipt of written notice (a Company Notice of Recommendation Change) from the Company advising Parent that the Company Board intends to take such action and specifying the reasons therefor, including in the case of a Superior Company Proposal the terms and conditions of such Superior Company Proposal that is the basis of the proposed action by the Company Board (it being understood and agreed that any amendment to any material term of such Superior Company Proposal shall require a new Company Notice of Recommendation Change and a new notice period (which shall be two Business Days instead of three Business Days)). In determining whether to make a Company Adverse Recommendation Change, the Company Board shall take into account any changes to the terms of this Agreement proposed by Parent in response to a Company Notice of Recommendation Change.

(c) In addition to the obligations of the Company set forth in paragraphs (a) and (b) of this Section 5.03, the Company shall promptly (and in any event within 48 hours of knowledge of receipt thereof by an officer or director of the Company) advise Parent orally and in writing of any Company Takeover Proposal or any inquiry or proposal that may reasonably be expected to lead to a Company Takeover Proposal, the material terms and conditions of any such Company Takeover Proposal or inquiry or proposal (including any changes thereto) and the identity of the Person making any such Company Takeover Proposal or inquiry or proposal. The Company shall (i) keep Parent informed in all material respects on a reasonably current basis of the status and details (including any change to the terms thereof) of any Company Takeover Proposal, and (ii) provide to Parent as soon as practicable after receipt or delivery thereof copies of all correspondence and other written and electronic material exchanged between the Company or any of the Company Subsidiaries and any Person that describes any of the material terms or conditions of any Company Takeover Proposal.

(d) Nothing contained in this Section 5.03 shall prohibit the Company from (i) issuing a stop-look-and-listen communication pursuant to Rule 14d-9(f) promulgated under the Exchange Act or taking and disclosing to its stockholders positions required by Rule 14d-9 or Rule 14e-2 promulgated under the Exchange

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Act, in each case after the commencement of a tender offer (within the meaning of Rule 14d-2 promulgated under the Exchange Act), (ii) issuing a statement in connection with a Company Takeover Proposal that does not involve the commencement of a tender offer (within the meaning of Rule 14d-2 promulgated under the Exchange Act), so long as the statement includes no more information than would be required for a stop-look-and-listen communication under Rule 14d-9(f) promulgated under the Exchange Act if such provision was applicable, or (iii) making any disclosure to the stockholders of the Company if, in the good faith judgment of the Company Board (after consultation with outside counsel) failure to so disclose would reasonably be expected to be inconsistent with its duties under applicable Law; provided, however, that in no event shall the Company or the Company Board or any committee thereof take, or agree or resolve to take, any action prohibited by Section 5.03(b).

(e) For purposes of this Agreement:

Company Takeover Proposal means any proposal or offer (whether or not in writing), with respect to any (i) merger, consolidation, share exchange, other business combination or similar transaction involving the Company, (ii) sale, lease, contribution or other disposition, directly or indirectly (including by way of merger, consolidation, share exchange, other business combination, partnership, joint venture, sale of capital stock of or other equity interests in a Company Subsidiary or otherwise) of any business or assets of the Company or the Company Subsidiaries representing 15% or more of the consolidated revenues, net income or assets of the Company and the Company Subsidiaries, taken as a whole, (iii) issuance, sale or other disposition, directly or indirectly, to any Person (or the stockholders of any Person) or group of securities (or options, rights or warrants to purchase, or securities convertible into or exchangeable for, such securities) representing 15% or more of the total outstanding voting power of the Company, (iv) transaction in which any Person (or the stockholders of any Person) shall acquire, directly or indirectly, beneficial ownership, or the right to acquire beneficial ownership, or formation of any group which beneficially owns or has the right to acquire beneficial ownership of, 15% or more of the Company Common Stock or (v) any combination of the foregoing (in each case, other than the Merger).

Superior Company Proposal means any bona fide written offer made by a third party or group pursuant to which such third party (or, in a merger, consolidation or statutory share-exchange involving such third party, the stockholders of such third party) or group would acquire, directly or indirectly, more than 50% of the Company Common Stock or substantially all of the assets of the Company and the Company Subsidiaries, taken as a whole, which the Company Board determines in good faith (after consultation with outside counsel and a financial advisor of nationally recognized reputation) (i) is on terms more favorable from a financial point of view to the holders of Company Common Stock than the Merger, taking into account all the terms and conditions of such proposal (including the legal, financial, regulatory, timing and other aspects of the proposal and the identity of the Person making the proposal) and this Agreement (including any changes proposed by Parent to the terms of this Agreement), and (ii) is reasonably likely to be completed on the terms proposed, taking into account all legal, financial, regulatory and other aspects of such proposal, and is fully financed or for which financing (if required) is fully committed or, in the good faith determination of the Company Board, is reasonably likely to be obtained.

ARTICLE VI

Additional Agreements

SECTION 6.01. Preparation of the Form S-4 and the Proxy Statement; Company Stockholders Meeting. (a) As promptly as reasonably practicable following the date of this Agreement, the Company shall prepare and cause to be filed with the SEC a proxy statement to be sent to the stockholders of the Company relating to the Company Stockholders Meeting (together with any amendments or supplements thereto, the Proxy Statement) and Parent shall prepare and cause to be filed with the SEC the Form S-4 registering a number of Parent Common Shares equal to the

number of Parent Common Shares to be issued as Share Consideration and Mixed Share Consideration in the Merger, in which the Proxy Statement will be included as a

prospectus, and Parent and the Company shall use their respective commercially reasonable efforts to have the Form S-4 declared effective under the Securities Act as promptly as reasonably practicable after such filing. Each of the Company and Parent shall furnish all information concerning such Person and its Affiliates to the other, and provide such other assistance, as may be reasonably requested in connection with the preparation, filing and distribution of the Form S-4 and Proxy Statement, and the Form S-4 and Proxy Statement shall include all information reasonably requested by such other party to be included therein. Each of the Company and Parent shall promptly notify the other upon the receipt of any comments from the SEC or any request from the SEC for amendments or supplements to the Form S-4 or Proxy Statement and shall provide the other with copies of all related correspondence between it and its Representatives, on the one hand, and the SEC, on the other hand. Each of the Company and Parent shall use its commercially reasonable efforts to respond as promptly as practicable to any comments from the SEC with respect to the Form S-4 or Proxy Statement. Notwithstanding the foregoing, prior to filing the Form S-4 (or any amendment or supplement thereto) or mailing the Proxy Statement (or any amendment or supplement thereto) or responding to any comments of the SEC with respect thereto, each of the Company and Parent, as applicable, (i) shall provide the other an opportunity to review and comment on such document or response (including the proposed final version of such document or response), (ii) shall include in such document or response all comments reasonably proposed by the other and (iii) shall not file or mail such document or respond to the SEC prior to receiving the approval of the other, which approval shall not be unreasonably withheld, conditioned or delayed. Each of the Company and Parent shall advise the other, promptly after receipt of notice thereof, of the time of effectiveness of the Form S-4, the issuance of any stop order relating thereto or the suspension of the qualification of the Parent Common Shares constituting the Share Consideration or Mixed Share Consideration for offering or sale in any jurisdiction, and each of the Company and Parent shall use its commercially reasonable efforts to have any such stop order or suspension lifted, reversed or otherwise terminated. Each of the Company and Parent shall also take any other action (other than qualifying to do business in any jurisdiction in which it is not now so qualified) required to be taken under the Securities Act, the Exchange Act, any applicable foreign or state securities or blue sky Laws and the rules and regulations thereunder in connection with the Merger and the issuance of the Parent Common Shares constituting the Share Consideration and the Mixed Share Consideration.

(b) If prior to the Effective Time, any event occurs with respect to Parent or any Parent Subsidiary, or any change occurs with respect to other information supplied by Parent for inclusion in the Proxy Statement or the Form S-4, which Parent in good faith believes is required to be described in an amendment of, or a supplement to, the Proxy Statement or the Form S-4, Parent shall promptly notify the Company of such event, and Parent and the Company shall cooperate in the prompt filing with the SEC of any necessary amendment or supplement to the Proxy Statement or the Form S-4 and, as required by Law, in disseminating the information contained in such amendment or supplement the Company s stockholders. Nothing in this Section 6.01(b) shall limit the obligations of any party under Section 6.01(a).

(c) If prior to the Effective Time, any event occurs with respect to the Company or any Company Subsidiary, or any change occurs with respect to other information supplied by the Company for inclusion in the Proxy Statement or the Form S-4, which the Company in good faith believes is required to be described in an amendment of, or a supplement to, the Proxy Statement or the Form S-4, the Company shall promptly notify Parent of such event, and the Company and Parent shall cooperate in the prompt filing with the SEC of any necessary amendment or supplement to the Proxy Statement or the Form S-4 and, as required by Law, in disseminating the information contained in such amendment or supplement to the Company s stockholders. Nothing in this Section 6.01(c) shall limit the obligations of any party under Section 6.01(a).

(d) The Company shall, as soon as reasonably practicable following the date of this Agreement, duly call, give notice of, convene and hold the Company Stockholders Meeting for the sole purpose of seeking the Company Stockholder Approval. The Company shall use its commercially reasonable efforts to (i) cause the Proxy Statement to be mailed to

the Company s stockholders as promptly as practicable after the Form S-4 is declared effective under the Securities Act and to hold the Company Stockholders Meeting as soon as practicable after the Form S-4 becomes effective and (ii) solicit the Company Stockholder Approval. The Company shall,

through the Company Board, recommend to its stockholders that they give the Company Stockholder Approval and shall include such recommendation in the Proxy Statement, except to the extent that the Company Board shall have made a Company Adverse Recommendation Change as permitted by Section 5.03(b). Except as expressly contemplated by the foregoing sentence, the Company agrees that its obligations pursuant to this Section 6.01 shall not be affected by the commencement, public proposal, public disclosure or communication to the Company of any Company Takeover Proposal or by the making of any Company Adverse Recommendation Change by the Company Board; provided, however, that the Company shall be permitted to postpone convening or to adjourn the Company Stockholders Meeting (but not beyond the End Date) if (x) such postponement or adjournment is required to allow reasonable additional time for the filing and mailing of any supplemental or amended disclosure in accordance with Section 6.01(c) and to permit such supplemental or amended disclosure to be disseminated and reviewed by the Company s stockholders prior to the Company Stockholders Meeting, (y) such postponement or adjournment is in order to solicit additional proxies for the purpose of obtaining the Company Stockholder Approval or (z) as of the time for which the Company Stockholders Meeting is originally scheduled (as set forth in the Proxy Statement), there are insufficient shares of Company Common Stock represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of the Company Stockholders Meeting.

SECTION 6.02. Access to Information; Confidentiality. Subject to applicable Law and any applicable Judgment, between the date of this Agreement and the earlier of the Effective Time and the termination of this Agreement pursuant to Section 8.01, upon reasonable notice, each of Parent and the Company shall, and shall cause each of their respective Subsidiaries to, afford to each other and to their respective Representatives reasonable access during normal business hours to the officers, employees, agents, properties, books, Contracts and records of Parent, the Company or their respective Subsidiaries, as applicable (other than any of the foregoing that relate to the negotiation and execution of this Agreement, or, except as expressly provided in Section 5.03 to any Company Takeover Proposal) and Parent or the Company, as applicable, shall, and shall cause its Subsidiaries to, furnish promptly to the other party and such other party s Representatives such information concerning its business, personnel, assets, liabilities and properties as such other party may reasonably request; provided that such requesting party and its Representatives shall conduct any such activities in such a manner as not to interfere unreasonably with the business or operations of the providing party; provided further, however, that neither Parent, the Company nor any of their respective Subsidiaries shall be obligated to provide such access or information if such party determines, in its reasonable judgment, that doing so is reasonably likely to (i) violate applicable Law or an applicable Judgment or (ii) jeopardize the protection of an attorney-client privilege, attorney work product protection or other legal privilege. In any such event, Parent or the Company, as applicable, shall, and shall cause its Subsidiaries to, use its reasonable best efforts to communicate, to the extent feasible, the applicable information in a way that would not violate applicable Law, Judgment or obligation or risk waiver of such privilege or protection or risk such liability, including entering into a joint defense agreement, common interest agreement or other similar arrangement. All requests for information made pursuant to this Section 6.02 shall be directed to the executive officer or other Person designated by the other party. Until the Effective Time, all information provided will be subject to the terms of the letter agreement dated as of March 27, 2017, by and among the Company and Parent (the Confidentiality Agreement).

SECTION 6.03. Required Actions. (a) Subject to the terms hereof, including Section 6.03(c), Parent and the Company shall each use reasonable best efforts to (i) take, or cause to be taken, all actions, and do, or cause to be done, and to assist and cooperate with the other party in doing, all things necessary, proper or advisable to consummate and make effective the transactions contemplated hereby as promptly as practicable, (ii) as promptly as practicable, obtain from any Governmental Entity or any other third party any Consents required to be obtained or made by Parent or the Company or any of their respective Subsidiaries in connection with the authorization, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, (iii) defend any lawsuits or other Actions, whether judicial or administrative, challenging this Agreement or the consummation of the transactions contemplated hereby, including seeking to have any stay or temporary restraining order entered by any court or other Governmental

Entity vacated or reversed, (iv) as promptly as practicable, make all necessary filings, and thereafter make any other required submissions, with

respect to this Agreement and the Merger required under (A) the Securities Act and the Exchange Act, and any other applicable Federal or state securities Laws, and (B) any other applicable Law and (v) execute or deliver any additional instruments necessary to consummate the transactions contemplated by, and to fully carry out the purposes of, this Agreement. Parent and the Company shall cooperate with each other in connection with the making of all such filings, including providing copies of all such documents to the non-filing party and its advisors prior to filing and, if requested, considering in good faith all reasonable additions, deletions or changes suggested in connection therewith. Parent and the Company shall use their respective reasonable best efforts to furnish to each other all information required for any application or other filing to be made pursuant to any applicable Law in connection with the transactions contemplated hereby.

(b) In connection with and without limiting Section 6.03(a), the Company and the Company Board and Parent and the Parent Board shall (i) take all action reasonably appropriate to ensure that no state takeover statute or similar statute or regulation is or becomes applicable to this Agreement or any transaction contemplated by this Agreement and (ii) if any state takeover statute or similar statute or regulation becomes applicable to this Agreement or any transaction contemplated by this Agreement, take all action reasonably appropriate to ensure that the Merger and the other transactions contemplated hereby may be consummated as promptly as practicable on the terms contemplated by this Agreement.

(c) Upon the terms and subject to the terms and conditions of this Agreement, Parent and the Company agree, and shall cause each of their respective Subsidiaries, to cooperate and use their respective reasonable best efforts to (i) obtain any FCC Consents, PSC Consents, and Local Consents, and to make any registrations, declarations, notices or filings, if any, necessary for the consummation of the transactions contemplated hereby, (ii) in consultation and cooperation with the other, as promptly as practicable file all applications required to be filed with the FCC (the FCC Applications), any State Regulators (the PSC Applications) and any Localities to obtain the FCC Consents, PSC Consents and Local Consents, respectively, (iii) respond as promptly as practicable to any requests of the FCC, any State Regulator, or any Locality for information relating to any FCC Application or PSC Application, as applicable; provided, that each of Parent and the Company shall consult with the other before communicating with any Governmental Entity relating to these matters, and to the extent permitted by applicable Law and reasonably practicable shall enable the other party to participate in each such communication, and (iv) cure, not later than the Effective Time, any material violations or defaults under any FCC Rules or rules of any State Regulator or Locality.

(d) Upon the terms and subject to the terms and conditions of this Agreement, Parent and the Company agree, and shall cause each of their respective Subsidiaries, to cooperate and to use their respective reasonable best efforts to obtain any Consents of any Governmental Entity, and to make any registrations, declarations, notices or filings, if any, necessary for Closing under the HSR Act, and any other Federal, state or foreign Law designed to prohibit, restrict or regulate actions for the purpose or effect of monopolization, restraint of trade or regulation of foreign investment (collectively, Antitrust Laws), to respond to any requests of any Governmental Entity for information under any Antitrust Law, to secure the expiration or termination of any applicable waiting period, to resolve any objections asserted with respect to the transactions contemplated hereby raised by any Governmental Entity and to contest and resist any action, including any legislative, administrative or judicial action, and to prevent the entry of any court order and to have vacated, lifted, reversed or overturned any Judgment (whether temporary, preliminary or permanent) that restricts, prevents or prohibits the consummation of the Merger or any other transactions contemplated hereby under any Antitrust Law.

(e) Subject to applicable Law and the instructions of any Governmental Entity, Parent and the Company shall in good faith cooperate, consult and consider the other s views in order to jointly develop (but subject to Parent s final approval (not to be unreasonably withheld, conditioned or delayed)), (x) the strategy for obtaining any Consents from any Governmental Entity (including the FCC Consents, PSC Consents and Local Consents) in connection with the Merger

and the other transactions contemplated hereby and (y) the positions to be taken and the regulatory actions to be requested in any filing or submission with a Governmental Entity in connection with the Merger and the other transactions contemplated hereby and in connection with any

investigation or other inquiry or Action by or before, or any negotiations with, a Governmental Entity relating to the Merger and the other transactions contemplated hereby and of all other regulatory matters incidental thereto.

(f) For the purposes of this Section 6.03, reasonable best efforts shall include taking any and all actions necessary to obtain the Consents of any Governmental Entity (including the FCC Consents, PSC Consents and Local Consents) required to consummate the Merger and the other transactions contemplated hereby prior to the End Date; provided that nothing in this Agreement shall permit the Company or the Company Subsidiaries (without the prior written consent of Parent) or require Parent or the Parent Subsidiaries to take or refrain from taking, or agree to take or refrain from taking, any action or actions that, individually or in the aggregate, would be reasonably likely to have a either a Parent Material Adverse Effect or Company Material Adverse Effect (each a Burdensome Condition). For the avoidance of doubt, notwithstanding any request or consent of Parent to do so, in no event shall the Company or the Company Subsidiaries be required to submit to a Burdensome Condition unless such Burdensome Condition is conditioned in all respects upon the consummation of the Merger and will not be effective for any purpose until after the Effective Time, and any such Burdensome Condition imposed on the Company or the Company Subsidiaries at the request of or with the consent of Parent shall not affect any representation or warranty of the Company under this Agreement or any condition under Section 7.01 or Section 7.03 to the obligation of Parent and Merger Sub to effect the Merger.

SECTION 6.04. Stock Awards. (a) As soon as practicable following the date of this Agreement, the Company Board (or, if appropriate, any committee administering the Company Stock Plans) shall adopt such resolutions or take such other actions as may be required to effect the following:

(i) adjust the terms of each Cash-Out RSU that is outstanding immediately prior to the Effective Time to provide that, as of the Effective Time, each such Cash-Out RSU shall be canceled and the holder thereof shall, automatically and without any required action on the part of the holder thereof, become entitled to receive solely, in full satisfaction of the rights of such holder with respect thereto, (A) the Merger Consideration (which shall be (1) the Share Consideration in respect of each Share Election RSU Share, (2) the Mixed Consideration in respect of each Mixed Election RSU Share and Non-Election RSU Share and (3) the Cash Consideration in respect of each Cash Election RSU Share, based on such holder s election or Non-Election in accordance with Section 2.04) for each share of Company Common Stock subject to such Cash-Out RSU immediately prior to the Effective Time and (B) a cash payment equal to any accrued dividend equivalents in respect of each such Cash-Out RSU, provided that, (x) with respect to any Cash-Out RSU that is a Company PSU, the number of shares of Company Common Stock deemed subject to such Cash-Out RSU immediately prior to the Effective Time shall be based upon actual performance during the two years following the date of grant of the applicable Cash-Out RSU (if such two-year period has concluded prior to the Effective Time) or during the period beginning on the date of grant of the applicable Cash-Out RSU and ending as of the Effective Time (if such two-year period has not concluded prior to the Effective Time) as reasonably determined by the Company Board in good faith (or, if appropriate, any committee thereof) in consultation with Parent immediately prior to the Effective Time and (y) each such holder shall be entitled to receive, in lieu of any fractional Parent Common Shares that would result from the calculation in this Section 6.04(a)(i), a cash payment calculated in the manner set forth in Section 2.02(f);

(ii) adjust the terms of each Rollover RSU that is outstanding immediately prior to the Effective Time to provide that, as of the Effective Time, each such Rollover RSU shall, automatically and without any required action on the part of the holder thereof, be converted into a time-based restricted stock unit of Parent, with respect to a number of Parent Common Shares (rounded down to the nearest whole share) determined by multiplying the number of shares of Company Common Stock subject to such Rollover RSU by the RSU Exchange Ratio (each, an Adjusted RSU), subject to substantially the same terms and conditions as were applicable to such Rollover RSU immediately prior to the Effective Time (except that any performance-based vesting conditions or requirements shall no longer apply)

provided that, with respect to any Rollover RSU that is a Company PSU, the number of shares

of Company Common Stock deemed subject to such Rollover RSU immediately prior to the Effective Time shall be based upon the target level of performance;

(b) The holder of any Cash-Out RSU shall be entitled to make a Share Election, Mixed Election or Cash Election with respect to each share of Company Common Stock subject to such Cash-Out RSU in accordance with Section 2.04 (and subject to Section 2.05). Any such holder who makes a Non-Election shall receive the Mixed Consideration pursuant to this Section 6.04 in respect of each Non-Election RSU Share. Parent shall pay any cash amounts payable pursuant to this Section 6.04 as soon as reasonably practicable (but in any event no later than 20 Business Days) after the Effective Time. All amounts (whether in the form of cash or equity) payable pursuant to this Section 6.04 shall be subject to any required withholding of taxes and shall be paid without interest.

(c) At the Effective Time, Parent shall assume all of the obligations of the Company under the Company Stock Plans, each Adjusted RSU and the agreements evidencing the grants thereof. As soon as practicable after the Effective Time, Parent shall deliver to the holders of Adjusted RSUs appropriate notices setting forth such holders rights pursuant to the respective Company Stock Plans, and the agreements evidencing the grants of such Adjusted RSUs shall continue in effect on the same terms and conditions (subject to the adjustments required by this Section 6.04 after giving effect to the Merger).

(d) Parent shall take all corporate action necessary to reserve for issuance a sufficient number of Parent Common Shares for delivery with respect to the Adjusted RSUs. Prior to the Effective Time, Parent shall cause to be filed with the SEC a registration statement on Form S-8 (or another appropriate form) registering (to the extent permitted under applicable Law) a number of Parent Common Shares equal to the number of Parent Common Shares subject to the Adjusted RSUs pursuant to Section 6.04(a). Parent shall use reasonable efforts to maintain (to the extent permitted under applicable Law) the effectiveness of such registration statement (and maintain the current status of the prospectus or prospectuses contained therein) for so long as any Adjusted RSUs remain outstanding. The Company shall cooperate with, and assist Parent in the preparation of, such registration statement.

SECTION 6.05. Indemnification, Exculpation and Insurance. (a) Parent agrees that all rights to indemnification, advancement of expenses and exculpation from liabilities for acts or omissions occurring at or prior to the Effective Time now existing in favor of the current or former directors or officers of the Company and the Company Subsidiaries (each, an Indemnified Person) as provided in their respective charters or bylaws (or comparable organizational documents) and any indemnification or other similar agreements of the Company or any of the Company Subsidiaries, in each case as in effect on the date of this Agreement, shall be assumed by Parent in the Merger, without further action, as of the Effective Time and shall survive the Merger and shall continue in full force and effect in accordance with their terms for a period of not less than six years following the Effective Time.

(b) In the event that Parent or any of its successors or assigns (i) consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or substantially all of its properties and assets to any Person, then, and in each such case, Parent shall cause proper provision to be made so that the successors and assigns of Parent assume the obligations set forth in this Section 6.05 contemporaneous with the closing of any such consolidation, merger, transfer or conveyance.

(c) At or prior to the Effective Time, the Company shall purchase a fully prepaid, non-cancellable, non-amendable and non-refundable tail directors and officers liability insurance policy for the Company and the Company Subsidiaries and their current and former directors, officers and employees who are currently covered by the directors and officers liability insurance coverage currently maintained by the Company or the Company Subsidiaries in a form reasonably acceptable to the Company that shall provide such directors, officers and employees with coverage for six years following the Effective Time of not less than the existing coverage and

have other terms not less favorable to the insured persons than the directors and officers liability insurance coverage currently maintained by the Company or the Company Subsidiaries, except that in no event shall the Company pay with respect to such tail policy more than 300% of the aggregate annual premium payable by the Company for such insurance policy for the year ended December 31, 2016 (the Maximum Amount), and if the Company is unable to obtain the insurance required by this Section 6.05(c) for an amount that is equal to or less than the Maximum Amount, it shall obtain as much comparable tail insurance as possible for the years within such six-year period for an amount equal to the Maximum Amount. The tail policy obtained pursuant to this Section 6.05(c) shall not be amended, modified, cancelled or revoked by the Company, Parent or the Surviving Corporation.

(d) The provisions of this Section 6.05 (i) shall survive consummation of the Merger, (ii) are intended to be for the benefit of, and will be enforceable by, each indemnified or insured party (including the Indemnified Person), his or her heirs and his or her representatives and (iii) are in addition to, and not in substitution for, any other rights to indemnification or contribution that any such Person may have by contract or otherwise, including under the terms of the respective charters or bylaws or comparable organizational documents of the Company and the Company Subsidiaries.

SECTION 6.06. Fees and Expenses.

(a) Except as provided below, all fees and expenses incurred in connection with the Merger and the other transactions contemplated hereby shall be paid by the party incurring such fees or expenses, whether or not such transactions are consummated.

(b) the Company shall pay to Parent a fee of $11,940,000 (the Company Termination Fee) if:

(i) Parent terminates this Agreement pursuant to Section 8.01(e); or

(ii) this Agreement is terminated by the Company or Parent pursuant to Section 8.01(b)(i) (but only if the Company Stockholders Meeting has not been held by the End Date) or Section 8.01(b)(iii) and, in either case, (A) a Company Takeover Proposal shall have been publicly made, proposed or communicated by a third party after the date of this Agreement and (x) before the time this Agreement is terminated in the case of a termination under Section 8.01(b)(i) or (y) before the completion of the Company Stockholders Meeting (including any adjournment or postponement thereof) in the case of a termination under Section 8.01(b)(iii) and (B) within 12 months of the date this Agreement is terminated, the Company enters into a definitive agreement with respect to a Company Takeover Proposal or a Company Takeover Proposal is consummated (in each case, whether or not such Company Takeover Proposal was the same Company Takeover Proposal referred to in clause (A)); provided that, for purposes of clauses (B) of this Section 6.06(b)(ii), the references to 15% or more in the definition of Company Takeover Proposal shall be deemed to be references to more than 50% .

Any Company Termination Fee due under this Section 6.06(b) shall be paid by wire transfer of same-day funds (x) in the case of clause (i) above, no later than the second Business Day immediately following the date of termination of this Agreement and (y) in the case of clause (ii) above, no later than the second Business Day immediately following the date of the first to occur of the events referred to in clause (ii)(B) above; it being understood that in no event shall the Company be required to pay or cause to be paid the Company Termination Fee on more than one occasion.

(c) The Company acknowledges and agrees that the agreements contained in Section 6.06(b) are an integral part of the transactions contemplated hereby, and that, without these agreements, Parent would not enter into this Agreement. Accordingly, if the Company fails promptly to pay the amount due pursuant to Section 6.06(b) and, in order to obtain such payment, Parent commences an Action that results in a Judgment in its favor for such payment, the Company

shall pay to Parent its costs and expenses (including reasonable and documented attorneys fees and expenses) in connection with such Action, together with interest on the amount

of such payment from the date such payment was required to be made until the date of payment at the prime rate as published by *The Wall Street Journal* in effect on the date such payment was required to be made.

(d) In the event that this Agreement is terminated and the Company Termination Fee is paid to Parent in circumstances for which such fee is payable pursuant to Section 6.06(b), payment of the Company Termination Fee shall be the sole and exclusive monetary damages remedy of Parent, Merger Sub and their respective Subsidiaries and any of their respective former, current or future officers, directors, partners, shareholders, managers, members or Affiliates against the Company and the Company Subsidiaries and any of their respective former, current or future officers, directors, partners, shareholders, managers, members or Affiliates (collectively, Company Related Parties) for any loss suffered as a result of the failure of the Merger or the other transactions contemplated hereby to be consummated or for a breach or failure to perform hereunder or otherwise (so long as, in the event that this Agreement was terminated by the Company, such termination was in accordance with the applicable provisions of this Agreement), and, subject as aforesaid, upon payment of such amount none of the Company Related Parties shall have any further monetary liability or obligation relating to or arising out of this Agreement, the Merger or the other transactions contemplated hereby.

SECTION 6.07. Income Tax Treatment. Without the advance written consent of the Company prior to the Effective Time (which consent may be given or withheld in the sole and absolute discretion of the Company), Parent shall not cause or permit the Company to be combined with another entity following the Effective Time in a manner that (alone or together with other transactions) would result in the Merger being treated other than as a taxable sale of the Company Common Stock by the Company s stockholders for U.S. federal income tax purposes.

SECTION 6.08. Transaction Litigation. The Company shall give Parent the opportunity to participate in the defense or settlement of any stockholder litigation against the Company or its directors relating to the Merger and the other transactions contemplated hereby, and no such settlement shall be agreed to without the prior written consent of Parent, which consent shall not be unreasonably withheld, conditioned or delayed. Parent shall give the Company the opportunity to participate in the defense or settlement of any shareholder litigation against Parent or its directors relating to the Merger and the other transactions contemplated hereby, and no such settlement shall be agreed to without the prior written consent of the Company, which consent shall not be unreasonably withheld, conditioned or delayed.

SECTION 6.09. Section 16 Matters. Prior to the Effective Time, the Company, Parent and Merger Sub each shall take all such steps as may be reasonably required to cause (a) any dispositions of Company Common Stock (including derivative securities with respect to Company Common Stock) resulting from the Merger and the other transactions contemplated hereby, by each individual who will be subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to the Company immediately prior to the Effective Time, to be exempt under Rule 16b-3 promulgated under the Exchange Act and (b) any acquisitions of Parent Common Shares (including derivative securities with respect to Parent Common Shares) resulting from the Merger and the other transactions contemplated hereby, by each individual who may become or is reasonably expected to become subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to Parent immediately following the Effective Time, to be exempt under Rule 16b-3 promulgated under the Exchange Act.

SECTION 6.10. Governance Matters. The Company and Parent shall cause the matters set forth on Exhibit A to occur.

SECTION 6.11. Public Announcements. Parent and the Company shall consult with each other before issuing, and give each other the opportunity to review and comment upon, any press release or other public statements with respect to the Merger and the other transactions contemplated hereby, and shall not issue any such press release or make any

such public statement prior to such consultation, except as may be required by applicable Law, Judgment, court process or the rules and regulations of any national securities exchange or national securities quotation system and except for any matters referred to in, and made in compliance with,

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Section 5.03. The parties hereto agree that the initial press release to be issued with respect to the Merger and the other transactions contemplated hereby following execution of this Agreement shall be in the form heretofore agreed to by the parties hereto (the Announcement). Notwithstanding the forgoing, this Section 6.11 shall not apply to any press release or other public statement made by the Company or Parent which is consistent with the Announcement and the terms of this Agreement and does not contain any information relating to the Company, Parent, the Merger or the transactions contemplated hereby that has not been previously announced or made public in accordance with the terms of this Agreement.

SECTION 6.12. Stock Exchange Listing. Parent shall use its commercially reasonable efforts to cause the Parent Common Shares to be issued in the Merger to be approved for listing on the NYSE, subject to official notice of issuance, prior to the Closing Date.

SECTION 6.13. Employee Matters. (a) Parent agrees that, during the period commencing at the Effective Time and ending on the first anniversary thereof, the employees of the Company and the Company Subsidiaries who remain in the employment of Parent and the Parent Subsidiaries (including the Company and any Company Subsidiary) after the Effective Time (the Continuing Employees) shall receive (x) base salary or wages (as applicable), target annual incentive opportunities and, solely with respect to the value thereof, long-term incentive opportunities that are no less favorable in the aggregate than those provided to such Continuing Employees immediately prior to the Effective Time and (y) other employee benefits that are substantially comparable in the aggregate to the benefits provided to such Continuing Employees immediately prior to the Effective Time (excluding, for purposes of determining such comparability, any retention bonus, defined benefit pension or retiree or post-employment welfare benefits, except to the extent required by applicable Law).

(b) Parent shall use commercially reasonable efforts to cause each employee benefit plan or program of Parent or its Affiliates in which Continuing Employees and their eligible dependents are eligible to participate after the Effective Time to take into account for purposes of vesting and eligibility (and for purposes of benefit accrual under each vacation and other paid time off plan or program) the service of such Continuing Employees prior to the Effective Time with the Company or any Company Subsidiary (including any predecessors thereto) as if such service were with Parent or its Affiliates, in each case to the same extent that such service was recognized by the Company or any Company Subsidiary immediately prior to the Effective Time under the comparable Company Benefit Plan; provided that no such crediting of service shall be required to the extent it would result in any duplication of benefits.

(c) Parent shall use commercially reasonable efforts to cause each employee benefit plan or program that is a group health plan of Parent and its Affiliates (including the Company or any Company Subsidiary) in which Continuing Employees are eligible to participate after the Effective Time (each such employee benefit plan or program, a New Plan) to (i) waive, or cause the waiver of, all limitations as to preexisting conditions, exclusions and waiting periods with respect to participation and coverage requirements, other than limitations or waiting periods that are already in effect prior to the Effective Time with respect to such Continuing Employee under the comparable Company Benefit Plan and that have not been satisfied as of the Effective Time and (ii) provide such Continuing Employee and his or her covered dependents with credit for any co-payments and deductibles paid during the plan year of and prior to any change in coverage from a Company Benefit Plan to such New Plan in satisfying any applicable deductible or out-of-pocket requirements under such New Plan.

(d) Notwithstanding anything herein to the contrary and without limiting the generality of Section 9.07, the parties hereby acknowledge and agree that all provisions contained in this Section 6.13 are included for the sole benefit of the parties, and that nothing in this Agreement, whether express or implied, (i) shall be treated as an amendment or other modification of any Company Benefit Plan, Company Collective Bargaining Agreement, New Plan or other employee benefit plan, program, policy, arrangement or agreement (or an undertaking to amend any such plan or arrangement),

(ii) shall limit the right of Parent, the Company or their respective Affiliates to terminate, amend or otherwise modify any Company Benefit Plan, Company Collective Bargaining Agreement, New Plan or other employee benefit plan, program, policy, arrangement or agreement following the

Effective Time or (iii) shall create any third-party beneficiary or other right (A) in any other Person, including any Company Participant or any participant in any Company Benefit Plan, Company Collective Bargaining Agreement, New Plan or other employee benefit plan, program, policy, arrangement or agreement (or any dependent or beneficiary thereof) or (B) to continued employment with Parent or the Company or any of their respective Affiliates.

SECTION 6.14. Parent Vote. Parent shall vote, or cause to be voted, any Company Common Stock beneficially owned by it or any of the Parent Subsidiaries or with respect to which it or any of the Parent Subsidiaries has the power (by agreement, proxy or otherwise) to cause to be voted, in favor of the adoption of this Agreement at the Company Stockholders Meeting or any other meeting of stockholders of the Company at which this Agreement shall be submitted for approval and at all adjournments or postponements thereof.

SECTION 6.15. Obligations of Merger Sub. Parent shall cause Merger Sub to perform its obligations under this Agreement and to consummate the transactions contemplated hereby upon the terms and subject to the conditions set forth in this Agreement.

SECTION 6.16. Financing.

(a) Subject to the terms and conditions of this Agreement, Parent shall use its commercially reasonable efforts to obtain the Debt Financing on the terms and conditions (including market flex provisions) described in the Debt Financing Commitment, including using its commercially reasonable efforts to (i) comply with its obligations under the Debt Financing Commitment and any definitive agreements related thereto (the Debt Financing Documents), (ii) maintain in effect the Debt Financing Commitment, (iii) negotiate and enter into Debt Financing Documents on a timely basis on terms and conditions (including the market flex provisions) contained in the Debt Financing Commitment or otherwise not materially less favorable with respect to conditionality to Parent in the aggregate than those contained in the Debt Financing Commitment, (iv) satisfy on a timely basis all conditions contained in the Debt Financing Commitment that are applicable to Parent and within its control, including the payment of any commitment, engagement or placement fees required as a condition to the Debt Financing and (v) if all conditions to the Debt Financing Commitment have been satisfied, cause the Commitment Parties to consummate the Debt Financing at or prior to the Closing Date (it being understood that it is not a condition to Closing under this Agreement for Parent to obtain the Debt Financing). Parent shall give the Company prompt notice upon having knowledge of any breach by any Commitment Party under the Debt Financing Documents or any termination of any of the Debt Financing Documents. Other than as set forth in this Section 6.16, Parent shall not, without the prior written consent of the Company, amend, modify, supplement or waive any of the conditions or contingencies to funding contained in the Debt Financing Documents or any other provision of, or remedies under, the Debt Financing Documents (other than in accordance with the market flex provisions), in each case to the extent such amendment, modification, supplement or waiver (i) would reasonably be expected to have the effect of (A) adversely affecting the ability of Parent to timely consummate the Merger and other transactions contemplated by this Agreement or (B) delaying the Closing or (ii) contains conditions and other terms that would reasonably be expected to affect the availability of the Debt Financing that are more onerous, taken as a whole, than those conditions and terms contained in the Debt Financing Commitment as of the date hereof; provided that notwithstanding any other provision of this Agreement, Parent shall be entitled from time to time to (x) amend, restate, replace, supplement or otherwise modify, or waive any of its rights under, the Debt Financing Commitment or substitute other financing for all or any portion of the Debt Financing from the same or alternative financing sources, and (y) amend, restate, replace, supplement or otherwise modify the Debt Financing Commitment for the purpose of adding agents, co-agents, lenders, arrangers, bookrunners or other persons that have not executed the Debt Financing Commitment as of the date hereof, in each case, subject to subclauses (i) and (ii) above. Upon any such amendment, supplement or modification, in accordance with the terms of this Section 6.16(a), the term Debt Financing Commitment shall mean for all purposes of this Agreement the Debt Financing Commitment as so amended, supplemented or modified. Parent shall promptly deliver to the Company true

and complete copies of any such amendment, supplement or modification (subject, in the case of any fee letter or engagement letter, to customary redactions

(none of which redacted terms would reasonably be expected to adversely affect the principal amount or availability of the Debt Financing)).

(b) In the event that all or any portion of the Debt Financing becomes unavailable, Parent shall use its reasonable best efforts to (i) promptly obtain the Debt Financing or such portion of the Debt Financing from alternative sources in an amount sufficient, when added to any portion of the Debt Financing that is available and cash on hand and other readily available liquidity, to pay in cash all amounts required to be paid by Parent in cash in connection with the Merger and the other transactions contemplated hereby (Alternative Debt Financing) and (ii) obtain a new financing commitment letter (the Alternative Debt Commitment Letter) and a new definitive agreement with respect thereto that provides for financing (A) on terms not materially less favorable, in the aggregate, to Parent (taking into account the market flex provisions of the existing Debt Financing Commitment), (B) containing conditions and other terms that would reasonably be expected to affect the availability thereof that (1) are not more onerous, taken as a whole, than those conditions and terms contained in the Debt Financing Commitment as of the date hereof and (2) would not reasonably be expected to delay the Closing and (C) in an amount that is sufficient, when added to any portion of the Debt Financing that is available and cash on hand and other readily available liquidity, to pay in cash all amounts required to be paid by Parent in cash in connection with the Merger and the other transactions contemplated hereby. In such event, the term Debt Financing as used in this Agreement shall be deemed to include any Alternative Debt Financing, and the term Debt Financing Commitment as used in this Agreement shall be deemed to include any Alternative Debt Commitment Letter. For the avoidance of doubt, the parties hereto agree that the Company shall cooperate with Parent to obtain any Alternative Debt Financing in the manner set forth in Section 6.16(c).

(c) Prior to the Effective Time, the Company shall use commercially reasonable efforts, and shall cause the Company s wholly owned Subsidiaries to use commercially reasonable efforts to, provide, and shall use its commercially reasonable efforts to cause any Representative retained by the Company to provide, all cooperation reasonably requested by Parent in connection with any debt financing by Parent, including the Debt Financing, including: (i) participating in meetings (including with prospective Financing Sources), drafting sessions, road shows, due diligence sessions and rating agency presentations; (ii) furnishing Parent and Financing Sources with the financial information required by the Debt Financing Commitment, from the Commitment Parties, audited consolidated balance sheets and related statements of income, stockholders equity and cash flows of the Company for the three most recently completed fiscal years ended at least 90 days prior to the Closing Date, unaudited consolidated balance sheets and related statements of income, stockholders equity and cash flows of the Company for each subsequent fiscal quarter ended at least 45 days before the Closing Date (and comparable periods for the prior fiscal year) (which shall have been reviewed by the Company s independent accountants as provided in SAS 100) and information (financial or otherwise) regarding the Company and the Company Subsidiaries that is reasonably necessary for Parent to prepare pro forma financial statements under and in accordance with Article 11 of Regulation S-X and the relevant SEC rules and regulations applicable thereto for registration statements on Form S-1, as well as business and other financial information of the type required in a registered offering by Regulation S-X and Regulation S-K under the Securities Act (such information, the Required Financial Information); provided, however, that the Required Financial Information shall be deemed to have been furnished to Parent and to the Financing Sources to the extent included in the Company s periodic reports under the Exchange Act as and when filed with the SEC; (iii) assisting Parent and the Financing Sources in the preparation of (A) a customary bank information memorandum (as well as a public-side version thereof) for the Debt Financing and any other debt financing by Parent, (B) materials for rating agency presentations and (C) prospectuses, offering memoranda and private placement memoranda (including any pro forma financial statements included therein); (iv) using its commercially reasonable efforts to cause it current or former independent accountants to provide assistance and cooperation in the Debt Financing (including any offering of debt securities in lieu of the Debt Financing Commitment) or any other debt financing by Parent, including (A) participating in a reasonable number of drafting sessions and accounting due diligence sessions, (B) providing any necessary written consents to use their audit reports relating to the Company and the Company Subsidiaries and to be

named as an Expert in any document related to any Debt Financing (including any offering of debt securities in lieu of the Debt Financing Commitment) or any other debt financing by Parent and

(C) providing any customary comfort letters (including customary negative assurance comfort); (v) assisting Parent with the preparation of any definitive agreements related to the Debt Financing Commitment by providing any information related to the Company that is required to be delivered thereunder (including any schedules thereto and, to the extent required by the Debt Financing Documents, any financial projections required to be delivered thereunder); (vi) executing and delivering (or using commercially reasonable efforts to obtain) customary certificates, accountants comfort letters (which shall provide negative assurance comfort), consents, legal opinions and negative assurance letters in connection with the Debt Financing or any other debt financing by Parent; (vii) using commercially reasonable efforts to pledge collateral and grant guaranties in connection with the Debt Financing or any other debt financing by Parent, including delivery of certificates representing equity interests constituting collateral, intellectual property filings with respect to intellectual property constituting collateral and mortgages with respect to owned real property constituting collateral; (viii) facilitating the receipt of documentation that will evidence the repayment of existing Indebtedness of the Company and the Company Subsidiaries and releases of any Liens securing existing Indebtedness of the Company and the Company Subsidiaries, in each case upon the repayment of such Indebtedness substantially concurrently with the initial funding of the Debt Financing (including providing executed and customary payoff letters in respect of existing Indebtedness for borrowed money, which provide for the termination of all commitments of the lenders thereof, the payment and satisfaction of all obligations of the Company and the Company Subsidiaries in connection therewith (other than customary indemnity and other obligations that survive the repayment of Indebtedness) and the release of all Liens on the Company s and the Company Subsidiaries properties and assets securing the Company s and the Company Subsidiaries obligations in connection therewith); (ix) providing the Financing Sources and any other financing sources in connection with a debt financing by Parent with all customary documentation and other information required by regulatory authorities and as reasonably requested by Parent with respect to the Company and the Company Subsidiaries in connection with applicable know your customer and anti-money laundering rules and regulations, including the USA PATRIOT ACT, Title III of Pub. L. 107-56 (signed into law October 26, 2001), provided that such documentation and/or information requests are provided to the Company at least five Business Days prior to any deadline prescribed by the Financing Sources; and (x) consenting to the reasonable use of the Company s and the Company Subsidiaries trademarks, service marks or logos in connection with the Debt Financing or any other debt financing by Parent prior to the Closing Date; provided that the Company and the Company Subsidiaries shall not be required to pay any commitment or other similar fee or incur any other liability in connection with the Debt Financing or any other debt financing by Parent; provided further, that (A) nothing herein shall require any cooperation to the extent it would interfere unreasonably with the business or operations of the Company and the Company Subsidiaries, (B) neither the Company nor any Company Subsidiary shall be required to take any corporate action with respect to any Debt Financing (including with respect to any board approvals) or other debt financing by Parent, and (C) the effectiveness of any documentation executed by the Company or the Company Subsidiaries with respect thereto (solely in the case of the Company and the Company Subsidiaries) shall be subject to the consummation of the Closing (and the Company and the Company Subsidiaries shall not be required to execute any solvency, 10b-5 or other certificates prior to the Closing). Parent acknowledges and agrees that none of the Company or any of the Company Subsidiaries or any of their respective managers, directors, officers, employees, representatives and advisors (including legal, financial and accounting advisors) shall incur any liability to any person under or in connection with the Debt Financing or any other debt financing by Parent prior to the Closing. Except in the case of losses arising or resulting from fraud, intentional or willful misrepresentation, gross negligence, willful misconduct or willful concealment, in each case as determined by a final, non-appealable judgment by a court of competent jurisdiction, Parent shall indemnify and hold harmless the Company and the Company Subsidiaries and their respective managers, directors, officers, employees, representatives and advisors (including legal, financial and accounting advisors) from and against any and all liabilities, costs and expenses suffered or incurred by them in connection with the arrangement of the Debt Financing, any alternative Debt Financing or any other debt financing by Parent for which cooperation is requested under this Section 6.16 and any information utilized in connection therewith (other than information provided by or on behalf of the Company expressly for use in connection therewith). Parent shall, upon the request of the Company, promptly reimburse the

Company for all documented out-of-pocket costs or expenses reasonably incurred by the Company in connection with cooperation provided for in this Section 6.16. For the

avoidance of doubt, Parent and Merger Sub expressly acknowledge and agree that their respective obligations to consummate the transactions contemplated by this Agreement are not subject to any condition or contingency with respect to receipt of the Debt Financing or any financing or funding by any third party.

SECTION 6.17. Voting Agreement. The Company shall instruct its transfer agent not to register the transfer of any Subject Shares (as defined in the Voting Agreement) made or attempted to be made in violation of the Voting Agreement.

ARTICLE VII

Conditions Precedent

SECTION 7.01. Conditions to Each Party s Obligation to Effect the Merger. The respective obligation of each party to effect the Merger is subject to the satisfaction or waiver on or prior to the Closing Date of the following conditions:

(a) Company Stockholder Approval. The Company Stockholder Approval shall have been obtained.

(b) Listing. The Parent Common Shares issuable as Merger Consideration pursuant to this Agreement shall have been approved for listing on the NYSE, subject to official notice of issuance.

(c) Antitrust. Any waiting period applicable to the Merger under the HSR Act shall have been terminated or shall have expired.

(d) FCC, State and Local Approvals. The FCC Consents, the PSC Consents and the Local Consents set forth on Section 7.01(d) of the Company Disclosure Letter shall have been obtained, shall not be subject to agency reconsideration or judicial review, and the time for any person to petition for agency reconsideration or judicial review shall have expired.

(e) No Legal Restraints. No applicable Law and no Judgment, preliminary, temporary or permanent, or other legal restraint and no binding order or determination by any Governmental Entity (collectively, the Legal Restraints) shall be in effect that prevents, restrains, enjoins, makes illegal or otherwise prohibits the consummation of the Merger or imposes any Burdensome Condition on the consummation of the Merger and no Action by a Governmental Entity shall be pending that seeks to prevent, restrain, enjoin, make illegal or otherwise prohibit the consummation of the Merger or to impose any Burdensome Condition on the consummation of the Merger.

(f) Form S-4. The Form S-4 shall have been declared effective by the SEC under the Securities Act. No stop order suspending the effectiveness of the Form S-4 shall have been issued by the SEC and no Actions for that purpose shall have been initiated or threatened by the SEC.

SECTION 7.02. Conditions to Obligations of the Company. The obligation of the Company to consummate the Merger is further subject to the following conditions:

(a) Representations and Warranties. The representations and warranties of Parent and Merger Sub contained in this Agreement (except for the representations and warranties contained in Section 3.03) shall be true and correct (without giving effect to any limitation as to materiality or Parent Material Adverse Effect set forth therein) at and as of the date of this Agreement and at and as of the Closing Date as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such earlier date), except where the failure of such representations and warranties to be true and correct (without giving effect to any limitation as to materiality or Parent

Material Adverse Effect set forth therein), individually or in the

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aggregate, has not had and would not reasonably be expected to have a Parent Material Adverse Effect, and the representations and warranties of Parent and Merger Sub contained in Section 3.03 shall be true and correct in all material respects at and as of the date of this Agreement and at and as of the Closing Date as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such earlier date). The Company shall have received a certificate signed on behalf of each of Parent and Merger Sub by an executive officer of each of Parent and Merger Sub, respectively, to such effect.

(b) Performance of Obligations of Parent and Merger Sub. Parent and Merger Sub shall have performed in all material respects all material obligations required to be performed by them under this Agreement at or prior to the Closing Date, and the Company shall have received a certificate signed on behalf of each of Parent and Merger Sub by an executive officer of each of Parent and Merger Sub, respectively, to such effect.

(c) Absence of Parent Material Adverse Effect. Since the date of this Agreement, there shall not have occurred any event or development that, individually or in the aggregate, has had or would reasonably be expected to have a Parent Material Adverse Effect.

SECTION 7.03. Conditions to Obligation of Parent. The obligation of Parent and Merger Sub to consummate the Merger is further subject to the following conditions:

(a) Representations and Warranties. The representations and warranties of the Company contained in this Agreement (except for the representations and warranties contained in Section 4.03) shall be true and correct (without giving effect to any limitation as to materiality or Company Material Adverse Effect set forth therein) at and as of the date of this Agreement and at and as of the Closing Date as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such earlier date), except where the failure of such representations and warranties to be true and correct (without giving effect to any limitation as to materiality or Company Material Adverse Effect set forth therein), individually or in the aggregate, has not had and would not reasonably be expected to have a Company Material Adverse Effect, and the representations and warranties of the Company contained in Section 4.03 shall be true and correct in all material respects at and as of the date of this Agreement and at and as of the Closing Date as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such earlier date). Parent shall have received a certificate signed on behalf of the Company by an executive officer of the Company to such effect.

(b) Performance of Obligations of the Company. The Company shall have performed in all material respects all material obligations required to be performed by it under this Agreement at or prior to the Closing Date, and Parent shall have received a certificate signed on behalf of the Company by an executive officer of the Company to such effect.

(c) Absence of Company Material Adverse Effect. Since the date of this Agreement, there shall not have occurred any event or development that, individually or in the aggregate, has had or would reasonably be expected to have a Company Material Adverse Effect.

ARTICLE VIII

Termination, Amendment and Waiver

SECTION 8.01. Termination. This Agreement may be terminated at any time prior to the Effective Time, whether before or after receipt of the Company Stockholder Approval:

(a) by mutual written consent of the Company and Parent;

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(b) by either the Company or Parent:

(i) if the Merger is not consummated on or before the End Date. The End Date shall mean the date that is fifteen (15) months after the date hereof; provided, however, that if on the date that is fifteen (15) months after the date hereof the conditions to Closing set forth in any or all of Section 7.01(a), 7.01(c), 7.01(d) or 7.01(e) shall not have been satisfied or waived but all other conditions to Closing shall have been satisfied or waived (or in the case of conditions that by their nature are to be satisfied at the Closing, shall be capable of being satisfied on such date), then the End Date shall be automatically extended to the date that is eighteen (18) months after the date hereof; and provided further that the right to terminate this Agreement under this Section 8.01(b)(i) shall not be available to any party if such failure of the Merger to occur on or before the End Date is the result of a breach of this Agreement by such party (including, in the case of Parent, Merger Sub) or the failure of any representation or warranty of such party (including, in the case of Parent, Merger Sub) contained in this Agreement to be true and correct;

(ii) if the condition set forth in Section 7.01(e) is not satisfied and the Legal Restraint giving rise to such non-satisfaction shall have become final and non-appealable; provided that the terminating party shall have complied with its obligations to use its reasonable best efforts pursuant to Section 6.03;

(iii) if the Company Stockholder Approval is not obtained at the Company Stockholders Meeting duly convened (unless such Company Stockholders Meeting has been adjourned, in which case at the final adjournment thereof);

(c) by the Company, if Parent or Merger Sub shall have breached any of its representations or warranties or failed to perform any of its covenants or agreements contained in this Agreement, which breach or failure (i) would give rise to the failure of a condition set forth in Section 7.02(a) or Section 7.02(b) and (ii) is incapable of being cured or, if capable of being cured by the End Date, Parent and Merger Sub (x) shall not have commenced good faith efforts to cure such breach or failure to perform within 30 calendar days following receipt by Parent or Merger Sub of written notice of such breach or failure to perform from the Company stating the Company s intention to terminate this Agreement pursuant to this Section 8.01(c) and the basis for such termination or (y) are not thereafter continuing to take good faith efforts to cure such breach or failure to perform; provided that the Company shall not have the right to terminate this Agreement pursuant to this Section 8.01(c) if the Company is then in material breach of any of its representations, warranties, covenants or agreements hereunder;

(d) by Parent, if the Company shall have breached any of its representations or warranties or failed to perform any of its covenants or agreements contained in this Agreement, which breach or failure (i) would give rise to the failure of a condition set forth in Section 7.03(a) or Section 7.03(b) and (ii) is incapable of being cured or, if capable of being cured by the End Date, the Company (x) shall not have commenced good faith efforts to cure such breach or failure to perform within 30 calendar days following receipt by the Company of written notice of such breach or failure to perform from Parent stating Parent s intention to terminate this Agreement pursuant to this Section 8.01(d) and the basis for such termination or (y) is not thereafter continuing to take good faith efforts to cure such breach or failure to perform; provided that Parent shall not have the right to terminate this Agreement pursuant to this Section 8.01(d) if Parent or Merger Sub is then in material breach of any of its representations, warranties, covenants or agreements hereunder; or

(e) by Parent, in the event that a Company Adverse Recommendation Change shall have occurred; provided that Parent shall no longer be entitled to terminate this Agreement pursuant to this Section 8.01(e) if the Company Stockholder Approval is obtained at the Company Stockholders Meeting.

SECTION 8.02. Effect of Termination. In the event of termination of this Agreement by either Parent or the Company as provided in Section 8.01, this Agreement shall forthwith become null and void (other than

Section 3.18, Section 4.18, Section 6.06, this Section 8.02, Article IX and the Confidentiality Agreement, all of which shall survive termination of this Agreement) and there shall be no liability on the part of Parent, Merger Sub or the Company or their respective directors, officers and Affiliates, except no such termination shall (i) subject to Section 6.06(e), relieve any party from liability for damages to another party resulting from fraud or any willful and material breach by a party of any representation, warranty, covenant or agreement set forth in this Agreement or (ii) release the Commitment Parties from any liability to Parent under the Debt Financing Commitment.

SECTION 8.03. Amendment. This Agreement may be amended by the parties at any time before or after receipt of the Company Stockholder Approval; provided, however, that (i) after receipt of the Company Stockholder Approval, there shall be made no amendment that by Law requires further approval by the stockholders of the Company without the further approval of such stockholders, (ii) no amendment shall be made to this Agreement after the Effective Time and (iii) except as provided above, no amendment of this Agreement shall require the approval of the shareholders of Parent or the stockholders of the Company; provided, further, that Sections 8.02, 8.03, 9.08(a), 9.08(c), 9.11 and 9.12 (in each case, together with any related definitions and other provisions of this Agreement to the extent a modification or termination would serve to modify the substance or provisions or such sections) may not be amended, modified, superseded, canceled or waived in a manner that is adverse to the Commitment Parties or the Financing Sources without the prior written consent of the Commitment Parties. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties.

SECTION 8.04. Extension; Waiver. At any time prior to the Effective Time, the parties may (a) extend the time for the performance of any of the obligations or other acts of the other parties, (b) waive any inaccuracies in the representations and warranties contained in this Agreement or in any document delivered pursuant to this Agreement, (c) waive compliance with any covenants and agreements contained in this Agreement or (d) waive the satisfaction of any of the conditions contained in this Agreement. No extension or waiver by Parent shall require the approval of the shareholders of Parent unless such approval is required by Law and no extension or waiver by the Company shall require the approval of the stockholders of the Company unless such approval is required by Law. Any agreement on the part of a party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights.

SECTION 8.05. Procedure for Termination, Amendment, Extension or Waiver. A termination of this Agreement pursuant to Section 8.01, an amendment of this Agreement pursuant to Section 8.03 or an extension or waiver pursuant to Section 8.04 shall, in order to be effective, require, in the case of the Company, Parent or Merger Sub, action by its Board of Directors, or the duly authorized designee of its Board of Directors. Termination of this Agreement prior to the Effective Time shall not require the approval of the shareholders of Parent or the stockholders of the Company.

ARTICLE IX

General Provisions

SECTION 9.01. Nonsurvival of Representations and Warranties. None of the representations or warranties in this Agreement or in any document or instrument delivered pursuant to or in connection with this Agreement shall survive the Effective Time. This Section 9.01 shall not limit any covenant or agreement contained in this Agreement or in any document or instrument delivered pursuant to or in connection with this Agreement that by its terms applies in whole or in part after the Effective Time.

SECTION 9.02. Notices. All notices, requests and other communications to any party hereunder shall be in writing and shall be deemed given if delivered personally, by facsimile (which is confirmed), emailed

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(which is confirmed) or sent by Federal Express, UPS, DHL or similar courier service (providing proof of delivery) to the parties at the following addresses:

if to the Company, to:

Hawaiian Telcom Holdco, Inc.

1177 Bishop Street

Honolulu, Hawaii 96813

Facsimile: (808) 546-8992

Email: john.komeiji@hawaiiantel.com

Attention: General Counsel

with a copy (which shall not constitute notice) to:

Gibson, Dunn & Crutcher LLP

2029 Century Park East

Los Angeles, California 90067

Facsimile: (310) 552-7053

Email: jlayne@gibsondunn.com

Attention: Jonathan K. Layne

if to Parent or Merger Sub, to:

Cincinnati Bell Inc.

221 East Fourth Street

Cincinnati, OH 45202

Facsimile: (513) 721-7358

Email: christopher.wilson@cinbell.com

Attention: Christopher J. Wilson, Vice President and General Counsel

with a copy (which shall not constitute notice) to:

Cravath, Swaine & Moore LLP

Worldwide Plaza

825 Eighth Avenue

New York, New York 10019

Facsimile: (212) 474-3700

Email: RTownsend@cravath.com

KHallam@cravath.com

Attention: Robert I. Townsend, III, Esq.

O. Keith Hallam, III, Esq.

SECTION 9.03. Definitions. For purposes of this Agreement:

An "Affiliate" of any Person means another Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person.

"Available Cash Election Amount" means the remainder of (i) the product of (A) the Mixed Cash Consideration *multiplied by* (B) the sum of (1) the total number of shares of Company Common Stock (other than shares of Company Common Stock to be cancelled in accordance with Section 2.01(b)) issued and outstanding immediately prior to the Effective Time *plus* (2) the total number of shares of Company Common Stock subject to Cash-Out RSUs outstanding immediately prior to the Effective Time, *minus* (ii) the product of (A) the total number of Mixed Election Shares, Non-Election Shares, Mixed Election RSU Shares and Non-Election RSU Shares

multiplied by (B) the Mixed Cash Consideration, *minus* (iii) the product of (A) the total number of Excluded Shares as of immediately prior to the Effective Time *multiplied by* (B) the Mixed Cash Consideration.

Business Day means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking and savings and loan institutions are authorized or required by Law to be closed in New York City.

Cash Election Amount means the product of (i) the sum of (A) the number of Cash Election Shares *plus* (B) the number of Cash Election RSU Shares *multiplied by* (ii) the Cash Consideration.

Cash Election RSU Share means each share of Company Common Stock subject to a Cash-Out RSU outstanding immediately prior to the Effective Time with respect to which the Cash Election has been made.

Cash-Out RSU means any Company RSU that is not a Rollover RSU.

Code means the Internal Revenue Code of 1986, as amended.

Company Board means the Board of Directors of the Company.

Company Collective Bargaining Agreement means any collective bargaining or other labor union Contract applicable to any employees of the Company or any of the Company Subsidiaries.

Company Material Adverse Effect means a Material Adverse Effect with respect to the Company.

Company PSU means any Company RSU that is subject to performance-based vesting or delivery requirements.

Company RSU means any restricted stock unit payable in shares of Company Common Stock or whose value is determined with reference to the value of shares of Company Common Stock, whether granted under a Company Stock Plan or otherwise.

Company Stock Plan means the Company 2010 Equity Incentive Plan and the Amended and Restated Performance Compensation Plan.

Financing Sources means the Commitment Parties and each other Person that has committed to provide or otherwise entered into any commitment letter, engagement letter, credit agreement, underwriting agreement, purchase agreement, placement agreement, indenture or other agreement with Parent or Merger Sub or any of their Affiliates in connection with, or that is otherwise acting as an arranger, bookrunner, underwriter, initial purchaser, placement agent, administrative or collateral agent, trustee or a similar representative in respect of, any Debt Financing and, in each case, their respective Affiliates, officers, directors, employees and representatives involved in the Debt Financing and their respective permitted successors and assigns; provided, for the avoidance of doubt, that Financing Sources shall exclude Parent and any of its Affiliates.

Indebtedness means, with respect to any Person, without duplication, (i) all obligations of such Person for borrowed money, or with respect to unearned advances of any kind to such Person, (ii) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (iii) all capitalized lease obligations of such Person, (iv) all guarantees and arrangements having the economic effect of a guarantee of such Person of any Indebtedness of any other Person, (v) all obligations or undertakings of such Person to maintain or cause to be maintained the financial position of others or to purchase the obligations of others, (vi) net cash payment obligations of such Person under swaps, options, derivatives and other hedging agreements or arrangements that will be payable upon termination

thereof (assuming they were terminated on the date of determination) or (vii) letters of credit, bank guarantees and other similar contractual obligations entered into by or on behalf of such Person.

Intellectual Property means all right, title and interest in or relating to intellectual property, whether protected, created or arising under the Laws of the United States or any other jurisdiction, including: (a) patents

(including all applications, reissues, divisions, continuations, continuations-in-part, re-examinations, substitutions and extensions thereof) and inventions; (b) trademarks, service marks, trade names and service names, business names, brand names, logos, slogans, trade dress, design rights and other similar designations of source or origin, including any and all goodwill associated with any of the foregoing, along with all applications, registrations, renewals and extensions thereof; (c) internet domain names and social media identifiers, tags and handles; (d) copyrights and copyrightable subject matter and database rights, whether or not registered or published, all registrations and recordations thereof and all applications in connection therewith, along with all reversions, extensions and renewals thereof; and (e) trade secrets, know-how and other information of a confidential nature.

IT Assets means all communications networks, data centers, computers, software, firmware, middleware, servers, workstations, routers, hubs, switches, data communications lines, cable modems, fiber optic systems, all other information technology equipment, and all associated documentation.

The Knowledge of (a) the Company means the actual knowledge of the individuals listed on Section 9.03(a) of the Company Disclosure Letter after having made reasonable inquiry of those employees of the Company and the Company Subsidiaries primarily responsible for such matters and (b) Parent or Merger Sub means the actual knowledge of the individuals listed on Section 9.03(a) of Parent Disclosure Letter after having made reasonable inquiry of those employees of Parent and the Parent Subsidiaries primarily responsible for such matters.

Marketing Period means the first period of 15 consecutive Business Days after the date hereof throughout which (i) Parent shall have the Required Financial Information and (ii) the conditions set forth in Sections 7.01 and 7.03 have been satisfied or waived (other than those conditions that by their nature are to be satisfied at the Closing); provided, however, that (A) such 15 consecutive Business Day period shall commence no earlier than September 5, 2017, (B) the Marketing Period shall end on any earlier date on which the Debt Financing is consummated and (C) the Marketing Period shall not be deemed to have commenced if, prior to the completion of such 15 consecutive Business Day period, (1) KPMG LLP shall have withdrawn its audit opinion with respect to any year end audited financial statements set forth in the Required Financial Information, or (2) any of the financial statements included in the Required Financial Information shall have been restated or the Company Board shall have determined that a restatement of any such financial statements included in the Required Financial Information is required, in which case the Marketing Period shall be deemed not to commence at the earliest unless and until such restatement has been completed or the Company Board has determined that no restatement shall be required.

Material Adverse Effect with respect to any Person means any state of facts, change, effect, condition, development, event or occurrence that, individually or in the aggregate (i) materially and adversely affects the business, properties, financial condition or results of operations of such Person and its Subsidiaries, taken as a whole, excluding any such state of facts, change, effect, condition, development, event or occurrence to the extent arising out of or in connection with (A) any change generally affecting the economic, financial, regulatory or political conditions in the United States or elsewhere in the world, (B) the outbreak or escalation of hostilities or any acts of war, sabotage or terrorism, or any earthquake, hurricane, tornado, tsunami or other natural disaster, (C) any change that is generally applicable to the industries or markets in which such Person and its Subsidiaries operate, (D) any change in applicable Laws or applicable accounting regulations or principles or authoritative interpretations thereof, (E) any failure, in and of itself, to meet projections, forecasts, estimates or predictions in respect of revenues, EBITDA, free cash flow, earnings or other financial or operating metrics for any period (it being understood that the underlying facts or occurrences giving rise to or contributing to such failure shall be taken into account in determining whether there has been a Material Adverse Effect (except to the extent such underlying facts or occurrences are excluded from being taken into account by clauses (A) through (G) of this definition)), (F) any termination of, reduction in or similar negative impact on relationships, contractual or otherwise, with customers, suppliers, distributors, partners or employees of such Person and its Subsidiaries due to the announcement and performance of this Agreement or the identity of the parties to this

Agreement, or (G) any action taken by such Person or its Subsidiaries that is expressly required by this Agreement to be taken by such Person or its Subsidiaries, or that, in the case of the Company and its Subsidiaries, is taken or not taken with the prior express written consent or at the express written direction of Parent or that, in the case of Parent and its Subsidiaries, is taken or not taken with the prior express written consent or at the express written direction of the Company; provided, that any state of facts, change, effect, condition, development, event or occurrence referred to in clause (A) or clause (D) may be taken into account in determining whether there has been, or would reasonably be expected to be, a Material Adverse Effect to the extent such effect, change, event or occurrence has a disproportionate adverse effect on such Person and its Subsidiaries, taken as a whole, as compared to other participants in the industry in which such Person and its Subsidiaries operate (in which case the incremental disproportionate impact or impacts may be taken into account in determining whether there has been, or would reasonably be expected to be, a Material Adverse Effect), (ii) impairs in any material respect the ability of such Person to consummate the transactions contemplated by this Agreement or (iii) prevents or materially impedes, interferes with, hinders or delays the consummation of the Merger or the other transactions contemplated hereby.

Mixed Election RSU Share means each share of Company Common Stock subject to a Cash-Out RSU outstanding immediately prior to the Effective Time with respect to which the Mixed Election has been made.

Non-Election RSU Share means each share of Company Common Stock subject to a Cash-Out RSU outstanding immediately prior to the Effective Time with respect to which there has been a Non-Election.

Parent Board means the Board of Directors of the Parent.

Parent Material Adverse Effect means a Material Adverse Effect with respect to Parent.

Parent PSU means any Parent RSU that is subject to performance-based vesting or delivery requirements.

Parent RSU means any restricted stock unit payable in Parent Common Shares or whose value is determined with reference to the value of Parent Common Shares, whether granted under a Parent Stock Plan or otherwise.

Parent SAR means any stock appreciation rights relating the Parent Common Shares, whether granted under a Parent Stock Plan or otherwise.

Parent Stock Option means any option to purchase Parent Common Shares, whether granted under a Parent Stock Plan or otherwise.

Parent Stock Plans means the Parent 2017 Long-Term Incentive Plan, the Parent 2017 Stock Plan for Non-Employee Directors, Parent 2007 Long Term Incentive Plan, the Parent 2007 Stock Option Plan for Non-Employee Directors and the Parent 1997 Stock Option Plan for Non-Employee Directors, each as may be amended from time to time.

Person means any natural person, firm, corporation, partnership, company, limited liability company, trust, joint venture, association, Governmental Entity or other entity.

Permitted Liens means (i) statutory Liens for Taxes not yet delinquent or the amount or validity of which is being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP; (ii) mechanics , materialmen s, carriers , workmen s, repairmen s, warehousemen s, landlords a other similar statutory Liens securing obligations that are not yet due and payable or the validity of which are being contested in good faith by appropriate proceedings and incurred in the ordinary course of business; (iii) zoning, entitlement, building and other land use regulations imposed by

Governmental Entities; (iv) covenants, conditions, restrictions, easements, rights-of-way, encroachments and other similar matters of public record affecting title to any Parent Real Property or Company Real Property that does not materially impair the occupancy or use of such Parent Real Property or Company Real Property for the purposes for which it is currently used; (v) Liens that, individually or in the aggregate, (A) are not substantial in character, amount or extent in relation to the applicable Parent Real Property or Company Real Property and (B) do not materially and adversely impact the current or contemplated use, utility or value of any such property or otherwise materially and adversely impair the present or contemplated business operations thereon; (vi) Liens arising under worker s compensation, unemployment insurance, social security, retirement and similar legislation; (vii) purchase money Liens and Liens securing rental payments under capital lease arrangements; (viii) the terms and conditions of Real Property Leases to third party tenants disclosed in Section 3.15 of the Parent Disclosure Letter or Section 4.15 of the Company Disclosure Letter; (ix) the terms and conditions of Real Property Leases to which the Company or any Subsidiary is a tenant or occupant disclosed in Section 3.15 of the Parent Disclosure Letter or Section 4.15 of the Company Disclosure Letter; (x) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business consistent with past practice, (xi) non-exclusive licenses granted to third parties in the ordinary course of business and (xii) Liens set forth on Section 9.03(b) of the Parent Disclosure Letter or Section 9.03(b) of the Company Disclosure Letter.

Rollover RSU means any Company RSU granted on or after January 1, 2017 that does not provide for automatic vesting upon the consummation of the transactions contemplated by this Agreement.

RSU Exchange Ratio means the sum of (i) the Mixed Share Consideration *plus* (ii) the quotient of (A) the Mixed Cash Consideration over (B) the closing price of one Parent Common Share on the last trading date preceding the Closing Date as reported on the NYSE.

Share Election RSU Share means each share of Company Common Stock subject to a Cash-Out RSU outstanding immediately prior to the Effective Time with respect to which the Share Election has been made.

A Subsidiary of any Person means another Person, an amount of the voting securities, other voting ownership or voting partnership interests of which is sufficient to elect at least a majority of its Board of Directors or other governing body (or, if there are no such voting interests, more than 50% of the equity interests of which) is owned directly or indirectly by such first Person.

Taxes means all taxes, customs, tariffs, imposts, levies, duties, fees or other like assessments or charges of any kind in the nature of a tax imposed by a Governmental Entity, together with all interest, penalties and additions imposed with respect to such amounts.

Tax Return means all Tax returns, declarations, statements, reports, schedules, forms and information returns and any amended Tax return relating to Taxes.

SECTION 9.04. Interpretation. When a reference is made in this Agreement to an Article, a Section, Exhibit or Schedule, such reference shall be to an Article of, a Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated. The table of contents, index of defined terms and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Any capitalized term used in any Exhibit but not otherwise defined therein shall have the meaning assigned to such term in this Agreement. Whenever the words include , includes or including are used in this Agreement, they shall be deemed to be followed by the words without limitation . The words hereof , herein and hereunder and words of similar impor when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this

Agreement. The words date hereof when used in this Agreement shall refer to the date of this Agreement. The terms or , any and either are not exclusive. The word extent in the phrase to the extent shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply if . The word will shall be construed to have the same meaning and

effect as the word shall . The words made available to Parent and words of similar import refer to documents (A) posted to the online dataroom by or on behalf of the Company by 10:00 a.m. (New York City time) on July 8, 2017 or (B) delivered in person or electronically to Parent, Merger Sub or their respective Representatives by 10:00 a.m. (New York City time) on July 8, 2017. The words made available to the Company and words of similar import refer to documents (A) posted to the online dataroom by or on behalf of Parent by 10:00 a.m. (New York City time) on July 8, 2017 or (B) delivered in person or electronically to Company or its Representatives by 10:00 a.m. (New York City time) on July 8, 2017. All accounting terms used and not defined herein shall have the respective meanings given to them under GAAP. All terms defined in this Agreement shall have the defined meanings when used in any document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any agreement, instrument or Law defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or Law as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. Unless otherwise specifically indicated, all references to dollars or $ shall refer to the lawful money of the United States. References to a Person are also to its permitted assigns and successors.

SECTION 9.05. Severability. If any term, condition or other provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other terms, provisions and conditions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term, condition or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable Law.

SECTION 9.06. Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile or electronic mail), each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other parties hereto.

SECTION 9.07. Entire Agreement; No Third-Party Beneficiaries. This Agreement, including the Company Disclosure Letter and the Parent Disclosure Letter, together with the Confidentiality Agreement, constitutes the entire agreement, and supersedes all other prior agreements and understandings, both written and oral, among the parties and their Affiliates, or any of them, with respect to the subject matter hereof and thereof. This Agreement is not intended to and does not confer upon any Person other than the parties hereto any rights or remedies hereunder, except for: (i) if the Effective Time occurs, the right of the Company s stockholders to receive the Merger Consideration in accordance with Article II; (ii) if the Effective Time occurs, the right of the holders of Cash-Out RSUs to receive such amounts as provided for in Section 6.04; (iii) if the Effective Time occurs, the rights of the Indemnified Persons set forth in Section 6.05 of this Agreement; (iv) the rights of the Company Related Parties set forth in Section 6.06); (v) if the Effective Time occurs, the rights of the Company s stockholders to enforce Section 6.07 of the Agreement; and (vi) the rights of the managers, directors, officers, employees, representatives and advisors of the Company and its Subsidiaries set forth in the third to last sentence of Section 6.16, which are intended for the benefit of the Persons and shall be enforceable by the Persons referred to respectively in clauses (i) through (vi) above. Notwithstanding the foregoing, the Commitment Parties and the Financing Sources are express third party beneficiaries of this Section 9.07 and Sections 8.02, 8.03, 9.08(a), 9.08(c), 9.11 and 9.12 (in each case, together with any related definitions and other provisions of this Agreement to the extent a modification or termination would serve to modify the substance or provisions or such sections) and shall be entitled to enforce such provisions directly.

SECTION 9.08. Governing Law. (a) This Agreement shall be governed by, and construed in accordance with, the Laws of the State of Delaware applicable to contracts executed in and to be performed entirely within that State, regardless of the Laws that might otherwise govern under any applicable conflict of

Laws principles (except that the matters relating to the fiduciary duties of the Parent Board shall be subject to the internal Laws of the State of Ohio); provided that notwithstanding the foregoing, all matters relating to the Debt Financing shall be exclusively governed and construed in accordance with the Laws of the State of New York without giving effect to any choice or conflict of law provision or rule whether of the State of New York or any other jurisdiction that would cause the application of Law of any jurisdiction other than the State of New York and each of the parties hereto agrees that the waiver of jury trial set forth in Section 9.11 shall be applicable to any such matter.

(b) All Actions arising out of or relating to this Agreement, the Merger or the other transactions contemplated hereby shall be heard and determined in the Court of Chancery of the State of Delaware or, if the Court of Chancery of the State of Delaware declines to accept jurisdiction over any Action, the Superior Court of the State of Delaware (Complex Commercial Division) or, if subject matter jurisdiction over the matter that is the subject of the Action is vested exclusively in the federal courts of the United States of America, the United States District Court for the District of Delaware, and any appellate court from any thereof (such courts, the Selected Courts). The parties hereto hereby irrevocably (i) submit to the exclusive jurisdiction and venue of the Selected Courts in any such Action, (ii) waive the defense of an inconvenient forum or lack of jurisdiction to the maintenance of any such Action brought in the Selected Courts, (iii) agree to not contest the jurisdiction of the Selected Courts in any such Action, by motion or otherwise and (iv) agree to not bring any Action arising out of or relating to this Agreement, the Merger or the other transactions contemplated hereby in any court other than the Selected Courts, except for Actions brought to enforce the judgment of any such court. The consents to jurisdiction and venue set forth in this Section 9.08(b) shall not constitute general consents to service of process in the State of Delaware and shall have no effect for any purpose except as provided in this paragraph and shall not be deemed to confer rights on any Person other than the parties hereto. Each party hereto agrees that service of process upon such party in any Action arising out of or relating to this Agreement shall be effective if notice is given by Federal Express, UPS, DHL or similar courier service to the address set forth in Section 9.02 of this Agreement. The parties hereto agree that a final judgment in any such Action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Law; provided, however, that nothing in the foregoing shall restrict any party s rights to seek any post-judgment relief regarding, or any appeal from, a final trial court judgment.

(c) Notwithstanding anything in this Agreement to the contrary, each of the parties hereto agrees that it will not bring, or permit any of its Affiliates to bring, any suit, action or other proceeding of any kind or description, whether in law or in equity, whether in contract or in tort or otherwise, against any Commitment Party or any Financing Source arising out of or relating to (x) the Debt Financing or (y) this Agreement or any of the transactions contemplated by this Agreement in any forum other than a court of competent jurisdiction located within Borough of Manhattan in the City of New York, New York, whether a state or federal court, and each of the parties hereto agrees that the waiver of jury trial set forth in Section 9.11 shall be applicable to any such suit, action or other proceeding.

SECTION 9.09. Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of Law or otherwise, by any of the parties hereto without the prior written consent of the other parties hereto, except that Parent may assign, in its sole discretion, all of the rights, interests and obligations of Parent under this Agreement to (i) any wholly owned Subsidiary of Parent or (ii) pursuant to a collateral assignment of all of its rights hereunder to any of its financing sources, but, in each case, no such assignment shall relieve Parent of its obligations under this Agreement. No assignment by any party shall relieve such party of any of its obligations hereunder. Subject to the immediately preceding two sentences, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the parties hereto and their respective successors and permitted assigns. Any purported assignment not permitted under this Section 9.09 shall be null and void.

SECTION 9.10. Specific Enforcement. The parties hereto agree that irreparable damage for which monetary relief, even if available, would not be an adequate remedy, would occur in the event that any provision of this Agreement is

not performed in accordance with its specific terms or is otherwise breached, including if

the parties hereto fail to take any action required of them hereunder to consummate this Agreement, the Merger and the other transactions contemplated hereby. Subject to the following sentence, the parties acknowledge and agree that (a) the parties shall be entitled to an injunction or injunctions, specific performance or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in the courts described in Section 9.08(b) without proof of damages or otherwise, this being in addition to any other remedy to which they are entitled under this Agreement and (b) the right of specific enforcement is an integral part of the Merger and the other transactions contemplated hereby and without that right neither the Company nor Parent would have entered into this Agreement. The parties hereto agree not to assert that a remedy of specific enforcement is unenforceable, invalid or contrary to Law, and not to assert that a remedy of monetary damages would provide an adequate remedy or that the parties otherwise have an adequate remedy at law. The parties hereto acknowledge and agree that any party seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in accordance with this Section 9.10 shall not be required to provide any bond or other security in connection with any such order or injunction.

SECTION 9.11. WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVER, (C) IT MAKES SUCH WAIVER VOLUNTARILY AND (D) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 9.11.

SECTION 9.12. No Recourse to Financing Sources. Notwithstanding anything in this Agreement to the contrary, the Company (i) agrees on its behalf and on behalf of its Affiliates that none of the Commitment Parties nor the Financing Sources shall have any liability or obligation to the Company and their respective Affiliates relating to this Agreement or any of the transactions contemplated by this Agreement (including the Debt Financing), (ii) waives any rights or claims against any Commitment Party or any Financing Source in connection with this Agreement (including any of the transactions contemplated hereby) and the Debt Financing, whether at law or equity, in contract, in tort or otherwise and (iii) agrees not to, and shall not, (A) seek to enforce this Agreement against, make any claims for breach of this Agreement, or seek to recover monetary damages (including, for the avoidance of doubt, any special, consequential, punitive, indirect, speculative or exemplary damages or damages of a tortious nature) from, any Commitment Party or any Financing Source or (B) seek to enforce the commitment in respect of any Debt Financing against, make any claims for breach of commitments in respect of any Debt Financing against, or seek to recover monetary damages (including, for the avoidance of doubt, any special, consequential, punitive, indirect, speculative or exemplary damages or damages of a tortious nature) from, or otherwise sue, any Commitment Party or any Financing Source for any reason in connection with commitments in respect of any Debt Financing or the obligations of the Commitment Parties and the Financing Sources thereunder, this Agreement, or any of the transactions contemplated by this Agreement or Debt Financing.

[Remainder of page intentionally blank.]

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IN WITNESS WHEREOF, the Company, Parent and Merger Sub have duly executed this Agreement, all as of the date first written above.

HAWAIIAN TELCOM HOLDCO, INC.,

by

/s/ Scott K. Barber
Name: Scott K. Barber
Title: President and Chief Executive Officer

CINCINNATI BELL INC.,

by

/s/ Leigh R. Fox
Name: Leigh R. Fox
Title: President and Chief Executive Officer

TWIN ACQUISITION CORP.

by

/s/ Leigh R. Fox
Name: Leigh R. Fox
Title: President and Chief Executive Officer

[SIGNATURE PAGE TO MERGER AGREEMENT]

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to

Merger Agreement

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Exhibit A

to

Merger Agreement

Governance Matters

Parent shall take all necessary action to cause, effective at the Effective Time, the Parent Board to be comprised of nine directors from Parent and two directors from the Company. The Company shall name its directors, subject to approval by the Parent Board (not to be unreasonably withheld, conditioned or delayed).

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ANNEX B

VOTING AGREEMENT dated as of July 9, 2017 (this Agreement), among CINCINNATI BELL INC., an Ohio corporation (Parent), and each of THE PARTIES LISTED ON THE SIGNATURE PAGES HERETO (each, a Stockholder and, collectively, the Stockholders).

WHEREAS Parent, Twin Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of Parent (Merger Sub), and Hawaiian Telcom Holdco, Inc., a Delaware corporation (the Company), have contemporaneously with the execution of this Agreement entered into an Agreement and Plan of Merger dated as of the date hereof (as the same may be amended or supplemented, the Merger Agreement ; capitalized terms used but not defined herein shall have the meanings set forth in the Merger Agreement);

WHEREAS each Stockholder is, as of the date of this Agreement, the record or beneficial owner of the number of shares of Company Common Stock set forth opposite such Stockholder s name on Schedule A; and

WHEREAS as a condition to their willingness to enter into the Merger Agreement, Parent and Merger Sub have requested that the Stockholders enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and agreements set forth herein and in the Merger Agreement, each party hereto agrees as follows:

SECTION 1. Representations and Warranties of Each Stockholder. Each Stockholder severally hereby represents and warrants to Parent as follows:

(a) Organization; Authority; Execution and Delivery; Enforceability. If such Stockholder is not a natural person, (i) such Stockholder is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization (except, in the case of good standing, for entities organized under the laws of any jurisdiction that does not recognize such concept), (ii) the execution and delivery of this Agreement by such Stockholder, the consummation by such Stockholder of the transactions contemplated by this Agreement and the compliance by such Stockholder with the provisions of this Agreement have been duly authorized by all necessary action on the part of such Stockholder and its governing body, members, stockholders and trustees, as applicable, and (iii) no other proceedings on the part of such Stockholder (or such Stockholder s governing body, members, stockholders or trustees, as applicable) are necessary to authorize this Agreement, to consummate the transactions contemplated by this Agreement or to comply with the provisions of this Agreement. Such Stockholder has all requisite corporate, company, partnership or other power and authority to execute and deliver this Agreement (and each person (used herein as defined in the Merger Agreement) executing this Agreement on behalf of such Stockholder that is not a natural person has full power, authority and capacity to execute and deliver this Agreement on behalf of such Stockholder and to thereby bind such Stockholder), to consummate the transactions contemplated by this Agreement and to comply with the provisions of this Agreement. This Agreement has been duly executed and delivered by such Stockholder and, assuming due authorization, execution and delivery by Parent, constitutes a valid and binding obligation of such Stockholder, enforceable against such Stockholder in accordance with its terms, except to the extent that enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws now or hereafter in effect relating to creditors rights generally, and (ii) general principles of equity. If such Stockholder is a natural person, such Stockholder is married and the Subject Shares of such Stockholder constitute community property or if spousal or other approval is required for this Agreement to be legal, valid and binding, this Agreement has been duly authorized, executed and delivered by, and constitutes a valid and binding agreement of, such Stockholder s spouse, enforceable against such spouse in accordance with its terms.

(b) No Conflicts; Consents. The execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the compliance by such Stockholder with the

terms of this Agreement will not conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of, or result in termination, cancelation or acceleration of any material obligation or to a loss of a material benefit under, or result in the creation of any Lien in or upon any of Subject Shares under, (i) if such Stockholder is not a natural person, any provision of any certificate of incorporation, bylaws or trust (or similar organizational documents) of such Stockholder, (ii) any Contract to or by which such Stockholder is a party or to or by which such Stockholder s properties or assets (including such Stockholder s Subject Shares) are bound or subject or (iii) subject to the governmental filings and other matters referred to in the following sentence, any Law or Judgment, in each case, applicable to such Stockholder or to such Stockholder s properties or assets (including such Stockholder s Subject Shares) other than, in the case of clauses (ii) and (iii) of this paragraph, any such conflicts, violations, breaches, defaults, terminations, cancellations, accelerations, rights, losses, or Liens that individually or in the aggregate would not reasonably be expected to (x) impair in any material respect the ability of such Stockholder to perform its obligations under this Agreement or (y) prevent or materially impede or delay the consummation of any of the transactions contemplated by this Agreement. No consent, approval, order or authorization of, registration, declaration or filing with, or notice to any Governmental Entity (Consent) is required to be made by such Stockholder in connection with the execution and delivery of this Agreement by such Stockholder or the consummation by such Stockholder of the transactions contemplated by this Agreement, except for (1) filings with the SEC of such reports under the Exchange Act as may be required in connection with this Agreement and the transactions contemplated hereby (including, without limitation, any filing required under Section 13 or Section 16 under the Exchange Act), (2) filings or Consents contemplated by the Merger Agreement, (3) those Consents which have already been obtained or made and (4) any Consents that, if not obtained, made or given, individually or in the aggregate, would not reasonably be expected to (x) impair in any material respect the ability of such Stockholder to perform its obligations under this Agreement or (y) prevent or materially impede or delay the consummation of any of the transactions contemplated by this Agreement.

(c) Ownership. Such Stockholder is the beneficial owner of the number of shares of Company Common Stock set forth opposite such Stockholder s name on Schedules A and B, and such shares constitute all of the shares of Company Capital Stock held of record, beneficially owned or for which voting power or disposition power is held by such Stockholder as of the date of this Agreement. Such Stockholder has good and marketable title, free and clear of any Liens (other than any Liens applicable to shares of Company Common Stock that may exist pursuant to securities laws, under the Stockholder s organizational documents or customary Liens pursuant to the terms of any custody or similar agreement applicable to shares of Company Common Stock held in brokerage accounts), to those shares of Company Common Stock of which such Stockholder is the record owner. Such Stockholder does not own, of record or beneficially, (i) any shares of capital stock of the Company other than the shares of Company Common Stock set forth opposite such Stockholder s name on Schedules A and B or (ii) any option, warrant, call or other right to acquire or receive capital stock or other equity or voting interests in the Company. Such Stockholder has the right to vote and Transfer such Stockholder s shares of Company Common Stock, and, subject to applicable securities laws and the terms of this Agreement, none of such Stockholder s shares of Company Common Stock are subject to any voting trust or other agreement, arrangement or restriction with respect to the voting or the Transfer of such Stockholder s shares of Company Common Stock that would reasonably be expected to (x) impair in any material respect the ability of such Stockholder to perform its obligations under this Agreement or (y) prevent or materially impede or delay the consummation of any of the transactions contemplated by this Agreement.

(d) Information. None of the information relating to such Stockholder provided by or on behalf of such Stockholder in writing for inclusion or incorporation by reference in the Form S-4 will, at the time the Form S-4 or any amendment or supplement thereto is declared effective under the Securities Act, contain any untrue statement of material fact or omit to state any material fact required to be stated

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therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

SECTION 2. Representations and Warranties of Parent. Parent hereby represents and warrants to each Stockholder as follows:

(a) Organization; Authority; Execution and Delivery; Enforceability. Parent is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization (except, in the case of good standing, for entities organized under the laws of any jurisdiction that does not recognize such concept). The execution and delivery of this Agreement by Parent, the consummation by Parent of the transactions contemplated by this Agreement and the compliance by Parent with the provisions of this Agreement have been duly authorized by all necessary corporate action on the part of Parent and its governing body or stockholders, as applicable, and no other corporate proceedings on the part of Parent (or its governing body or stockholders, as applicable) are necessary to authorize this Agreement, to comply with the terms of this Agreement or to consummate the transactions contemplated by this Agreement. Parent has all requisite corporate power and authority to execute and deliver this Agreement (and each person (used herein as defined in the Merger Agreement) executing this Agreement on behalf of Parent has full power, authority and capacity to execute and deliver this Agreement on behalf of Parent and to thereby bind Parent), to consummate the transactions contemplated by this Agreement and to comply with the provisions of this Agreement. This Agreement has been duly executed and delivered by Parent and, assuming due authorization (in the case of each Stockholder that is not a natural person), execution and delivery by each Stockholder, constitutes a valid and binding obligation of Parent, enforceable against Parent in accordance with its terms, except to the extent that enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws now or hereafter in effect relating to creditors rights generally, and (ii) general principles of equity.

(b) No Conflicts; Consents. The execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and compliance by Parent with the terms of this Agreement will not conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of, or result in termination, cancelation or acceleration of any material obligation or to a loss of a material benefit under, or result in the creation of any Lien upon any of the properties or assets of Parent under, or give rise to any increased, additional, accelerated or guaranteed rights or entitlements under, any provision of (i) the certificate of incorporation or bylaws of Parent, (ii) any Contract or Permit to which or by which Parent is a party or bound or to or by which any of the properties or assets of Parent is subject or bound or otherwise under which Parent has rights or benefits or (iii) subject to the governmental filings and other matters referred to in the following sentence, any Law or Judgment, in each case, applicable to Parent or its properties or assets other than, in the case of clauses (ii) and (iii), any such conflicts, violations, breaches, defaults, terminations, cancellations, accelerations, losses, Liens, rights or entitlements that individually or in the aggregate could not reasonably be expected to (x) impair in any material respect the ability of Parent to perform its obligations under this Agreement or (y) prevent or materially impede or delay the consummation of any of the transactions contemplated by this Agreement. No Consent is required by or with respect to Parent in connection with the execution and delivery of this Agreement by Parent or the consummation by Parent of the transactions contemplated hereby, other than as contemplated by the Merger Agreement.

SECTION 3. Covenants of Each Stockholder. Each Stockholder severally covenants and agrees, during the term of this Agreement, as follows:

(a) At any meeting of the stockholders of the Company called to vote upon the Merger Agreement, the Merger or any of the other transactions contemplated by the Merger Agreement, or at any postponement or adjournment thereof, or in any other circumstances upon which a vote, consent,

adoption or other approval with respect to the Merger Agreement, the Merger or any of the other transactions contemplated by the Merger Agreement is sought, such Stockholder shall (i) appear at such meeting or otherwise cause its Subject Shares to be counted as present thereat for purposes of calculating a quorum and (ii) vote (or cause to be voted) all of such Stockholder s Subject Shares in favor of, and shall consent to (or cause to be consented to), the adoption of the Merger Agreement and the approval of the terms thereof and of the Merger and each of the other transactions contemplated by the Merger Agreement; provided, that in each case, the Merger Agreement shall not have been amended or modified without such Stockholder s consent (1) to decrease the Merger Consideration, (2) to change the form of Merger Consideration or (3) otherwise in a manner adverse to such Stockholder. Such Stockholder shall be free to vote (or cause to be voted) all of its remaining shares of Company Common Stock in excess of the Subject Shares as it determines in its sole discretion.

(b) At any meeting of the stockholders of the Company or at any postponement or adjournment thereof or in any other circumstances upon which a vote, consent, adoption or other approval is sought, such Stockholder shall vote (or cause to be voted) all of such Stockholder s Subject Shares against, and shall not (and shall not commit or agree to) consent to (or cause to be consented to), any of the following: (i) any Company Takeover Proposal or any Acquisition Agreement constituting or relating to any Company Takeover Proposal or (ii) any amendment of the Company Charter or the Company Bylaws (other than pursuant to and as permitted by the Merger Agreement) or any other proposal, action, agreement or transaction which, in the case of this clause (ii), would (A) result in a breach of any covenant, agreement, obligation, representation or warranty of the Company contained in the Merger Agreement or of the Stockholders contained in this Agreement, (B) prevent, impede, interfere or be inconsistent with, delay, discourage or adversely affect the timely consummation of the Merger or the other transactions contemplated by the Merger Agreement or by this Agreement, or (C) change in any manner the voting rights of the Company Common Stock (the matters described in clauses (i) and (ii), collectively, the Vote-Down Matters); provided, that in each case, the Merger Agreement shall not have been amended or modified without such Stockholder s consent (1) to decrease the Merger Consideration, (2) to change the form of Merger Consideration or (3) otherwise in a manner adverse to such Stockholder.

(c) With respect to the Stockholders, Subject Shares shall mean, as of any date of determination, a number of shares of Company Common Stock in the aggregate equal to the lesser of (i) 25% of the total number of outstanding shares of Company Common Stock as of such date and (ii) the number of shares of Company Common Stock held by the Stockholders as of such date.

(d) Such Stockholder shall not, directly or indirectly, (i) sell, transfer, pledge, exchange, assign, tender or otherwise dispose of (including by gift, merger or otherwise by operation of law) (collectively, Transfer), any Subject Shares (or any interest therein) or any rights to acquire any securities or equity interests of the Company, or enter into any Contract, option, call or other arrangement with respect to the Transfer (including any profit-sharing or other derivative arrangement) of any Subject Shares (or any interest therein) or any rights to acquire any securities or equity interests of the Company, to any person other than pursuant to this Agreement or the Merger Agreement, unless prior to any such Transfer the transferee of such Stockholder s Subject Shares is a party to this Agreement, enters into a stockholder agreement with Parent on terms substantially identical to the terms of this Agreement or agrees to become a party to this Agreement pursuant to a customary joinder agreement reasonably satisfactory to Parent, (ii) enter into any voting arrangement, whether by proxy, voting agreement, voting trust or otherwise, with respect to any Subject Shares or rights to acquire any securities or equity interests of the Company, other than this Agreement or (iii) commit or agree to the foregoing in clauses (i) and (ii). At the request of Parent, each certificate or other instrument representing any Subject Shares shall bear a legend that such Subject Shares are subject to the provisions of this Agreement, including this Section 3(d). Notwithstanding the foregoing, such Stockholder will be permitted to engage in hedging transactions so long as such Stockholder retains sole voting power with respect to the Subject Shares.

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(e) (i) Such Stockholder shall not commit or agree to take any action inconsistent with the transactions contemplated by, or the terms of, this Agreement. Such Stockholder hereby consents to and approves the actions taken by the Board of Directors of the Company in approving and declaring advisable the Merger. Such Stockholder hereby waives any rights of appraisal, or rights to dissent from the Merger, that such Stockholder may have with respect to the Subject Shares and agrees not to commence or join in, and agrees to take all actions necessary to opt out of any class in any class action with respect to, any claim, derivative or otherwise, against Parent, Sub, the Company or any of their respective successors (A) challenging the validity of, or seeking to enjoin the operation of, any provision of this Agreement or (B) alleging a breach of any fiduciary duty of any person in connection with the negotiation and entry into the Merger Agreement.

(ii) Such Stockholder shall not, directly or indirectly, issue any press release or make any other public statement with respect to the Merger Agreement, this Agreement, the Merger or any of the other transactions contemplated by the Merger Agreement or by this Agreement without the prior written consent of Parent, except as may be required by applicable Law or court process provided, that the foregoing shall not apply to any disclosure required to be made by such Stockholder to the SEC or other Governmental Entity, including any amendment of any Schedule 13D, so long as such disclosure is consistent with the terms of this Agreement and the Merger Agreement and the public statements made by the Company and Parent pursuant to the terms of the Merger Agreement.

(f) Such Stockholder hereby agrees that, in the event (i) of any stock or extraordinary dividend or other distribution, stock split, reverse stock split, recapitalization, reclassification, reorganization, combination or other like change, of or affecting the Company Common Stock or (ii) that such Stockholder purchases or otherwise acquires beneficial ownership of or an interest in, or acquires the right to vote or share in the voting of, any shares of capital stock of the Company, in each case after the execution of this Agreement (including by conversion, exercise, operation of law or otherwise) (collectively, the New Shares), such Stockholder shall deliver promptly (and in any event within 48 hours of such acquisition by such Stockholder) to Parent written notice of its acquisition or receipt of New Shares which notice shall state the number of New Shares so acquired or received. Such Stockholder agrees that any New Shares acquired or received by such Stockholder pursuant to clause (i) or (ii) of this paragraph shall, subject to Section 3(c), be deemed to be Subject Shares.

(g) Disclosure. Such Stockholder hereby authorizes the Company and Parent to publish and disclose in any press release or public announcement or in any disclosure required by the SEC and in the Form S-4 and Proxy Statement such Stockholder s identity and ownership of such Stockholder s Subject Shares and the nature of such Stockholder s obligations under this Agreement.

SECTION 4. Grant of Irrevocable Proxy; Appointment of Proxy. (a) Each Stockholder hereby irrevocably grants to, and appoints, Parent, and any individual designated in writing by Parent, and each of them individually, such Stockholder s proxy and attorney-in-fact (with full power of substitution and re-substitution), for and in the name, place and stead of such Stockholder, to vote all of such Stockholder s Subject Shares at any meeting of stockholders of the Company or any adjournment or postponement thereof, or grant a consent or approval in respect of such Stockholder s Subject Shares, in a manner consistent with the provisions of Section 3(a)-(b); provided, that with respect to any Subject Shares that are Transferred pursuant to Section 3(d), the proxy granted in this Section 4 shall terminate upon the consummation of such permitted Transfer. The proxy granted in this Section 4 shall expire upon the termination of this Agreement.

(b) Each Stockholder represents that any proxies heretofore given in respect of such Stockholder s Subject Shares are not irrevocable, and that all such proxies are hereby revoked.

(c) Each Stockholder hereby affirms that the irrevocable proxy set forth in this Section 4 is given in connection with the execution of the Merger Agreement, and that such irrevocable proxy is given to secure the performance of the duties of such Stockholder under this Agreement. Each Stockholder hereby further affirms that the irrevocable proxy is coupled with an interest and may under no

circumstances be revoked. Each Stockholder hereby ratifies and confirms all that such irrevocable proxy may lawfully do or cause to be done by virtue hereof. Each such irrevocable proxy is executed and intended to be irrevocable in accordance with the provisions of Section 212(e) of the DGCL.

SECTION 5. Further Assurances. Each Stockholder shall, from time to time, execute and deliver, or cause to be executed and delivered, such additional or further consents, documents and other instruments as Parent may reasonably request for the purpose of effectuating the matters covered by this Agreement, including the grant of the proxies set forth in Section 4 of this Agreement.

SECTION 6. Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of Law or otherwise, by any of the parties hereto without the prior written consent of the other parties hereto, except that Parent may in its sole discretion assign all of its rights, interests or obligations under this Agreement to any direct or indirect wholly owned Subsidiary, but no such assignment shall relieve Parent of any of its obligations under this Agreement. Subject to the preceding sentences of this Section 6, this Agreement shall be binding upon, inure to the benefit of and be enforceable by, the parties hereto and their respective successors and assigns. Any purported assignment in violation of this Section 6 shall be void.

SECTION 7. Termination. This Agreement shall terminate upon the earlier of (i) the conclusion of the Company Stockholders Meeting at which the vote contemplated in Section 3(a) of this Agreement has occurred and the Subject Shares have been voted as specified therein, (ii) the date of any amendment, waiver or modification of Merger Agreement without the Stockholder s prior written consent that has the effect of (1) decreasing the Merger Consideration, (2) changing the form of Merger Consideration, in each case, payable to the stockholders of the Company pursuant to the Merger Agreement in effect on the date of this Agreement or (3) otherwise affecting such Stockholder in an adverse manner and (iii) the termination of the Merger Agreement in accordance with its terms; provided, that Section 8 of this Agreement shall survive and instead shall expire upon the expiration of all rights of Parent thereunder.

SECTION 8. General Provisions. (a) Amendments. This Agreement may not be amended except by an instrument in writing signed by each of the parties hereto.

(b) No Ownership Interest. Nothing contained in this Agreement shall be deemed to vest in Parent any direct or indirect ownership or incidence of ownership (whether beneficial ownership or otherwise) of or with respect to any Subject Shares. All rights, ownership and economic benefits of and relating to the Subject Shares shall remain vested in and belong to the applicable Stockholder, and Parent shall have no authority to direct any Stockholder in the voting or disposition of any of the Subject Shares, except as otherwise provided herein.

(c) Capacity as Stockholder. Each Stockholder signs this Agreement solely in such Stockholder s capacity as a stockholder of the Company, and not in such Stockholder s capacity as a director (including director by deputization), officer or employee of the Company, if applicable. Nothing herein shall be construed to limit or affect any actions or inactions by such Stockholder or any representative of Stockholder, as applicable, serving as a director of the Company or any Subsidiary of the Company, acting in such person s capacity as a director of the Company or any Subsidiary of the Company.

(d) Notices. All notices, requests or other communications to any party hereunder shall be in writing and shall be deemed given if delivered personally, by facsimile (which is confirmed), emailed (which is confirmed) or sent by Federal Express, UPS, DHL or similar courier service (providing proof of delivery), to Parent in accordance with Section 9.02 of the Merger Agreement and to the Stockholders at their respective addresses set forth on Schedule A (or at such other address for a party as shall be specified by notice given in accordance with this Section 8(d)). All

such notices, requests and other communications shall be deemed received on the date of actual receipt by the recipient

thereof if received prior to 5:00 p.m. local time in the place of receipt and such day is a business day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding business day in the place of receipt.

(e) Interpretation. When a reference is made in this Agreement to a Section or a Schedule, such reference shall be to a Section of, or a Schedule to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words include , includes or including are used in this Agreement, they shall be deemed to be followed by the words without limitation . The words hereof , herein and hereunder and words of similar import when used in this Agreeme shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The words date hereof when used in this Agreement shall refer to the date of this Agreement. The terms or , any and either are not exclusive. The word extent in the phrase to the extent shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply if . The word will shall be construed to have the same meaning and effect as the word shall . The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any agreement, instrument or Law defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or Law as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. References to a person are also to its permitted successors and assigns.

(f) Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile or electronic mail), each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other parties hereto.

(g) Entire Agreement; No Third-Party Beneficiaries. This Agreement (a) constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter of this Agreement and (b) is not intended to confer upon any person other than the parties hereto and their respective successors and assigns any rights (legal, equitable or otherwise, except the rights conferred upon those persons specified as proxies in Section 4) or remedies, whether as third party beneficiaries or otherwise.

(h) Governing Law. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of Delaware, regardless of the Laws that might otherwise govern under applicable principles of conflicts of Laws thereof.

(i) Severability. If any term, condition or other provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other terms, provisions and conditions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term, condition or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable Law.

(j) Consent to Jurisdiction; Service of Process; Venue. All Actions arising out of or relating to this Agreement or any other transaction contemplated hereby shall be heard and determined in the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware declines to accept jurisdiction over any Action, any state or federal court within the State of Delaware) (such courts, the Delaware Courts). The parties hereto hereby irrevocably (i) submit to the exclusive jurisdiction and venue of the Delaware Courts in any such Action, (ii) waive the defense of an inconvenient forum or lack of jurisdiction to the maintenance of any such Action brought in the

Delaware Courts, (iii) agree to not contest the jurisdiction of the Delaware Courts in any such Action, by motion or otherwise and (iv) agree to not bring any Action arising out of or relating to this Agreement or any transaction contemplated hereby in any court other than the Delaware Courts, except for Actions brought to enforce the judgment of any such court. The consents to jurisdiction and venue set forth in this Section 8(j) shall not constitute general consents to service of process in the State of Delaware and shall have no effect for any purpose except as provided in this paragraph and shall not be deemed to confer rights on any Person other than the parties hereto. Each party hereto agrees that service of process upon such party in any Action arising out of or relating to this Agreement shall be effective if notice is given by Federal Express, UPS, DHL or similar courier service to the address set forth in Section 8(d) of this Agreement. The parties hereto agree that a final judgment in any such Action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Law; provided, however, that nothing in the foregoing shall restrict any party s rights to seek any post-judgment relief regarding, or any appeal from, a final trial court judgment.

(k) Enforcement. The parties hereto agree that irreparable damage for which monetary relief, even if available, would not be an adequate remedy, would occur in the event that any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached, including if the parties hereto fail to take any action required of them hereunder to consummate this Agreement and the transactions contemplated hereby. Subject to the following sentence, the parties acknowledge and agree that (a) the parties shall be entitled to an injunction or injunctions, specific performance or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in the courts described in Section 8(j) without proof of damages or otherwise, this being in addition to any other remedy to which they are entitled under this Agreement and (b) the right of specific enforcement is an integral part of this Agreement and the transactions contemplated hereby and without that right neither Parent nor the Stockholders would have entered into this Agreement. The parties hereto agree not to assert that a remedy of specific enforcement is unenforceable, invalid, contrary to Law or inequitable for any reason, and not to assert that a remedy of monetary damages would provide an adequate remedy or that the parties otherwise have an adequate remedy at law. The parties hereto acknowledge and agree that any party seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in accordance with this Section 8(k) shall not be required to provide any bond or other security in connection with any such order or injunction.

(l) WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVER, (C) IT MAKES SUCH WAIVER VOLUNTARILY AND (D) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 8(L).

(m) Expenses. All fees, costs and expenses (including all legal, accounting, broker, finder or investment banker fees) incurred in connection with this Agreement and the transactions contemplated hereby are to be paid by the party incurring such fees, costs and expenses.

[*Signature page follows*]

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IN WITNESS WHEREOF, Parent has caused this Agreement to be signed by its officer thereunto duly authorized and each Stockholder has signed this Agreement, all as of the date first written above.

CINCINNATI BELL INC.

by

/s/ Leigh R. Fox
Name: Leigh R. Fox
Title: President and Chief Executive Officer

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STOCKHOLDERS:

TWIN HAVEN SPECIAL OPPORTUNITIES FUND III, L.P.,

by Twin Haven Special Opportunities Partners III, L.L.C., its general partner

By: /s/ Robert Webster
Name: Robert Webster
Title: Managing Member

TWIN HAVEN SPECIAL OPPORTUNITIES PARTNERS III, L.L.C.

By: /s/ Robert Webster
Name: Robert Webster
Title: Managing Member

TWIN HAVEN SPECIAL OPPORTUNITIES FUND IV, L.P.

by Twin Haven Special Opportunities Partners IV, L.L.C., its general partner

By: /s/ Robert Webster
Name: Robert Webster
Title: Managing Member

TWIN HAVEN SPECIAL OPPORTUNITIES PARTNERS IV, L.L.C.

By: /s/ Robert Webster
Name: Robert Webster
Title: Managing Member

TWIN HAVEN CAPITAL PARTNERS, L.L.C.

By: /s/ Robert Webster
Name: Robert Webster
Title: Managing Member

/s/ Robert Webster
Robert Webster

/s/ Paul Mellinger
Paul Mellinger

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Schedule A

Company Common Stock

Name and Address of Stockholder	Number of Subject Shares Owned Beneficially
Twin Haven Special Opportunities Fund III, L.P. c/o Twin Haven Capital Partners, L.L.C. 33 Riverside Avenue, 3rd Floor Westport, Connecticut 06880 Telephone: (203) 293-1813	1,457,000
Twin Haven Special Opportunities Fund IV, L.P. c/o Twin Haven Capital Partners, L.L.C. 33 Riverside Avenue, 3rd Floor Westport, Connecticut 06880 Telephone: (203) 293-1813	1,153,000

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Schedule B

Name and Address of Stockholder	Number of Shares Subject to Outstanding Vested Restricted Stock Unit Awards
Robert Webster c/o Twin Haven Capital Partners, L.L.C. 33 Riverside Avenue, 3rd Floor Westport, Connecticut 06880 Telephone: (203) 293-1813	2,599

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ANNEX C

[UBS Letterhead]

July 9, 2017

The Board of Directors

Hawaiian Telcom Holdco, Inc.

1177 Bishop Street

Honolulu, Hawaii 96813

Dear Members of the Board:

We understand that Hawaiian Telcom Holdco, Inc., a Delaware corporation (the Company), is considering a transaction whereby Cincinnati Bell Inc., an Ohio corporation (Cincinnati Bell), will effect a merger involving the Company. Pursuant to the terms of an Agreement and Plan of Merger, draft dated July 9, 2017 (the Agreement), among Cincinnati Bell, the Company and Twin Acquisition Corp., a Delaware corporation and wholly owned subsidiary of Cincinnati Bell (Merger Sub), Merger Sub will merge with and into the Company (the Merger) and, as a result of the Merger, the Company will become a wholly owned subsidiary of Cincinnati Bell (the Transaction). Pursuant to the terms of the Agreement, as a result of the Merger, other than with respect to Excluded Shares (as defined in the Agreement) and issued and outstanding shares of the common stock, par value $0.01 per share, of the Company (Company Common Stock) held immediately prior to the effective time of the Merger by (a) the Company as treasury stock, (b) Cincinnati Bell or Merger Sub or (c) any direct or indirect wholly owned subsidiary of the Company or of Cincinnati Bell (other than Merger Sub) (together with the Excluded Shares, the Excepted Shares): (i) each share of Company Common Stock with respect to which an election to receive only common shares, par value $0.01 per share, of Cincinnati Bell (Cincinnati Bell Common Shares and, such election a Share Election) has been validly made and not revoked will be converted into the right to receive 1.6305 Cincinnati Bell Common Shares (the Share Consideration); (ii) each share of Company Common Stock with respect to which an election to receive both Cincinnati Bell Common Shares and cash (a Mixed Election) has been validly made and not revoked will be converted into the right to receive (A) 0.6522 Cincinnati Bell Common Shares plus (B) $18.45 in cash (the Mixed Consideration); (iii) each share of Company Common Stock with respect to which an election to receive only cash (a Cash Election) has been validly made and not revoked will be converted into the right to receive $30.75 in cash (the Cash Consideration ; the aggregate amount of the Share Consideration, the Mixed Consideration and the Cash Consideration to be received by holders of Company Common Stock (other than holders of Excepted Shares) being referred to as the Aggregate Merger Consideration); and (iv) each share of Company Common Stock, other than shares as to which a Share Election, Mixed Election or Cash Election has been validly made and not revoked, will be converted into the right to receive the Mixed Consideration, all such Share Elections and Cash Elections being subject to the proration mechanisms, procedures and limitations contained in the Agreement, as to which proration mechanisms, procedures and limitations we are expressing no opinion. The terms and conditions of the Transaction are more fully set forth in the Agreement.

You have requested our opinion as to the fairness, from a financial point of view, to the holders of Company Common Stock (other than holders of Excepted Shares) of the Aggregate Merger Consideration to be received by such holders in the Transaction.

UBS Securities LLC (UBS) has acted as financial advisor to the Company in connection with the Transaction and will receive a fee for its services, a portion of which is payable in connection with this opinion and a significant portion of which is contingent upon consummation of the Transaction. In addition, the Company has agreed to reimburse certain of our expenses arising, and indemnify us against certain liabilities that may arise, out of our engagement. In the past, UBS and its affiliates have provided investment banking, commercial banking and other financial services to the Company and Cincinnati Bell. In the ordinary course of

business, UBS and its affiliates may hold or trade, for their own accounts and the accounts of their customers, securities of the Company and Cincinnati Bell and, accordingly, may at any time hold a long or short position in such securities. The issuance of this opinion was approved by an authorized committee of UBS.

Our opinion does not address any other aspect or implication of the Transaction or the Agreement, including, without limitation, the relative merits of the Transaction as compared to other business strategies or transactions that might be available with respect to the Company or the Company s underlying business decision to effect the Transaction. Our opinion does not constitute a recommendation to any stockholder as to how such stockholder should vote or act with respect to the Transaction. In addition, our opinion does not address, or constitute a recommendation with respect to, any particular stockholder election. At your direction, we have not been asked to, nor do we, offer any opinion as to the terms, other than the Aggregate Merger Consideration to the extent expressly specified herein, of the Agreement or any related documents (including, without limitation, any voting agreements entered into by any holders of the Company Common Stock) or the structure or form of the Transaction. In addition, we express no opinion as to the fairness of the amount or nature of any compensation to be received by any officers, directors or employees of any parties to the Transaction, or any class of such persons, whether relative to the Aggregate Merger Consideration or otherwise. We express no opinion as to what the value of Cincinnati Bell Common Shares will be when issued pursuant to the Transaction or the prices at which Cincinnati Bell Common Shares or Company Common Stock will trade at any time. In rendering this opinion, we have assumed, with your consent, that (i) the final executed form of the Agreement will not differ in any material respect from the draft that we have reviewed dated July 9, 2017, (ii) the parties to the Agreement will comply with all material terms of the Agreement, and (iii) the Transaction will be consummated in accordance with the terms of the Agreement and in accordance with all applicable laws and other relevant documents or requirements, without any adverse waiver, modification or amendment of any material term or condition thereof. We also have assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any material adverse effect on the Company, Cincinnati Bell or the Transaction.

In arriving at our opinion, we have, among other things: (i) reviewed certain publicly available business and financial information relating to the Company and Cincinnati Bell; (ii) reviewed certain internal financial information and other data relating to the businesses and financial prospects of the Company that were not publicly available, including financial forecasts and estimates prepared by the management of the Company that you have directed us to utilize for purposes of our analysis; (iii) reviewed certain internal financial information and other data relating to the businesses and financial prospects of Cincinnati Bell that were not publicly available, including financial forecasts and estimates prepared by the management of the Company that you have directed us to utilize for purposes of our analysis, certain of which forecasts include certain pro forma effects of the Transaction and the proposed acquisition of OnX Holdings LLC by Cincinnati Bell (the OnX Acquisition) and certain estimates of synergies prepared by the management of Cincinnati Bell with respect to the Transaction and the OnX Acquisition; (iv) conducted discussions with members of the senior managements of the Company and Cincinnati Bell concerning the businesses and financial prospects of the Company and Cincinnati Bell; (v) performed discounted cash flow analyses of the Company and Cincinnati Bell in

which we analyzed the future cash flows of the Company and Cincinnati Bell using financial forecasts and estimates prepared by the management of the Company; (vi) reviewed publicly available financial and stock market data with respect to certain other companies we believe to be generally relevant; (vii) compared the financial terms of the Transaction with the publicly available financial terms of certain other transactions we believe to be generally relevant; (viii) reviewed current and historical market prices of Company Common Stock and Cincinnati Bell Common Shares; (ix) reviewed the Agreement; and (x) conducted such other financial studies, analyses and investigations, and considered such other information, as we deemed necessary or appropriate. At your request, we have

contacted third parties to solicit indications of interest in a possible transaction with the Company and held discussions with certain of these parties prior to the date hereof.

In connection with our review, with your consent, we have assumed and relied upon, without independent verification, the accuracy and completeness in all material respects of the information provided to or reviewed by us for the purpose of this opinion. In addition, with your consent, we have not made any independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise) of the Company or Cincinnati Bell, nor have we been furnished with any such evaluation or appraisal. With respect to the financial forecasts, estimates, synergies and pro forma effects referred to above, we have assumed, at your direction, that they have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of (i) the management of the Company as to the future financial performance of the companies and (ii) the management of Cincinnati Bell as to such synergies and pro forma effects. In addition, we have assumed with your approval that the financial forecasts and estimates, including synergies and pro forma effects of the Transaction and the OnX Acquisition, referred to above will be achieved at the times and in the amounts projected. Our opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information available to us as of, the date hereof. We are not legal, regulatory, tax or accounting advisors, and we express no opinion as to any legal, regulatory, tax or accounting matters.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the Aggregate Merger Consideration to be received by the holders of Company Common Stock (other than holders of Excepted Shares) in the Transaction is fair, from a financial point of view, to such holders.

This opinion is provided for the benefit of the Board of Directors (in its capacity as such) in connection with, and for the purpose of, its evaluation of the Aggregate Merger Consideration in the Transaction.

Very truly yours,

/s/ UBS SECURITIES LLC

UBS SECURITIES LLC

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ANNEX D

APPRAISAL RIGHTS OF STOCKHOLDERS

DELAWARE GENERAL CORPORATION LAW

§ 262. Appraisal rights.

(a) Any stockholder of a corporation of this State who holds shares of stock on the date of the making of a demand pursuant to subsection (d) of this section with respect to such shares, who continuously holds such shares through the effective date of the merger or consolidation, who has otherwise complied with subsection (d) of this section and who has neither voted in favor of the merger or consolidation nor consented thereto in writing pursuant to § 228 of this title shall be entitled to an appraisal by the Court of Chancery of the fair value of the stockholder s shares of stock under the circumstances described in subsections (b) and (c) of this section. As used in this section, the word stockholder means a holder of record of stock in a corporation; the words stock and share mean and include what is ordinarily meant by those words; and the words depository receipt mean a receipt or other instrument issued by a depository representing an interest in 1 or more shares, or fractions thereof, solely of stock of a corporation, which stock is deposited with the depository.

(b) Appraisal rights shall be available for the shares of any class or series of stock of a constituent corporation in a merger or consolidation to be effected pursuant to § 251 (other than a merger effected pursuant to § 251(g) of this title and, subject to paragraph (b)(3) of this section, § 251(h) of this title), § 252, § 254, § 255, § 256, § 257, § 258, § 263 or § 264 of this title:

(1) Provided, however, that, except as expressly provided in § 363(b) of this title, no appraisal rights under this section shall be available for the shares of any class or series of stock, which stock, or depository receipts in respect thereof, at the record date fixed to determine the stockholders entitled to receive notice of the meeting of stockholders to act upon the agreement of merger or consolidation, were either: (i) listed on a national securities exchange or (ii) held of record by more than 2,000 holders; and further provided that no appraisal rights shall be available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the stockholders of the surviving corporation as provided in § 251(f) of this title.

(2) Notwithstanding paragraph (b)(1) of this section, appraisal rights under this section shall be available for the shares of any class or series of stock of a constituent corporation if the holders thereof are required by the terms of an agreement of merger or consolidation pursuant to §§ 251, 252, 254, 255, 256, 257, 258, 263 and 264 of this title to accept for such stock anything except:

a. Shares of stock of the corporation surviving or resulting from such merger or consolidation, or depository receipts in respect thereof;

b. Shares of stock of any other corporation, or depository receipts in respect thereof, which shares of stock (or depository receipts in respect thereof) or depository receipts at the effective date of the merger or consolidation will be either listed on a national securities exchange or held of record by more than 2,000 holders;

c. Cash in lieu of fractional shares or fractional depository receipts described in the foregoing paragraphs (b)(2)a. and b. of this section; or

d. Any combination of the shares of stock, depository receipts and cash in lieu of fractional shares or fractional depository receipts described in the foregoing paragraphs (b)(2)a., b. and c. of this section.

(3) In the event all of the stock of a subsidiary Delaware corporation party to a merger effected under § 251(h), § 253 or § 267 of this title is not owned by the parent immediately prior to the merger, appraisal rights shall be available for the shares of the subsidiary Delaware corporation.

(4) In the event of an amendment to a corporation s certificate of incorporation contemplated by § 363(a) of this title, appraisal rights shall be available as contemplated by § 363(b) of this title, and the procedures of this

section, including those set forth in subsections (d) and (e) of this section, shall apply as nearly as practicable, with the word amendment substituted for the words merger or consolidation , and the word corporation substituted for the words constituent corporation and/or surviving or resulting corporation .

(c) Any corporation may provide in its certificate of incorporation that appraisal rights under this section shall be available for the shares of any class or series of its stock as a result of an amendment to its certificate of incorporation, any merger or consolidation in which the corporation is a constituent corporation or the sale of all or substantially all of the assets of the corporation. If the certificate of incorporation contains such a provision, the provisions of this section, including those set forth in subsections (d), (e), and (g) of this section, shall apply as nearly as is practicable.

(d) Appraisal rights shall be perfected as follows:

(1) If a proposed merger or consolidation for which appraisal rights are provided under this section is to be submitted for approval at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, shall notify each of its stockholders who was such on the record date for notice of such meeting (or such members who received notice in accordance with § 255(c) of this title) with respect to shares for which appraisal rights are available pursuant to subsection (b) or (c) of this section that appraisal rights are available for any or all of the shares of the constituent corporations, and shall include in such notice a copy of this section and, if 1 of the constituent corporations is a nonstock corporation, a copy of § 114 of this title. Each stockholder electing to demand the appraisal of such stockholder s shares shall deliver to the corporation, before the taking of the vote on the merger or consolidation, a written demand for appraisal of such stockholder s shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such stockholder s shares. A proxy or vote against the merger or consolidation shall not constitute such a demand. A stockholder electing to take such action must do so by a separate written demand as herein provided. Within 10 days after the effective date of such merger or consolidation, the surviving or resulting corporation shall notify each stockholder of each constituent corporation who has complied with this subsection and has not voted in favor of or consented to the merger or consolidation of the date that the merger or consolidation has become effective; or

(2) If the merger or consolidation was approved pursuant to § 228, § 251(h), § 253, or § 267 of this title, then either a constituent corporation before the effective date of the merger or consolidation or the surviving or resulting corporation within 10 days thereafter shall notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger or consolidation and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and shall include in such notice a copy of this section and, if 1 of the constituent corporations is a nonstock corporation, a copy of § 114 of this title. Such notice may, and, if given on or after the effective date of the merger or consolidation, shall, also notify such stockholders of the effective date of the merger or consolidation. Any stockholder entitled to appraisal rights may, within 20 days after the date of mailing of such notice or, in the case of a merger approved pursuant to § 251(h) of this title, within the later of the consummation of the offer contemplated by § 251(h) of this title and 20 days after the date of mailing of such notice, demand in writing from the surviving or resulting corporation the appraisal of such holder s shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such holder s shares. If such notice did not notify stockholders of the effective date of the merger or consolidation, either (i) each such constituent corporation shall send a second notice before the effective date of the merger or consolidation notifying each of the holders of any class or series of stock of such constituent corporation that are entitled to appraisal rights of the effective date of the merger or consolidation or (ii) the surviving or resulting corporation shall send such a second notice to all such holders on or within 10 days after such effective date; provided, however, that if such second notice is sent more than 20 days following the sending of the first notice or, in the case of a merger approved pursuant to § 251(h) of this title, later than the later of the consummation of the offer contemplated by § 251(h) of this title and 20 days following the

sending of the first notice, such second notice need only be sent to each stockholder who is entitled

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to appraisal rights and who has demanded appraisal of such holder s shares in accordance with this subsection. An affidavit of the secretary or assistant secretary or of the transfer agent of the corporation that is required to give either notice that such notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. For purposes of determining the stockholders entitled to receive either notice, each constituent corporation may fix, in advance, a record date that shall be not more than 10 days prior to the date the notice is given, provided, that if the notice is given on or after the effective date of the merger or consolidation, the record date shall be such effective date. If no record date is fixed and the notice is given prior to the effective date, the record date shall be the close of business on the day next preceding the day on which the notice is given.

(e) Within 120 days after the effective date of the merger or consolidation, the surviving or resulting corporation or any stockholder who has complied with subsections (a) and (d) of this section hereof and who is otherwise entitled to appraisal rights, may commence an appraisal proceeding by filing a petition in the Court of Chancery demanding a determination of the value of the stock of all such stockholders. Notwithstanding the foregoing, at any time within 60 days after the effective date of the merger or consolidation, any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party shall have the right to withdraw such stockholder s demand for appraisal and to accept the terms offered upon the merger or consolidation. Within 120 days after the effective date of the merger or consolidation, any stockholder who has complied with the requirements of subsections (a) and (d) of this section hereof, upon written request, shall be entitled to receive from the corporation surviving the merger or resulting from the consolidation a statement setting forth the aggregate number of shares not voted in favor of the merger or consolidation and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. Such written statement shall be mailed to the stockholder within 10 days after such stockholder s written request for such a statement is received by the surviving or resulting corporation or within 10 days after expiration of the period for delivery of demands for appraisal under subsection (d) of this section hereof, whichever is later. Notwithstanding subsection (a) of this section, a person who is the beneficial owner of shares of such stock held either in a voting trust or by a nominee on behalf of such person may, in such person s own name, file a petition or request from the corporation the statement described in this subsection.

(f) Upon the filing of any such petition by a stockholder, service of a copy thereof shall be made upon the surviving or resulting corporation, which shall within 20 days after such service file in the office of the Register in Chancery in which the petition was filed a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached by the surviving or resulting corporation. If the petition shall be filed by the surviving or resulting corporation, the petition shall be accompanied by such a duly verified list. The Register in Chancery, if so ordered by the Court, shall give notice of the time and place fixed for the hearing of such petition by registered or certified mail to the surviving or resulting corporation and to the stockholders shown on the list at the addresses therein stated. Such notice shall also be given by 1 or more publications at least 1 week before the day of the hearing, in a newspaper of general circulation published in the City of Wilmington, Delaware or such publication as the Court deems advisable. The forms of the notices by mail and by publication shall be approved by the Court, and the costs thereof shall be borne by the surviving or resulting corporation.

(g) At the hearing on such petition, the Court shall determine the stockholders who have complied with this section and who have become entitled to appraisal rights. The Court may require the stockholders who have demanded an appraisal for their shares and who hold stock represented by certificates to submit their certificates of stock to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any stockholder fails to comply with such direction, the Court may dismiss the proceedings as to such stockholder. If immediately before the merger or consolidation the shares of the class or series of stock of the constituent corporation as to which appraisal rights are available were listed on a national securities exchange, the Court shall dismiss the proceedings as to all holders of such shares who are otherwise entitled to appraisal rights unless (1) the total number of shares entitled to

appraisal exceeds 1% of the outstanding shares of the class or series eligible for appraisal, (2) the value of the consideration provided in the merger or consolidation for such total number of shares exceeds $1 million, or (3) the merger was approved pursuant to § 253 or § 267 of this title.

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(h) After the Court determines the stockholders entitled to an appraisal, the appraisal proceeding shall be conducted in accordance with the rules of the Court of Chancery, including any rules specifically governing appraisal proceedings. Through such proceeding the Court shall determine the fair value of the shares exclusive of any element of value arising from the accomplishment or expectation of the merger or consolidation, together with interest, if any, to be paid upon the amount determined to be the fair value. In determining such fair value, the Court shall take into account all relevant factors. Unless the Court in its discretion determines otherwise for good cause shown, and except as provided in this subsection, interest from the effective date of the merger through the date of payment of the judgment shall be compounded quarterly and shall accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective date of the merger and the date of payment of the judgment. At any time before the entry of judgment in the proceedings, the surviving corporation may pay to each stockholder entitled to appraisal an amount in cash, in which case interest shall accrue thereafter as provided herein only upon the sum of (1) the difference, if any, between the amount so paid and the fair value of the shares as determined by the Court, and (2) interest theretofore accrued, unless paid at that time. Upon application by the surviving or resulting corporation or by any stockholder entitled to participate in the appraisal proceeding, the Court may, in its discretion, proceed to trial upon the appraisal prior to the final determination of the stockholders entitled to an appraisal. Any stockholder whose name appears on the list filed by the surviving or resulting corporation pursuant to subsection (f) of this section and who has submitted such stockholder s certificates of stock to the Register in Chancery, if such is required, may participate fully in all proceedings until it is finally determined that such stockholder is not entitled to appraisal rights under this section.

(i) The Court shall direct the payment of the fair value of the shares, together with interest, if any, by the surviving or resulting corporation to the stockholders entitled thereto. Payment shall be so made to each such stockholder, in the case of holders of uncertificated stock forthwith, and the case of holders of shares represented by certificates upon the surrender to the corporation of the certificates representing such stock. The Court s decree may be enforced as other decrees in the Court of Chancery may be enforced, whether such surviving or resulting corporation be a corporation of this State or of any state.

(j) The costs of the proceeding may be determined by the Court and taxed upon the parties as the Court deems equitable in the circumstances. Upon application of a stockholder, the Court may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorney s fees and the fees and expenses of experts, to be charged pro rata against the value of all the shares entitled to an appraisal.

(k) From and after the effective date of the merger or consolidation, no stockholder who has demanded appraisal rights as provided in subsection (d) of this section shall be entitled to vote such stock for any purpose or to receive payment of dividends or other distributions on the stock (except dividends or other distributions payable to stockholders of record at a date which is prior to the effective date of the merger or consolidation); provided, however, that if no petition for an appraisal shall be filed within the time provided in subsection (e) of this section, or if such stockholder shall deliver to the surviving or resulting corporation a written withdrawal of such stockholder s demand for an appraisal and an acceptance of the merger or consolidation, either within 60 days after the effective date of the merger or consolidation as provided in subsection (e) of this section or thereafter with the written approval of the corporation, then the right of such stockholder to an appraisal shall cease. Notwithstanding the foregoing, no appraisal proceeding in the Court of Chancery shall be dismissed as to any stockholder without the approval of the Court, and such approval may be conditioned upon such terms as the Court deems just; provided, however that this provision shall not affect the right of any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party to withdraw such stockholder s demand for appraisal and to accept the terms offered upon the merger or consolidation within 60 days after the effective date of the merger or consolidation, as set forth in subsection (e) of this section.

(l) The shares of the surviving or resulting corporation to which the shares of such objecting stockholders would have been converted had they assented to the merger or consolidation shall have the status of authorized and unissued shares of the surviving or resulting corporation.

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PART II INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 20. Indemnification of Directors and Officers

The following summary is qualified in its entirety by reference to the complete text of the General Corporation Law of Ohio (the OGCL), the Amended and Restated Articles of Incorporation of Cincinnati Bell, the Amended and Restated Regulations of Cincinnati Bell and the Corporate Governance Guidelines of Cincinnati Bell.

The Amended and Restated Articles of Incorporation of Cincinnati Bell do not address indemnification.

Article V of the Amended and Restated Regulations of Cincinnati Bell requires Cincinnati Bell to indemnify, to the full extent permitted by the OGCL, all persons whom it may indemnify pursuant thereto.

Section 9.2 of the Corporate Governance Guidelines of Cincinnati Bell provides that directors and officers of Cincinnati Bell are entitled to have Cincinnati Bell purchase reasonable directors and officers liability insurance on their behalf, and to receive the benefits of indemnification to the fullest extent permitted by law and Cincinnati Bell s regulations.

Section 1701.13(E) of the OGCL permits a corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, or is or was serving at the request of the corporation as a director or officer of another entity, because the person is or was a director or officer, against expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by the director or officer in connection with the suit, action or proceeding if (i) the director or officer acted in good faith and in a manner the director or officer reasonably believed to be in or not opposed to the best interests of the corporation, and (ii) with respect to any criminal action or proceeding, the director or officer had no reasonable cause to believe the director s or officer s conduct was unlawful. In the case of an action by or in the right of the corporation, however, such indemnification may only apply to expenses actually and reasonably incurred by the person in connection with the defense or settlement of such action and no such indemnification may be made if either (a) the director or officer has been adjudged to be liable for negligence or misconduct in the performance of the director s or officer s duty to the corporation, unless and only to the extent that the court in which the proceeding was brought determines that the director or officer is fairly and reasonably entitled to indemnification for such expenses as the court deems proper, or (b) the only liability asserted against a director in a proceeding relates to the director s approval of an impermissible dividend, distribution, redemption or loan. The OGCL further provides that to the extent a director or officer has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to above, the corporation must indemnify the director or officer against expenses actually and reasonably incurred by the director or officer in connection with the action, suit or proceeding.

Section 1701.13(E) of the OGCL permits a corporation to pay expenses (including attorneys fees) incurred by a director, officer, employee or agent as they are incurred, in advance of the final disposition of the action, suit or proceeding, as authorized by the corporation s directors and upon receipt of an undertaking by such person to repay such amount if it is ultimately determined that such person is not entitled to indemnification.

Section 1701.13(E) of the OGCL states that the indemnification provided thereby is not exclusive of, and is in addition to, any other rights granted to persons seeking indemnification under a corporation s articles or regulations, any agreement, a vote of the corporation s shareholders or disinterested directors, or otherwise. In addition, Section 1701.13(E) of the OGCL grants express power to a corporation to purchase and maintain insurance or furnish similar protection, including trust funds, letters of credit and self-insurance, for director, officer, employee or agent

liability, regardless of whether that individual is otherwise eligible for indemnification by the corporation.

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The OGCL also permits corporations to purchase and maintain insurance on behalf of any director or officer against any liability asserted against such director or officer and incurred by such director or officer in his capacity as a director or officer, whether or not the corporation would have the power to indemnify the director or officer against such liability under the OGCL.

Item 21. Exhibits and Financial Statement Schedules

Exhibit Number	Exhibit Description
2.1	Agreement and Plan of Merger, dated as of July 9, 2017, among Cincinnati Bell Inc., Twin Acquisition Corp. and Hawaiian Telcom Holdco, Inc. (included in the proxy statement/prospectus as Annex A)
3.1	Amended and Restated Articles of Incorporation of Cincinnati Bell Inc. (Exhibit 3.1 to the registrant s 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 Bell Inc. (Exhibit 3.1 to the registrant s 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 the registrant s Current Report on Form 8-K, date of Report April 25, 2008, File No. 1-8519)
5.1	Form of Opinion of Bosse Law, PLLC regarding legality of shares*
10.1	Voting Agreement, dated as of July 9, 2017, among Cincinnati Bell Inc., Twin Haven Capital Partners, L.L.C. and the affiliates of Twin Haven Capital Partners, L.L.C. party thereto (included in the proxy statement/prospectus as Annex B)
10.2	Amended and Restated Commitment Letter, dated as of July 24, 2017, among Cincinnati Bell Inc., Morgan Stanley Senior Funding, Inc., PNC Bank, National Association, PNC Capital Markets, LLC, Regions Bank, Barclays Bank PLC, Citigroup Global Markets Inc. and Citizens Bank, N.A.*
23.1	Consent of Deloitte & Touche LLP*
23.2	Consent of Deloitte & Touche LLP*
23.3	Consent of Bosse Law, PLLC (to be included in Exhibit 5.1)*
24.1	Power of Attorney*
99.1	Consent of UBS Securities LLC*
99.2	Form of Proxy Card of Hawaiian Telcom*
99.3	Form of Election Form and Letter of Transmittal*

* Filed herewith

Item 22. Undertakings

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933.

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(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser: if the registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(6) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant s annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan s annual report pursuant to Section 15(d) of the

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Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(7) That prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other items of the applicable form.

(8) That every prospectus (i) that is filed pursuant to the immediately preceding paragraph, or (ii) that purports to meet the requirements of Section 10(a)(3) of the Securities Act of 1933, and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(9) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions hereof, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

(10) To respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11 or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(11) To supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

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SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the city of Cincinnati and State of Ohio, on August 17, 2017.

CINCINNATI BELL INC.,

By: /s/ Christopher J. Wilson
Name: Christopher J. Wilson
Title: Vice President and General Counsel

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
*	President and Chief Executive Officer (principal executive officer)	August 17, 2017
Leigh R. Fox		
*	Chief Financial Officer	August 17, 2017
Andrew R. Kaiser	(principal financial officer)	
*	Vice President and Controller (principal accounting officer)	August 17, 2017
Joshua T. Duckworth		
*	Director	August 17, 2017
Phillip R. Cox		
*	Director	August 17, 2017
John W. Eck		
*	Director	August 17, 2017
Jakki L. Haussler		
*	Director	August 17, 2017
Craig F. Maier		

*	Director	August 17, 2017
Russel P. Mayer		
*	Director	August 17, 2017
Theodore H. Torbeck		
*	Director	August 17, 2017
Lynn A. Wentworth		
*	Director	August 17, 2017
Martin J. Yudkovitz		
*	Director	August 17, 2017
John M. Zrno		

* By: Christopher J. Wilson, attorney in fact for each person, on August 17, 2017.

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EXHIBIT INDEX

Exhibit Number	Exhibit Description
2.1	Agreement and Plan of Merger, dated as of July 9, 2017, among Cincinnati Bell Inc., Twin Acquisition Corp. and Hawaiian Telcom Holdco, Inc. (included in the proxy statement/prospectus as Annex A)
3.1	Amended and Restated Articles of Incorporation of Cincinnati Bell Inc. (Exhibit 3.1 to the registrant s 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 Bell Inc. (Exhibit 3.1 to the registrant s 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 the registrant s Current Report on Form 8-K, date of Report April 25, 2008, File No. 1-8519)
5.1	Form of Opinion of Bosse Law, PLLC regarding legality of shares*
10.1	Voting Agreement, dated as of July 9, 2017, among Cincinnati Bell Inc., Twin Haven Capital Partners, L.L.C. and the affiliates of Twin Haven Capital Partners, L.L.C. party thereto (included in the proxy statement/prospectus as Annex B)
10.2	Amended and Restated Commitment Letter, dated as of July 24, 2017, among Cincinnati Bell Inc., Morgan Stanley Senior Funding, Inc., PNC Bank, National Association, PNC Capital Markets, LLC, Regions Bank, Barclays Bank PLC, Citigroup Global Markets Inc. and Citizens Bank, N.A.*
23.1	Consent of Deloitte & Touche LLP*
23.2	Consent of Deloitte & Touche LLP*
23.3	Consent of Bosse Law, PLLC (to be included in Exhibit 5.1)*
24.1	Power of Attorney*
99.1	Consent of UBS Securities LLC*
99.2	Form of Proxy Card of Hawaiian Telcom*
99.3	Form of Election Form and Letter of Transmittal*

* Filed herewith